

SuperDrive Investments (RF) Limited

(Reg. No. 2011/000895/07)

Annual Financial Statements

for the year ended 31 December 2014

In terms of S 29(1)(e)(ii) of the Companies Act 71 of 2008 as amended, we confirm that the preparation of the following financial statements is the responsibility of Clare Hadfield under the supervision of André Pottas CA (SA), Administrator.

The following financial statements have been audited in compliance with S 29(1)(e)(i) of the Companies Act 71 of 2008 as amended.

SuperDrive Investments (RF) Limited
(Registration number: 2011/000895/07)

Annual financial statements
for the year ended 31 December 2014

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SuperDrive Investments (RF) Limited

Directors' responsibility statement

for year ended 31 December 2014

The directors are responsible for the preparation and fair presentation of the annual financial statements of SuperDrive Investments (RF) Limited, comprising the statement of financial position at 31 December 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the businesses will not be a going concern in the year ahead.


The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of annual financial statements

The annual financial statements of SuperDrive Investments (RF) Limited set out on pages 4 to 36 were approved by the board of directors on 29 June 2015 and signed on their behalf by:



.....
A Krieger
Director



.....
WH Swanepoel
Director

SuperDrive Investments (RF) Limited

Directors' report

for the year ended 31 December 2014

General

The company was incorporated in South Africa on 11 January 2011 under the name of Mugwort Investment Holdings (Pty) Ltd. On 30 June 2011, the company was converted to a Public company and the name was changed to SuperDrive Investments (RF) Proprietary Limited. On 13 May 2013 the company name was subsequently changed to SuperDrive Investments (RF) Limited. On 2 September 2011, R2 000 000 000 asset backed securities were issued by the company and instalment sale vehicle assets of R2 580 645 161 were acquired from BMW Financial Services (South Africa) (Pty) Ltd ("BMW FS"). On 24 April 2012, an additional R1 500 000 000 asset backed securities were issued by the company and instalment sale vehicle assets of R1 935 488 395 were acquired from BMW FS. On the 21 August 2014 R926 000 000 asset backed securities were redeemed following which a new issue of R950 000 000 worth of asset backed securities were issued on the 15 September 2014 resulting in another vehicle asset acquisition from BMW FS of R950 000 998.

Nature of business

The main purpose of the company is to acquire the rights, title and interest in instalment sale agreements and the vehicles subject to such instalment sale agreement pursuant to a securitisation scheme with funds raised directly or indirectly by the issue of debt instruments and to manage the assets so acquired. The ordinary shares of the company are owned by the SuperDrive Investments Issuer Owner Trust. A separate security special purpose vehicle, SuperDrive Investments Guarantor SPV (RF) (Pty) Ltd ("Security SPV"), holds and will, if obliged to, realise security in the form of the instalment sale vehicle assets for the benefit of the debt security holders, having furnished a limited recourse guarantee to these parties. The company has indemnified the Security SPV in respect of claims made by the debt security holders and other creditors who are secured under the guarantee. As security for the indemnity, the company has ceded and pledged the assets of the company to the Security SPV. The ordinary shares of the Security SPV are owned by the SuperDrive Investments Guarantor SPV Owner Trust.

Financial results

The financial results of the company are set out in the financial statements and accompanying notes.

Directors' interest

The directors and officers have no interests in the company.

Directors' fees

Three of the directors of the Company are employed by an external service provider, and are remunerated by their respective employer on a separate basis. There was no remuneration or benefit paid directly to the directors of the Company by the Company or any other company within the same group of companies as defined by the Companies Act during the current or prior years.

Directors' fees of R135 082 were paid (2013: R117 494).

SuperDrive Investments (RF) Limited

Directors' report

for the year ended 31 December 2014

Directors' report *(continued)*

Share capital

Details of the authorised and issued share capital of the company appear in note 8 of the financial statements. As at 31 December 2014, BMW FS owned the company's sole preference share.

In terms of International Financial Reporting Standards (IFRS), the company is consolidated into BMW FS consolidated annual financial statements.

Directors

The directors of the company during the year were as follows:

	Appointed	Resigned
JRP Doidge	7 July 2011	13 March 2014
B Harmse	7 July 2011	
A Krieger	1 April 2012	
R Thanthony	15 February 2013	
WH Swanepoel	13 March 2014	

Secretary

The company secretary is TMF Corporate Services (South Africa) (Pty) Ltd. The company secretary certifies that the company has filed all the required returns and notices in terms of the Companies Act, and that all such returns and notices appear to be true, correct and up to date.

Dividends

No dividends were declared or paid in the current year.

Social and Ethics

There was an application for exemption that was submitted to CIPC. The company is still awaiting approval from CIPC in this regard.

Service providers

Administrator:

Outsourced Securitisation Services (Pty) Ltd ("OSS")
(a company controlled by Deloitte & Touche)

Auditor:

KPMG Inc.

Servicer:

BMW Financial Services (South Africa) (Pty) Ltd

Going concern

The company's annual financial statements have been prepared on the going concern basis.

SuperDrive Investments (RF) Limited

Directors' report

for the year ended 31 December 2014

Directors' report (continued)

Comparative information

BMW FS legally sold auto loan instalment agreements to SuperDrive Investments (RF) Limited. BMW FS is also the provider of the subordinated loan and is the holder of the preference share through which residual profits are remitted back to BMW FS, the substance of the transaction was that the accounting derecognition criteria to transfer the significant risks and rewards of ownership were not met.. The derecognition criteria to transfer the significant risks and rewards of ownership associated with the financial assets were not met. Therefore SuperDrive Investments (RF) Limited recognise a receivable from BMW FS (being the amounts receivable from the auto loans), instead of recognising the underlying auto loans. The 2014 financial statements (and the 2013 comparative information) have been updated to correctly classify the receivable as a receivable from BMW FS. In the 2013 financial statements, the auto loan instalment agreements were reflected on SuperDrive Investments (RF) Limited's statement of financial position. Due to the immaterial nature of the change, prior year information was not restated

Subsequent events

There have been no material events between 31 December 2014 and the date of this report.

Business Address

3rd Floor 200 On Main
Cnr Main and Bowwood Roads
Claremont
Cape Town
7708

Postal Address

Postnet Suite 294
Private Bag X1005
Claremont
Cape Town
7735

SuperDrive Investments (RF) Limited

Audit committee report

for the year ended 31 December 2014

Members of the audit committee

R Thanthony (Chairperson) (Appointed 15 February 2013)

WH Swanepoel (Appointed 13 March 2014)

B Harmse

The chairman of the Board, WH Swanepoel, serves on the audit committee, but another independent non-executive director acts as chairman thereof. Given that the company is a special purpose vehicle incorporated as an Issuer in the securitisation scheme (as regulatory defined), the afore-going is considered acceptable and reasonable.

The committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 as amended and Regulation 42 of the Companies Regulation, 2011.

Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 as amended by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditor.

In 2014 the audit committee held meetings on 13 March 2014, 27 March 2014 and 3 December 2014 during which it reviewed its audit committee charter and fulfilled its responsibilities in terms thereof in order to be able to recommend approval of the company's financial statements to the Board a further meeting was held on the 29 June 2015 to approve the company's financial statements.

Expertise and experience of finance function

The servicing of the company's assets is performed by BMW FS ("Servicer") whilst the accounting records are prepared by Outsourced Securitisation Services (Pty) Limited ("Administrator") (jointly hereinafter "Management"). The Servicer's Internal Audit function does not directly report to the audit committee, but highlights any matters relevant to the company's annual financial statements via the Servicer who reports to the Board.

The on-going secretarial administration of the company's statutory records is done by TMF Corporate Services (South Africa) (Pty) Ltd, a specialist trust company that provides independent directors and trustees.

Independence of external auditor

The committee satisfied itself through enquiry that the external auditor is independent as defined by the Companies Act 71 of 2008 as amended and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided in terms of the Companies Act 71 of 2008 as amended that internal governance processes within the firm support and demonstrate the claim to independence.

The company's auditor is KPMG Inc.

SuperDrive Investments (RF) Limited

Audit committee report *(continued)*

for the year ended 31 December 2014

Independence of external auditor *(continued)*

The audit committee, after consultation with the Servicer and Administrator, agreed to the terms of the external auditor's engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as parallel interaction with the Servicer, timing of the audit, the extent of the work required and the scope.

Fees paid to the auditor are disclosed in Note 14 in the financial statements on page 27.

Discharge of responsibilities

The committee is satisfied that, in respect of the financial year under review, it has discharged its duties and responsibilities in accordance with its terms of reference and in terms of the Companies Act 71 of 2008 as amended. The Board concurred with the assessment.

The committee performed the following activities during the year under review:

- Reviewed the reports of the external auditor regarding their audit and requested appropriate responses from management;
- Approved the external auditor's fees for the 2014 audit; and
- Considered the independence and objectivity of the external auditor.


Annual Financial Statements

Following the review by the committee of the annual financial statements of the company for the year ended 31 December 2014 and based on the information provided to it, the committee considers that, in all material respects, the company complies with the provisions of the Companies Act 71 of 2008, as amended, International Financial Reporting Standards, and that the accounting policies applied are appropriate.

The committee recommended the company's 2014 annual financial statements for approval by the Board on 29 June 2015.

The committee concurs with management that the adoption of the going-concern status in preparation of the annual financial statements is appropriate.

On behalf of the audit committee.


R Thanthony
Chairperson Audit Committee
29 June 2015



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Docex 472 Johannesburg

Independent auditor's report

To the members of SuperDrive Investments (RF) Limited

We have audited the financial statements of SuperDrive Investments (RF) Limited, which comprise the statement of financial position at 31 December 2014, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 36.

Directors Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SuperDrive Investments (RF) Limited as at 31 December 2014, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the financial statements for the year ended 31 December 2014, we have read the Directors' Report and Audit Committee Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

KPMG Inc.

T Middlemiss
Chartered Accountant (SA)
Registered Auditor
Director
29 June 2015

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba, MM Mapaya, M Oddy, CAT Smit

Other Directors: LP Fourie, N Fubu, AH Jaffer (Chairman of the Board), FA Karreem, ME Magondo, AMS Mokgabudi, GM Pickering, JN Pierce

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.

SuperDrive Investments (RF) Limited

Statement of financial position

at 31 December 2014

Assets	Notes	2014 R	2013 R
Deferred tax asset	2	1 249 462	2 405 748
Current tax asset	3	41 406 446	37 928 582
BMW FS receivable	4	4 159 929 045	4 008 319 474
Trade and other receivables	5	405 033	738 440
Cash and cash equivalents	6	475 703 765	582 291 961
Derivative financial asset	7	8 220 416	2 272 162
Total assets		4 686 914 167	4 633 956 367
Equity			
Capital and reserves			
Share capital	8	100	100
Retained earnings		66 203 417	38 023 293
Total equity		66 203 517	38 023 393
Liabilities			
Debt securities	9	3 553 476 673	3 525 607 630
Subordinated loans	10	1 062 495 216	1 066 415 656
Trade and other payables	12	4 738 761	3 909 688
Total liabilities		4 620 710 650	4 595 932 974
Total equity and liabilities		4 686 914 167	4 633 956 367

SuperDrive Investments (RF) Limited

Statement of comprehensive income

for the year ended 31 December 2014

	Notes	2014 R	2013 R
Interest income	11	403 758 788	377 974 608
Interest expense	11	<u>(342 814 525)</u>	<u>(315 986 525)</u>
Net interest income		60 944 263	61 988 083
Other income	16	24 561 451	25 256 814
Fair value changes of derivative instruments		<u>4 712 360</u>	<u>14 853 689</u>
Total income		90 218 074	102 098 586
Net credit impairment charges	13	(25 753 932)	(33 515 032)
Other expenses	14	<u>(25 286 737)</u>	<u>(24 875 543)</u>
Profit before taxation		39 177 405	43 708 011
Taxation	15	<u>(10 997 281)</u>	<u>(11 923 802)</u>
Total profit and comprehensive income		<u>28 180 124</u>	<u>31 784 209</u>

SuperDrive Investments (RF) Limited

Statement of changes in equity

for the year ended 31 December 2014

	Share capital	Retained earnings	Total equity
	R	R	R
Balance at 1 January 2013	100	6 239 084	6 239 184
Total comprehensive income	-	31 784 209	31 784 209
Balance at 1 January 2014	100	38 023 293	38 023 293
Total comprehensive income	-	28 180 124	28 180 124
Balance at 31 December 2014	100	66 203 417	66 203 517

SuperDrive Investments (RF) Limited

Statement of cash flows

for the year ended 31 December 2014

	Note	2014 R	2013 R
Operating activities			
Cash (utilised in)/generated from operations	17	(1 299 571)	1 962 679
Interest received	17.1	404 259 658	377 853 887
Interest paid	17.2	(342 865 922)	(395 076 514)
Tax paid	3	(13 318 861)	(17 025 429)
Net cash inflow/(outflow) from operating activities		<u>46 775 304</u>	<u>(32 285 377)</u>
Investing activities			
Acquisition of income earning assets		(177 363 500)	(68 713 474)
Net cash outflow from investing activities		<u>(177 363 500)</u>	<u>(68 713 474)</u>
Financing activities			
Redemption of debt securities		(926 000 000)	-
Issue of debt securities		950 000 000	-
Net cash inflow from financing activities		<u>24 000 000</u>	<u>-</u>
Net decrease in cash and cash equivalents		(106 588 196)	(100 998 851)
Cash and cash equivalents at beginning of the year		582 291 961	683 290 812
Cash and cash equivalents at end of the year	6	<u>475 703 765</u>	<u>582 291 961</u>

SuperDrive Investments (RF) Limited

Notes to the annual financial statements

for the year ended 31 December 2014

1. Accounting policies

The company is domiciled in South Africa. Except for the new standards adopted, all accounting policies applied are consistent with those applied in previous years and are in compliance with International Financial Reporting Standards and the requirements of the Companies Act in South Africa.

1.1 Basis of preparation

The annual financial statements are presented in South African Rands (the company's functional currency) on the historical cost basis, except for the following assets and liabilities which are stated at fair value: derivative financial instruments.

1.1.1 Comparative information

BMW FS legally sold auto loan instalment agreements to SuperDrive Investments (RF) Limited. BMW FS is also the provider of the subordinated loan and is the holder of the preference share through which residual profits are remitted back to BMW FS, the substance of the transaction was that the accounting derecognition criteria to transfer the significant risks and rewards of ownership were not met. The derecognition criteria to transfer the significant risks and rewards of ownership associated with the financial assets were not met. Therefore SuperDrive Investments (RF) Limited recognise a receivable from BMW FS (being the amounts receivable from the auto loans), instead of recognising the underlying auto loans. The 2014 financial statements (and the 2013 comparative information) have been updated to correctly classify the receivable as a receivable from BMW FS. In the 2013 financial statements, the auto loan instalment agreements were reflected on SuperDrive Investments (RF) Limited's statement of financial position. Due to the immaterial nature of the change, prior year information was not restated. For further information please refer to note 4.

SuperDrive Investments (RF) Limited

Notes to the annual financial statements

for the year ended 31 December 2014

Accounting policies (continued)

1.1.2 Judgements and Estimates

The preparation of annual financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 1.2.4 – Impairment of financial assets
- Note 1.2.5 – Impairment of non-financial assets

The financial statements incorporate the following principal accounting policies which are consistent with those adopted in the previous year and are in compliance with IFRS and the requirements of the Companies Act in South Africa.

1.2 Financial instruments

1.2.1 Recognition and de-recognition

Financial instruments are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risk and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e. the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

SuperDrive Investments (RF) Limited

Notes to the annual financial statements

for the year ended 31 December 2014

Accounting policies (continued)

1.2.2 Measurement

Financial instruments are initially measured at their fair value plus, in case of financial instruments not at fair value through profit and loss, transactions costs that are directly attributable to the acquisition or issue of financial instruments. Subsequent to initial recognition these instruments are measured as set out below.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the company in the management of its short-term liabilities. Cash and cash equivalents are stated at amortised cost, which approximates fair value.

Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment. Trade and other receivables are impaired when objective evidence exists that a loss will result after initial recognition of trade and other receivables.

Financial liabilities

Non-derivative financial liabilities are measured at amortised cost, using the effective interest rate method. Non-derivative financial instruments comprise loans and borrowings, bank overdrafts and trade and other payables.

Derivative instruments

Derivative instruments are measured at fair value, with any fair value gains and losses being recognised in profit or loss.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in profit or loss in the period in which the change arises.

1.2.3 Offset

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

SuperDrive Investments (RF) Limited

Notes to the annual financial statements

for the year ended 31 December 2014

Accounting policies (continued)

1.2.4 Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The criteria, which are used to determine that there is objective evidence, includes an analysis of the historical performance of the portfolio and a review of the delinquency statistics.

Any impairment loss in respect of a financial asset measured at amortised costs is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are recognised in profit or loss.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in companies that share similar credit risk characteristics.

1.2.5 Impairment of non-financial assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The reduction is an impairment loss.

An impairment loss is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

SuperDrive Investments (RF) Limited

Notes to the annual financial statements

for the year ended 31 December 2014

Accounting policies (continued)

1.2.5 Impairment of non-financial assets

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.3 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation.

1.4 Taxation

Income tax expense includes current and deferred tax. Income tax expense is recognised in profit and loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Deferred tax is provided for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

Accounting policies (continued)

1.5 Income

Net interest income

Interest income is recognised at the effective yield method rates of interest per contract.

Interest income and expense are recognised in profit or loss on an accrual basis using the effective interest method for all interest-bearing financial instruments. In terms of the effective interest method, interest is recognised at a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

Other income

Other income includes initiation fee income, administration fee income and cancellation fee income. This income is recognised as the related services are performed.

1.6 Standards and interpretations not yet effective

The following standards and interpretations have been issued but are not yet effective:

Standard	Effective Date (periods beginning on or after)	Expected impact:
IFRS 9 – Financial Instruments	1 January 2018	The impact on the annual financial statements has not yet been fully determined.
IFRS 15 – Revenue from contracts with customers	1 January 2017	The impact on the annual financial statements has not yet been fully determined

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

2. Deferred tax asset	2014	2013
	R	R

The following are the major deferred tax assets recognised by the company and movements thereon during the current reporting period.

Deferred tax analysis

Allowances for credit losses	3 196 176	2 989 873
Derivative financial asset	(1 955 666)	(636 205)
Provisions	8 952	52 080
	<u>1 249 462</u>	<u>2 405 748</u>

Deferred tax reconciliation

Deferred tax asset at beginning of the year	2 405 748	10 430 688
Fair value changes of derivative instrument	(1 319 461)	(3 664 055)
Allowances for credit losses	206 303	(4 412 965)
Provisions	(43 128)	52 080
Deferred tax asset at end of the year	<u>1 249 462</u>	<u>2 405 748</u>

3. Current tax asset	2014	2013
	R	R

Balance owing by SARS at beginning of the year	37 928 582	24 802 015
Payment to SARS	13 318 860	17 025 429
Current taxation (refer to note 15)	(9 840 995)	(3 898 862)
Balance owing by SARS at end of the year	<u>41 406 447</u>	<u>37 928 582</u>

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

4. BMW FS receivable

BMW Financial Services (South Africa) (Pty) Ltd legally sold a portion of auto loans. However, since BMW FS is also the provider of the subordinated loan and is the holder of the preference share through which residual profits are remitted back to BMW FS, the substance of the transaction was that the accounting derecognition criteria to transfer the significant risks and rewards of ownership were not met. Thus an intercompany receivable is recognised for the consideration paid for these assets to BMW FS. The cash flows arising from this asset are directly attributable to the auto loans and thus the following disclosure is appropriate and useful to the users of these financial statements as the carrying amount of the receivable will fluctuate in line with the auto loan balances.

	2014 R	2013 R
Reconciliation of movement in balance		
Balance at beginning of year	4 008 319 474	3 973 121 032
Acquisitions	2 133 729 067	2 102 135 046
Top ups for the period	1 183 728 069	2 102 135 046
Assets acquired on note issue	950 000 998	-
Settlements	(1 955 994 638)	(2 033 268 921)
Write offs	(370 926)	(152 651)
Impairments	(25 753 932)	(33 515 032)
Impairment on non-performing loans	(25 413 813)	(32 597 767)
Impairment on performing loans	(340 119)	(917 265)
At end of the year	4 159 929 045	4 008 319 474

	2014 R	2013 R
Gross investment in BMW FS receivable	5 082 496 945	4 799 357 036
Unearned finance charges	(828 047 327)	(722 270 921)
Impairments	(94 520 573)	(68 766 641)
	4 159 929 045	4 008 319 474

SuperDrive Investments (RF) Limited

Notes to the annual financial statement for the year ended 31 December 2014

5. Trade and other receivables	2014 R	2013 R
Interest accrued	237 469	738 340
Prepayments	158 356	-
Vat receivable	9 108	-
Other	100	100
	405 033	738 440

6. Cash and cash equivalents	2014 R	2013 R
Current bank account	1 996	2 000
Collections bank account	440 461 769	547 289 961
Permitted investments bank account	35 240 000	35 000 000
	475 703 765	582 291 961

The cash in permitted investments account includes the cash reserve of R35 240 000, which is available for use in the event of a shortfall in available funds which is needed to meet the payment of specified items in terms of the priority of payments per the Programme Memorandum. The carrying value of cash and cash equivalents approximates fair value because they are short term in nature.

7. Derivative financial asset/(liability)	2014 R	2013 R
Held for trading		
Interest rate swap		
Balance at beginning of the year	2 272 162	(12 581 526)
Fair value changes of interest rate swap	4 712 360	14 853 688
Interest accrued	1 235 893	-
Balance at end of the year	8 220 416	2 272 162

An interest rate swap agreement has been entered into between The Standard Bank of South Africa Limited and SuperDrive Investments (RF) Limited. This is to hedge the quarterly interest rate risk that may occur due to SuperDrive Investments (RF) Limited receiving prime linked interest from borrowers, yet paying JIBAR -linked interest on all the classes of asset backed securities. This derivative is classified as held for trading and hedge accounting is not applied.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement for the year ended 31 December 2014

8. Share capital

8.1 Ordinary shares

	2014 R	2013 R
<i>Authorised</i>		
995 ordinary shares of R1 par value each	995	995
<i>Issued</i>		
100 ordinary shares of R1 par value each	100	100

8.2 Preference shares

	2014 R	2013 R
<i>Authorised</i>		
500 cumulative redeemable preference shares of R0,01 each	5	5
<i>Issued</i>		
1 cumulative redeemable preference share of R0,01 each	0.01	0.01

One cumulative redeemable preference share with a par value of R0, 01 has been issued to BMW FS. Dividends are payable as and when declared by the directors with reference to a priority of payments agreement, which is after the payment of trade creditors, servicing and administration fees, derivative amounts due, interest payment to debt security holders, payment to the cash reserve, repayment of the debt securities outstanding, and interest and repayment to the subordinated lender. The preference share is redeemable at the option of the holder at any time after the date that the final debt securities are redeemed.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

9. Debt securities in issue

2014

	Total	Debt securities	Accrued interest
Class A1	-	-	-
Class A2	1 083 257 380	1 074 000 000	9 027 380
Class A3	827 762 486	821 000 000	6 762 486
Class A4	684 745 390	679 000 000	5 745 390
Class A5	435 558 336	432 000 000	3 558 336
Class A6	522 383 081	518 000 000	4 383 081
	3 553 476 673	3 524 000 000	29 476 673

2013

	Total	Debt securities	Accrued interest
Class A1	932 648 566	926 000 000	6 648 566
Class A2	1 081 952 464	1 074 000 000	7 952 464
Class A3	826 940 789	821 000 000	5 940 789
Class A4	684 065 811	679 000 000	5 065 811
	3 525 607 630	3 500 000 000	25 607 630

Class of securities	Interest rate	Rate at year end 2014	Rate at year end 2013	Maturity Date
Class A1	1.20% above 3 month JIBAR	N/A	6.392%	21 August 2014
Class A2	1.40% above 3 month JIBAR	7.483%	6.592%	21 August 2016
Class A3	1.25% above 3 month JIBAR	7.333%	6.442%	21 August 2015
Class A4	1.45% above 3 month JIBAR	7.533%	6.642%	21 August 2017
Class A5	1.25% above 3 month JIBAR	7.333%	N/A	21 August 2017
Class A6	1.45% above 3 month JIBAR	7.533%	N/A	21 August 2019

Interest rates on all notes are reset quarterly.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

10. Subordinated loan

	2014 R	2013 R
Movement in subordinated loan		
Balance at the beginning of the year	1 066 415 656	1 145 950 716
Repayment of accrued interest	(15 235 829)	(94 770 889)
Accrued interest	11 315 389	15 235 829
	1 062 495 216	1 066 415 656

The carrying amount of the subordinated loan approximates fair value. This loan was provided by BMW FS, a subsidiary of BMW Group and was subordinated to creditors in terms of a subordinated loan agreement. Interest is calculated monthly in arrears on the principal amount owing at Jibar + 3.5%, and is payable to BMW FS, subject to the priority of payments. The loan is repayable as and when cash is available to make such payments in accordance with the priority of payments agreement.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement for the year ended 31 December 2014

11. Net interest income	2014	2013
	R	R
Interest income		
<i>Interest income on financial assets at amortised cost:</i>		
Interest on BMW FS receivable	376 508 919	354 749 939
Interest on call account	19 208 549	19 042 467
Interest on cash reserves	2 008 530	2 225 636
	<u>397 725 998</u>	<u>376 018 042</u>
<i>Interest income on financial assets at fair value through profit or loss:</i>		
Interest on swap	6 032 790	1 956 566
	<u>403 758 788</u>	<u>377 974 608</u>
Interest expense		
<i>Interest expense on financial liabilities at amortised cost:</i>		
Interest on subordinated loan	97 609 103	90 592 972
Interest on class A1 notes	40 131 749	58 506 688
Interest on class A2 notes	77 174 109	70 005 631
Interest on class A3 notes	57 762 861	52 283 057
Interest on class A4 notes	49 130 208	44 598 177
Interest on class A5 notes	9 413 031	-
Interest on class A6 notes	11 593 464	-
	<u>342 814 525</u>	<u>315 986 525</u>
12. Trade and other payables	2014	2013
	R	R
Accrual accounts payable	3 073 737	2 682 045
Surplus funds	1 665 024	1 096 437
Vat payable		131 206
	<u>4 738 761</u>	<u>3 909 688</u>

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

13. Net credit impairment charges	2014	2013
	R	R
Impairment of BMW FS receivable-non performing loans	25 413 813	32 597 767
Impairment of BMW FS receivable-performing loans	340 119	917 265
	25 753 932	33 515 032
14. Other expenses	2014	2013
	R	R
Other expenses include the following:		
Audit fees	354 021	266 000
Servicer fee	20 126 605	19 265 340
Directors' fees	135 082	117 494
Rating agency fees	166 875	383 323
Liquidity facility commitment, backup servicer and administrator	1 502 964	1 396 500
Vat apportionment expense	2 630 264	3 446 886
Other expenses	370 926	-
	25 286 737	24 875 543
15. Taxation	2014	2013
	R	R
South African normal taxation		
- current year tax	9 840 995	3 898 862
- deferred tax (note 2)	1 156 287	8 024 940
	10 997 281	11 923 802
Taxation rate reconciliation:	%	%
Taxation at standard rate	28.00	28.00
Permanent differences	-	-
Total taxation per statement of comprehensive income – effective rate	28.00	28.00
16. Other Income	2014	2013
	R	R
Retail interest revenue	1 172 023	1 347 077
Retail settlement revenue	13 377 928	13 260 763
Retail administration fee	10 011 500	10 648 974
	24 561 451	25 256 814

SuperDrive Investments (RF) Limited

Notes to the annual financial statement for the year ended 31 December 2014

17. Cash used in/(generated from) operations	2014 R	2013 R
Profit before taxation	39 177 405	43 708 011
Adjusted for non-cash items:		
Fair value changes of derivative instruments	(4 712 360)	(14 853 689)
Net credit impairment charges	<u>25 753 932</u>	<u>33 515 032</u>
Cash generated before working capital changes	60 218 977	62 369 354
Working capital changes	(574 285)	1 581 408
(Increase)/decrease in trade and other receivables	(167 463)	4 763 136
Increase/(decrease) in trade and other payables	<u>829 072</u>	<u>(3 181 728)</u>
Decrease/(increase) in derivative financial asset	<u>(1 235 894)</u>	<u>-</u>
	59 644 692	63 950 762
Interest income	(403 758 788)	(377 974 608)
Interest expense	<u>342 814 525</u>	<u>315 986 525</u>
Cash (used in)/generated from operations	(1 299 571)	1 962 679

17.1 Interest received	2014 R	2013 R
Interest income	403 758 788	377 974 608
Movement in interest accrual	500 870	(120 721)
Interest accrued current year	(237 469)	(738 340)
Interest accrued prior year	<u>738 340</u>	<u>617 619</u>
Cashflow	404 259 658	377 853 887

17.2 Interest paid	2014 R	2013 R
Interest expense	(342 814 525)	(315 986 525)
Movement in interest accrual	(51 397)	(79 089 989)
Interest accrued current year	<u>40 792 062</u>	<u>40 843 459</u>
Interest accrued prior year	<u>(40 843 459)</u>	<u>(119 933 448)</u>
Cashflow	(342 865 922)	(395 076 514)

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

18. Risk management

The company has exposure to the following risk from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest rate risk

Credit risk

Exposure to credit risk arises in the normal course of the company's business. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit.

End-users of the company, being retail customers, are evaluated by using a scoring system developed by the BMW FS. Based on the applicant's score, the risk of default is assessed and if acceptable, an appropriate interest rate is agreed.

The retail finance contracts are secured by the underlying vehicle, so that in the event of non-payment, the company has a secured claim.

Reputable financial institutions are used for investing and cash handling purposes. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

Impairment losses

The aging of BMW FS receivable at the end of the reporting period:

2014

Description	Capital Amount	Total Capital Arrears	%	Number of accounts
Up To Date	3 837 716 072	0	0	15 665
Distressed not overdue	98 396 302	98 396 302	2.37	449
0-30 days	137 669 138	137 669 138	3.31	556
31-60 days	41 437 456	41 437 456	1.00	170
61-90 days	12 829 481	12 829 481	0.31	56
91-120days	31 880 596	31 880 596	0.77	55
Total	4 159 929 045	322 212 973	7.76	16 951

2013

Description	Capital Amount	Total Capital Arrears	%	Number of accounts
Up To Date	3 822 391 446	0	0	16 312
0-30 days	118 623 985	118 868 304	3.00	478
31-60 days	38 337 575	38 337 575	1.00	160
61-90 days	16 933 328	16 933 328	0.40	68
91-120days	12 033 140	12 033 140	0.30	48
Total	4 008 319 474	186 172 347	4.70	17 066

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

18. Risk management (continued)

Impairment losses (continued)

The movement in the allowance for impairment in respect of BMW FS receivable during the year was as follows.

	Specific impairments	Portfolio impairments	Total impairments
Balance at 1 January 2013	27 112 212	8 140 397	35 252 609
Impairment loss recognised	32 597 767	916 265	33 514 032
Amounts written off	-	-	-
Balance at 31 December 2013	59 709 979	9 056 662	68 766 641
Impairment loss recognised	25 413 813	340 119	25 753 932
Amount written off	-	-	-
Balance at 31 December 2014	85 123 792	9 396 781	94 520 573

Total Receivables

Impaired loans

Impaired loans are loans for which the company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been structured due to deterioration in the borrower's financial position and where the company made concessions that it would not necessarily consider under normal circumstances.

Impairment of assets

The company established an allowance for impairment that represents its estimate of incurred losses in respect of instalment sales. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for companies of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Assets in default

The company defines assets in default as assets that are more than one day overdue. The company have legal recovery policies in place for the repossession of vehicles which are held as collateral for retail financial contracts. Repossessed assets are sold on a public auction to the highest bidder. Proceeds from the sale of the assets are used to offset retail finance balances which are owed by the client. Any remaining balances are recovered from the client in terms of a legal recovery process.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

18. Risk management (continued)

Collateral

The company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security deposits for funds advances, which is common practice. The company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are vehicles against loans and receivables to customers.

Estimate of the fair value of collateral held against financial assets in default are shown below:

	2014 R	2013 R
BMW FS receivable	178 828 200	185 928 028
Total	178 828 200	185 928 028

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its financial liability obligations.

Liquidity risk is managed as follows:

- The company has a liquidity facility agreement of R175m in place with Standard Bank of South Africa to meet fund timing mismatches between the receipt by the Issuer of payments on the Participating Assets and the obligations of the Issuer to pay interest accrued to Noteholders in terms of the Priority of Payments from time to time.
- The cash reserve accumulated from excess spread is available to settle expense in the event of a cash short fall.

Contractual maturity analysis of financial liabilities:

2014	<1 year	1-5 years	>5 years	Total
Trade and other payables	(4 729 653)	-	-	(4 729 653)
Subordinated loan 1	(64 117 907)	(230 666 355)	(698 704 978)	(993 489 240)
Subordinated loan 2	(48 084 798)	(172 986 698)	(560 545 939)	(781 617 435)
Debt securities	(292 409 316)	(1 052 076 000)	(4 280 054 390)	(5 624 539 706)
	(409 341 674)	(1 455 729 053)	(5 539 305 307)	(7 404 376 034)

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2013

18. Risk management (continued)

<u>2013</u>	<1 year	1-5 years	>5 years	Total
Trade and other payables	(3 909 688)	-	-	(3 909 688)
Subordinated loan 1	(58 247 764)	(209 642 078)	(742 993 220)	(1 010 883 062)
Subordinated loan 2	(43 682 523)	(157 219 682)	(589 927 057)	(790 829 262)
Debt securities	(254 577 879)	(916 524 000)	(4 207 584 616)	(5 378 686 495)
	<u>(360 417 854)</u>	<u>(1 283 385 760)</u>	<u>(5 540 504 893)</u>	<u>(7 184 308 507)</u>

Interest rate risk

Interest rate risk refers to the risk of loss arising from cash inflows being based on a lower interest rate basis to the interest rate basis of cash outflows.

Basis risk

Our basis risk on floating rate customer contracts (vehicle financing contracts linked to Prime) and floating rate funding is the spread between both the Prime and JIBAR rates and the Prime rate. This can be reduced by entering into Prime-JIBAR swaps.

Prime-JIBAR risk

The Prime-JIBAR rate basis risk is managed on a ratio basis, i.e. ratio of the portion of Prime-linked funding to the total Prime-linked asset portfolio. For this purpose, an appropriate amount of JIBAR funding needs to be swapped to Prime and Prime-linked plain vanilla funding should be encouraged. The company has entered into interest rate swaps to manage this risk (swapping Prime to JIBAR and vice versa).

All current securitisation programmes have an embedded Prime-JIBAR swap since it is a Moody's requirement that the SPV may not carry any risk between the JIBAR-linked interest paid to note holders and the Prime-linked interest earned on assets purchased. All cash and cash equivalents bear interest at a rate linked to JIBAR.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2013

18. Risk management (continued)

		R	
2014		Carrying value	
Sensitivity	-1%		+1%
Interest expense on debt securities		3 553 476 673	
Impact on profit or loss	35 534 766		(35 534 766)
Sensitivity	-1%		+1%
Interest expense on subordinated loan		1 062 495 216	
Impact on profit or loss	10 624 952		(10 624 952)
Sensitivity	-1%		+1%
Cash and cash equivalents		475 703 765	
Impact on profit or loss	(4 757 037)		4 757 037
Sensitivity	-1%		+1%
BMW FS receivable		4 159 929 045	
Impact on profit or loss	(41 599 290)		41 599 290

		R	
2013		Carrying value	
Sensitivity	-1%		+1%
Interest expense on debt securities		3 525 607 630	
Impact on profit or loss	35 256 076		(35 256 076)
Sensitivity	-1%		+1%
Interest expense on subordinated loan		1 066 415 656	
Impact on profit or loss	10 664 157		(10 664 157)
Sensitivity	-1%		+1%
Cash and cash equivalents		582 291 961	
Impact on profit or loss	(5 822 920)		5 822 920
Sensitivity	-1%		+1%
BMW FS receivable		4 008 319 474	
Impact on profit or loss	(40 083 195)		40 083 195

Capital disclosures

Capital is not actively managed because of the nature of the legal structure of the company. The company is not subject to any external capital regulatory requirements.

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

19. Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values:

	31 December 2014		31 December 2013	
	Carrying value	Fair value	Carrying value	Fair value
BMW FS receivable (including accrued interest)	4 159 929 045	4 321 406 068	4 008 319 474	4 149 827 283
	<u>4 159 929 045</u>	<u>4 321 406 068</u>	<u>4 008 319 474</u>	<u>4 149 827 283</u>
Debt Securities (including accrued interest)	3 553 476 673	3 648 642 065	3 525 607 630	3 530 923 957
	<u>3 553 476 673</u>	<u>3 648 642 065</u>	<u>3 525 607 630</u>	<u>3 530 923 957</u>

Fair Value Hierarchy

At the reporting date, the carrying amounts of financial instruments held at amortised cost for which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

	31 December 2014			
	Level 1	Level 2	Level 3	Total
Not measured at fair value				
Financial assets	-	4 321 406 068	-	4 321 406 068
Financial liabilities	-	(3 648 642 065)	-	(3 648 642 065)
Measured at fair value				
Derivatives	-	8 220 416	-	8 220 416
	<u>-</u>	<u>680 984 419</u>	<u>-</u>	<u>680 984 419</u>

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

19. Fair Value Measurement (*continued*)

	31 December 2013			
	Level 1	Level 2	Level 3	Total
Not measured at fair value				
Financial assets	-	4 149 827 283	-	4 149 827 283
Financial liabilities	(3 530 923 957)	-	-	(3 530 923 957)
Measured at fair value				
Derivatives	-	2 272 162	-	2 272 162
	(3 530 923 957)	4 152 099 445	-	621 175 488

The fair values of the financial assets included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. The financial liabilities changed from level 1 to level 2 as at 31 December 2014 as there was no active market for the notes listed on the JSE in 2014 and the valuation was based on a discounted cash flow.

20. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. In the ordinary course of business, the company enters into various transactions with related parties. These transactions are at arm's length.

SuperDrive Investments Issuer Owner Trust owns the company's shares. In terms of International Financial Reporting Standards (IFRS), the company is consolidated into BMW FS's consolidated annual financial statements and The BMW AG's consolidated annual financial statements.

20.1 Related party transactions with the BMW FS

Financing

Subordinated funding has been provided by BMW FS. Interest expense on subordinated funding amounted to R 97 609 103 (2013: R90 592 972) for the year.

The following transactions took place between BMW FS and SuperDrive Investments (RF) Limited:

SuperDrive Investments (RF) Limited

Notes to the annual financial statement

for the year ended 31 December 2014

20. Related party transactions (continued)

20.1 Related party transactions with the BMW FS (continued)

Purchase of additional instalment sale agreements

The company had normal top ups and the issue of A5 and A6 notes during the year which resulted in purchases from BMW FS for the year of R2 133 729 067 (2013: R2 102 135 046). This excludes the buyback by BMW FS due to the A1 note redemption.

BMW FS is the appointed service provider. The servicing fee for the year amounted to R20 126 605 (2013: R19 265 340)

BMW FS receivable

The company has an amount receivable of R4 159 929 045 (2013: 4 008 319 474) from BMW FS in respect of auto loans legally acquired. Refer to note 4

20.2 Key management personnel

The company has no employees, and therefore were no key management personnel compensation was paid during the year.

20.3 Directors' remuneration

The following fees were paid to an independent service provider for corporate governance and other related fiduciary services provided to the Company. Three of the directors of SuperDrive Investments (RF) Limited are employed by an external service provider, and are remunerated by their respective employer on a separate basis.

TMF Corporate Services (South Africa) (Pty) Ltd 2014: R135 082 (2013: R117 494) (refer to note 14).

There were no benefits paid directly to the directors of the Company during the current or prior years.

21. Going concern

The company's annual financial statements have been prepared on the going concern basis.

22. Subsequent events

There have been no material events between 31 December 2014 and the date of this report.