AAA Auto Group N.V.

Annual Report

2013

Contents:

Letter of the CEO and executive member of the management board to the Shareholders

Dear Shareholders,

In accordance with the requirements resulting from the effective laws and Articles of Association of the Company and in order to present all important events and activities of the AAA Auto Group N.V., the Management Board presents to all involved parties, in particular the Company shareholders, the following Annual Report of the Company for the 2013 calendar year, which will be presented and subject to approval of the Annual General Meeting scheduled in the second quarter 2014. At the same time, we give information herein of all important events and activities of the AAA Auto Group N.V.

The Management Board discussed the financial results and the annual accounts for 2013 and proposed them for the approval of the Annual Meeting of shareholders.

Again in 2013, the AAA AUTO Group showed its strength and high performance. We set ambitious 2013 targets for growth in the number of cars sold, profit growth and regional expansion, which we managed to meet despite the persistent recession in the automotive industry. We opened new branches in Tábor and Prešov in 2013. We grew faster than all the respective markets we operate in, reached the number of 56,646 vehicles sold and the highest net profit of the Group to date.

In 2013, as in previous years, the two main components of the Group's gross profit were the margins on car sales and commission earned from the intermediation of car financing for customers. Car sales and financing commission represented 65% of the Group's gross profit, with the remainder of the gross profit arising from upsales, commission earned on the intermediation of insurance and volume bonuses. In 2013 the average net profit per car was EUR 447 and the group-wide penetration of financial services as a proportion of total sales was 46.9%.

In 2013, we focused on further optimization of all business processes and increased their efficiency. We continued to modernize the IT infrastructure to better control the performance of key business processes. We were continuously supporting the growing demand for almost new cars in excellent condition with low mileage by developing the revived traditional Mototechna brand, to take advantage of this opportunity. Mototechna sells newish cars with manufacturer's warranty; renders repair services, sells spare parts and provides customers with financial and insurance products related to the purchase of cars. The services provided by Mototechna are offered at all the branches of the AAA AUTO Group in the Czech Republic and Slovakia.

After my appointment as CEO, I revealed a new strategic vision for further development of the Company in the next five years. Its main pillars are the sustainability of further Company development, strengthening our position in our current markets and a gradual expansion to other markets in Eastern Europe. In order to implement this strategy, we focus on a further improvement in the performance and efficiency of our business and management processes and on meeting the increasing requirements for expertise and proficiency of our employees at all levels from operational to managerial ones. Our long-term goal is a continuous improvement in the services we provide to our customers. In order to foster our customers' satisfaction, we opened a new Contact Centre in October 2012 and further enhanced its services rendered in 2013. Its main mission is to maintain long-term contact with customers, increase customer loyalty and improve customer retention. The Contact Centre also co-operates closely with the ombudsman of the AAA AUTO Group. The position of the ombudsman was established to provide our customers with an opportunity to assess their problems independently and to facilitate finding a satisfactory solution.

The cornerstone of the implementation of our long-term development strategy is consistent monitoring of market development in the target countries. We are going to work intensively on the further improvement in efficiency and effectiveness of our business processes, on providing our services more professionally and on the attractiveness of our Company to employees. We would like to open two new branches in the Czech Republic and one in Slovakia this year too, as well as relaunch our operation in Hungary in 2014.

Sincerely,
Karolína Topolová
Chief Executive Officer and Executive Member of the Management Board

Profile of the Company

The AAA AUTO Group (hereinafter referred to as "AAA AUTO" or only as the "Company") has been active in the market since 1992, when it was founded in Prague by Anthony James Denny. It originally specialised in the import of used cars to sell, and later began to purchase the most popular models for instant cash on the local market. The high demand for used cars in the 1990s contributed to the fast development of this business. The increasing impact of AAA AUTO on the whole sector has helped cultivate the used car business environment. Many competitors followed AAA AUTO in its customer-oriented approach and introduced the principles of purchasing cars for instant cash, straightforward contracts, car registration free of charge and a wide range of supplementary services.

The Company operated 32 branches in the Czech Republic, Slovakia and Russia1 at the end of 2013. The AAA AUTO Group has continued to implement its business model focused on trading the 20 most popular models of cars, high stock turnover and maintaining an optimal amount of cars in stock thus enabling the Company to meet the market demand flexibly. In the coming years the Company also intends to focus on sales of quality cars with higher market value as well as on the extension of its offer in the luxury and nearly new cars segment offered by the MOTOTECHNA brand. To meet the increasing demand of its customers, the Company expects to launch a new brand AAA PREMIUM in the first half of 2014.

The Company is considered a pioneer in providing premium services to customers. In addition to the largest portfolio of cars in stock, the AAA AUTO Group offers a life-long guarantee on legal origin and an option to exchange the car for another one within 7 days after the car purchase. The Company also represents a number of well-established insurance and financing partners and so offers loans and other forms of credit, leasing, third party motor liability insurance, insurance for the event of insolvency, insurance covering mechanical defects, credit cards, road assistance services and many others. The retention of the existing portfolio of services and its possible extension is the Company´s aim for the coming years.

Identification details

i. Company name

AAA Auto Group N.V

ii. Registered address

Dopraváků 723, 184 00 Praha 8, Czech Republic

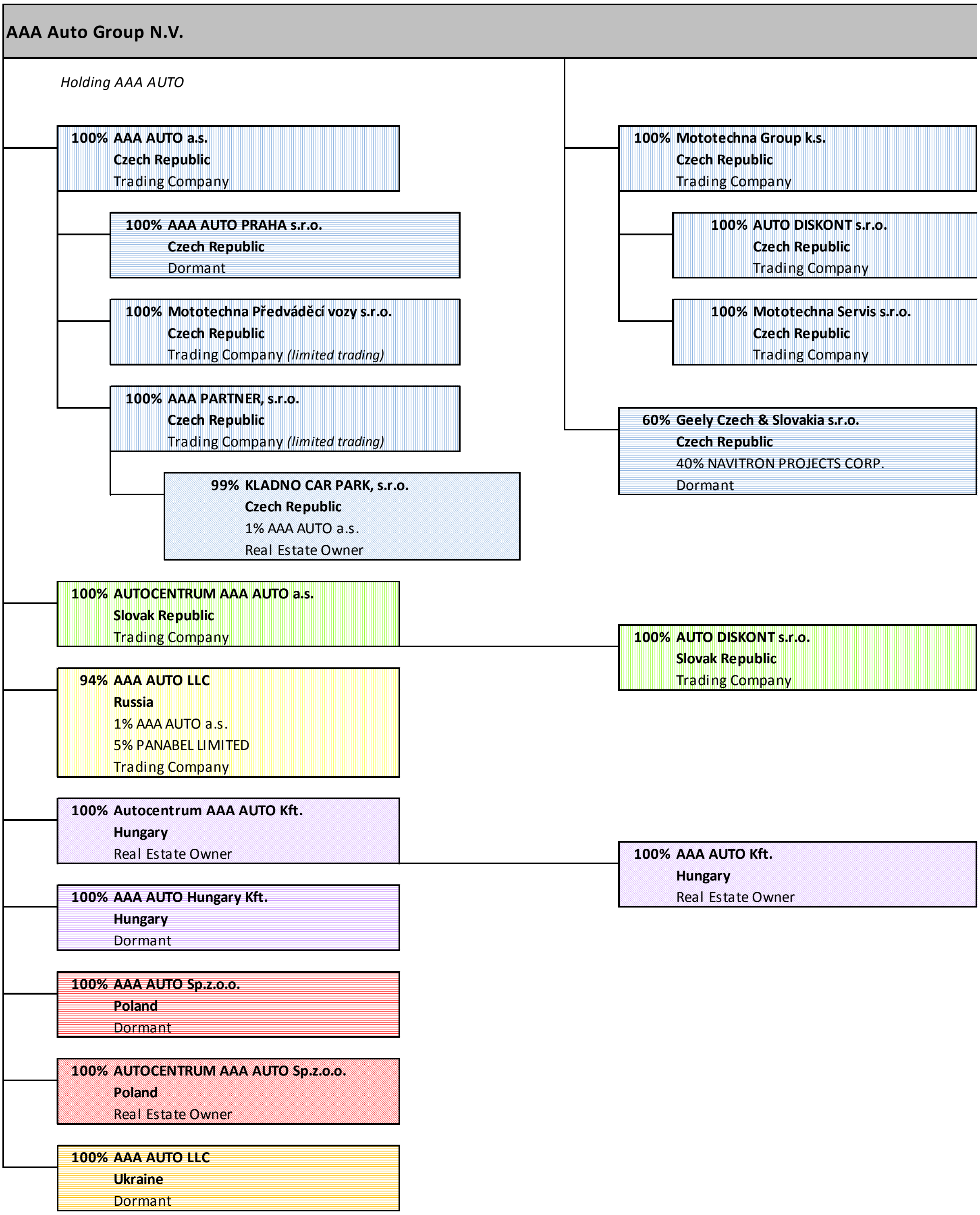
iii. Legal form

Public limited liability Company with the statutory seat in Amsterdam incorporated in the Commercial Register in Amsterdam, the Netherlands, under reg. number 34199203. It is the parent and the controlling Company of AAA AUTO Group and controls the individual corporate entities including subsidiaries in individual countries (see the Group chart on page 5).

[1] Number of branches including 1 branch of AUTO DISKONT s.r.o.

Structure of the AAA AUTO Group

Structure of the AAA AUTO Group as of 31 December 2013



AAA AUTO Group Structure as of 31 March 2014

The structure remains the same as at 31 December 2013.

Remuneration policy

In compliance with the Articles of Association, the General Meeting of Shareholders adopted the remuneration policy regarding the remuneration of the Management Board.

The remuneration policy of the AAA Auto Group N.V. reflects the fundamental orientation of the Company towards performance and growth. It takes into account internal and external relationships and corporate governance principles.

The main objective is to gain, keep and motivate Board Members who embody character qualities, skills and backgrounds suitable for the successful leadership and management of the Company. The remuneration policy reflects the context of the Company's business operations in the international and highly competitive markets of Central Europe.

As at 31 December 2013 the Management Board comprised Karolína Topolová. On 30 July 2013 Anthony James Denny resigned as the Chairman of the Board and Non executive Board member and on 31 August 2013 Vratislav Kulhanek resigned as the Non executive Board member. They were paid board membership fees, salary and bonus (including social and health insurance) of EUR 224,000 (2012: EUR 2,182,000) in 2013.

Bonuses were paid as employment income and other short term benefits and the Company does not pay any pension or other similar contributions on behalf of the Management Board members.

Risk management

The Management Board of AAA Auto Group N.V. is aware of its responsibility for implementation of a risk management system and internal audit processes as well as for their effectiveness. Risk management is an integral part of the Company's strategy and the Management Board of AAA Auto Group N.V. considers risk management as one of the principal instruments of efficient company management and essential for the sustainable development of the Company. The risk management model is uniform for all companies in the AAA AUTO Group. The Company has implemented risk monitoring processes and a system of regular internal audit inspections in all relevant areas where significant risk factors, possibly hindering the Company from achieving its goals, have been identified.

The Company's managers monitor risk areas identified within the periodically updated Risk Analysis. Following the results of the Risk Analysis, the respective managers implemented measures aiming to mitigate or eliminate the risks identified and the Internal Audit Department has drawn up a plan of audits to diminish exposure to the risks and likelihood of their occurrence.

The Management Board of AAA Auto Group N.V. has assessed the design and operational effectiveness of the Company's internal risk management and control system. Based on the activities performed during 2013, the Management Board believes that the risk management and control systems regarding the financial reporting risks have worked properly during 2013, and provide reasonable assurance that the 2013 consolidated financial statements do not contain any errors of material importance.

i. Risk factors

In 2013, the AAA AUTO Group carried out its trading operations in the Czech Republic, Slovakia and Russia. The Company thoroughly monitored and managed risks that might negatively impact its business activities and performance and, by extension, the Company's financial results.

The risk management system of the AAA AUTO Group recognises risks in four categories: 1. Strategic risks, 2. Financial risks, 3. Operating risks and 4. Compliance risk.

ii. Strategic risks

The management of the AAA AUTO Group manages all important risks that may impact significantly revenues and costs of the Company and therefore the Company's overall financial performance. The most significant risk factors in this category are as follows:

- seasonality of the automotive retail business
- increase in imports of cars
- declining prices of new cars
- not achieving a desirable mix of favorite used cars
- changing consumer trends
- rising fuel prices and cost of car ownership
- negative public opinion about bazaars

iii. Financial risks

Significant financial risks of the Company are considered to be the following: market risk (including exchange rate risk, cash flow risk and interest rate risk), credit risk and liquidity risk. The financial risks are managed by the Group Treasury department and all treasury operations are part of the formal control system. The Management Board approved regulations and directives in the area of the treasury management and regularly reviewed this area. More information on the management of financial risks is given in the Notes to the Consolidated Financial Statements.

iv. Operating risks

The management of the AAA AUTO Group also manages risks stemming from operating losses, failures, problems and deficiencies in the Company. The most significant risk factors in this category are as follows:

- insufficient delineation of responsibilities
- high employee turnover
- multi-skilling in crucial work positions
- inadequate qualification of job applicants
- shift operation
- centralization of management
- setup of internal processes and activities
- controlling environment
- fraud and adverse events
- information leakage and its misappropriation

v. Compliance risk

In collaboration with internal and external experts and consulting firms, the management prudently monitors all changes in the legislation and regulation in all areas of the Company's activities, to ensure compliance with the applicable laws and regulations, including disclosure requirements. Other significant risks, especially those relating to the economic, political and social environment in the markets where the Company operates, are monitored by executive and line managers who propose, in collaboration with controlling departments, measures aimed at monitoring and mitigation of all identified risks.

Information on shares

Information about Company shares

The shares of AAA Auto Group N.V. had been traded in the Czech Republic on the Prague Stock Exchange (PSE) and in Hungary on the Budapest Stock Exchange (BSE) between 26 September 2007 and 4 July 2013.

As at 31 December 2013 the overall number of issued shares amounts to 67,757,875 with the nominal value of EUR 0.10 per share of which 50,000,000 shares (73.8%) were held by AUTOMOTIVE INDUSTRIES S.à.r.l.; 2,556,931 (3.8%) of the Company's shares were held directly by Mr. Anthony James Denny; AAA Auto Group N.V. bought out within the delisting 3,016,082 shares (4.4%) and 12,184,862 (18.0%) shares were held by minority shareholders.

Based on a proposal submitted by the majority shareholder AUTOMOTIVE INDUSTRIES S.à.r.l., the Extraordinary General Meeting of shareholders adopted the resolution on delisting of all 67,757,875 ordinary shares issued by the Company from trading on the Prague and Budapest Stock Exchanges and authorized the Management Board to take all steps necessary or required, including the procedure related to the exercise of the rights of the Company's shareholders, and to buy-out shares of the Company.

Following the resolution of the Extraordinary General Meeting, on 4 July 2013 the entire issue of 67,757,875 dematerialised shares having a nominal value of EUR 0.10 each, ISIN NL0006033375, issued by the Company ("Shares"), was delisted from trading on the Prime Market organised by the Burza cenných papírů Praha, a.s., ("Prague Stock Exchange") in accordance with Section 60 of Czech Act No. 256/2004 Coll., on Undertakings on Capital Market ("Capital Market Act") and the corresponding Section VI. of the Exchange Rules of the Prague Stock Exchange, and from the Budapest Stock Exchange Ltd ("Budapest Stock Exchange") in accordance with the pertaining provisions of the Hungarian Act CXX of 2011 on the Capital Market, where the last trading day on the Prague Stock Exchange was 3 July 2013 and on the Budapest Stock Exchange was 28 June 2013.

In accordance with the Hungarian Capital Markets Act, the Company was obliged to provide shareholders who did not vote in favour of the delisting with the opportunity to offer their shares that are listed on the Budapest Stock Exchange to the Company for an objectively determined compensation. To ensure equal treatment of all shareholders, the Company also decided to offer the same buy-out possibility to all holders of shares that were listed on the Czech exchange and the holders of shares on the Hungarian exchange who voted for the delistings.The compensation was calculated in accordance with the relevant parts of Section 63/A. § of the Hungarian Capital Markets Act, being HUF 275.173 per Share and for the purpose of purchasing Shares by the Company on the Prague Stock Exchange and, in the course of OTC transactions in the Czech Republic, the Company converted the above stated HUF amount to 23.30 CZK per Share based on the HUF/CZK exchange rate of the Hungarian National Bank applicable on the date of the Extraordinary General Meeting, being 29 March 2013.

Until the last day of trading of Shares on the Prague Stock Exchange and the Budapest Stock Exchange the following volumes of Shares have been purchased by the Company:

i. via BSE, 1,150,863 Shares have been purchased by the Company, in the aggregate nominal value of EUR 115,086.30, in the course of the procedure described under Point a) of Article 5 of the Company Statement which the Company published on 8 April 2013 ("Company Statement");

ii. via PSE, 1,140,746 Shares have been purchased by the Company, in the aggregate nominal value of EUR 114,074.60 in the course of the procedure described under Point a) of Article 5 of the Company Statement;

iii. 724,473 Shares have been purchased by the Company, in the aggregate nominal value of EUR 72,447.30 in the course of the procedure described under Point b) of Article 5 of the Company Statement.

Report on the Business Activity

a. Mission, Objectives and Vision

The mission of the AAA AUTO Group, as defined at its launch, is to meet customer needs via efficient and reliable trade and to simultaneously create value for shareholders.

The principles of AAA AUTO's successful business model are based on buying the most popular used cars models, which are technically sound and vetted, into the ownership of the Company, and re-selling them with a life-long warranty of legal origin and an optional 24 month mechanical defect insurance. For this purpose we continue with our programme of an odometer reading verification on all cars that we sell; we support a change in the legislation to make mileage fraud a criminal offence. This would, in our view, significantly boost confidence in the used car market and increase the trust of customers in the resellers or used car centres.

The immediate goal of the Company, in the current uncertain and highly competitive automotive market, is to increase its market share in the Czech Republic and Slovakia and to keep the level of profitability in accordance with the plan.

The AAA AUTO Group's vision is to offer customers a suitable solution for their mobility needs in the markets of Central and Eastern Europe through a broad range of used cars with a 100% guarantee of legal origin, verified technical condition and a wide range of financial, insurance, car repair and other up-sale services and products. AAA AUTO will continue building its good reputation, which customers associate with quality of service and thanks to which the Company continues to be perceived as the leader on the used car market.

b. Corporate Social Responsibility

The priority of the AAA AUTO Group is to implement its strategy to accomplish business and profitability targets in respect to the different economic and legal environments in countries where the Company operates while ensuring simultaneous compliance with European Union and Russian law.

The AAA AUTO Group, as a well-established company trading in used cars in Central and Eastern Europe, decided to adopt principles of corporate social responsibility. The Company has implemented these principles to its business strategy, environmental responsibility, customer relationship and social engagement.

The concept of social responsibility has been constantly developed and has become an important aspect of the Company business conduct and decision-making on its way to becoming modern, successful, professional and responsible.

The concept of the social-responsible behaviour of the AAA AUTO Group is focussed on several key areas:

i. Business environment and professional associations
ii. Customer care and consumer rights protection
iii. Environmental protection
iv. Social area and sponsorship

i. Business environment and professional associations

Membership in Chambers of Commerce and professional associations

AAA AUTO Group pursues a proactive policy in the field of engagement to the activities of professional institutions and industry chambers. With regard to the regions where the Group operates, it has joined or is currently negotiating on joining the respective industry chambers and professional associations. The cooperation with these bodies not only contributes to the further development of business activities of the Company, but it also promotes a society-wide discussion on the entrepreneurial environment in the respective countries.

Due to the fact that the Company has been ranked according to the rules of the European Union in the category of large enterprises, in 2007, AAA AUTO joined the Chamber of Commerce of the Czech Republic which is a significant entity representing the interests of entrepreneurs in the Czech Republic. In 2008, AAA AUTO became signatory to the new Code of Conduct of the Chamber of Commerce of the Czech Republic, which, besides other things, binds its members to resolve potential disputes with customers in a conciliatory manner, out-of-court. This project was implemented in partnership with the Czech Chamber of Commerce, Ministry of Industry and Trade, consumer associations, the Association of Mediators of the Czech Republic, Ministry of Finance and the Ministry of Justice. In 2008, the AAA AUTO Group also became a member of the International Chamber of Commerce, Paris and the Slovak-Czech Chamber of Commerce. Given that AAA AUTO entered the Russian market in 2011, the Company also decided to join the Chamber for Commercial Relations with the Confederation of Independent States.

ii. Customer care and consumer rights protection

The company´s Contact Centre, which provides a complex communication service and customer care from customers' very first contact with the Company, cooperates closely with the Ombudsman of the AAA AUTO Group. The Ombudsman provides the customers with an opportunity to assess their problems independently and to facilitate finding a satisfactory solution. Milan Smutný, the respected communication professional and the former spokesperson of the car manufacturer Škoda Auto, has been appointed the Ombudsman in 2012.

Sdružení na ochranu vlastníků automobilů – SOVA, o.s. (Association for the Protection of Car Owners)

SOVA is the only consumer organisation which focuses exclusively on buying, selling and operating of used cars in the Czech Republic. The Company consults on a regular basis with SOVA current consumer disputes within the used car market. SOVA draws the Company´s attention to potential risks associated with buying used cars, especially as new car fraud trends emerge. The Company also held several meetings with the SOVA representatives in 2013, which focused on possibilities of service improvements and response on customer inputs received by SOVA. The Company also distributes SOVA consumer brochures on safe used car buying at all its branches within the Czech and Slovak Republic.

iii. Environmental protection

The AAA AUTO Group strives to protect the environment in its branches and divisions in the various countries as much as practicably possible. Parameters and internal process rules for waste management and disposal in service activities and for manipulation with hazardous substances and their recycling have been implemented.

Based on the agreement which has been signed with ČEZ in 2011, AAA AUTO launched its first recharging station for electric cars in Prague in 2012. A second one is under preparation in Brno and up to 10 additional suitable branches will follow.

iv. Social area and sponsorship

In addition to its business, the AAA AUTO Group is also involved in corporate sponsorship and support of non-profit organizations.

For several years, the AAA AUTO Group has helped orphaned children and children who lost their parents as a result of road accidents through sponsorship and active participation in activities of the Children’s Road Safety Foundation. The Company's financial contribution to the Foundation helped 46 children in 2013.

In 2013, the Company cooperated with ‘Klub dívek a žen postižených Turnerovým syndromem’, which is aimed at the community of women and girls suffering from Turner´s syndrome. Besides other things, this non-profit organization arranges cultural events which reflect the needs of members of this society.

The AAA AUTO Group also continued to sponsor HC Sparta Praha and HC Kometa Brno, the ice hockey teams, which play in the highest Czech ice hockey league and also FC Baník Ostrava football team, which is playing in the top soccer league.

In 2013, the Company was a partner of almost twenty junior football teams. The AAA AUTO Group supported youth sport activities by donating branded jerseys.

The AAA AUTO Group also supported the TV PRIMA charity evening “heart for children”, the anti-breast cancer project “Ruce na Prsa”, the Olympic winner Roman Šebrle children sport project OVOV and donated several cars to families of children with serious health problems through the popular Slovak TV show “Modré z neba”.

c. Public Relations, Marketing, Information Technology

i. Communication and public relations

The objective of the communication strategy is to create a positive image of the AAA AUTO Group in media and, by extension, in the eyes of public. It should lead to a positive perception of the Company by both the existing and prospective clients, which should have also a positive impact on the Company's profitability.

The Company takes advantage of using a wide range of communication tools such as press releases, interviews, articles in general and specialized press, press conferences, meetings and standard cooperation with journalists, consumer competitions, web sites, social events and others.

In 2013, the Company focused on its presentation as an expert in the market of used cars and cooperated with the majority of leading media. Our managers were often quoted or featured in the media as expert speakers on a number of issues in the automotive sector. Extensive publicity was devoted to the CEO Karolína Topolová, who was perceived by all media in a very positive way.

Call centre

The AAA AUTO Group Call Centre continued the trend of year-on-year increase in calls processed. The Call Centre dealt with 681,976 incoming calls, representing a 32% annual increase. The number of outgoing calls was 15% higher than in 2012.

Website

The websites of the AAA AUTO Group were improved in 2013, consisting of a complete graphics redesign of mototechna.cz, which has been made a responsive site, flexible to all new mobile devices – tablets and smart phones.

Our mobile websites continued their exponential growth achieving an increase of more than 100% year-on-year.

The recorded website traffic grew in all countries during 2013. The total Group visits have climbed up to more than 42 million visitors in 2013. Namely the Russian version of the Company website recorded 2,387,201 visitors, which is an annual increase of 65%, the Slovak mobile site registered 801,487 visitors representing an increase of 534% and the main Czech website recorded 27,229,788 visitors, an annual increase of 17.2% in 2013. The aforementioned figures confirm the positive trend in the Company web positioning as well as a good return on investments into on-line platforms made within the past few years. Web communication tools together with the Call centre services have become Company strategic means essential for further business development.

ii. Marketing

In 2013, marketing activities significantly contributed to achieving extremely positive overall business results in a highly depressed market. Special regional events and activities helped to overcomethe strong competitive pressure in the Czech Republic. Continuous media support led to further strengthening of our market leader position in Slovakia. Tight contact and very good relationship with key Russian online media partners enabled us to swiftly react to worsening market conditions and save the shrinking used car business in the Moscow area. Marketing mix was adapted to react to market trends – intense smart phones and tablet penetration, significant business trends towards growing interest in nearly new cars with limited mileage and up to 2 years in the market. Yearly contracts with key business partners led to engaging and mutually profitable cooperation with giants like Google, Seznam, Regie Radio Music and all TV stations. Favourable business partnerships resulted in very competitive media prices, allowing the Group to become Nr. 1 player in Radio advertising and Nr.3 player in the internet environment. Following the export strategy, marketing activities raised the Group's awareness in key EU markets.

iii. Information technology

In 2013, the main area of focus was the ERP Navision system reimplementation.

To support the Company's business expansion and follow technological development the Company has begun the complete reimplementation of its ERP Navision system and its upgrade to the latest version.

d. Employees

The year 2013 saw further growth and expansion of the Company. The focus was also put on stabilization of the operations in the branch in Moscow-Podolsk and on preparation for the new Hungarian branch opening. Besides this, the Company has focused more on business staff discipline, business efficiency and cost control.

Employees of the AAA AUTO are dynamic people with high flexibility potential. The three key qualities required from employees and issued in Ethical code are: professional attitude to the client with the aim to meet their needs, mutual respect and trust to managers and collegues and loyalty and high dedication to work.

Compared to 2012 the number of employees in the Group AAA AUTO increased in 2013 from 1,757 to 1,913. The increase of total headcount by 8.9% related mainly to the opening of 2 new branches, the recruitment of new staff for Hungary and the creation of new jobs in export team, office and quality management. Our employees are encouraged to develop and to build their careers in the Company. The Company's Evaluation system contributes to identifying high potential and key employees.

The AAA Auto Group in 2013

The Company's main goal for 2013 was to further increase the Group's sales compared to 2012 as well as to attain an increase in the Group's consolidated net income. Both aforementioned goals have been achieved and the Company's current target is to continue on this course in the following period.

Despite the persistent recession in the automotive market, the Group successfully sold 56,646 used cars, representing an increase of 10.3% year-on-year. The Company has also opened 2 new branches in the Czech Republic and Slovakia, namely in Tábor and Prešov. Currently, the AAA AUTO Group operates 32 branches[2], 20 of them in the Czech Republic, 11 in Slovakia and one in Russia.

The main competitive advantage of the AAA AUTO Group is its ability to serve more demanding and more sophisticated customers thanks to the following:

- the widest range of used cars offered in the market;
- cars offered by the AAA AUTO Group are thoroughly tested;
- guarantee of origin and hidden mechanical defects insurance;
- high standard of services provided, customer care comparable to new car dealerships;
- nationwide branch network in the Czech Republic and Slovakia;
- unmatched strong position on the market for credit financing of used cars;
- wide range of up-sale products (GPS, security systems, car cosmetics etc.).

Mr. Vratislav Kulhánek resigned from his duties as board member as of 31 August 2013 and Mr. Anthony James Denny resigned from his duties as board member as of 30 July 2013.

[2] Number of branches including 1 branch of AUTO DISKONT s.r.o.

Sales results of the AAA AUTO Group in 2013

As in previous years, in 2013 we set ambitious targets for growth in the number of cars sold, profit growth and regional expansion, that we managed to meet despite the continuing stagnation in the automotive industry. The Group successfully managed to sell 56,646 used cars , which represents an increase of 10.3% year-on-year.

The sales figures for each country in which we trade were as follows:

AAA AUTO Group Year-on-Year Sales Development by country in 2013

	YTD 2012	YTD 2013	*Y-o-Y*
Czech Republic	35,062	38,297	*9.2%*
Slovakia	14,211	15,894	*11.8%*
Russia	2,091	2,455	*17.4%*
Group	**51,364**	**56,646**	***10.3%***

Source: Company data

Financial Services Penetration

The Company is currently offering the services of 5 financial partners in the Czech Republic, 4 in Slovakia and the financial services in Russia are offered by an external broker. The overall average penetration level reached 40% in all above mentioned countries.

Market development

Despite the fact that no official statistics exist on the secondary consumer market in used cars, the Company monitors imports of used cars and sales of new cars as two important indicators of trends in the automotive market.

As per Automotive Industry Association in Slovakia (ZAP), most countries of the European Union recorded the continuing trend of a falling number of new cars registrations in 2013. In comparison to 2013 a slight increase in registrations throughout EU is expected in 2014.

According to SDA (Association of Car Importers of the Czech Republic) data, the number of imported used cars in the category of passenger cars and light utility vehicles slightly increased by 1.54% from 130,727 (2012) to 132,743 (2013).

The total number of new passenger car and light utility vehicle registrations decreased by 5.07% in the Czech Republic from 185,830 (2012) to 176,405 cars (2013).

The registrations of new passenger cars in Slovakia decreased by 11.25% from 74,371 (2012) to 66,000 (2013). There was also recorded a slight decrease of 0.55% in the category of light utility vehicles in 2013.

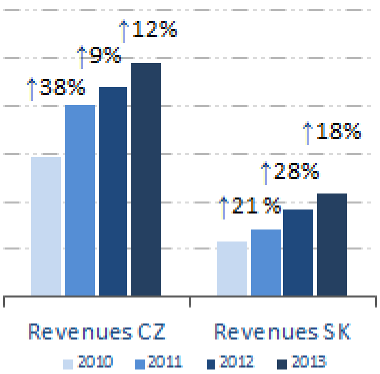
Given the above, we can say that while the automotive markets in the Czech Republic and Slovakia stagnated throughout the year, the AAA AUTO Group recorded an increase in demand for its cars which contributed ultimately to the strengthening of the AAA AUTO Group's market position in 2013.

Financial Results of the AAA AUTO Group in 2013

The 2013 consolidated financial results that AAA Auto Group N.V. again show stable growth in the Group´s financial performance compared to the last year.

AAA AUTO Group´s **total revenues** increased by 12.9% to EUR 379.4 million compared to 2012, while the revenues from cars sold grew by 12.5% to EUR 306.9 million. The growth in revenues arises from the 10.3% increase in the volume of cars sold and by a 2.0% increase in the average selling price of cars to EUR 5,418 (2012: EUR 5,310). The remaining EUR 72.5 million (2012: EUR 63.1 million) is mainly represented by commissions from providing financial services and by revenues from up-sale products.

As visible from the graph below, revenues on the Group's main market in the Czech Republic maintained its growth trend and increased by 12% in comparison with 2012. Revenues in Slovakia recorded 18% growth year-on-year.



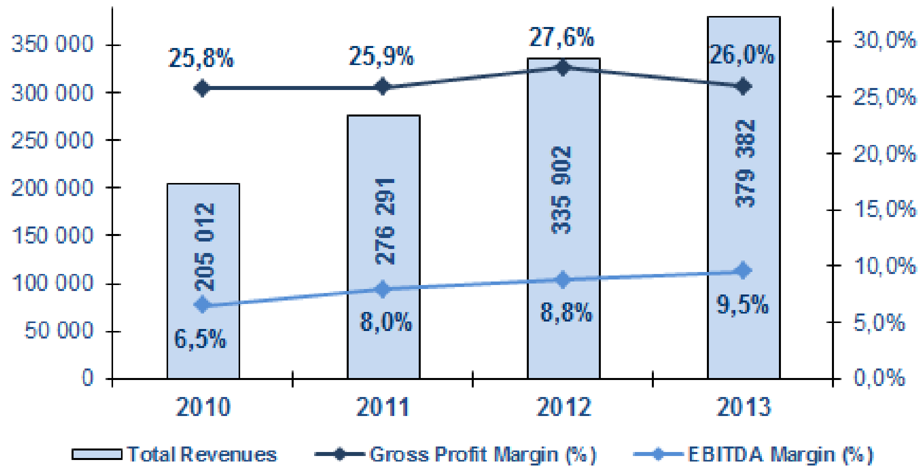
Source: Company data

The **gross profit margin**, which measures the profitability of the Company's sales, decreased to 26.0% in 2013 compared to 27.6% in 2012 but due to 10.3% increase in sales volumes the gross margin increased by 6.3% to EUR 98.5 million (2012: EUR 92.7 million). The reduction in the gross margin percentage primarily arises from shrinkage in the margin on car sales, since revenues from car sales increased by 12.5% during 2013 but at the same time cost of cars sold increased by 15.2%. However, the slightly lower margin on car sales was partially offset by a 15% increase in sales of financial services and upsales as penetration in these services continued to increase. Despite the registered sales growth in 2013, total **operating expenses** (OPEX) decreased by 1.0% year-on-year to EUR 63.0 million (2012: EUR 63.6 million), of which:

- **personnel expenses** - representing the largest OPEX category, accounted for 56.6% of the total OPEX - decreased by 4.1% year-on-year to EUR 35.7 million;
- the second largest OPEX category, **other selling, administrative and general expenses** – representing 25.6% of total OPEX – decreased by 10.1% year-on-year to EUR 16.1 million;
- the third OPEX category, **marketing costs** constituted 17.7% of total OPEX - registered an increase of 32.1% year-on-year and amounted to final EUR 11.2 million as the Company aimed to further support its sales growth in 2013.

The exceptional improvement in the operating performance resulted in a 22.5% increase in the **operating profit** (EBITDA) to EUR 36.2 million compared to EUR 29.6 million in 2012. The operating profitability, measured as EBITDA margin, increased to 9.5% (2012: 8.8%).

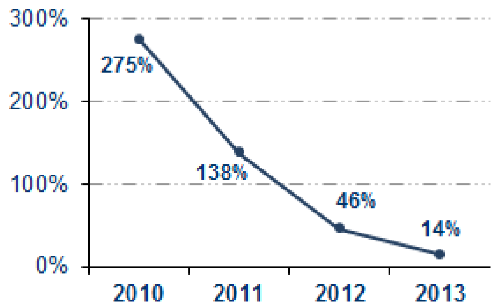
Development of Revenues, Gross Profit Margin & EBITDA Margin



Source: Company data

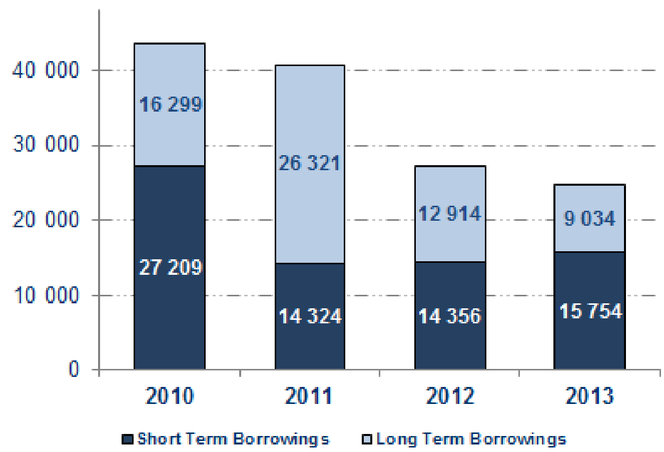
At the level of financial result, the **interest expense** decreased and in comparison with 2012 it fell by 42.8% to EUR 0.7 million. This was the effect of the Company's program for gradual reduction of the overall debt of the Group. As a result, the net debt / equity ratio[3] was reduced from 46% as at the end of 2012 to 14% as at the end of 2013.

Net Debt to Equity Ratio



Source: Company data

Debt Structure



Source: Company data

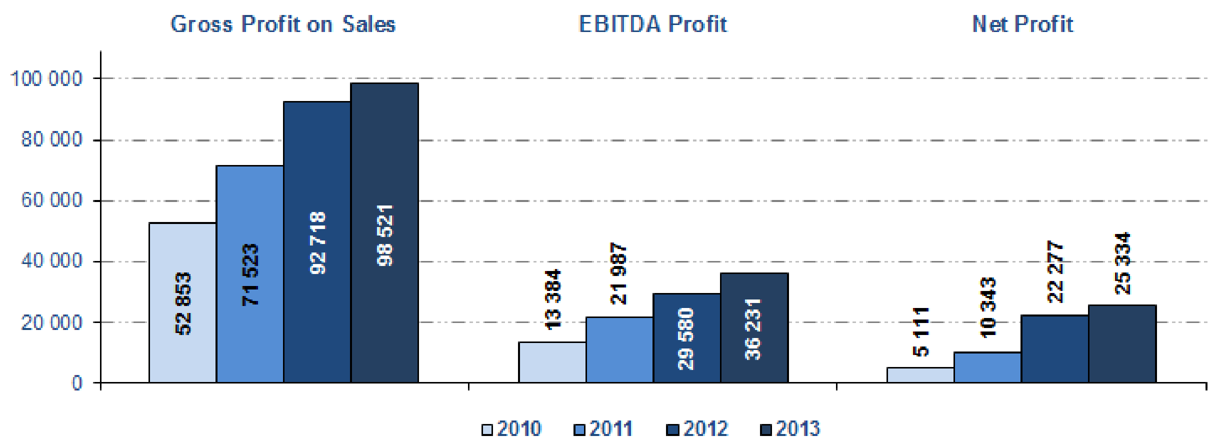
[3] Net Debt / Equity = [(Long and Short Term Borrowings + Finance Lease + Liabilities of disposal group classified as held for sale) – (Cash and Cash Equivalents + Financial Assets)] / Equity

The Company also recorded net **foreign exchange losses** of EUR 0.6 million (2012: net gains of EUR 2.0 million) mainly as a result of the depreciation of the Czech Crown against the Euro during 2013.

The **profit before tax** grew by 16.2% year-on-year to EUR 32.0 million (2012: 27.5 million).

The AAA AUTO Group ended the year 2013 with a consolidated net profit of EUR 25.3 million which is 13.7% more than in 2012.

Development of Gross Profit on Sales, EBITDA and Net Profit



Source: Company data

Total assets increased to EUR 110.209 million mainly due to the increased cash position and a higher inventory balance which is due to increasing sales demand and the new locations.

Total shareholders equity increase to EUR 66.449 million mainly due to the current year profit. Total liabilities decreased to EUR 43.760 million and were mainly driven by decreasing borrowings and bank overdrafts.

Operating and Financial Highlights

Operating Highlights	2010	2011	2012	2013
Number of cars sold (pcs)	39,530	44,828	51,364	56,646
Average price per car sold (EUR)	4,412	5,131	5,310	5,418
Number of cars on stock (pcs)	4,973	5,520	7,476	8,364
Number of car centres [4]	23	25	29	31
Number of employees	1,272	1,536	1,757	1,913

Financial Highlights	2010	2011	2012	2013
Total Revenues	205,012	276,291	335,902	379,382
Revenues from cars	174,454	230,031	272,755	306,915
Revenues from financial services and up-sale products	30,558	46,260	63,147	72,467
Gross Profit on Sales	52,853	71,523	92,718	98,521
Gross Profit Margin	25.8%	25.9%	27.6%	26.0%
Other Operating Income	2,958	1,106	439	663
Operating Expenses	(42,427)	(50,642)	(63,577)	(62,954)
Personnel expenses	(21,286)	(26,513)	(37,188)	(35,658)
Marketing expenses	(4,426)	(6,101)	(8,449)	(11,163)
Other selling, administrative and general expenses	(16,715)	(18,028)	(17,940)	(16,133)
EBITDA	13,384	21,987	29,580	36,231
EBITDA Margin	6.5%	8.0%	8.8%	9.5%
Depreciation and amortisation expense	(2,064)	(2,347)	(2,318)	(2,628)
Impairment of property plant and equipment	(1,892)	(1,070)	(66)	170
EBIT	9,428	18,570	27,196	33,773
Interest expense	(1,857)	(1,757)	(1,171)	(670)
Forex gains / (losses)	(510)	(2,668)	2,009	(564)
Other financial net income / (expense)	(195)	(129)	(500)	(537)
Profit before Tax	6,866	14,016	27,534	32,002
Income tax	(1,755)	(3,673)	(5,257)	(6,668)
Net Income from Continuing Operations	5,111	10,343	22,277	25,334
Profit/(loss) from discontinued operations	-	-	-	-
Net Profit for the period	5,111	10,343	22,277	25,334
Non-current Assets	37,730	39,667	41,749	39,173
Current Assets	42,963	44,503	53,620	71,036
Equity	14,464	25,805	46,868	66,449
Short term borrowings	27,209	14,324	14,356	15,754
Long term borrowings	16,299	26,321	12,914	9,034
Net debt / equity ratio	275%	138%	46%	14%
Cash flow from operating activities	1,211	6,719	16,586	15,802
Cash position at the end of the period	3,665	5,152	5,534	13,478
Total CAPEX [5]	3,614	6,667	6,346	7,367

[4] Number of branches excludes branches of AUTO DISKONT s.r.o.

[5] Number does not include the CAPEX on Intangible Assets

Events occurring after the balance sheet date

On 16 April 2014, the resignation of Mr Anthony James Denny and Mr Vratislav Kulhanek as the Chairman and non-executive board members of the Management Board was recorded in the Commercial register.

On 18 December 2013 several minority shareholders of the Company submitted a petition to the Enterprise Chamber of the Courts of Appeal in Amsterdam ("the Enterprise Chamber") to instigate an inquiry into the policy and running of the Business of the Company. On 8 April 2014 the Enterprise Chamber upheld this petition and has ordered an inquiry into the policies and functioning of the Company for the period since 1 July 2012. On 11 April 2014 Mr Robert Jacob Meuter was registered as a non-executive board member of the Company for the duration of the inquiry.

Except for the above matters and those referred to in note 24 to the consolidated financial statements, no events have occurred subsequent to year end and to the date of these financial statements that would require adjustment to or disclosure in the financial statements.

Outlook for 2014

In 2014 the Company would like to further strengthen its position in its principal markets in the Czech Republic and Slovakia and to re-enter the market in Hungary. We are going to work intensively on the further improvement in the efficiency and effectiveness of our business processes, on providing our services more professionally and on increasing the Company's attractiveness to our employees. We do not plan any signifiant changes in our financing structure or workforce.

Our long-term goal of the further expansion to other Eastern European countries remains unchanged. We continue to monitor very carefully market developments in our focus areas and we are ready to adjust the implementation of particular steps of the expansion plan according to the current situation.

Regional expansion in the Czech Republic and Slovakia

The Company expects conservative growth of its sales on the current markets, which will be driven especially by newly opened branches. In the Czech Republic and Slovakia, the Company intends to open 2-3 new branches in the second half of 2014.

Russia

Based on the expected stabilization and strengthening of the Russian used car market and taking into any potential impacts arising from the recent political situation, the Company will decide during 2014 about its future expansion there.

Hungary

According to plan, the Company re-entered the Hungarian market after five years by reopening its Budapest branch in early 2014. Within a year, the Company intends to become the largest used car dealer in Hungary with about 1,000 cars in stock.

Poland, Ukraine, Romania

The Company is also considering entering markets in Poland, Ukraine and Romania in oncoming years. However, the final decision will depend on the political and economical situation in each respective country.

Management Board of AAA Auto Group N.V.:

On 30 April 2014

Karolína Topolová

Chief Executive Officer and Executive Member of the Management Board

Robert Jacob Meuter *
Non Executive Member of the Management Board

Vratislav Kulhánek
(no longer a board member as of 31 August 2013)

Anthony James Denny
(no longer a board member as of 30 July 2013)

(A signed version of the financial statements are available at the offices of the Company)

** As mentioned in note 24 to the consolidated financial statements Mr Robert Jacob Meuter was appointed as a non-executive board member of the Company on 11 April 2014. Due to his appointment after the end of the financial year being reported, Mr Meuter does not consider it appropriate to approve the enclosed consolidated financial statements, financial statements and directors report for the year ended 31 December 2013 and accordingly he has not signed above as a non-executive member of the Management Board.*

Consolidated Financial Statements & Notes to the Consolidated Financial Statements

AAA Auto Group N.V.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2013 (EUR '000)

ASSETS	Note	31/12/2013	31/12/2012
Non-current assets			
Intangible assets	10	218	667
Property, plant and equipment	11	38,391	40,663
Other financial assets	17.22	276	295
Deferred tax assets	15	288	124
Total non-current assets		***39,173***	***41,749***
Current assets			
Inventories	12	43,698	38,265
Trade and other receivables	13	9,591	8,176
Current income tax asset	8	139	3
Other financial assets	13,17.22	1,684	-
Other non-financial assets	13	2,446	1,642
Cash and cash equivalents	17	13,478	5,534
Total current assets		***71,036***	***53,620***
TOTAL ASSETS		**110,209**	**95,369**

EQUITY AND LIABILITIES	Note	31/12/2013	31/12/2012
Equity			
Issued capital	20	38,185	38,185
Reserves		1,941	7,686
Retained earnings		26,323	997
Equity attributable to equity holders of the company		***66,449***	***46,868***
Total equity		**66,449**	**46,868**
Non-current liabilities			
Bank and other borrowings	14.17	9,034	12,914
Deferred tax liabilities	15	593	58
Total non-current liabilities		***9,627***	***12,972***
Current liabilities			
Trade and other payables	16.17	8,893	7,435
Current income tax liabilities	8	1,482	2,481
Bank overdrafts and borrowings	14.17	15,754	14,356
Provisions	18	2,494	3,144
Other financial liabilities	17	493	353
Other non-financial liabilities	16	5,017	7,760
Total current liabilities		***34,133***	***35,529***
Total liabilities		**43,760**	**48,501**
TOTAL EQUITY AND LIABILITIES		**110,209**	**95,369**

The accompanying notes form an integral part of the consolidated financial statements

AAA Auto Group N.V.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2013 (EUR '000)

	Note	2013	2012
Continuing operations			
Revenue	4	**379,382**	**335,902**
Other income		663	439
Changes in inventories	12	5,063	5,057
Car inventory sold	12	(285,924)	(248,241)
Advertising expenses		(11,163)	(8,449)
Employee benefit expenses	6	(35,657)	(37,188)
Depreciation and amortisation expense	10,11	(2,628)	(2,318)
Impairment of property, plant and equipment credit/(charge)	11	170	(66)
Other expenses	5	(16,133)	(17,940)
Finance income/(cost)	7	(1,771)	338
Profit before tax		**32,002**	**27,534**
Income tax expense	8	(6,668)	(5,257)
Profit for the period		**25,334**	**22,277**
Other comprehensive income			
Foreign currency translation differences		(2,765)	(1,298)
Other comprehensive income for the year, net of income tax		**(2,765)**	**(1,298)**
Total comprehensive income for the period		**22,569**	**20,979**

The accompanying notes form an integral part of the consolidated financial statements.

AAA Auto Group N.V.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 December2013 (EUR ‘000)

	Notes	Share capital	Share premium	Treasury shares **	Equity/ legal reserve *	Share option reserve	Foreign currency translation reserve *	Retained earnings	Total equity
Balance at 01/01/12		**6,776**	**31,409**	**-**	**456**	**580**	**7,317**	**(20,733)**	**25,805**
Profit for the year		-	-		-	-	-	22,277	22,277
Other comprehensive income									
Foreign currency translation differences		-	-		-	-	(1,298)	-	(1,298)
Total comprehensive income		-	-				(1,298)	22,277	20,979
Transactions with owners									
Equity legal reserve		-	-		547	-	-	(547)	-
Share options	23	-	-		-	84	-	-	84
Balance at 31/12/12		**6,776**	**31,409**	**-**	**1,003**	**664**	**6,019**	**997**	**46,868**
Balance at 01/01/13		**6,776**	**31,409**	**-**	**1,003**	**664**	**6,019**	**997**	**46,868**
Profit for the year		-	-		-	-	-	25,334	25,334
Other comprehensive income									
Foreign currency translation differences		-	-		-	-	(2,765)	-	(2,765)
Total comprehensive income		-	-		-	-	(2,765)	25,334	22,569
Transactions with owners									
Treasury shares acquired	20	-	-	(2,988)	-	-	-	-	(2,988)
Equity legal reserve		-	-		672	-	-	(672)	-
Share options waiver and cancellation	23	-	-		-	(664)	-	664	-
Balance at 31/12/13		**6,776**	**31,409**	**(2,988)**	**1,675**	**-**	**3,254**	**26,323**	**66,449**

(*) legally restricted for distribution
(**) Treasury shares are presented in the line “Reserves” in the statement of financial position

The accompanying notes form an integral part of the consolidated financial statements

AAA Auto Group N.V.
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2013 (EUR '000)

	Notes	2013	2012
Cash flows from operating activities			
Profit for the year		25,334	22,277
Adjustments for:			
Income tax expense	8	6,668	5,257
Depreciation and impairment of fixed assets	10, 11	2,458	2,384
Provisions	12,13,18	(1,047)	662
(Gain) / loss on disposal of fixed assets		136	(55)
Interest income		(22)	(35)
Interest expense	7	692	1,206
Share options	6, 23	-	84
Foreign exchange (gain)/loss	7	564	(2,009)
Increase in inventories	12	(5,178)	(9,803)
Decrease/(increase) in receivables and other assets		(3,741)	365
Increase/(decrease) in payables and other liabilities		(1,959)	1,849
Interest paid		(692)	(650)
Interest received		22	35
Income tax paid		(7,433)	(4,981)
Net cash provided by operating activities		15,802	16,586
Cash flows from investing activities			
Purchase of property, plant and equipment*	11	(3,884)	(3,276)
Proceeds from disposals of property, plant and equipment		355	509
Net cash used in investing activities		(3,529)	(2,767)
Cash flows from financing activities			
Proceeds from third party loans	14	9,784	6,269
Repayment of third party loans	14	(10,782)	(19,609)
Payment of finance lease liabilities	14	-	(35)
Purchase of treasury shares	20	(2,988)	-
Net cash from financing activities		(3,986)	(13,375)
Net increase in cash and cash equivalents		8,287	444
Net foreign exchange difference		(343)	(62)
Cash and cash equivalents at the beginning of the year		5,534	5,152
Cash and cash equivalents at the end of the year		13,478	5,534

*As presented in Note 11 (as "transfers to inventory"), company cars used for operations are classified in property plant and equipment and are transferred to inventory after certain period of usage as they are later sold to customers. Purchase of property, plant and equipment above excludes cash outflows for such the purchases of company cars and such cash outflows are presented in the net cash provided by operating activities.

The accompanying notes form an integral part of the consolidated financial statements

Note 1 - GENERAL INFORMATION

AAA Auto Group N.V. (the "**Company**") was incorporated as a private company with limited liability on 12 December 2003 under the name Automobil Group B.V. On 29 December 2006, Automobil Group B.V. was converted into a public company with limited liability and changed its name into AAA Auto Group N.V. The address of the Company's registered office is Dopraváků 723, 184 00 Prague 8, Czech Republic and is incorporated in the Commercial Register in Amsterdam, the Netherlands, under reg. number 34199203.

On 26 September 2007 the Company entered the Prague (PSE) and Budapest (BSE) stock exchange. Until mid-2013, from the overall number of 67,757,875 ordinary shares with the nominal value of EUR 0.10 per share, 17,757,875 ordinary shares were available for trading at PSE and BSE. The Company's extraordinary shareholders' meeting held on 29 March 2013 resolved to delist all the issued and outstanding ordinary shares from trading on the PSE and BSE stock exchanges and to offer to buy-back these shares in the period until the date of delisting in exchange for cash. As a result of the above buy-back and delisting, the Company's last trading day on BSE was 28 June 2013, PSE on 3 July 2013 and it was delisted on 4 July 2013. At the date of the delisting the buy-back process stopped and no further buy-backs have taken place since then (as required by applicable laws). As at 4 July 2013 the Company had acquired 3,016,082 ordinary shares with a nominal value of EUR 301,608 (Note 20).

Before entering the stock exchange the sole shareholder of the Company was AUTOMOTIVE INDUSTRIES S.à.r.l. Ave. JR. Kennedy 46a, Luxembourg, who remains the majority owner with 73.79% ordinary shares. The ultimate controlling party is Mr. Anthony James Denny who owns 73.79% of ordinary shares of the Company indirectly through the company AUTOMOTIVE INDUSTRIES S.á.r.l and 3.77% of the ordinary shares directly (from the remaining ordinary shares, 4.45% are owned by the Company and 17.99% are owned by other investors).

The main activity of the Company is to act as a holding, finance and services company for its subsidiaries. The principal activity of the Group (including together the Company and its subsidiaries) is the sale of used cars.

The Group also serves as an intermediary (agent) providing its customers with third party financing, insurance, leasing or roadside assistance. For such services the Group is eligible for agreed commission fees based on long – term contracts.

These consolidated financial statements were authorized for issue by the Board of Directors on 30 April 2014.

Note 2 – ADOPTION OF NEW AND REVISED STANDARDS

2. Statement of compliance with IFRS

The consolidated financial statements of AAA Auto Group N.V. (“the Company”), its subsidiaries and associates (together “the Group”) for the year ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) as at 31 December 2013.

2.1 Adoption of new or revised standards, amendments and interpretations to existing standards*

2.1.1 New standards, amendments and interpretations to existing standards mandatory for 2013

The following new standards and amendments to existing standards, mandatory for accounting periods beginning on or after 1 January 2013, which were applied by the Group resulted in certain changes to presentation and additional disclosure in these consolidated financial statements but did not have a material impact on the measurement of transactions and balances presented in the consolidated financial statements as at 31 December 2013.

IFRS	Standard/ Amendment	Effective	Description
IFRS 13	Fair value measurement	1 January 2013	Aim of the new standard is Improved consistency and reduced complexity by providing a revised definition of fair value, and a single source of fair value measurement and disclosure requirements for use across IFRSs.
IFRS 7	Disclosure: Offsetting Financial Assets and Financial Liabilities	1 January 2013	The amendment requires disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off.
IAS 1	Amendment on Presentation of Financial Statements	1 July 2012	The amendment changes the disclosure of items presented in other comprehensive income. The amendments require entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be reclassified to profit or loss in the future. The suggested title used by IAS 1 has changed to ‚statement of profit or loss and other comprehensive income“

* The effective dates express the dates effective for the Group

New standards, amendments, interpretations and improvements to existing standards mandatory for 2013, which are not applied by the Group as they are not relevant to the Group's operations:

IFRS	Standard/Interpretation	Effective	Description
IAS 12	Deferred tax: Recovery of Underlying Assets	1 January 2013	The amendment introduced a rebuttable presumption that an investment property carried at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. SIC-21, *Income Taxes – Recovery of Revalued Non-Depreciable Assets*, which addresses similar issues involving non-depreciable assets measured using the revaluation model in IAS 16, *Property, Plant and Equipment,* was incorporated into IAS 12 after excluding from its scope investment properties measured at fair value.
IFRS 1	Amendment to IFRS 1, on severe hyperinflation and removal of fixed dates for first-time adopters	1 January 2013	The amendment regarding severe hyperinflation creates an additional exemption when an entity that has been subject to severe hyperinflation resumes presenting or presents for the first time, financial statements in accordance with IFRS. The exemption allows an entity to elect to measure certain assets and liabilities at fair value; and to use that fair value as the deemed cost in the opening IFRS statement of financial position. The IASB has also amended IFRS 1 to eliminate references to fixed dates for exceptions dealing with financial assets and liabilities. The first change requires first-time adopters to apply the derecognition requirements of IFRS prospectively from the date of transition, rather than from 1 January 2004. The second amendment relates to financial assets or liabilities where the fair value is established through valuation techniques at initial recognition and allows the guidance to be applied prospectively from the date of transition to IFRS rather than from 25 October 2002 or 1 January 2004. This means that a first-time adopter may not need to determine the fair value of certain financial assets and liabilities at initial recognition for periods prior to the date of transition. IFRS 9 has also been amended to reflect these changes.
IAS 19	Employee Benefits	1 January 2013	The amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The standard requires recognition of all changes in the net defined benefit liability (asset) when they occur, as follows: (i) service cost and net interest in profit or loss; and (ii) remeasurements in other comprehensive income.
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013	The interpretation clarifies that benefits from the stripping activity are accounted for in accordance with the principles of IAS 2, *Inventories*, to the extent that they are realised in the form of inventory produced. To the extent the benefits represent improved access to ore, the entity should recognise these costs as a 'stripping activity asset' within non-current assets, subject to certain criteria being met.
IFRS 1	Amendment on the First time adoption of IFRS on the treatment of government loans	1 January 2013	The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This will give first-time adopters the same relief as existing preparers.
	Annual improvements (issued in May 2012)	1 January 2013	These annual improvements includes changes to: IFRS 1 – First time adoption IAS 1 – Financial statements presentation IAS 16 – Property, plant and equipment IAS 32 – Financial instruments: presentation IAS 34 – Interim financial reporting

2.1.2 New standards, amendments and interpretations to existing standards published not yet effective for accounting periods beginning on or after 1 January 2013

New standards, amendments and interpretations to existing standards, which will be relevant for the Group but have not been early adopted by the Group and are not expected to have a significant impact on the Group:

IFRS	Standard/ Interpretation	Effective	Description
IAS 32	Financial Instruments: Offsetting Financial Assets and Financial Liabilities	1 January 2014	The amendment added application guidance to IAS 32 nconsistencies identified in applying some of the iteria. This includes clarifying the meaning of 'currently enforceable right of set-off' and that some gross ystems may be considered equivalent to net
IFRS 9	Financial instruments	Not yet endorsed by the EU	The key features of the standard issued in November 2009 and amended in October 2010, December 2011 and November 2013 are: • Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. • An instrument is subsequently measured at amortised cost only if it is a debt instrument and both (i) the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and (ii) the asset's contractual cash flows represent payments of principal and interest only (that is, it has only "basic loan features"). All other debt instruments are to be measured at fair value through profit or loss. • All equity instruments are to be measured subsequently at fair value. Equity instruments that are held for trading will be measured at fair value through profit or loss. For all other equity investments, an irrevocable election can be made at initial recognition, to recognise unrealised and realised fair value gains and losses through other comprehensive income rather than profit or loss. There is to be no recycling of fair value gains and losses to profit or loss. This election may be made on an instrument-by-instrument basis. Dividends are to be presented in profit or loss, as long as they represent a return on investment. • Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The key change is that an entity will be required to present the effects of changes in own credit risk of financial liabilities designated at fair value through profit or loss in other comprehensive income. • Hedge accounting requirements were amended to align accounting more closely with risk management. The standard provides entities with an accounting policy choice between applying the hedge accounting requirements of IFRS 9 and continuing to apply IAS 39 to all hedges because the standard currently does not address accounting for macro hedging. The amendments made to IFRS 9 in November 2013 removed its mandatory effective date, thus making application of the standard voluntary.

The following standards, amendments and interpretations to existing standards which will not be relevant for the Group or are not expected to have a significant impact on the Group's operations:

IFRS	Standard/Interpretation	Effective	Description
IFRS 10	Consolidated Financial Statements	1 January 2014	IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 "Consolidated and separate financial statements" and SIC-12 "Consolidation - special purpose entities". IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. This definition is supported by extensive application guidance
IFRS 11	Joint Arrangements	1 January 2014	IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities—Non-Monetary Contributions by Ventures". Changes in the definitions have reduced the number of types of joint arrangements to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures.
IFRS 12	Disclosure of Interest in Other Entities	1 January 2014	IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 sets out the required disclosures for entities reporting under the two new standards: IFRS 10, Consolidated financial statements, and IFRS 11, Joint arrangements, and replaces the disclosure requirements currently found in IAS 28, Investments in associates. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. To meet these objectives, the new standard requires disclosures in a number of areas, including significant judgments and assumptions made in determining whether an entity controls, jointly controls, or significantly influences its interests in other entities, extended disclosures on share of non-controlling interests in group activities and cash flows, summarised financial information of subsidiaries with material non-controlling interests, and detailed disclosures of interests in unconsolidated structured entities.
IAS 27	Separate Financial Statements	1 January 2014	IAS 27 was changed and its objective is now to prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The guidance on control and consolidated financial statements was replaced by IFRS 10, Consolidated Financial Statements.
IAS 28	Investments in Associates and Joint Ventures	1 January 2014	The amendment of IAS 28 resulted from the Board's project on joint ventures. When discussing that project, the Board decided to incorporate the accounting for joint ventures using the equity method into IAS 28 because this method is applicable to both joint ventures and associates. With this exception, other guidance remained unchanged.
IFRS 10,11 and 12	Amendment on transition guidance	1 January 2014	The amendments clarify the transition guidance in IFRS 10 Consolidated Financial Statements. Entities adopting IFRS 10 should assess control at the first day of the annual period in which IFRS 10 is adopted, and if the consolidation conclusion under IFRS 10 differs from IAS 27 and SIC 12, the immediately preceding comparative period (that is, year 2012 for a calendar year-end entity that adopts IFRS 10 in 2013) is restated, unless impracticable. The amendments also provide additional transition relief in IFRS 10, IFRS 11, Joint Arrangements, and IFRS 12, Disclosure of Interests in Other Entities, by limiting the requirement to provide adjusted comparative information only for the immediately preceding comparative period. Further, the amendments will remove the requirement to present comparative information for disclosures related to unconsolidated structured entities for periods before IFRS 12 is first applied.
IFRS 10,12 and IAS 27	Amendment to Investment entities	1 January 2014	The amendment introduced a definition of an investment entity as an entity that (i) obtains funds from investors for the purpose of providing them with investment management services, (ii) commits to its investors that its business purpose is to invest funds solely for capital appreciation or investment income and (iii) measures and evaluates its investments on a fair value basis. An investment entity will be required to account for its subsidiaries at fair value through profit or loss, and to consolidate only those subsidiaries that provide services that are related to the entity's investment activities. IFRS 12 was amended to introduce new disclosures, including any significant judgements made in determining whether an

			entity is an investment entity and information about financial or other support to an unconsolidated subsidiary, whether intended or already provided to the subsidiary.
IAS 36	Amendments to Recoverable amount disclosures for non-financial assets	1 January 2014	The amendments remove the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.
IAS 39	Financial Instruments: Recognition and measurement – Amendment to "Novation of derivatives"	1 January 2014	The amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated (i.e parties have agreed to replace their original counterparty with a new one) to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met.
IFRIC 21	Levies	Not yet endorsed by the EU	The interpretation clarifies the accounting for an obligation to pay a levy that is not income tax. The obligating event that gives rise to a liability is the event identified by the legislation that triggers the obligation to pay the levy. The fact that an entity is economically compelled to continue operating in a future period, or prepares its financial statements under the going concern assumption, does not create an obligation. The same recognition principles apply in interim and annual financial statements. The application of the interpretation to liabilities arising from emissions trading schemes is optional.
IAS 19	Amendments to Defined benefit plans: Employee contributions	Not yet endorsed by the EU	The amendment allows entities to recognise employee contributions as a reduction in the service cost in the period in which the related employee service is rendered, instead of attributing the contributions to the periods of service, if the amount of the employee contributions is independent of the number of years of service.
	Annual improvements to IFRSs 2012 (issued in December 2013)	Not yet endorsed by the EU	These improvements consist of changes to seven standards: • IFRS 2 – clarified definition of "vesting condition" and defined separately "performance condition" and "service condition" • IFRS 3 – amended to clarify that (1) an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, and (2) all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. • IFRS 8 - amended to require (1) disclosure of the judgements made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics, and (2) a reconciliation of segment assets to the entity's assets when segment assets are reported. • The basis for conclusions on IFRS 13 was amended to clarify that deletion of certain paragraphs in IAS 39 upon publishing of IFRS 13 was not made with an intention to remove the ability to measure short-term receivables and payables at invoice amount where the impact of discounting is immaterial. • IAS 16 and IAS 38 were amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. • IAS 24 was amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'), and to require to disclose the amounts charged to the reporting entity by the management entity for services provided.
	Annual improvements to IFRSs 2013 (issued in December 2013)	Not yet endorsed by the EU	The improvements consist of changes to four standards: • The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented. • IFRS 3 was amended to clarify that it does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

	• The amendment of IFRS 13 clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including contracts to buy or sell non-financial items) that are within the scope of IAS 39 or IFRS 9. • IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

Except where mentioned all the new standards, amendments and interpretations disclosed in Note 2.1.2 have been adopted by the European Union.

Note 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1. Basis for preparation

The Consolidated financial statements of AAA Auto Group N.V. have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The consolidated financial statements have been prepared on the historical cost basis. The consolidated financial statements have been prepared under the going concern principle.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise its judgment in the process of applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in Note 3.3.

All amounts are presented in euro and, unless otherwise indicated, rounded to the nearest EUR 1,000.

These consolidated financial statements should be read in conjunction with the Company's financial statements.

3.2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intercompany transactions, balances and unrealized gains and losses on transactions between group companies are eliminated in full on consolidation.

<u>Subsidiaries</u>

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations.

A summary of all subsidiaries consolidated at 31 December 2013 is provided in the Note 9.

Foreign currency

(A) Functional and presentation currency

Items included in the financial statements of each of the Group´s entities are measured using the currency of the primary economic environment in which the entity or its branches operate ("the functional currency"). The consolidated financial statements are presented in euro (EUR) ("presentation currency").

(B) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re – measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses result from financing activities and are presented in the income statement within "finance income or costs".

(C) Group companies

On consolidation, the results and financial position of all the group entities (none of which has the currency of a hyper– inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
c) all resulting exchange differences are recognized in other comprehensive income.

On disposal of a foreign operation, the cumulative exchange differences recognized in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

Intangible Assets

Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful lives. Cost includes both the purchase price and all directly attributable costs of bringing the asset to working condition for its intended use. The amortization expense is included within the depreciation line in the consolidated statement of comprehensive income.

The significant intangibles recognized by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	**Useful economic life**
Trademarks	6 years
Software	3 years

The estimated useful lives and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis on the Group's financial position and performance presented.

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible asset when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliable measured.

Directly attributable costs, that are capitalized as a part of the software product, include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

Property, Plant and Equipment

Property, plant and equipment (PPE) are stated at cost less any accumulated depreciation and where necessary, any accumulated impairment losses. Cost consists of acquisition cost and all directly attributable costs of bringing the asset to working condition for its intended use.

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives using the straight-line method, as follows (except for finance leases mentioned in the first paragraph below the table):

Class of property, plant and equipment	Years
Buildings	10 - 50
Company cars	4 - 6
Plant, equipment and furniture	3 - 12

Property, plant and equipment held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis on the Group’s financial position and performance presented.

Repair and maintenance expenses that ensure an achievement of estimated useful lives, production capacity and productivity are recognized in the income statement of the period in which they are incurred. The purchase costs of significant renewals and improvements of any property, plant and equipment are recognized as an asset when it is probable that a future economic benefit, associated with the asset, will flow to the Group and the costs of the asset can be measured reliably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Assets subject to amortization and depreciation are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Prior impairment of non-financial assets are reviewed for possible reversal at each reporting date.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets to which the asset belongs for which there are separately identifiable cash inflows).

Impairment charges are included in the income statement.

Leased assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight – line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease´s commencement at the lower of the fair value of the lease property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the period of the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Inventories

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition (mainly external car repairs, car registration and other administration fees, car import and transport costs, customs duty, appropriate share of wages of car buying department).

Net realizable value represents the estimated selling price for inventories, determined by historical experience and detailed analyses of the cars on stock according to their aging, less all estimated costs of completion and estimated costs necessary to make the sale.

The cost of inventories is primarily assigned by using specific identification of their individual costs (particularly for merchandise – cars). Where the specific identification of costs is inappropriate (e.g. for spare parts), the costs are assigned to inventories held using first-in, first-out formula.

Financial Instruments

Financial assets and financial liabilities are recognized on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

a) Classification

The Group classifies its financial assets as Loans and Receivables. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired.

<u>Loans and receivables</u>

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. The Group's loans and receivables comprise trade and other receivables and other financial assets in the consolidated balance sheet. Except when their maturity is more than 12 months after the end of the reporting period, they are classified as current assets otherwise they are classified as non-current assets.

b) Recognition and measurement

Loans and receivables are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset (liability) and of allocating interest income (expense) over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (payments) through the expected life of the financial asset (liability), or, where appropriate, a shorter period.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable. The amount of such a impairment provision is calculated as the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such impairment provisions are recorded in a separate allowance account with the loss being recognized within other expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision and any part of the receivable which had previously not been fully provided against is charged to the income statement.

Off-setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposit held at call with banks and other highly liquid investments with original maturities of three months or less.

Derivative financial instruments

The Company uses derivative financial instruments such as interest rate swaps and forwards to hedge its risks associated with interest rate and foreign exchange fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from discounted cash flow models. All derivatives are presented in other financial assets or other financial liabilities when their fair value is positive or negative, respectively. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the income statement.

Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Groups ordinary shares are classified as equity instruments.

Treasury shares

Where any group company purchases the Company's equity share capital, the consideration paid, including directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Financial liabilities

The Group classifies its financial liabilities as other financial liabilities measured at amortised costs.

Other financial liabilities

- Bank borrowings are recognized initially at fair value net of any transaction costs incurred. Borrowings are subsequently carried at amortized cost using the effective interest rate method.

- Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

Provisions

Provisions for legal claims are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre – tax rate that reflects the current market assessment of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense in the income statement.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax assets and liabilities are recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statement of financial statements, except for differences arising on:

- the initial recognition of goodwill where deferred income tax liabilities are not recognised;

- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and

- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or

different group taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Share-based payments

Untill April 2013 the Group operated a number of equity-settled, share-based compensation plans, under which the Group received services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options was recognized as an expense in the income statement. The total amount to be expensed was determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions were included in assumptions about the number of options that were expected to vest. The total expense was recognized over the vesting period, which was the period over which all of the specified vesting conditions had to be satisfied. At the end of each reporting period, the entity revised its estimates of the number of options that wereexpected to vest based on the non-market vesting conditions. It recognized the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Where the terms and conditions of options were modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, was also charged to the income statement over the remaining vesting period.

The Group recognized the cancellation and settlement of the share options as an acceleration of vesting, and the amount that would otherwise had been recognised for services received over the remainder of the vesting period was recognized immediately as an expense in the income statement. At the same time as the cancellation of the share options, the equity instrument, being the Share Option Reserve in equity, ceased to exist and the balance on this account should be transferred within equity to retained earnings.

Revenue

Revenue from the sales of goods is recognized when the Group has transferred the significant risks and rewards of the ownership of the goods to the buyer and it is probable that the Group will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer. Where the buyer has a right to return, the Group defers recognition of revenue until the right to return has lapsed. However, where the Group retains only insignificant risks that the goods will be returned (the right of return), total revenue amount is not deferred, but the Group defers only a portion based on previous experience and other relevant factors.

Provided the amount of revenue can be measured reliably and it is probable that the Group will receive any consideration, revenue for services is recognized in the period in which they are rendered.

Revenue is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the Group.

Sale of goods – cars and spare parts

The Group primarily operates as a seller for used cars. As a secondary business activity classified as a sale of goods is a sale of spare parts. Sales of goods and spare parts are recognized when a group entity sells a car to the customer and significant risks and rewards of ownership of the goods are transferred to the customer that means usually a delivery of a relevant car to the customer. The car sales are ordinarily paid for in cash.

Rendering of services – car repairs and maintenance

The Group sells car repair and maintenance services to customers who have purchased a car from a group entity. These services are provided on a time and direct material basis or as a fixed-priced contract.

Revenue from services provided on a time and direct material basis are recognized when the service is rendered. Revenue from fixed-priced contracts for rendering of repair and maintenance services is recognized in the period the services are provided, using the straight-line basis over the term of the contract.

Rendering of services – commissions

As a complement of the car sales, the Group mediates various financial services such as leasing underwriting, arranging for bank credits, damage insurance and other services such as road assistance. From these activities the Group receives a commission that is recognized as revenue when the relevant service is rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

Dividend income

Dividend income from investments is recognized when the Group's right to receive payment has been established.

Post employment benefit costs

The Group neither operates any pension plan nor contributes to any voluntary contribution pension plans.

All post employment benefit costs of the Group represent mandatory social security premiums paid by the Company and subsidiaries on behalf of their employees. Those contributions are recognized as an expense in the income statement when employees have rendered service entitling them to the contributions.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably. All other borrowing costs are recognized in the income statement in the period in which they are incurred.

3.3. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

Impairment

The Group presents property, plant and equipment and intangible assets with definite useful lives. These assets are tested for impairment when circumstances indicate there may be a potential impairment. Factors the Group considers important which could trigger an impairment review include the following: significant fall in market values; significant underperformance relative to historical or projected future operating results; significant changes in the use of its assets or the strategy for its overall business, including assets that are decided to be phased out or replaced and assets that are damaged or taken out of use, significant negative industry or economic trends; and significant cost overruns in the development of assets.

The Group’s impairment policy is to carry the value of property, plant and equipment and intangible assets at the lower of the carrying value or the recoverable value (i.e. the higher of value in use and fair value less costs to sell). The impairment is recognized within depreciation in the income statement. Impairment charges relating to other assets are charged to other expenses in the income statement.

Estimating recoverable amounts of assets is based on management evaluations, including estimates of future performance, revenue generating capacity of the assets, assumptions of the future market conditions and the success in marketing of new products and services. Changes in circumstances and in management’s evaluations and assumptions may give rise to impairment losses in the relevant periods.

Depreciation, amortization and residual values

Depreciation and amortization is based on management estimates of the future useful life of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the amortization or depreciation charges. Technological developments are difficult to predict and the Group’s views on the trends and pace of development may change over time. Some of the Group’s assets and technologies, in which the Group invested in previous years, are still in use and provide the basis for the Group’s new products. The future estimated useful lives of property, plant and equipment and intangible assets is reviewed periodically taking into consideration the factors mentioned above and all other important factors. Estimated useful life for similar type of assets may vary between different entities in the Group due to local factors as growth rate, maturity of the market, history and expectations for replacements or transfer of assets, climate, quality of components used etc. In case of significant changes in the Group’s estimated useful lives, depreciation and amortization charges are adjusted prospectively.

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period. In making its judgment for the remaining useful life of these assets, management considered the conclusions from employees responsible for technical maintenance of the assets.

In connection with depreciation the Group also reviews the estimated residual value of property, plant and equipment, particularly company cars and buildings. A possible change of residual value leads to an adjustment in depreciation expense.

Provisions

The Group measures provisions at the management's best estimate of the expenditure required to settle the obligation at the reporting date. These estimates are made, taking account of information available and different possible outcomes.

The Group operates in various tax jurisdictions resulting in different subjective and complex interpretation of local tax laws. Management exercises judgment in assessing the level of provision required for taxation when such taxes are based on the interpretation of complex tax laws.

Inventories

At each reporting date, the net realizable value is determined as an expected selling price of cars (goods) in stock less the estimated costs necessary to make the sale. If the estimated net realizable value is under the carrying amount, the write-down is recognized as an expense in the income statement. The estimated selling prices for cars and the related costs are determined based on the most recent trading experience of the Group on that market.

Note 4 – REVENUE

An analysis of the Group's main trading for the year is as follows:

Revenues	**2013** EUR '000	**2012** EUR '000
Revenue from the sale of goods		
Cars	306,915	272,755
Spare parts	1,330	1,298
Total revenue from the sale of goods	**308,245**	**274,053**
Revenue from the rendering of services		
Commissions revenue (leasing, insurance, other)	65,872	57,008
Services (car repairs, maintenance, other)	5,265	4,841
Total revenue from the services	**71,137**	**61,849**
Total	**379,382**	**335,902**

The split of the group revenues by region for the year ended 31 December 2013 is as follows:

	Czech Republic	**Slovak Republic**	**Russia**	**Other**	**Total**
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
2013					
Revenues from external customers	244,435	108,571	26,367	9	**379,382**

The split of the group revenues by region for the year ended 31 December 2012 is as follows:

	Czech Republic	**Slovak Republic**	**Russia**	**Other**	**Total**
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
2012					
Revenues from external customers	219,138	91,688	25,076	**-**	**335,902**

Note 5 - OTHER EXPENSES

Detail of other expenses	2013 EUR '000	2012 EUR '000
Material used	1,790	2,242
Fuel	1,325	1,194
Energy	1,033	820
Repairs	275	138
Travel expenses	545	461
Rent	3,102	3,087
Communication expenses	1,071	1,293
Transport services	1,255	870
Consulting services (business, tax, legal, audit and accounting)	2,649	3,371
Security	162	239
Taxes and fees	337	257
Insurance	270	552
Software services	263	385
Shortages and losses	110	189
Impairment losses (account receivable, inventory and other assets)	1	471
Other expenses	1,945	2,371
Total other expenses	**16,133**	**17,940**

Note 6 - EMPLOYEE BENEFIT EXPENSE

The Group's employee benefit expense includes only those relating to short-term employee benefits and share options as follows:

Staff costs (including directors)	2013 EUR '000	2012 EUR '000
Wages and salaries	26,401	28,520
Social security contributions and similar taxes	3,299	3,073
State pension benefit costs (defined contribution plans)	5,719	5,286
Short-term non-monetary benefits	238	225
Share-based payment expense (Note 23)	-	84
Total	**35,657**	**37,188**

Employee benefit expense that is directly attributable to the purchase of inventories in the amount of EUR 5,063,000 (2012: EUR 5,057,000) is capitalized and recognized as a component of the initial measurement of purchased inventories.

The average number of employees employed by the Group amounted to 1,699 for the year ended 31 December 2013 (2012: 1,538 employees).

Note 7 - FINANCE COST / (INCOME)

	2013 EUR '000	2012 EUR '000
Interest on bank overdrafts and loans	670	1,145
Interest on obligations under finance leases	-	26
Total interest expenses	**670**	**1,171**
Foreign exchange losses/(gains)	564	(2,009)
Other (bank fees, stock exchange and financial supervision expenses)	537	500
Total finance (income)/ cost	**1,771**	**(338)**

More information regarding borrowings and interest rates on borrowings is included in Note 14.

Note 8 – INCOME TAX

	2013 EUR '000	2012 EUR '000
Current tax:		
Current tax on profits for the year	6,303	5,323
Total current tax	**6,303**	**5,323**
Deferred tax (Note 15)		
Deferred tax income	365	(66)
Income Tax Total	**6,668**	**5,257**

The tax on the Group's profit before taxes differs from the theoretical amount that would arise upon using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2013 EUR '000	2012 EUR '000
Profit before tax	**32,002**	**27,534**
Applicable tax rate	19%	19%
Tax calculated at local tax rate applicable to profit before tax	6,080	5,231
Expense not deductible for tax purposes	843	500
Income not subject to tax	(649)	(339)
Not recognised deferred tax asset	(86)	(249)
Tax rate adjustment	345	18
Other	135	96
Total income tax expense recognized in profit or loss	**6,668**	**5,257**

The weighted average applicable tax rate was 19% (2012: 19%). The weighted average is based on tax rates applicable in following countries: Czech Republic, Slovakia, Netherlands, Hungaria, Poland and Russia.

Note 9 - CONSOLIDATED ENTITIES

Details of the Company's subsidiaries whose financial statements are consolidated in these financial statements for the year ended 31 December 2013 are as follows:

Company	Percentage of ownership	Country of registration and incorporation	Principal activity
AAA AUTO a.s.	100%	Czech Republic	used car sales
AUTO DISKONT s.r.o. [CZ]	100%	Czech Republic	used car sales
Mototechna Group k.s. (Mototechna Group a.s.)	100%	Czech Republic	used & new car sales
AAA AUTO PRAHA s.r.o.	100%	Czech Republic	providing services
Mototechna Servis s.r.o.	100%	Czech Republic	used car service
AAA PARTNER, s.r.o.	100%	Czech Republic	new car sales
KLADNO CAR PARK, s.r.o.	100%	Czech Republic	real estate owner
Mototechna Předváděcí vozy s.r.o.	100%	Czech Republic	car fleet management
AUTOMOTIVE RETAIL SYSTEMS s.r.o. *)	100%	Czech Republic	IT development
Geely Czech & Slovakia s.r.o.	60%	Czech Republic	non-active
AUTOCENTRUM AAA AUTO a.s. [SK]	100%	Slovak Republic	used car sales
AUTO DISKONT s.r.o. [SK]	100%	Slovak Republic	used car sales
AAA AUTO Hungary Kft.	100%	Hungary	non-active
AAA Auto Kft.	100%	Hungary	real estate owner
Autocentrum AAA AUTO Kft.	100%	Hungary	holding company
AAA AUTO LLC [UKR]	100%	Ukraine	non-active
AAA AUTO LLC [RU]	95%	Russia	used car sales
Autocentrum AAA Auto Sp.z.o.o.	100%	Poland	real estate owner
AAA Auto Sp.z.o.o.	100%	Poland	non-active

*) AUTOMOTIVE RETAIL SYSTEMS s.r.o. is consolidated only within Profit/Loss statement till the date of disposal from AAA Auto Group which was
September 2013 (Note 22).
**) Subsidiary CarWay Group s.r.o. was merged to Mototechna Group k.s. as of 1 August 2013.
***) the 100% shareholding in AAA Auto a.s. is fully pledged to secure bank loans provided to the Group

In case of all subsidiaries, the proportion of ownership interest is equal to the proportion of voting power held.

Note 10 - INTANGIBLE ASSETS

	Software	Trade marks	Intangible assets in the course of acquisition	Other intangible assets	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
COST					
Balance at 1/1/2012	**2,364**	**86**	**4**	**3**	**2,457**
Additions	72	7	549	1	629
Disposals	-	-	(11)	-	(11)
Net foreign currency exchange differences	67	2	-	-	69
Balance at 31/12/2012	**2,503**	**95**	**542**	**4**	**3,144**
Additions	264	11	671	1	947
Disposals	(39)	(1)	(1,196)	(1)	(1,237)
Net foreign currency exchange differences	(200)	(9)	(17)	-	(226)
Balance at 31/12/2013	**2,528**	**96**	**-**	**4**	**2,628**
ACCUMULATED AMORTISATION and IMPAIRMENT					
Balance at 1/1/2012	**(2,243)**	**(61)**	**-**	**(3)**	**(2,307)**
Amortisation expense	(88)	(15)	-	(1)	(104)
Eliminated on disposals	-	-	-	-	-
Net foreign currency exchange differences	(63)	(3)	-	-	(66)
Balance at 31/12/2012	**(2,394)**	**(79)**	**-**	**(4)**	**(2,477)**
Amortisation expense	(123)	(11)	-	-	(134)
Eliminated on disposals	2	-	-	-	2
Net foreign currency exchange differences	192	7	-	-	199
Balance at 31/12/2013	**(2,323)**	**(83)**	**-**	**(4)**	**(2,410)**
Carrying amount					
As at 31 December 2012	109	16	542	-	667
As at 31 December 2013	205	13	-	-	218

During the year 2013 the Group incurred EUR 671,000 of development costs related to internally created software (included in the category Intangible assets in the course of acquisition) (2012: EUR 542,000).

The disposals of intangible assets in the course of acquisition of EUR 1,196,000 were due to sale of the subsidiary AUTOMOTIVE RETAIL SYSTEMS s.r.o. to related party CarWay Holding B.V. (Note 22).

As at 31 December 2013, the Group did not enter into any contractual commitments for the acquisition of intangible assets.

Note 11 - PROPERTY, PLANT AND EQUIPMENT (PPE)

	Buildings and Land	Company cars	Fixtures and equipment	PPE in the course of construction	Total
	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
COST					
Balance at 1/1/2012	**43,663**	**3,273**	**8,166**	**970**	**56,072**
Additions	976	4,530	830	10	6,346
Disposals / transfer	(52)	(366)	(901)	(460)	(1,779)
Transfer to inventory	-	(3,699)	-	-	(3,699)
Net foreign currency exchange differences	1,441	77	153	14	1,685
Balance at 31/12/2012	**46,028**	**3,815**	**8,248**	**534**	**58,625**
Additions	222	6,536	605	4	7,367
Disposals / transfer	(244)	(374)	(213)	(326)	(1,157)
Transfer to inventory	-	(5,224)	-	-	(5,224)
Net foreign currency exchange differences	(2,076)	(349)	(454)	(18)	(2,897)
Balance at 31/12/2013	**43,930**	**4,404**	**8,186**	**194**	**56,714**
ACCUMULATED DEPRECIATION and IMPAIRMENT					
Balance at 1/1/2012	**(9,307)**	**(824)**	**(6,692)**	**-**	**(16,823)**
Depreciation expense	(824)	(779)	(611)	-	(2,214)
Impairment losses charged to profit or loss	(66)	-	-	-	(66)
Disposals / transfer	17	38	880	-	935
Transfer to inventory	-	806	-	-	806
Net foreign currency exchange differences	(465)	(14)	(121)	-	(600)
Balance at 31/12/2012	**(10,645)**	**(773)**	**(6,544)**	**-**	**(17,962)**
Depreciation expense	(831)	(963)	(700)	-	(2,494)
Reversal of impairment losses credited to profit or loss	170	-	-	-	170
Disposals / transfer	89	48	209	-	346
Transfer to inventory	-	794	-	-	794
Net foreign currency exchange differences	412	45	366	-	823
Balance at 31/12/2013	**(10,805)**	**(849)**	**(6,669)**	**-**	**(18,323)**
Carrying amount					
As at 1 January 2012	34,356	2,449	1,474	970	39,249
As at 31 December 2012	35,383	3,042	1,704	534	40,663
As at 31 December 2013	33,125	3,555	1,517	194	38,391

The reversal of impairment charge of EUR 170,000 for 2013 related to properties held by AAA Auto Kft, Autocentrum AAA AUTO Kft and Autocentrum AAA Auto Sp. Z o.o.

Impairment charge of EUR 66,000 for 2012 related to properties held by AAA Auto Kft, Autocentrum AAA AUTO Kft, Autocentrum AAA Auto Sp. Z o.o. and AAA AUTO a.s.

The Group has pledged land and buildings with a carrying amount of EUR 28,8 million (2012: EUR 29,5 million) to secure banking facilities granted to the Group.

Fixtures and equipments include the following amounts where the group is a lessee under a finance lease:

	31.12.2013	31.12.2012
	EUR '000	EUR '000
Cost – capitalised finance leases	274	299
Accumulated depreciation	(217)	(175)
Net book value	**57**	**124**

Note 12 – INVENTORIES

	31.12.2013	31.12.2012
	EUR '000	EUR '000
Raw materials (spare parts and consumables)	645	949
Merchandise (cars and accessories)	44,359	38,876
Total	**45,004**	**39,825**
Inventory provision	(1,306)	(1,560)
Net value	**43,698**	**38,265**

As at 31 December 2013 the Group had 8,364 cars on stock compared to 7,476 cars as at 31 December 2012.

The calculation of net realizable value is based on estimated selling price less estimated selling expenses. The expected selling price is based on the analysis of usual market price in the relevant market segment. Factors that could impact the estimated selling price include demand for the car specification, competitor actions, supplier's prices and economic trends. This calculation is reviewed and compared to particular stock analysis. The Group reviews the net realizable value of its inventory on a quarterly basis to ensure inventory is measured at the lower of cost or net realizable value.

The cost of inventories recognized as an expense amounted to EUR 280,861,000 (2012: EUR 243,184,000).

Inventories of EUR 6,933,000 as at 31 December 2013 (31 December 2012: EUR 4,786,000) are pledged as security for bank and other corporate borrowings that the Group uses for financing of inventories (Note 14).

Note 13 - TRADE AND OTHER FINANCIAL AND NON-FINANCIAL ASSETS

Trade and other financial receivables	31.12.2013	31.12.2012
	EUR '000	EUR '000
Trade receivables	6,605	7,972
Allowances for doubtful debts	(617)	(759)
Trade receivables, net	**5,988**	**7,213**
Accrued revenue	1,538	272
Other receivables	2,065	691
Total	**9,591**	**8,176**

Trade and other financial receivables includes balances due from related parties in the amount of EUR 1,754,000 as at 31 December 2013 (31 December 2012: EUR 205,000). Detail of these balances is described in Note 22.

The balance of Other financial assets EUR 1,684,000 (2012: EUR 0) consists mainly of EUR 1,279,000 loan provided to related party AUTOMOTIVE RETAIL SYSTEM s.r.o. (see Note 22) and EUR 284,000 short term deposites provided to True Trac s.r.o.

Other non-financial assets	31.12.2013	31.12.2012
	EUR '000	EUR '000
Prepayments	1,589	1,281
Employees receivables	54	67
VAT receivables	803	294
Total	**2,446**	**1,642**

Employee receivables are shown net of allowance for doubtful debts in amount of EUR 315,000 (2012: EUR 284,000).

Note 14 - BANK AND OTHER BORROWINGS

	31.12.2013	31.12.2012
	EUR '000	EUR '000
Bank overdrafts	554	967
Bank and corporate loans	14,427	19,767
Company cars financing	3,187	2,434
Obligation under finance lease	57	124
Inventory financing	6,563	3,978
Total	**24,788**	**27,270**
The borrowings are repayable as follows:		
- On demand or within one year	15,754	14,356
- In the second to fifth year inclusive	9,034	12,914
Total	**24,788**	**27,270**

The Group is financed by five main types of borrowings:

- bank overdrafts: short-term loans used for managing the liquidity of the Group;
- bank and corporate loans: mainly long-term loans used for long-term projects, e.g., acquisitions, purchase of a property, plant and equipment;
- company cars financing: mainly short-term loans used for financing of the company cars;
- obligation under finance lease: special loan used for financing of the main IP switchboard;
- inventory financing: special loans provided by finance institutions solely for the purpose of car purchasing.

	31/12/2013		31/12/2012	
	currency amount	EUR '000	currency amount	EUR '000
CZK	484,244	17,657	384,410	15,290
EUR	7,131	7,131	11,980	11,980
Total		**24,788**		**27,270**

Weighted average interest rates	2013	2012
Bank overdrafts	1.50%	1.82%
Bank and other loans	2.81%	3.63%
Inventory financing	0.27%	0.72%
Total weighted average interest rate	**2.23%**	**3.09%**

The average interest rate for financing company cars was 2.19% p.a. for the year 2013 (2012: 3.02% p.a.).

Bank overdrafts are repayable on demand. The overdrafts of EUR 554,000 (31 December 2012: EUR 967,000) were secured by a pledge over the Group's assets.

The item "Bank and corporate loans" of EUR 14,427,000 as at 31 December 2013 (31 December 2012: 19,767,000) includes investment loan totaling EUR 14,339,000 (31 December 2012: EUR 17,039,000) and license financing totaling EUR 88,000 (31 December 2012: 0). The related party loan from shareholder AUTOMOTIVE INDUSTRIES S.á.r.l. was fully repaid during 2013 (31 December 2012: EUR 2,574,000).

Finance lease liabilities	31/12/2013 EUR '000	31/12/2012 EUR '000	31/12/2013 EUR '000	31/12/2012 EUR '000
not later than 1 year	57	62	53	54
later than 1 year and not later than 5 years	-	62	-	52
later than 5 years	-	-	-	-
TOTAL	**57**	**124**	**53**	**106**
Less future finance charges	(4)	(18)	-	-
Present value of minimum lease payments	53	106	53	106

Note 15 – DEFERRED TAX

The offset amounts are as follows:

	31.12.2013 EUR '000	31.12.2012 EUR '000
Deferred tax assets not offset	5	50
Deferred tax assets	**5**	**50**
Deferred tax libilities not offset	(167)	(58)
Deferred tax liabilities	**(167)**	**(58)**
Deferred tax assets	423	768
Deferred tax liabilities	(563)	(694)
Deferred tax (liabilities) / assets offset	**(140)**	**74**

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	31.12.2013 EUR '000	31.12.2012 EUR '000
Deferred tax liabilities:		
- Deferred tax liabilities to be settled after more than 12 months	(665)	(574)
- Deferred tax liabilities to be settled within 12 months	(67)	(178)
	(732)	**(752)**
Deferred tax assets		
- Deferred tax asset to be recovered after more than 12 months	218	579
- Deferred tax asset to be recovered within 12 months	209	239
	427	**818**
Net deferred tax liabilities	**(305)**	**66**

The movement in deferred income tax assets and liabilities during the year, without taking into consideration of the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax liabilities	**Accelerated tax depreciation** EUR '000	**Payables** EUR '000	**Total** EUR '000
At 01/01/2012	**(522)**	**-**	**(522)**
Credited /(charged) to profit or loss	(52)	(178)	(230)
At 31/12/2012	**(574)**	**(178)**	**(752)**
Credited /(charged) to profit or loss	(91)	111	20
At 31/12/2013	**(665)**	**(67)**	**(732)**

Deferred tax assets	**Impairment of inventories** EUR '000	**Allowance for doubtful debts** EUR '000	**Provisions** EUR '000	**Tax losses** EUR '000	**Payables** EUR '000	**Impairment to fixed assets** EUR '000	**Total** EUR '000
At 01/01/2012	**148**	**72**	**217**	**59**	**-**	**26**	**522**
Credited /(charged) to profit or loss	91	(13)	(34)	207	-	45	296
At 31/12/2012	**239**	**59**	**183**	**266**	**-**	**71**	**818**
Credited /(charged) to profit or loss	(82)	(29)	(66)	(237)	48	(25)	(391)
At 31/12/2013	**157**	**30**	**117**	**29**	**48**	**46**	**427**

Unrecognized deferred tax asset from tax losses as at 31 December 2013

Tax loss	Not recognised deferred tax asset from the tax loss	Expiry date of the tax loss
EUR '000	EUR '000	
505	96	2014
-	-	2015
58	11	2016
38	7	2017
24	4	2018
303	61	Later than 2018
11,656	1,166	No expiration
12,584	**1,345**	

Unrecognized deferred tax asset from tax losses as at 31 December 2012

Tax loss	Not recognised deferred tax asset from the tax loss	Expiry date of the tax loss
EUR '000	EUR '000	
2,902	555	2013
1,003	191	2014
-	-	2015
63	12	2016
440	87	2017
12,486	1,347	No expiration
16,894	**2,192**	

Additionally, deferred tax asset was not recognized for deductible temporary differences in the subsidiaries where their utilization is not probable. The deferred tax asset in respect of deductible temporary differences not recognized as at 31 December 2013 was EUR 85,000 (2012: EUR 249,000).

Note 16 - TRADE AND OTHER FINANCIAL AND NON-FINANCIAL LIABILITIES

Trade and other financial liabilities	31.12.2013	31.12.2012
	EUR '000	EUR '000
Trade payables	6,365	4,738
Accrued expenses	2,390	2,582
Other payables	138	115
Total	**8,893**	**7,435**

Other non-financial liabilities	31.12.2013	31.12.2012
	EUR '000	EUR '000
Amounts due to employees	1,527	4,960
Tax payables and social security	1,416	2,277
Other payables	2,074	523
Total	**5,017**	**7,760**

Trade and other financial liabilities included related party balances in the amount of EUR 1,050,000 as at 31 December 2013 (31 December 2012: EUR 343,000). Detail of these balances is described in Note 22.

The credit period is different based on the type of suppliers (14 – 90 days) and no interest is charged. The average credit period on purchases of certain goods or services is 60 days.

Note 17 – FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk.

The financial risks are managed by Group Treasury department. All treasury activities operate within a formal control framework. The Board has approved treasury policies and guidelines and periodically reviews treasury activities. Additionally, it is the Group's policy that speculative treasury transactions are expressly forbidden.

Categories of financial instruments

31 December 2013	Loans and receivables	Liabilities at amortised cost
	EUR '000	EUR '000
Other financial assets (long term)	276	-
Trade and other financial receivables	9,591	-
Other financial assets	1,684	
Cash and cash equivalents	13,478	-
Bank and other borrowings	-	9,034
Trade and other financial liabilities	-	8,893
Bank overdrafts and borrowings	-	15,754
Other financial liabilities	-	493

31 December 2012	Loans and receivables EUR '000	Liabilities at amortised cost EUR '000
Other financial assets (long term)	295	-
Trade and other financial receivables	8,176	-
Cash and cash equivalents	5,534	-
Bank and other borrowings	-	12,914
Trade and other financial liabilities	-	7,435
Bank overdrafts and borrowings	-	14,356
Other financial liabilities	-	353

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's principal financial assets are trade and other receivables and cash and cash equivalents. The main business of the Group is the sale of used cars to the customers who pay in cash or through financial products such as leasing or loans which are offered by contractual partners. From this point of view, the Group does not have a significant concentration of credit risk, as the major counterparties are banks and financial companies with high credit ratings.

The low credit risk is apparent also from following table showing ageing of trade receivables that are past due.

Unimpaired financial assets

2013	Not due	Less than 3 months	3-6 months	6-12 months	Over 12 months	Total EUR '000
Trade and other financial receivables	8,145	1,446	-	-	-	**9,591**
Other financial assets	1,279	405	-	-	-	**1,684**
Other financial assets (long term)	144	-	-	3	129	**276**

2012	Not due	Less than 3 months	3-6 months	6-12 months	Over 12 months	Total EUR '000
Trade and other financial receivables	5,959	1,762	132	321	2	**8,176**
Other financial assets (long term)	10	42	24	19	200	**295**

Impaired financial assets

2013	Not due	Less than 3 months	3-6 months	6-12 months	Over 12 months	Total EUR '000
Trade and other financial receivables (net of allowances)	-	-	-	-	-	**-**

2012	Not due	Less than 3 months	3-6 months	6-12 months	Over 12 months	Total EUR '000
Trade and other financial receivables (net of allowances)	-	-	-	-	-	**-**

Based on the impairment review performed the Group created EUR 617,000 (in 2011: 759,000) allowances for doubtful trade and other financial receivables.

As at 31 December 2013 and 2012 no receivables were pledged.

The other receivables, which represent mainly accrued income and related party receivables, are considered by the management of the Group to be without a credit risk.

Liquidity risk

The Group's objective is to ensure that there are sufficient sources of funding to meet the projected requirements. The operations are financed through a combination of retained earnings and external financing. Financing is raised principally by the local subsidiaries. Debt is largely sourced from the bank market.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The liquidity risk of the Group is caused by the obligation to pay the loan and related interest charges. Detailed overview of loans and other borrowings can be found in Note 14.

The following tables include the breakdown of financial liabilities of the Group showing the undiscounted cash flows:

2013	**Less than 1 month** EUR '000	**1-6 months** EUR '000	**7-12 months** EUR '000	**1-5 years** EUR '000	**Over 5 years** EUR '000	**Total** EUR '000
Bank and other borrowings	-	-	-	9,341	-	**9,341**
Trade and other financial liabilities	7,608	1,223	62	-	-	**8,893**
Bank overdrafts and borrowings	219	10,501	5,319	-	-	**16,039**
Other financial liabilities	127	276	53	37	-	**493**

2012	**Less than 1 month** EUR '000	**1-6 months** EUR '000	**7-12 months** EUR '000	**1-5 years** EUR '000	**Over 5 years** EUR '000	**Total** EUR '000
Bank and other borrowings	-	-	-	12,295	557	**12,852**
Trade and other financial liabilities	6,526	907	-	2	-	**7,435**
Bank overdrafts and borrowings	752	11,278	2,516	152	11	**14,709**
Other financial liabilities	298	-	-	55	-	**353**

The tables are prepared based on not discounted projected cash flows. The cash outflow is shown in the first period when it could be realized.

Market risk

The Group's activities expose primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

Foreign currency risk

Currency exposures arise from trading transactions undertaken by the Group in foreign currencies and on the translation of the operating results and net assets of international subsidiaries.

The following table details the Group's sensitivity to a 5% increase and decrease of EUR against CZK. The sensitivity analysis includes only monetary items denominated in CZK or HUF and adjust their translation at the period end for a 5% change.

2013 (EUR '000)		
	Appreciation by 5% of :	CZK
Profit or Loss		796
	Depreciation by 5% of :	CZK
Profit or Loss		(796)

2012 (EUR '000)		
	Appreciation by 5% of :	CZK
Profit or Loss		645
	Depreciation by 5% of :	CZK
Profit or Loss		(645)

It is important to mention that the sensitivity analysis does not reflect the exposure during the year and therefore, the impact of the change in the foreign currency rate may be quite different from the table above.

The Group does not enter into instruments to hedge the translation exposure of the operating results or net assets of its subsidiaries since these are accounting and not cash exposures.

2013 Trade and other receivables	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	404	2,962	67	**3,433**
- Czech Republic	5,091	146	706	**5,943**
- Other	23	-	192	**215**
Total	**5,518**	**3,108**	**965**	**9,591**

2013 Cash and cash equivalents	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	9	5,554	306	**5,869**
- Czech Republic	2,293	3,943	40	**6,276**
- Other	-	177	1,156	**1,333**
Total	**2,302**	**9,674**	**1,502**	**13,478**

2012 Trade and other receivables	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	37	2,943	10	**2,990**
- Czech Republic	4,670	2	23	**4,695**
- Other	-	-	491	**491**
Total	**4,707**	**2,945**	**524**	**8,176**

2012 Cash and cash equivalents	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	4	1,253	328	**1,585**
- Czech Republic	1,932	903	63	**2,898**
- Other	-	-	1,051	**1,051**

Total	**1,936**	**2,156**	**1,442**	**5,534**

2013 Bank and other borrowings (long term)	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	-	(1,789)	-	**(1,789)**
- Czech Republic	(3,991)	-	-	**(3,991)**
- Other	-	(3,254)	-	**(3,254)**
Total	**(3,991)**	**(5,043)**	**-**	**(9,034)**

2013 Bank overdrafts and borrowings	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	(103)	(1,047)	-	**(1,150)**
- Czech Republic	(13,563)	-	-	**(13,563)**
- Other	-	(1,041)	-	**(1,041)**
Total	**(13,666)**	**(2,088)**	**-**	**(15,754)**

2013 Trade and other payables	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	(804)	(2,124)	(428)	**(3,356)**
- Czech Republic	(5,105)	(1)	(42)	**(5,148)**
- Other	-	-	(389)	**(389)**
Total	**(5,909)**	**(2,125)**	**(859)**	**(8,893)**

2012 Bank and other borrowings (long term)	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	-	(2,575)	-	**(2,575)**
- Czech Republic	(6,029)	-	-	**(6,029)**
- Other	-	(4,310)	-	**(4,310)**
Total	**(6,029)**	**(6,885)**	**-**	**(12,914)**

2012 Bank overdrafts and borrowings	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	-	(3,982)	-	**(3,982)**
- Czech Republic	(9,263)	-	-	**(9,263)**
- Other	-	(1,111)	-	**(1,111)**
Total	**(9,263)**	**(5,093)**	**-**	**(14,356)**

2012 Trade and other payables	**CZK**	**EUR**	**Other**	**Total**
- Eurozone	(404)	(2,256)	(2)	**(2,662)**
- Czech Republic	(3,854)	(57)	(47)	**(3,958)**
- Other	(4)	-	(811)	**(815)**
Total	**(4,262)**	**(2,313)**	**(860)**	**(7,435)**

The category Other financial assets of EUR 1,684,000 (2012: EUR 0) is provided fully in CZK.

Interest rate risk

The Group's exposure to the market risk for changes in interest rates relates primarily to the Group's long-term and short-term debt obligations. The objective of the Group's interest rate management policy is to reduce the volatility of the interest charge. The Group is reducing partially the interest charge volatility by interest rate swaps.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rate for loans as at the balance sheet date. For the floating rate liabilities, the analysis is prepared assuming the amount of the outstanding liability as at the balance sheet date was outstanding for the whole year. The Group assumes possible increase or decrease of interest rate 50 bp for the year 2013 and 50bp for the year 2012.

2013	Interest rate increased by 50 bp	Interest rate decreased by 50 bp
Profit or Loss		
Financial liabilities	(97)	97

2012	Interest rate increased by 50 bp	Interest rate decreased by 50 bp
Profit or Loss		
Financial liabilities	77	(77)

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or reduce debts.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 14, cash and cash equivalents and equity attributable to equity holders of the parent company, comprising issued capital, reserves and accumulated losses.

The capital of the Company is subject to regulation in the Netherlands and management ensures that the Company complies with all relevant regulation concerning share capital and all equity components.

Offsetting financial assets and financial liabilities

The following financial assets are subject to offsetting, enforceable master neeting arrangements and similar agreements.

As at December 2013	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amount of financial assets presented in the balance sheet
Accrued revenues	987	930	57
As at December 2012	-	-	-
Accrued revenues			

The following financial liabilities are subject to offsetting, enforceable master neeting arrangements and similar agreements.

	Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the balance sheet	Net amount of financial liabilities presented in the balance sheet
Trade payables	280	237	43
Other payables	398	331	67
Total as at 31 December 2013	**678**	**568**	**110**
Other payables	761	422	339
Total as at 31 December 2012	**761**	**422**	**339**

There are no amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in the table above including amounts related to recognised financial instruments that do not meet some or all of the offsetting criteria in paragraph 42 of IAS 32.

Note 18 – PROVISIONS

	Law suits	**Others**	**Total**
	EUR '000	EUR '000	EUR '000
Balance at 31/12/2012	**1,419**	**1,725**	**3,144**
Reclassification from lawsuits to other provisions (op. balance)	(940)	940	-
Amounts used	(100)	(348)	(448)
Additional provisions recognized	293	714	1,007
Unused amounts reversed	(346)	(777)	(1,123)
Exchange differences	(15)	(71)	(85)
Balance at 31/12/2013	**311**	**2,183**	**2,494**

This note has to be read in relationship with the Note 21 "Contingencies".

The provision for law suits consists mainly of the three types of legal claims: clients who sued the Group because of a car defect after the purchase of the car, early termination of rental agreements for branch buildings and employee claims concerning labor contract terminations by the Company. The balance included amount of EUR 92,000 relates to law suit in Czech Republic, EUR 104,000 to law suit in Slovak Republic, EUR 80,000 relates to law suit in Poland, EUR 21,000 relates to law suit in Hungary and EUR 13,000 relates to law suit in Russia. During 2013 the law suit provision related to old tax disputes in Hungary (other than income tax) with financial authorities of EUR 940,000 was reclassified to other provision. Generally the Group created the provision for obligation where there is a probability of losing the case.

Provision for other risks includes mainly provision for untaken holiday EUR 458,000 and provision for various tax and other compliance matters EUR 1,725,000.

All provisions are classified as current liabilities.

Note 19 - OPERATING LEASE ARRANGEMENTS

Group as a lessee

The Group leases under operating leases mainly land, offices, parking places, showrooms and flats. The Group does not have any option to purchase the leased asset at the expiry of the lease period.

Operating lease commitment

As at 31 December 2013 and 2012, the Group has outstanding commitments under operating leases, which fall due as follows:

Future minimum lease payments	2013 EUR '000	2012 EUR '000
Not later than 1 year	1,696	1,805
Later than 1 year and not later than 5 years	5,122	5,588
Later than 5 years	-	1,396
Total	**6,818**	**8,789**

Lease payments under operating leases recognized as an expense in 2013 amounted to EUR 3,102,000 (2012: EUR 3,047,000).

Group as a lessor

Lease agreements classified as operating leases as at 31 December 2013 relate primarily to office spaces and lands. The lease term is usually between one to two years. The lessee does not have an option to purchase the property at the expiry of the lease period.

Operating lease receivables

As at 31 December 2013 and 2012, the Group estimated outstanding operating lease receivables that could have an impact on its future financial position as at the balance sheet date:

Future minimum lease receivables	2013 EUR '000	2012 EUR '000
Not later than 1 year	1	2
Later than 1 year and not later than 5 years	-	-
Total	**1**	**2**

Lease payments under operating leases recognized as an income in 2013 amounted to EUR 14,000 (2012: EUR 9,000).

Note 20 - ISSUED CAPITAL

Issued capital	**Share capital** EUR '000	**Share premium** EUR '000	**Issued capital** EUR '000	**Number of shares**
Balance at 31/12/2013	**6,776**	**31,409**	**38,185**	**67,757,875**

During 2013 and 2012 there were no issues of new shares.

The authorized capital amounts to EUR 25,000,000 divided into 250 million shares with a par value of EUR 0.1 per share of which 67,757,875 shares were issued and fully paid-up.

The legal reserves represent the restricted reserves of the subsidiaries which can not be distributed due to the local regulations.

The extraordinary general meeting held on 29 March 2013 approved the intention to delist all issued and outstanding ordinary shares in registered form, with a nominal value of EUR 0.10 each, from trading on the Prime Market organised by Burza cenných papírů Praha a.s. and on the Budapesti Ertektozsde Zrt. and to make an offer to the shareholders of the Company to buy their shares in exchange for a consideration in cash.

As of 31 December 2013 the Group had bought back 3,016,082 shares with a cost of EUR 2,756,000 and directly attributable costs incurred during 2013 related to buy-back were EUR 232,000. The treasury shares are presented in the line "Reserves" of the Consolidated Statement of Financial Position.

Note 21 - CONTINGENCIES

Contingent liabilities

The Group is involved in several court disputes which may result in settlement. These disputes relate to the disagreements on a liability of the Company for cars sold with no material impact.

The tax authorities in the Czech Republic may at any time inspect the books and records within 3 years subsequent to the reported tax year (Slovak Republic: within 5 years, Hungary unlimited, Poland: within 5 years, Russia: 3 years), and may impose additional tax assessments and penalties. The Group's management is not aware of any circumstances which may give rise to a potential material liability in this respect.

Contingent assets

The Group is involved as a plaintiff in the following legal proceedings:

- Proceedings over unpaid amounts due from customers for used cars, estimated financial impact is EUR 217,000 (2012: EUR 266,000).
- Other proceedings over unpaid amounts due from non-customers cases, estimated financial impact is EUR 247,000 (2012: EUR 237,000).

Note 22 - RELATED PARTY TRANSACTIONS

The Group's majority owner is AUTOMOTIVE INDUSTRIES S.à.r.l. (incorporated in Luxembourg) that does not prepare any consolidated financial statements (including the Company), only stand-alone financial statements. The ultimate controlling party is Mr Anthony James Denny.

Details of transactions between the Group and other related parties are disclosed below.

2013	Revenue	Expenses	Receivables	Payables	Loan to	Loan from
Related parties	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
AUTOMOTIVE INDUSTRIES S.à.r.l.	-	78	-	-		53
CAPITAL INVESTMENT s.r.o.	2	4	2	27	-	-
CENTRAL INVESTMENT s.r.o.	190	56	1,054	34	-	-
AUTOMOTIVE RETAIL SYTEMS s.r.o.	67	1	109	-	1,279	-
11 Nejlepší autopůjčka s.r.o (GLOBAL CAR RENTAL s.r.o.)	174	483	15	320	-	-
1+1 najlepšia požička (Global Car Rental s.r.o.), organizačná složka Bratislava	41	15	2	-	-	50
CarWay Holding B.V. (renamed from Global Automotive Holding B.V.)	14	-	14	115	-	-
TRUE TRAC s.r.o. (Carway Service CZ s.r.o.)	62	215	542	73	-	-
TRUE TRAC s.r.o. , organizačná zložka	10	-	16	-	-	-
Helena Denny	-	172	-	-	-	-
MEDIA ACTION s.r.o.	3	416		481	-	-
Total	**563**	**1,440**	**1,754**	**1,050**	**1,279**	**103**

The Group is monitoring the overall balance of trade receivables and liabilities with related parties on monthly basis.

The net outstanding amounts from True Trac s.r.o. (EUR 469,000) and Central Investments s.r.o. (EUR 1,020,000) as at 31 December 2013 were fully settled in cash as of 28 February 2014.

2012	Revenue	Expenses	Receivables	Payables	Loan to	Loan from
Related parties	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000	EUR '000
AUTOMOTIVE INDUSTRIES S.à.r.l.	-	564	-	152	-	2,575
CAPITAL INVESTMENT s.r.o.	1	56	1	16	-	-
CENTRAL INVESTMENT s.r.o.	61	92	13	2	-	-
CREDIT INVESTMENT s.r.o	-	-	1	-	-	-
PRIORITY INVESTMENT s.r.o.	-	5	3	-	-	-
AUTOMOTIVE RETAIL SYTEMS s.r.o.	-	-	-	-	-	-
11 Nejlepší autopůjčka s.r.o (GLOBAL CAR RENTAL s.r.o.)	1,235	227	12	-	-	-
1+1 najlepšia požička (Global Car Rental s.r.o.), organizačná složka Bratislava	118	-	113	-	-	-
CarWay Holding B.V. (renamed from Global Automotive Holding B.V.)	9	9	-	117	-	-
Global Direct s.r.o.	7	1	2	55	-	-
CarWay Assistance SK s.r.o. (Global Car Check s.r.o. SK)	-	12	-	-	-	-
TRUE TRAC s.r.o. (Carway Service CZ s.r.o.)	235	253	61	1	-	-
TRUE TRAC s.r.o. , organizačná zložka	-	-	-	-	-	-
Helena Denny	-	-	-	-	-	-
MEDIA ACTION s.r.o.	-	-	-	-	-	-
Total	**1,666**	**1,219**	**205**	**343**	**-**	**2,575**

No expense was recognized in the period for bad or doubtful debts in respect of the amounts receivable from the related parties. The loans provided by AUTOMOTIVE INDUSTRIES S.à.r.l. were charged with interest rate of 3M EURIBOR +6%. During 2013 the Group was provided by a loan in the total amount of CZK 105,000,000 (EUR 4,042,000) with an interest rate of 3M PRIBOR + 5% p.a. by Helena Denny. As at 31 December 2013 the loan was fully settled. No gain or loss on the extinguishment was recognized in the profit and loss account.

Transactions:
a) Revenue

Revenue	**2013**	**2012**
	EUR '000	EUR '000
Parent company	**-**	**-**
Interest income	-	-
Other Related	**563**	**1,666**
Sales of cars	331	1,274
Sales of services:		
advisory and administration services	217	368
insurance commissions		14
Interest income	15	10
Total	**563**	**1,666**

b) Purchase of services

Expenses	**2013**	**2012**
	EUR '000	EUR '000
Parent company	**78**	**564**
Interest expense	78	564
Other Related	**1,362**	**655**
Cost cars	233	204
Purchase of services:		
advisory and administration services	872	346
rent of cars	85	95
Interest expense	172	10
Total	**1,440**	**1,219**

c) As of 17 September 2013 the subsidiary AUTOMOTIVE RETAIL SYSTEM s.r.o. was sold to CarWay Holding B.V. The selling price was independently assessed by an external valuer.

d) Other

CENTRAL INVESTMENT s.r.o. provided guarantees to secure bank loans taken by AAA AUTO a.s. The Company recharged administrative expenses.

11 Nejlepší autopůjčka s.r.o. and 1+1 nejlepšia pożička, organizačna složka Bratislava provided leasing or loans for clients´s for buying the cars.

Details of ownership of related parties are disclosed below

Company	Ownership Majority	Share	Note
AUTOMOTIVE INDUSTRIES S.à.r.l.	Mr. Anthony James Denny	100%	
CAPITAL INVESTMENT s.r.o.	Jiří Trnka	100%	
CENTRAL INVESTMENTS s.r.o.	Mr. Anthony James Denny	100%	
AUTOMOTIVE RETAIL SYTEMS s.r.o.	CarWay Holding B.V.	100%	*)
11 Nejlepší autopůjčka s.r.o (GLOBAL CAR RENTAL s.r.o.)	CarWay Holding B.V.	100%	
1+1 najlepšia požička (Global Car Rental s.r.o.), organizačná složka Bratislava	CarWay Holding B.V.	100%	
MEDIA ACTION s.r.o.	Helena Denny	100%	
TRUE TRAC s.r.o. (Carway Service CZ s.r.o.)	CarWay Holding B.V.	100%	
TRUE TRAC s.r.o. , organizačná zložka	CarWay Holding B.V.	100%	
CarWay Holding B.V.	AUTOMOTIVE INDUSTRIES S.à.r.l.	95%	

**) Since 09/2013*

As of August 1, 2013 AAA AUTO a.s. and AUTOCENTRUM AAA AUTO a.s. entered into a consultancy agreement with Mr. Denny via CENTRAL INVESTMENT s.r.o. for business, management and marketing consultancy services.

Loans to and borrowings from related parties

EUR '000	**Loans to related parties**		**Borrowings from related parties**	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
AUTOMOTIVE INDUSTRIES S.à.r.l.	-	-	53	2,575
AUTOMOTIVE RETAIL SYTEMS s.r.o.	1,279			
1+1 najlepšia požička (Global Car Rental s.r.o.), organizačná složka Bratislava	-	-	50	-
Total	**1,279**	**-**	**103**	**2,575**

The loan provided to AUTOMOTIVE RETAIL SYSTEMS s.r.o. is presented within the line Other financial assets of the balance sheet.

The conditions of loans and borrowings were as follows:

	Maturity date	Interest rate
AUTOMOTIVE INDUSTRIES S.à.r.l.	*)	*)
AUTOMOTIVE RETAIL SYTEMS s.r.o.	31.12.2014	3M Pribor + 2,5%
1+1 najlepšia požička (Global Car Rental s.r.o.), organizačná složka Bratislava	**)	**)

**) the loan was fully repaid, the outstanding amount of 53ths. EUR relates to interest payable*

***) short term borrowing, no interest applied*

Key management compensation

Key management includes Management Board members (executive and non-executive members) and the senior management of the AAA Auto Group. The compensation paid or payable to key management for employee services is shown below:

Key management compensation	2013 EUR '000	2012 EUR '000
Salaries and other short-term employee benefits	666	4,433
Post-employment benefits	64	102
Share-based payments	-	17
Total	**730**	**4,552**

In 2012 certain members of the key management were awarded with an extraordinary bonus to reflect the stable growth since 2010.

The key management compensation outstanding as at 31 December 2013 was EUR 146,000 (2012: EUR 3,930,000).

Note 23 – SHARE BASED PAYMENTS

Equity-settled share option scheme

On 31 July 2008, the Group established a share option program that entitles key management personnel and senior employees to purchase shares of the Company. In accordance with these programs the options are exercisable at the market price or EUR 1 if the market price is lower than EUR 1 at the date of the option granting. The vesting period was 3 years for 40% of the options and 4 years for remaining 60%. The options were exercisable (in full or partially) at the end of vesting period providing performance conditions related to market price of the Company's shares and ratio of net profit to revenues were achieved. The Group had no legal or constructive obligation contractual obligation to repurchase or settle the options in cash.

On 19 October 2009, the Group modified the existing share option program and introduced new terms different from those originally applied under former option program. The terms of the new share option program has been unified for all share options holders. The options are exercisable at the price of EUR 0.50 per share. 100% of the share options are exercisable on or after 30 April 2013 if the following performance conditions were fulfilled: the Company must achieve consolidated net profit (after tax) in years 2010, 2011 and 2012. The share option program was extended to a wider range of employees of the Company compared to the previous share option program. The vesting period is set to 3.5 years for all options granted.

Modification of the option program in 2009 for participants in both plans resulted in recognition of the effects of modifications that increased the total fair value of the share-based payment arrangement or were otherwise beneficial to the employees. The incremental fair value of the new option arrangements that replaced the old options was in the amount of EUR 6,000. The incremental fair value of the grant was measured as the difference between the fair value of the old arrangement and the new arrangement on the date of the replacement.

If the options remain unexercised after the period of 10 years from the date of the grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

On 1 November 2011, the Group granted 10,000 new share options to the Chairman of the Management Board. The options are exercisable at the price of EUR 1.00 per share. 100% of the share options are exercisable on or after 1 November 2014. There are no perfomance conditions.

In April 2013 all of the share option holders individually agreed voluntarily to waive their rights to the share options granted to them, without receiving any other compensation, and the Company accepted the waiver. The waiver by each option holder meant that with immediate effect the share options ceased to exist and since that date the Company has no outstanding registered share options.

The movements in the number of share options granted in 2012 and up to the date in 2013 of the waiver of the share options granted by the option holders, are shown below:

	2013 Number of share options	Exercise price EUR	2012 Number of share options	Exercise price EUR
Outstanding at beginning of period	**1,750,000**	0.5 EUR for 1,740,000 share options; 1.0 EUR for 10,000 share options	**2,303,000**	0.5 EUR for 2,293,000 share options; 1.0 EUR for 10,000 share options
Granted during the period	-	1.0 EUR	-	1.0 EUR
Forfeited during the period	(65,000)	-	(553,000)	0.5 EUR
Waived during the period	(1,685,000)	0.5 EUR for 1,740,000 share options; 1.0 EUR for 10,000 share options		
Exercised during the period	NIL	-	NIL	-
Expired during the period	NIL	-	NIL	-
Outstanding at the end of the period	**NIL**	-	**1,750,000**	0.5 EUR for 1,740,000 share options; 1.0 EUR for 10,000 share options
Exercisable at the end of the period	NIL	-	NIL	-

The fair value of services received in return for share options granted was based on the fair value of share options granted, measured using Cox-Ross-Rubenstein model:

Inputs into the model	
Grant date share price	EUR 0.54
Exercise price	EUR 0.50 (EUR 1 for measurement of former options)
Expected volatility	65.89%
Option life	10 years (8.8 years for measurement of former options)
Dividend yield	7.03%
Risk-free interest rate	3.68%

Up to the date waiver of share options granted in 2013 the Company had recognised the equity instrument "Share Option Reserve" totalling EUR 664,000 with corresponding expenses charged to the income statements of the relevant years of the vesting period. See Note 6 for total expense recognized in the income statement for share options granted to management and employees. As a result of the waiver of the share options granted by all the Management and employees, the whole balance of the Share Option Reserve was transferred within equity to retained earnings as no share options exist or are registered after that date.

Note 24 - EVENTS AFTER THE BALANCE SHEET DATE

Except for the matters referred to below, no events have occurred subsequent to year end and to the date of these consolidated financial statements that would require adjustment to or disclosure in the consolidated financial statements.

On 16 April 2014, the resignation of Mr Anthony James Denny and Mr Vratislav Kulhanek as the Chairman and non-executive board members of the Management Board was recorded in the Commercial register.

On 18 December 2013 several minority shareholders of the Company submitted a petition to the Enterprise Chamber of the Courts of Appeal in Amsterdam ("the Enterprise Chamber") to instigate an inquiry into the policy and running of the Business of the Company. On 8 April 2014 the Enterprise Chamber upheld this petition and has ordered an inquiry into the policies and functioning of the Company for the period since 1 July 2012. On 11 April 2014 Mr Robert Jacob Meuter was registered as a non-executive board member of the Company for the duration of the inquiry.

The Group operates one branch in Moscow through its Russian subsidiary, AAA AUTO LLC. The recent political events in the Ukraine and the subsequent imposition of limited sanctions on Russia by the international community have not had a material impact on the subsidiary's trading performance to date in 2014. Since 31 December 2013 the Russian ruble's exchange rate against the Euro has depreciated by over 10%. The currency devaluation is not expected to have a significant impact on the subsidiary's or Group's business or financial position. At present, we are not aware of any existing conditions that could lead to problems with the subsidiary's recovery of its trade receivables or decrease the carrying value of its car stock. The Group's management continues to monitor the situation closely.

Company Financial Statements of the parent company AAA Auto Group N.V. & Notes to the Company Financial Statements

BALANCE SHEET
As at 31 December 2013 and 2012 (EUR ´000)
(before appropriation of result)

ASSETS	Notes	31/12/13	31/12/12
Non-current assets			
Property, plant and equipment		309	133
Investments in subsidiaries	3	64,152	47,176
Loans receivable from group companies and related parties	4	7,112	6,371
Total non-current assets		71,573	53,680
Current assets			
Loans/advances receivable from subsidiaries		240	211
Interest receivable from group companies	4	300	240
Receivables	5	2,680	4,428
Cash and cash equivalents		319	369
Total current assets		3,539	5,248
TOTAL ASSETS		**75,112**	**58,928**

SHAREHOLDERS' EQUITY AND LIABILITIES		31/12/13	31/12/12
Shareholders' Equity	2		
Share capital		6,776	6,776
Share premium		31,409	31,409
Treasury shares		(2 988)	-
Cumulative foreign currency translation reserve		3,254	6,019
Retained earnings / (Accumulated losses)		989	(21,280)
Share option reserve		-	664
Legal reserves		1,675	1,003
Net profit /(loss) for the year		25,334	22,277
Total shareholders' equity		**66,449**	**46,868**
Provisions			
Other provision		324	390
Income tax		175	-
Subsidiaries	3	225	1,679
Total provision		724	2,069
Non-current liabilities			
Loans payable to related parties (shareholder)	8	-	2,575
Interest payable to group and related companies	10	110	164
Loans payable to group companies	9	5,523	3,434
Total non-current liabilities		5,633	6,173
Current liabilities			
Advances payable to group companies and related party	7	163	427
Creditors and accruals	6	2,143	3,391
Creditors payable to group companies		0	0
Total current liabilities		2,306	3,818
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**75,112**	**58,928**

INCOME STATEMENT
For the Years Ended 31 December 2013 and 2012 (EUR ´000)

	Notes	12 months ended 31 December 2013	12 months ended 31 December 2012
Other net income after taxes		372	1,264
Share of profit of investments after tax	3	24,962	21,013
Net profit for the year	**2**	**25,334**	**22,277**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT

Note 1 – General

General information regarding AAA Auto N.V., its activities and group structure are included in the consolidated financial statements. The parent company acts mainly as a holding company for the Group and from April 2012 also provides the subsidiaries with strategic management and centralised back office operations provided by share service centrum based on Prague.

Basis of preparation and Summary of significant accounting policies

The Company Financial Statements are presented in Euro, which is the Company's functional currency. The amounts are in thousands of Euros (rounded to the nearest thousand), unless otherwise stated. Comparative balances are as at the year ended 31 December 2012. There have been no changes to the accounting policies of the Company.

As at financial data of AAA Auto Group N.V. are included in the consolidated financial statements, the income statement of the AAA Auto Group N.V. is presented in condensed form as allowed by section 402 of Book 2 of the Netherelands Civil Code.

The Company Financial Statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Netherlands Civil Code. The Company Financial Statements should be read in conjuction with the consolidated financial statements, which are prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union with exceptions of the following accounting policy on the valuations of the investments in subsidiaries which is allowed by part 9, Book 2 of the Netherland Civil Code.

Investments in subsidiaries

In accordance with the subsection 8 of section 362 of Book 2 of the Netherlands Civil Code, the measurement principles and the determination assets, liabilities and results applied in these company financial statements are same as those applied (and as included) in the consolidated financial statements with the following accounting policy on investments in subsidiaries:

Subsidiaries are all entities over which the Company has power to govern the financial and operating policies generally accompanying a participating interest of more than 50% of the voting rights. Investments in subsidiaries of AAA Auto Group N.V. are measured at net asset value. The Company calculates the net asset value using the values included in the consolidated financial statements. The net asset value of the subsidiaries comprises the cost, excluding goodwill for subsidiaries directly owned by the Company, plus the share in the income and losses, less the dividends received. Net asset value is based on the measurement of assets, provisions and liabilities and determination of profit based on the principles applied in the consolidated financial statements. The Company's investment in shares of the income and losses of the subsidiaries after acquisition are recognised in the income statement and its shares of the income and losses included in the retained earnings are recognised in the retained earnings/accumulated losses. The cumulative post acquisition movements are adjusted against the carrying values of the investments in subsidiaries. The carrying values of the investment in subsidiaries for investments with a negative net assets value are first adjusted to nil, remainder negative values are deducted from any loans receivables from the related subsidiary (if any), provisions are formed by the Company only if the Company has the firm intention to settle the liabilities of the subsidiary and that the criteria to form a provision are met (e.g. constructive and legal obligation). As of 1 January 2010, the company has fully recognised provisions for all subsidiaries with negative net asset value applying the aforementioned policy.

Unrealised gains on transactions between the company and its investments in consolidated subsidiaries are eliminated in full, based on the consolidation principles. Unrealised gains on transactions between the company and its investments in associates are eliminated to the extent of the company's stake in these investments.

Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred.

Note 2 – SHAREHOLDERS' EQUITY

The authorized share capital amounts to EUR 25,000,000 divided into 250,000,000 shares with a par value of EUR 0.1 per share of which 67,757,875 shares were issued and fully paid-up. All shares have the same right, preferences and restriction attached to them. There have been no movements in the number of shares during 2013.

The Company was incorporated as a private company with limited liability and was converted into a public company with limited liability at the end of 2007 when 50 million shares were issued.

The increase of share capital of EUR 4,982 thousand from EUR 18 thousand to EUR 5 million in 2007 was paid by contribution in kind by the settlement of a loan from AUTOMOTIVE INDUSTRIES S.à.r.l. to the Company, the only shareholder that time.

On 26 September 2007 the Company shares were listed on the Prague (PSE) and Budapest (BSE) stock exchanges and 17,757,875 new shares were issued. The Company generated EUR 35.5 millions with this share issuance. After the deduction of all costs connected with IPO, the net income amounted to EUR 33.2 million.

On 14 February 2013 the Company announced the intention of delisting from public trading markets.

The extraordinary general meeting held on 29 March 2013 approved the intention to delist all issued and outstanding ordinary shares in registered form, with a nominal value of EUR 0.10 each, from trading on the Prime Market organised by Burza cenných papírů Praha a.s. and on the Budapesti Ertektozsde Zrt. and to make an offer to the shareholders of the Company to buy their shares in exchange for a consideration in cash.

As of 31 December 2013 the Group had bought back 3,016,082 shares with a cost of EUR 2,756,000 and directly attributable costs incurred during 2013 related to buy-back were EUR 232,000.

The ultimate controlling party is Mr. Anthony James Denny who owns 73.79% of ordinary shares of the Company indirectly through the company AUTOMOTIVE INDUSTRIES S.á.r.l (Luxembourg-based company) and 3.77% of the ordinary shares directly (from the remaining ordinary shares, 4.45% are owned by the Company and 17.99% are owned by other investors).

The cumulative foreign currency translation (on subsidiaries) arises from the translation of the financial statements of the subsidiaries of the Group from local currencies in to Euros. The company recognises legal reserves for the legal reserves of its consolidated subsidiaries.

Movements in the shareholders' equity during the year 2013 and 2012

	Share capital	Share premium	Legal reserve*	Share options reserve	Treasury shares**	Foreign currency translation reserve	Accumulated losses	Net profit/(loss) for the year	Total
Total equity as of 31/12/11	**6,776**	**31,409**	**456**	**580**		**7,317**	**(31,076)**	**10,343**	**25,805**
Net profit for the year	-	-	-	-		-	-	22,277	22,277
Profit 2011 distribution							10,343	(10,343)	-
foreign currency translation differences	-	-	-	-		(1,298)	-	-	(1,298)
deduction of share option reserve	-	-	-	84		-	-	-	84
movement in legal reserves	-	-	547	-		-	(547)	-	0
Total equity as of 31/12/12	**6,776**	**31,409**	**1,003**	**664**		**6,019**	**(21,280)**	**22,277**	**46,868**
net profit for the year	-	-	-	-		-	-	25,334	25,334
Profit 2012 distribution							22,277	(22,277)	-
foreign currency translation differences	-	-	-	-		(2,765)	-	-	(2,765)
Treasury shares					(2,988)				(2,988)
deduction of share option reserve	-	-	-	(664)		-	664	-	-
movements in legal reserves	-	-	672	-		-	(672)	-	0
Total equity as of 31/12/13	**6,776**	**31,409**	**1,675**	**-**	**(2,988)**	**3,254**	**989**	**25,334**	**66,449**

(*) legally restricted for distribution
(**) Treasury shares are presented in the line "Reserves" in the statement of financial position

Note 3 – INVESTMENTS IN SUBSIDIARIES AT NET ASSET VALUE

	31/12/13	**31/12/12**
Subsidiaries at net assets value	64,152	47,176
Provisions for subsidiaries	(225)	(1,679)
	63,927	**45,497**

Overview of the movements in investments in subsidiaries:

01/01/2012	**41,917**
Result from participations	21,013
Dividends received	(19,601)
Foreign exchange differences	(1,298)
Sale of subsidiary	(214)
Change in the provision for loan and related interest receivable from subsidiaries	3,680
01/01/2013	**45,497**
Capital contributions	15,233
Result from participations	24,962
Dividends received	(5,267)
Foreign exchange differences	(2,765)
Sale of subsidiary	(25)
Change in the provision for loan and related interest receivable from subsidiaries	(13,708)
31/12/2013	**63,927**

The dividend was distributed by AUTOCENTRUM AAA AUTO a.s. (Slovakia) in the amount of EUR 5,000,000 and by Mototechna Group k.s. (Czech Republic) in the amount of CZK 6,935,000 (EUR 267,000).

Overview of the subsidiaries:

Company	Country of registration and incorporation	Principal activity	Proportion of ownership interest (%)
Continuing Operations			
AAA AUTO a.s.	Czech Republic	used car sales	100.0%
Mototechna Group k.s. (renamed from INEX Broker a.s.)	Czech Republic	Holding Company	100.0%
Mototechna Servis s.r.o. (renamed from GENERAL AUTOMOBIL CZECH s.r.o.)	Czech Republic	used car service	100.0%
AUTOCENTRUM AAA AUTO a.s.	Slovakia	used car sales	100.0%
AAA Auto Sp.z.o.o.	Poland	non-active	100.0%
Autocentrum AAA Auto Sp.z.o.o.	Poland	non-active	100.0%
AAA AUTO Hungary Kft	Hungary	non-active	100.0%
Autocentrum AAA AUTO Kft.	Hungary	Holding Company	100.0%
Mototechna Předváděcí Vozy s.r.o. (renamed from Carway Rent CZ s.r.o.)	Czech Republic	Active	100.0%
AAA Auto LLC	Ukraine	non-active	100.0%
Geely Czech & Slovakia s.r.o.	Czech Republic	non-active	60.0%
AAA AUTO LLC	Russia	Used car sales	94.0%

As of 17 September 2013 the subsidiary AUTOMOTIVE RETAIL SYSTEM s.r.o. was sold to CarWay Holding B.V.

Note 4 – LOANS RECEIVABLE FROM GROUP COMPANIES AND RELATED PARTIES

31/12/11	**4,155**
Increase	4,881
Decrease	(76)
Unrealized FX	1,091
Change In Provision	(3,680)
31/12/12	**6,371**
Increase	10,140
Decrease	(21,618)
Unrealized FX	(1,491)
Change In Provision	13,710
31/12/13	**7,112**

The decrease in the loan and also the change in provision is mainly driven by debt equity swap done in the amount of EUR 15,000,000 to subsidiary Autocentrum AAA AUTO Kft. in December 2013.

The increase and subsequent decrease of EUR 5,000,000 relates to dividend declaration and payment by subsidiary AUTOCENTRUM AAA Auto a.s.

Loans provided to Polish subsidiaries:

Interest rates to loans provided to AAA Auto Sp. Z o.o. and Autocentrum AAA Auto Sp. Z o.o. were 3 M WIBOR + 2% p.a., however since 1.1.2010 no interest has been charged due to the fact that the subsidiaries have a negative equity.

Loans provided to Czech subsidiaries:

Interest rates to loans provided to Czech subsidiaries vary between 3M PRIBOR + 2,1 % and 2,6%. However if the interrelated balances of loans provided and given between the Czech subsidiaries and the Company are about the same, no interest are not charged on both sides.

Loans provided to Hungarian subsidiaries:

No Interest income was charged to Hungarian subsidiaries since 31/12/2008, as the subsidiaries had negative equity.

The loan in the amount of EUR 1,257,000 (2012: EUR 356,000) belongs to loan receivable from related party – AUTOMOTIVE RETAIL SYSTEMS s.r.o.

Interest receivables from group companies:

31/12/11	**0**
Increase	169
Decrease	(1)
Unrealized FX	72
31/12/12	**240**
Increase	185
Decrease	(92)
Unrealized FX	(31)
Change In Provision	(2)
31/12/13	**300**

Note 5 – RECEIVABLES

The balance of EUR 2,680,000 (2012: 4,428,000) consist mainly of the receivables from group companies, where the significant amounts relates to AAA AUTO a.s. of EUR 638,000 (2012: EUR 1,674,000), to AUTOCENTRUM AAA AUTO a.s. of EUR 119,000 (2012: EUR 1,654,000) and to AAA AUTO LLC of EUR 1,376,000 (2012: EUR 857,000). The balance from non group companies amounts to EUR 134,000 (2012: EUR 26,000). The balance of EUR 10,000 (2012: 52,000 EUR) relates to accrued revenues.

Note 6 – CREDITORS AND ACCRUALS

The balance of EUR 2,143,000 (2012: EUR 3,391,000) consist mainly of the payables to employees (due wages and related SHI) of EUR 1,099,000 (2012: EUR 1,437,000) and trade payables to group companies and related parties of EUR 136,000 (2012: EUR 880,000). The remaining balance consists of EUR 235,000 (2012: EUR 440,000) of trade payables to third parties, EUR 596,000 (2012: 404,000) of accrued expenses and EUR 75,000 (2012: EUR 230,000) of VAT and other taxes payable.

Note 7 – ADVANCES PAYABLE TO GROUP COMPANIES AND RELATED PARTY

31/12/11	**891**
Increase	0
Decrease	(463)
Unrealized FX	(1)
31/12/12	**427**
Increase	671
Decrease	(913)
Unrealized FX	(22)
31/12/13	**163**

The balance of EUR 163,000 (2012: EUR 427,000) as at 31 December 2013 is fully provided by group companies.

Note 8 – LOANS PAYABLE TO RELATED PARTIES

31/12/11	**12,567**
Increase	0
Decrease	(10,015)
Unrealized FX	23
31/12/12	**2,575**
Increase	3,586
Decrease	(5,947)
Unrealized FX	(214)
31/12/13	**-**

The loan provided by AUTOMOTIVE INDUSTRIES S. á .r.l., with outstanding amount of EUR 2,575,000 as of 1 January 2013 was charged with interest 3M EURIBOR + 6%. The loan was repaid in June 2013 in full.

On 12 March 2013 Company was provided by a loan in the amount of CZK 85,000,000 (EUR 3,273,000) by Helena Denny. The loan was charged with the interest of 3M Pribor + 5% p.a.. The loan was fully repaid by 31 December 2013.

Note 9 – LOANS PAYABLE TO GROUP COMPANIES

31/12/11	**7,159**
Increase	0
Decrease	(3,637)
Unrealized FX	(88)
31/12/12	**3,434**
Increase	44,823
Decrease	(42,223)
Unrealized FX	(511)
31/12/13	**5,523**

The increase/decrease of the loans is caused by declaration of debt equity swap to Autocentrum AAA AUTO Kft. and subsequent vice versa receivables settlement in the amount of EUR 15,000,000.

The increase/decrease of the loans is caused by declaration of dividend by AUTOCENTRUM AAA AUTO a.s. and subsequent payment in the amount of EUR 5,000,000.

The increase/decrease of loans is caused by draw down of loan in the amount of EUR 15,347,341 from AAA AUTO a.s. which was settled by repayments and assignments of group receivables.

The balance represents the loan payable to AAA AUTO a.s. and is charged with interest rate based on weighted average of interest rates provided to AAA AUTO a.s. by its banks or other financial means providers + 0,05% p.a. The repayment date is 30 April 2016.

Note 10 – INTEREST PAYABLE TO RELATED PARTIES AND GROUP COMPANIES

31/12/11	**771**
Increase	85
Decrease	(690)
Unrealized FX	(2)
31/12/12	**164**
Increase	281
Decrease	(326)
Unrealized FX	(9)
31/12/12	**110**

Note 11 - TAX POSITION

In 2012 the Company recognised net deferred tax assets in the amount of EUR 39,000 which mainly consists of deferred tax assets recognised from cumulative tax losses which Company expects to use in future in the amount of EUR 1,145,000 and of deferred tax liability resulting from temporary differences mainly on loans provided and loans received (unrealised foreign exchange differences) in the amount of EUR 938,000. The deferred tax was calculated applying the expected tax rate of 19% in the Czech Republic.

In 2012 the Company did not recognise deferred tax asset from the cumulative tax losses in the amount of EUR 1,145,000 which expires in the year 2013 and the Company do not expect its usage.

In 2013 the deferred tax liability of EUR 76,000 resulting from temporary differences mainly on loans provided and loans received (unrealised foreign exchange differences) in the amount of EUR 388,000. The deferred tax was calculated applying the expected tax rate of 19% in the Czech Republic.

The tax losses are used fully within the corporate income tax of the year 2013.

In 2013, the provision for income tax was posted in the amount EUR 175,000.

Note 12 – EMPLOYEES

Since April 2012 the Company started with providing holding services to group companies via its permanent establishment in Prague, Czech Republic. The average number of employees was 618 (2012: 438) from which the top management was 42 (2012: 38).

Note 13 – AUDITOR'S REMUNERATION

	2013
Audit fees for the statutory audit (statutory auditors PricewaterhouseCoopers Accountants N.V.)	30
Audit fees for the statutory audit (PwC Network)	157
Non audit services fees (PwC Network)	66
Total fees	**253**

	2012
Audit fees for the statutory audit (statutory auditors PricewaterhouseCoopers Accountants N.V.)	30
Audit fees for the statutory audit (PwC Network)	148
Non audit services fees (PwC Network)	104
Total fees	**282**

Note 14 – REMUNERATION OF THE MANAGEMENT BOARD

Management Board Remuneration

	Board membershi p fees	Gross salary	Annual bonus	Other benefits	**Total short term employee benefits**	Post employment benefits	Long term incentive plan	**Total remune-ration**
2013								
Vratislav Kulhanek	38		-	-	**38**	-	-	**38**
Karolina Topolova		56	24	52	**132**			**132**
Anthony James Denny	13		-	-	**13**	-	-	**13**
Total	**51**	**56**	**24**	**52**	**183**	**-**	**-**	**183**
2012								
Vratislav Kulhanek	59		-	-	**59**	-	-	**59**
Vratislav Valek	15		-	-	**15**	-	-	**15**
Anthony James Denny	36		1,790		**1,826**			**1,826**
Karolina Topolova		140	99		**239**			**239**
Total	**110**	**140**	**1,889**	**-**	**2,139**	**-**	**-**	**2,139**

As of 21 September 2012, Karolina Topolova was appointed as executive director and Anthony James Denny as non executive director. The mandate of Vratislav Valek ended on 20 September 2012.

As of 30 July 2013 Anthony James Denny resigned from the position non executive director.

As of 31 August 2013 Vratislav Kulhanek resigned from the position Chairman of the management board.

Total salary remuneration for board members including social security premiums in 2013 was EUR 224,000 (2012: EUR 2,182,000). The stock option expense concerning the options of Management Board amounted to EUR 0 thousand (2012: EUR 17,000).

Number of Share Options

For details regarding the applicable share-based payments and Long Term Incentive Plans reference is made to Note 23 in consolidated financial statements.

The expenses in 2013 for the Share Options amounted to EUR 0 thousand (2012: EUR 84 thousand).

Number of Share Options	Granted During the Year 2013	Waived During the Year 2013	Exercised During the Year 2013	Outstand-ing as at 31/12/13	Exercise Price	Vesting date	Expiry date
	No.	No.	No.	No.			
Vratislav Kulhanek	-	50,000	-	-	0.5 Euro	30/4/13	19/10/19
Vratislav Kulhanek	-	10,000	-	-	1.0 Euro	1/11/14	31/10/21
Vratislav Valek	-	-	-	-	-	-	-
Anthony James Denny	-	-	-	-	-	-	-
Karolina Topolova	-	200,000	-	-	0.5 Euro	30/4/13	19/10/19

Performance criteria – the Company must achieve consolidated net profit (after tax) in years 2010, 2011 and 2012 for share options with exercise price 0.5 Euro and there are no criteria for share options with exercise price 1.0 Euro.

For detailed description of waiver process please see note 23 of the consolidated notes to financial statements.

Shares held by the Management Board

AAA Auto Group N.V. shares held by the members of the Management Board as per 31 December 2013 were as follows:

Number of Shares	Outstanding as at 31/12/12	Transactions 2013	Outstanding as at 31/12/13
Vratislav Kulhanek**	11,200	0	11,200
Karolina Topolova	9,600	0	9,600
Anthony James Denny**	2,556,931	-	2,556,931

* as the shares are not trade on the market, the market value is not given

** as at 31 December 2013 Vratislav Kulhanek and Anthony James Denny were not board members

The AAA Auto Group N.V. Management Board:

30 April 2014

Karolína Topolová
Executive Member of the Management Board

Robert Jacob Meuter *
Non Executive Member of the Management Board

Vratislav Kulhánek
(no longer a board member as of 31 August 2013)

Anthony James Denny
(no longer a board member as of 30 July 2013)

(A signed version of the financial statements are available at the offices of the Company)

** As mentioned in note 24 to the consolidated financial statements Mr Robert Jacob Meuter was appointed as a non-executive board member of the Company on 11 April 2014. Due to his appointment after the end of the financial year being reported, Mr Meuter does not consider it appropriate to approve the enclosed consolidated financial statements, financial statements and directors report for the year ended 31 December 2013 and accordingly he has not signed above as a non-executive member of the Management Board.*

Other Information

Appropriation of result as provided for by the Articles of Association

Article 20. Profits and Distributions.

1. Each year, the Management Board may determine which part of the profits shall be reserved.
2. The part of the profit remaining after reservation in accordance with Article 20.1 shall be distributed as dividend on the Shares.
3. Distributions may be made only up to an amount which does not exceed the amount of the Distributable Equity.
4. Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts.
5. The Management Board may resolve to distribute interim dividend on the Shares. The Shareholders' Body may, at the proposal of the Management Board, resolve to make distributions at the expense of any reserve of the Company.
6. The Shareholders' Body may, at the proposal of the Management Board, resolve that a distribution of dividend or another payment on Shares shall not be paid in whole or in part in cash but in shares in the Company.
7. In calculating the amount of any distribution on Shares, Shares held by the Company shall be disregarded.
8. The Sections 2:103, 2:104, and 2:105 of the Dutch Civil Code shall apply to distributions to holders of Shares.

Proposal for profit allocation

With observance of article 20, of the Articles of Association, it is proposed that for 2013 no dividend on ordinary shares will be distributed.

The Management Board proposes to add the net profit to the Retained earnings.

Events after the balance sheet date

Except for the matters referred to below, no events have occurred subsequent to year end and to the date of these consolidated financial statements that would require adjustment to or disclosure in the consolidated financial statements.

On 16 April 2014, the resignation of Mr Anthony James Denny and Mr Vratislav Kulhanek as the Chairman and non-executive board members of the Management Board was recorded in the Commercial register.

On 18 December 2013 several minority shareholders of the Company submitted a petition to the Enterprise Chamber of the Courts of Appeal in Amsterdam ("the Enterprise Chamber") to instigate an inquiry into the policy and running of the Business of the Company. On 8 April 2014 the Enterprise Chamber upheld this petition and has ordered an inquiry into the policies and functioning of the Company for the period since 1 July 2012. On 11 April 2014 Mr Robert Jacob Meuter was registered as a non-executive board member of the Company for the duration of the inquiry.

The Group operates one branch in Moscow through its Russian subsidiary, AAA AUTO LLC. The recent political events in the Ukraine and the subsequent imposition of limited sanctions on Russia by the international community have not had a material impact on the subsidiary's trading performance to date in 2014. Since 31 December 2013 the Russian ruble's exchange rate against the Euro has depreciated by over 10%. The currency devaluation is not expected to have a significant impact on the subsidiary's or Group's business or financial position. At present, we are not aware of any existing conditions that could lead to problems with the subsidiary's recovery of its trade receivables or decrease the carrying value of its car stock. The Group's management continues to monitor the situation closely.

Independent Auditor´s report

Included in the next page

Independent auditor's report

To the General Meeting of Shareholders of AAA Auto Group N.V.

Report on the financial statements

We have audited the accompanying financial statements 2013 of AAA Auto Group N.V., Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2013, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes, comprising a summary of significant accounting policies and other explanatory information. The company financial statements comprise the company balance sheet as at 31 December 2013, the company income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management Board's responsibility

The Management Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Directors' Report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, 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 Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 company'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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, 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 with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position of AAA Auto Group N.V. as at 31 December 2013, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, The Netherlands
T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

Opinion with respect to the company financial statements
In our opinion, the company financial statements give a true and fair view of the financial position of AAA Auto Group N.V. as at 31 December 2013, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the Directors' Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the Directors' Report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 30 April 2014
PricewaterhouseCoopers Accountants N.V.

Originally signed by A.G. Good RA