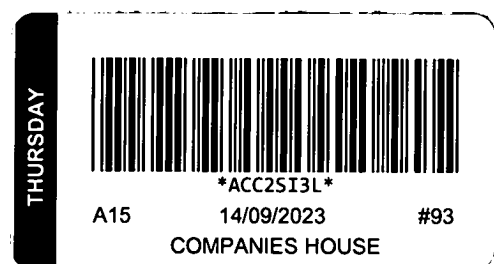


**BAVARIAN SKY UK HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**BAVARIAN SKY UK HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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# **BAVARIAN SKY UK HOLDINGS LIMITED**

## **DIRECTORS AND COMPANY INFORMATION**

<b>Directors</b>	Mr D J Wynne Wilmington Trust SP Services (London) Limited
<b>Company secretary</b>	Wilmington Trust SP Services (London) Limited
<b>Registered office</b>	c/o Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF

# **BAVARIAN SKY UK HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **Principal activities**

Bavarian Sky UK Holdings Limited is a private company limited by shares incorporated in England and Wales with the principal activity as that of holding an investment in Bavarian Sky UK 3 Plc and Bavarian Sky UK 4 Plc, with all companies being incorporated in England and Wales.

Bavarian Sky UK Holdings Limited principal activity is that of a securitisation vehicle with beneficial ownership of auto vehicle loans secured by first charges over residential properties within the UK.

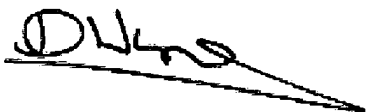
#### **Financial performance**

The Company's financial position at the end of the year is shown in the attached financial statements. At the year end, the Company had net assets of £25,003 (2021: £25,003). The sole purpose of the entity is to hold shares in Bavarian Sky UK 3 Plc and Bavarian Sky UK 4 Plc and it is not expected to generate any income or incur losses. All costs related to the business are settled by Bavarian Sky UK 3 Plc and Bavarian Sky UK 4 Plc, for whose benefit this company was incorporated.

#### **Principal risks and uncertainties**

The principal risk to the Company is the financial risk which it is exposed to through investment in its subsidiaries. Please see note 3 to the financial statements for details regarding subsidiaries.

As set out more fully in the statement of accounting policies, these financial statements have been prepared in accordance with UK- adopted international accounting standards in conformity with the requirements of the Companies Act 2006. All financial information given in the Directors' report is taken solely from the statutory results prepared on the above basis.



Mr D J Wynne  
Director  
13 September 2023

# BAVARIAN SKY UK HOLDINGS LIMITED

## DIRECTORS REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and unaudited financial statements of Bavarian Sky UK Holdings Limited (the "Company") (Registered No 10840759) for the year ended 31 December 2022.

#### Capital structure

The Company was incorporated on 28 June 2017 and 1 ordinary share of £1 was issued on 28 June 2017 as disclosed in note 5. All shares are entitled to receive dividends as declared from time to time and are also entitled to vote at meetings of the Company.

#### Dividends

The Directors have not recommended a dividend (2021: £nil).

#### Directors and their interests

The Directors who held office during the year and to the date of this report are given below,

- Mr D J Wynne
- Wilmington Trust SP Services (London) Limited

Wilmington Trust SP Services (London) Limited holds 100% of the issued share capital of Bavarian Sky UK Holdings Limited, subject to terms of the declaration of trust for general charitable purposes.

#### Going concern

The Directors do not expect the Company to have any liabilities in view of its activities. The Directors are satisfied that the Company will have sufficient resources available to meet its obligations as they fall due and that it is appropriate to adopt the going concern basis in preparing the financial statements.

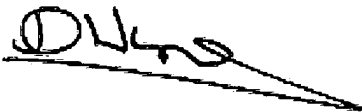
#### Audit exemption

For the year ending 31 December 2022, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.



Mr D J Wynne  
Director  
13 September 2023

# BAVARIAN SKY UK HOLDINGS LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

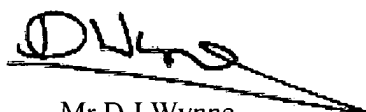
Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

This responsibility statement was approved by the board of Directors on 13 September 2023 and is signed on its behalf by:



Mr D J Wynne  
Director

**BAVARIAN SKY UK HOLDINGS LIMITED**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Other income		<u>-</u>	<u>-</u>
<b>Result before tax for the year</b>		-	-
Taxation	2	<u>-</u>	<u>-</u>
<b>Result for the year</b>		-	-
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive result for the year attributable to equity holders of the Company</b>		<u><u>-</u></u>	<u><u>-</u></u>

The company has no income or expenditure in the year. Consequently, no Statement of Other Comprehensive Income has been presented.

The notes on pages 9 to 13 form part of these financial statements

**BAVARIAN SKY UK HOLDINGS LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	3	25,002	25,002
<b>Current assets</b>			
Cash and cash equivalents	4	1	1
<b>Total assets</b>		<u>25,003</u>	<u>25,003</u>
<b>Equity</b>			
Called up equity share capital	5	1	1
Retained earnings	7	25,002	25,002
<b>Total equity</b>		<u>25,003</u>	<u>25,003</u>

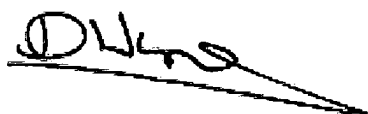
For the year ending 31 December 2022, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements on pages 5 to 13 were approved by the Directors and authorised for issuance on 13 September 2023 and were signed on their behalf by:



Mr D J Wynne  
Director

The notes on pages 9 to 13 form part of these financial statements



**BAVARIAN SKY UK HOLDINGS LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Total equity £</b>	<b>Share capital £</b>	<b>Retained earnings £</b>
<b>Balance at 31 December 2021</b>	<b>25,003</b>	<b>1</b>	<b>25,002</b>
<b>Balance at 31 December 2022</b>	<b>25,003</b>	<b>1</b>	<b>25,002</b>

	<b>Total equity £</b>	<b>Share capital £</b>	<b>Retained earnings £</b>
<b>Balance at 31 December 2020</b>	<b>25,002</b>	<b>1</b>	<b>25,001</b>
<b>Capital reduction</b>	<b>(12,500)</b>	<b>-</b>	<b>(12,500)</b>
<b>Capital contribution</b>	<b>12,501</b>	<b>-</b>	<b>12,501</b>
<b>Balance at 31 December 2021</b>	<b>25,003</b>	<b>1</b>	<b>25,002</b>

The notes on pages 9 to 13 form part of these financial statements

**BAVARIAN SKY UK HOLDINGS LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from investing activities:</b>		
Redemption of subsidiary	-	12,500
Acquisition of subsidiary	-	(12,501)
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>(1)</b>
<b>Cash flows from financing activities:</b>		
Capital contribution	-	12,501
Capital reduction	-	(12,500)
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>1</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Opening balance	1	1
<b>Total closing cash and cash equivalents</b>	<b>1</b>	<b>1</b>

The Statement of Cashflows has been prepared in compliance with 'International Accounting Standard 7 Statement of Cash flows' and is presented under the indirect method.

The Statement of Cashflows presents cash flows classified by operating, investing and financing activities. The net cash flows from all three categories are totalled to show the movement in cash and cash equivalents during the year, which is then used to reconcile cash and cash equivalents.

For the purposes of the Statement of Cashflows, 'cash and cash equivalents' comprise cash and other financial instruments with less than three months original maturity.

The notes on pages 9 to 13 form part of these financial statements

# **BAVARIAN SKY UK HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **Introduction**

Bavarian Sky UK Holdings Limited's principal activity is that of holding an investment in Bavarian Sky UK 3 Plc and Bavarian Sky UK 4 Plc with all companies being incorporated in England and Wales.

##### **Basis of preparation**

The financial statements have been prepared on an historical cost basis. The financial statements have also been prepared in accordance with UK-Adopted international accounting standards in conformity with the requirements of the Companies Act 2006, effective at 31 December 2022.

As set out in the Directors' Responsibilities Statement on page 4, the Directors are required to prepare these financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Under Principal risks and uncertainties in the Strategic report on page 2, the Directors have set out the matters they have taken into consideration in determining that it is appropriate to prepare the financial statements on a going concern basis. There are no significant judgments in the preparation of the financial statements.

There are no sources of estimation uncertainty.

##### **Early adoption of standards**

The Directors consider that there are no standards relevant to the Company which should be adopted early.

##### **Classification and measurement**

Financial assets will be classified as amortised cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the entity's business model and the contractual cash flow characteristics of the instruments. The application of the classification and measurement requirements is not expected to materially impact the financial statements.

##### **Investments**

Investments are stated in the Statement of financial position at amortised cost, less any provision for impairment. BMW AG is deemed to be the ultimate controlling party of the investee company in which the Company has a shareholding. The Company therefore does not prepare consolidated financial statements.

##### **Cash and cash equivalents**

For the purpose of the cash flow statement, 'cash and cash equivalents' comprise cash and other financial instruments with less than three months original maturity.

##### **Taxation**

Tax on the profit or loss for the year comprises current tax and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity in which case the tax is also recognised in equity.

##### **Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted on the Statement of financial position date and any adjustment to tax payable in respect of previous periods.

# **BAVARIAN SKY UK HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **Deferred tax**

Deferred tax is provided using the Statement of financial position liability method, providing for temporary differences between the carrying amount of certain assets and liabilities for accounting purposes and taxation purposes. Deferred tax is provided using tax rates enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which temporary differences can be utilised.

##### **Segmental reporting**

The Company operates in one business segment and all business is conducted in the UK, therefore no segmental information is presented.

##### **Other income**

This represents income received in the form of a one-off irrecoverable gift, from BMW AG, and is recognised upon receipt.

##### **Consolidation**

The Company holds 100% of the voting rights in Bavarian Sky UK3 Plc and Bavarian Sky UK 4 Plc. Bavarian Sky UK3 Plc and Bavarian Sky UK 4 Plc are defined as a special purpose entity ("SPE") in terms of IFRS 10 "Consolidated Financial Statements".

Even though BMW AG ("BMW") does not hold any voting rights in Bavarian Sky UK3 Plc and Bavarian Sky UK 4 Plc, the activities of the SPE are still conducted on behalf of BMW and it retains the majority of the residual ownership risks and benefits related to the SPE. Consequently, the SPE's accounts are consolidated in BMW.

Therefore, these financial statements present information about the Company as an individual entity and not about its group.

#### **2. TAX EXPENSE**

During the year, the Company had no taxable profits (2021: £nil) and hence the tax charge for the year was £nil (2021: £nil).

# BAVARIAN SKY UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3. INVESTMENTS

	<b>Total £</b>
Balance at the beginning of the year	25,002
Redemptions during the year	-
Additions during the year	-
At 31 December 2022	<u>25,002</u>

In the opinion of the Directors, the aggregate value of the Company's investment in its subsidiary undertaking is not less than the amount included in the Statement of financial position.

#### Shares in Group undertaking

The Company has the following interest in subsidiaries:

<b>Subsidiary</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding (%)</b>
Bavarian Sky UK 3 Plc	Great Britain	Ordinary	100
Bavarian Sky UK 4 Plc	Great Britain	Ordinary	100

The principal activity of the subsidiaries for the year was as follows:

<b>Group undertaking</b>	<b>Principal activity</b>
Bavarian Sky UK 3 Plc	The principal activity of the Company is that of a securitisation vehicle with beneficial ownership of auto loans, originated by BMW Financial Services (GB) Limited. The Company's registered address is Third Floor, 1 King's Arms Yard, London EC2R 7AF.
Bavarian Sky UK 4 Plc	The principal activity of the Company is that of a securitisation vehicle with beneficial ownership of auto loans, originated by BMW Financial Services (GB) Limited. The Company's registered address is Third Floor, 1 King's Arms Yard, London EC2R 7AF.

#### 4. CASH AND CASH EQUIVALENTS

	<b>2022 £</b>	<b>2021 £</b>
Cash and cash equivalents	1	1
	<u>1</u>	<u>1</u>

# BAVARIAN SKY UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 5. CALLED UP EQUITY SHARE CAPITAL

	2022 £	2021 £
Authorised:		
1 Ordinary share of £1	1	1
Allotted, called up and fully paid:		
1 Ordinary share of £1	1	1
	1	1

There is 1 authorised ordinary share of £1. The Company issued one ordinary share of £1, at par, on 28 June 2017. The holder of the ordinary share is entitled to receive dividends as declared from time to time and is entitled to vote at meetings of the Company.

#### 6. FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and financial liability of another entity. The Company's financial instruments consist principally of investments and cash and cash equivalents.

##### Summary

The table below summarises the main financial instruments, their significant terms and conditions and the accounting treatment adopted.

Financial instrument	Significant terms and conditions	Accounting treatment
Investments	Long term	Amortised cost
Cash and cash equivalents	Short term cash balances	Amortised cost

##### Fair Values

There is no significant difference between the carrying amount and the fair value of the Company's financial instruments.

##### Liquidity risk

The Company's responsibility to make cash payments is limited to the funds available and accordingly, the Company is insulated from liquidity risk as experienced in the financial markets during the year.

#### 7. RETAINED EARNINGS

	2022 £	2021 £
Balance at the beginning of the year	25,002	25,001
Contribution received for the year	-	12,501
Redemptions during the year	-	(12,500)
Balance at the end of the year	25,002	25,002

The Board believe that the current level of capital is appropriate for the company's activities.

# **BAVARIAN SKY UK HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **8. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY**

Wilmington Trust SP Services (London) Limited holds 100% of the issued share capital of the Company, subject to terms of declaration of trust for general charitable purposes.

The Company meets the definition of a special purpose entity under IFRS. In accordance with the requirements of IFRS 10 “Consolidated Financial Statements”, the Company’s accounts are consolidated within the group accounts of BMW, the only group to which its accounts are consolidated into. The financial statements of the ultimate parent company are available online at [www.bmw.de](http://www.bmw.de)

The Company has availed of an exemption to deliver Group financial statements.

#### **9. RELATED PARTY TRANSACTIONS**

Total remuneration paid by BMW to its Directors or other key management personnel in relation to their services to the Company amounted to £nil (2021: £nil). The company had no employees during the year (2021:nil).