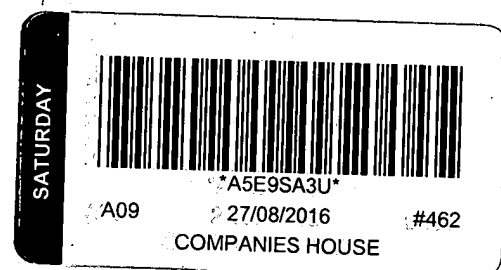


COMPANY REGISTRATION NUMBER: 04975821

AUTO UNION FINANCE PLC
Financial Statements
29 February 2016



AUTO UNION FINANCE PLC

Financial Statements

Year ended 29 February 2016

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AUTO UNION FINANCE PLC

Officers and Professional Advisers

The board of directors

J F Tiernan
N Sherwani
N Ainley
J Bradley

Registered office

8 Eagle Park Drive
Warrington
Cheshire
WA2 8JA

Business address

8 Eagle Park Drive
Warrington
Cheshire
WA2 8JA

Auditor

DPC Accountants Limited
Chartered accountant & statutory auditor
Vernon Road
Stoke on Trent
Staffordshire
ST4 2QY

AUTO UNION FINANCE PLC

Strategic Report

Year ended 29 February 2016

The directors present their report for the period ended 29th February 2016.

Business Review

The principal activities of the company are in its delivery of successful motor finance strategies to its network of motor dealership partners across the UK.

The company generates turnover from its specialist credit brokering activities.

The period saw a decrease in turnover due to a strategic concentration in activities in other parts of the business. This resulted in increased profits overall for the same period.

Conduct and Business Risk Assessment

The company has implemented policies and safeguards to mitigate these.

Price risks

The company is exposed to movements in lending rates and price increases imposed by motor manufacturers. However, the directors feel that any such movements can be absorbed due to the nature of the level playing field in which it operates.

Credit risks

The company operates appropriate due diligence across its business processes.

Liquidity and cash flow risks

The company has funding facilities in place to manage peaks in cash flow demands; such facilities are available for future expansion plans.

Provisions remain in place within its accounting policies to safeguard against liabilities.

Review of the Year

The consumer finance marketplace has returned to being a crowded space in which to operate. It continues to see existing high street lenders improve their offerings along with a constant stream of new entrants to the market. However, with its longevity of trading to draw upon, AUF intend to remain focused on further developing and utilising its core strengths in simplifying the importance of delivering financial services as a trusted and branded concierge to its established customer base thus allowing it to achieve sustainable and continued growth in this space.

The implementation of its specialist resource into key partners' businesses has performed in line with expectations and will continue to be developed during its next financial period.

This financial period saw it successfully build on its' early adoption of the principles set out by the industry's regulator; the Financial Conduct Authority. In doing so, the company used this period to build its partnerships with businesses that also placed these same policy principles at the centre of their own business models.

By echoing the FCA principles to its audience of new and existing dealer clients, it remains confident that its partners will welcome the opportunity to build long term trading relationships with it.

AUTO UNION FINANCE PLC

Strategic Report *(continued)*

Year ended 29 February 2016

Significant investment in the company's operational infrastructure has enabled the delivery of some of our most innovative technological advances to date. Such key developments in how it delivers client data results will vastly improve its partners' own experiences throughout their business processes.

Such operational advances have led to the company being able to deliver significantly improved efficiencies and performance to its clients, without the need for them to consider increasing resource or training costs thereby increasing the value of the services offered by the company.

The company is well positioned within the consumer finance market to build on the foundations built over previous years and fully expects to realise its growth plans in the period ahead.

The company anticipates continued growth during the 2016/17 financial period in its continued development of existing partner relationships and in the establishment of new strategic alliances using new technology platforms created by its infrastructure investment.

Applying the operational and compliance process structure that are now firmly in place within the business, the board feel that their proven business model will allow the company to fulfil its future growth plans

Our Mission

To become the UK's preferred "dealer finance" partner by seeking a fresh approach to motor finance whilst continually searching for innovative ideas to develop and provide bespoke solutions to benefit both new and existing long term partners.

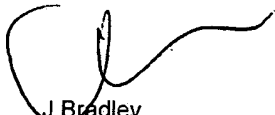
Our Values

Our unique proposition combines technology with people to provide a tailored personal concierge service to our customers. We continue to invest significantly in technology to support our partners and people and this state of the art technology (coupled with our strong customer centric ethos) provides our customers and dealer partners with outstanding service to allow both ourselves and our dealers to focus on integrity in how we operate and positive outcomes for our mutual customers.

Our Aims

We are committed to delivering a flexible personal approach to motor finance. We strive to understand and anticipate the unique needs of our customers and aim deliver positive outcomes. We continually look to develop our people and processes to achieve outstanding finance solutions to the point of sale retail motor finance market. We believe that by applying a consultative approach, our dedicated regional management team will ensure that our brand is firmly associated with excellence within the point of sale motor finance market.

This report was approved by the board of directors on 25 August 2016 and signed on behalf of the board by:



J Bradley
Director

AUTO UNION FINANCE PLC

Directors' Report

Year ended 29 February 2016

The directors present their report and the financial statements of the company for the year ended 29 February 2016.

Directors

The directors who served the company during the year were as follows:

J F Tiernan
N Sherwani
N Ainley
J Bradley

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future developments

The likely future developments of the business are included in the strategic report.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 23 to the financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The strategic report can be found on pages 2 to 3 of these financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
 - make judgments and accounting estimates that are reasonable and prudent;
 - state whether applicable 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.
-

AUTO UNION FINANCE PLC

Directors' Report *(continued)*

Year ended 29 February 2016

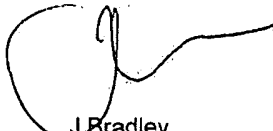
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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 auditor is aware of that information.

This report was approved by the board of directors on 25 August 2016 and signed on behalf of the board by:



J Bradley
Director

AUTO UNION FINANCE PLC

Independent Auditor's Report to the Shareholders of AUTO UNION FINANCE PLC

Year ended 29 February 2016

We have audited the financial statements of AUTO UNION FINANCE PLC for the year ended 29 February 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

AUTO UNION FINANCE PLC

Independent Auditor's Report to the Shareholders of AUTO UNION FINANCE PLC *(continued)*

Year ended 29 February 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Valerie Wood (Senior Statutory Auditor)

For and on behalf of
DPC Accountants Limited
Chartered accountant & statutory auditor
Vernon Road
Stoke on Trent
Staffordshire
ST4 2QY

25 August 2016

AUTO UNION FINANCE PLC

Statement of Income and Retained Earnings

Year ended 29 February 2016

	Note	2016 £	2015 £
Turnover	4	6,731,344	8,558,702
Cost of sales		(5,702,504)	(7,655,879)
Gross profit		1,028,840	902,823
Administrative expenses		(702,626)	(640,254)
Operating profit	5	326,214	262,569
Interest payable and similar charges	9	(409)	—
Profit on ordinary activities before taxation		325,805	262,569
Tax on profit on ordinary activities	10	(67,782)	(48,208)
Profit for the financial year and total comprehensive income		258,023	214,361
Dividends paid and payable	11	(63,000)	(150,000)
Retained losses at the start of the year		(32,657)	(97,018)
Retained earnings/(losses) at the end of the year		162,366	(32,657)

All the activities of the company are from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

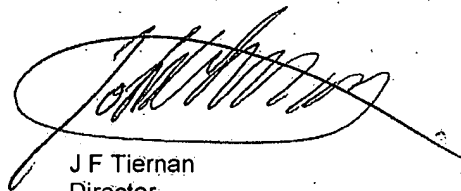
AUTO UNION FINANCE PLC

Statement of Financial Position

29 February 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	32,001	25,589
Current assets			
Debtors	13	551,099	611,249
Cash at bank and in hand	14	120,333	312
		<u>671,432</u>	<u>611,561</u>
Creditors: amounts falling due within one year	15	<u>(427,903)</u>	<u>(556,643)</u>
Net current assets		<u>243,529</u>	<u>54,918</u>
Total assets less current liabilities		<u>275,530</u>	<u>80,507</u>
Provisions			
Taxation including deferred tax	17	<u>(1,728)</u>	<u>(1,728)</u>
Net assets		<u>273,802</u>	<u>78,779</u>
Capital and reserves			
Called up share capital	20	45,000	45,000
Capital redemption reserve	21	66,436	66,436
Profit and loss account	21	162,366	(32,657)
Shareholders funds		<u>273,802</u>	<u>78,779</u>

These financial statements were approved by the board of directors and authorised for issue on 25 August 2016, and are signed on behalf of the board by:



J F Tiernan
Director

Company registration number: 04975821

The notes on pages 11 to 19 form part of these financial statements.

AUTO UNION FINANCE PLC

Statement of Cash Flows

Year ended 29 February 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the financial year		258,023	214,361
<i>Adjustments for:</i>			
Depreciation of tangible assets		17,664	11,354
Interest payable and similar charges		409	—
Tax on profit on ordinary activities		67,782	48,208
Accrued expenses/(income)		17,527	(48,645)
<i>Changes in:</i>			
Trade and other debtors		60,150	58,536
Trade and other creditors		(66,286)	37,597
Cash generated from operations		355,269	321,411
Interest paid		(409)	—
Tax paid		(49,206)	(45,714)
Net cash from operating activities		<u>305,654</u>	<u>275,697</u>
Cash flows from investing activities			
Purchase of tangible assets		(24,076)	(21,082)
Net cash used in investing activities		<u>(24,076)</u>	<u>(21,082)</u>
Cash flows from financing activities			
Proceeds from borrowings		—	(4,500)
Proceeds from loans from group undertakings		9,439	(30,278)
Dividends paid		(63,000)	(150,000)
Net cash used in financing activities		<u>(53,561)</u>	<u>(184,778)</u>
Net increase in cash and cash equivalents		228,017	69,837
Cash and cash equivalents at beginning of year		(107,684)	(177,521)
Cash and cash equivalents at end of year	14	<u>120,333</u>	<u>(107,684)</u>

The notes on pages 11 to 19 form part of these financial statements.

AUTO UNION FINANCE PLC

Notes to the Financial Statements

Year ended 29 February 2016

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. General information

Auto Union Finance PLC is a trading company providing services as a finance broker for new and used vehicles. The company is an unlisted public company limited by shares and is incorporated in England and Wales. The address of the registered office is 8 Eagle Park Drive, Warrington, Cheshire, WA2 8JA.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 March 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 27.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as detailed below.

As described in the accounting policies of the financial statements, depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual lives are reviewed annually and revised as appropriate. Revisions take in to account actual asset lives and residual values as evidence by disposals during current and prior accounting periods.

Revenue recognition

Turnover represents the total invoice value, excluding value added tax, of sales made during the year, together with commissions and bonuses received as a direct consequence of the invoiced amounts.

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Corporation tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	Straight line over 3 years
Motor vehicles	-	Straight line over 3 years
Equipment	-	Straight line over 3 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Employee benefits

The company provides a range of benefits to employees.

Short term benefits, including holiday pay, are recognised as an expense in the profit and loss account in the period in which they are incurred.

The company operates a defined contribution plan for its employees. Amounts in respect of defined contribution plans are recognised as an expense in the profit and loss account when they are due.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Rendering of services	<u>6,731,344</u>	<u>8,558,702</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	17,664	11,354
Defined contribution plans expense	<u>2,457</u>	<u>-</u>

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>8,299</u>	<u>9,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>-</u>	<u>49</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Direct staff	10	15
Non-direct staff	<u>17</u>	<u>11</u>
	<u>27</u>	<u>26</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	781,920	760,100
Social security costs	88,936	79,047
Other pension costs	<u>2,457</u>	<u>-</u>
	<u>873,313</u>	<u>839,147</u>

8. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2016	2015
	£	£
Remuneration	<u>12,032</u>	<u>12,313</u>

9. Interest payable and similar charges

	2016	2015
	£	£
Interest due on late corporation tax	<u>409</u>	<u>-</u>

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

10. Tax on profit on ordinary activities

Major components of tax expense

	2016 £	2015 £
Current tax:		
UK current tax expense	65,629	49,364
Adjustments in respect of prior periods	2,153	(1,156)
Total current tax	<u>67,782</u>	<u>48,208</u>
Tax on profit on ordinary activities	<u>67,782</u>	<u>48,208</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 21%).

	2016 £	2015 £
Profit on ordinary activities before taxation	325,805	262,569
Profit on ordinary activities by rate of tax	65,161	55,139
Adjustment to tax charge in respect of prior periods	2,153	(1,156)
Effect of expenses not deductible for tax purposes	415	299
Effect of capital allowances and depreciation	(570)	(3,711)
Effect of different UK tax rates on some earnings	275	402
Marginal relief	(37)	(770)
Group relief	—	(1,995)
Current year overprovision	385	—
Tax on profit on ordinary activities	<u>67,782</u>	<u>48,208</u>

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on equity shares	<u>63,000</u>	<u>150,000</u>

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

12. Tangible assets

	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 March 2015	12,029	–	228,998	241,027
Additions	–	11,000	13,076	24,076
At 29 February 2016	12,029	11,000	242,074	265,103
Depreciation				
At 1 March 2015	12,028	–	203,410	215,438
Charge for the year	1	3,668	13,995	17,664
At 29 February 2016	12,029	3,668	217,405	233,102
Carrying amount				
At 29 February 2016	–	7,332	24,669	32,001
At 28 February 2015	1	–	25,588	25,589

13. Debtors

	2016 £	2015 £
Trade debtors	217,371	284,213
Amounts owed by group undertakings	142,815	144,961
Prepayments and accrued income	20,875	27,186
Directors loan account	68,398	62,954
Other debtors	101,640	91,935
	551,099	611,249

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	120,333	312
Bank overdrafts	–	(107,996)
	120,333	(107,684)

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

15. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	—	107,996
Trade creditors	126,036	222,816
Amounts owed to group undertakings	50,289	40,850
Accruals and deferred income	36,013	18,486
Corporation tax	65,629	47,053
Social security and other taxes	29,299	48,847
Other creditors	120,637	70,595
	<u>427,903</u>	<u>556,643</u>

There is a debenture dated 8 June 2010 in favour of the bank incorporating a fixed and floating charge over the assets of the company.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 17)	<u>1,728</u>	<u>1,728</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	<u>1,728</u>	<u>1,728</u>

17. Provisions

	Deferred tax (note 16) £
At 1 March 2015 and 29 February 2016	<u>1,728</u>

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £2,457 (2015: £Nil).

19. Capital commitments

There were none, either contracted, or authorised but not contracted.

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

20. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £0.50 each	<u>90,000</u>	<u>45,000</u>	<u>90,000</u>	<u>45,000</u>

21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	<u>52,022</u>	56,736
Later than 1 year and not later than 5 years	<u>12,208</u>	—
	<u>64,230</u>	<u>56,736</u>

23. Events after the end of the reporting period

There were no material events after the end of the reporting period up to 25 August 2016, being the date of approval of the financial statements by the Board.

24. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	Advances/ (credits) to the directors		Amounts repaid		Balance outstanding	
	2016	2015	2016	2015	2016	2015
	£	£	£	£	£	£
J Bradley	<u>68,444</u>	<u>63,704</u>	<u>(63,000)</u>	<u>(90,000)</u>	<u>68,398</u>	<u>62,954</u>

The above directors had interest free loans during the year with no fixed repayment term.

By virtue of the overdrawn loan account, a liability to taxation exists under Section 455 of ICTA 2010 in the sum of £17,100 which will be either repaid or discharged when the loan is repaid. The loan has been fully repaid after the year end and therefore the Section 455 taxation liability has not been provided for.

AUTO UNION FINANCE PLC

Notes to the Financial Statements *(continued)*

Year ended 29 February 2016

25. Related party transactions

The following transactions took place between the company and its related parties:

i) J Bradley a company director;

£62,954 was due from the director at the start of the year. During the year the director introduced £63,000 to the company, and was advanced £68,444 from the company. £68,398 was due from the director at the year end and is shown in debtors.

ii) AUF Ltd, a fellow subsidiary;

£40,850 was due to the subsidiary at the start of the year. During the year there were amounts transferred to and net expenses incurred on behalf of the fellow subsidiary. Additionally a total of £80,652 was invoiced to AUF Ltd and £2,097 was outstanding at the year-end in respect of the sales ledger balance. A total of £3,276,721 was invoiced by AUF Ltd and £16,115 was outstanding at the year-end in respect of the purchase ledger balance. In aggregate £50,289 was due to the fellow subsidiary at the year end and is included in creditors.

iii) AUF Properties Ltd, the parent company;

£144,961 was due from the parent company at the start of the year. During the year rent was charged by the parent company of £34,560. £142,815 was due from the parent company at the year-end as is included in debtors.

26. Controlling party

The company is a subsidiary of AUF Properties Limited, a company incorporated in England and Wales, which is considered to be the ultimate parent company.

The ultimate controlling parties are Mr JF Tiernan and Mr N Sherwani, by virtue of their shareholding in the parent company.

27. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 March 2014.

No transitional adjustments were required in equity or profit or loss for the year.