

Registered in England and Wales  
Number 1663911

# **BMW (UK) INVESTMENTS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2007**

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## **BMW (UK) INVESTMENTS LIMITED**

### **DIRECTORS**

N C Wharton  
G M Woolley

### **REPORT OF THE DIRECTORS**

The directors present the Annual Report of the Company, together with the Financial Statements for the year ended 31 December 2007 which are prepared under United Kingdom Generally Accepted Accounting Practice ("UK GAAP")

#### **Directors**

The names of the present directors of the Company are listed above

Mr N C Wharton and Mrs G M Woolley both served throughout the year

#### **Review of activities**

The Company has operated as a property investment company and manages funds on deposit

#### **Financial**

The profit and loss account for the year is shown on page 6. The company derived its main income from interest received on term deposits with BMW (UK) Capital plc

#### **Financial instruments and risks**

The company has a financial receivable with BMW (UK) Capital plc

##### **Credit risk**

The credit risk faced by the company is considered low because the material receivable balance is with a related party. At the balance sheet date there are no significant concentrations of credit risk. The maximum exposure is represented by the carrying amount of each financial asset in the balance sheet.

##### **Interest rate risk**

The interest rate risk faced by the company is considered low because the material receivable balance is with a related party. At the balance sheet date there are no significant concentrations of interest rate risk. The maximum exposure is represented by the carrying amount of interest receivable in the balance sheet.

##### **Liquidity risk**

The liquidity risk faced by the company is considered low because the material receivable balance is with a related party. At the balance sheet date there are no significant concentrations of liquidity risk. The maximum exposure is represented by the carrying amount of each financial asset in the balance sheet.

##### **Foreign currency risk**

The company does not have any foreign currency payables or receivables, therefore management does not consider the company to have any foreign currency risk.

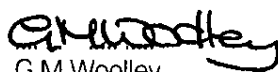
**BMW (UK) INVESTMENTS LIMITED****Dividends**

On 27 April 2007, the directors approved the payment of a dividend of £1,800,000. The dividend is recognised in these financial statements and was paid on 27 April 2007. In 2006 the directors approved the payment of a dividend of £57,562,000.

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, in so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



G M Woolley  
SECRETARY  
22nd October 2008

**BMW (UK) INVESTMENTS LIMITED****Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BMW (UK) INVESTMENTS LIMITED**

We have audited the financial statements of BMW (UK) Investments Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' Report is consistent with the financial statements.

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

22nd October 2008

**BMW (UK) INVESTMENTS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	2007 £000	2006 £000
<b>Operating profit</b>	2	11	10
<b>Profit on ordinary activities before interest and taxation</b>		<u>11</u>	<u>10</u>
Net Interest receivable	4	87	2,570
<b>Profit on ordinary activities before taxation</b>		98	2,580
Tax on Profit on ordinary activities	5	(421)	(376)
<b>(Loss)/Profit for financial year</b>		<u>(323)</u>	<u>2,204</u>

All of the above results relate to continuing operations

The Company has no recognised gains or losses other than the result for the above financial periods

**BMW (UK) INVESTMENTS LIMITED****BALANCE SHEET  
AT 31 DECEMBER 2007**

	Notes	2007 £000	2006 £000
<b>Current assets</b>			
Debtors	6	1,166	3,226
<b>Creditors – amounts falling due within one year</b>	7	<u>(75)</u>	<u>-</u>
<b>Net current assets</b>		<u>1,091</u>	<u>3,226</u>
<b>Total assets less current liabilities</b>		1,091	3,226
<b>Provisions for liabilities and charges</b>	8	<u>(7)</u>	<u>(19)</u>
<b>Net assets</b>		<u>1,084</u>	<u>3,207</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	1,000
Profit and loss account	10	<u>84</u>	<u>2,207</u>
<b>Equity shareholders' funds</b>	10	<u>1,084</u>	<u>3,207</u>

These Financial Statements were approved by the Board of Directors on 22nd October 2008 and were signed on its behalf by

  
N C Wharton

**BMW (UK) INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS****1. Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

**Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of BMW (UK) Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft, within which this Company is included, can be obtained from the address given in note 12

**Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred (or accelerated) because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19, (see note 5)



**BMW (UK) INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS - continued****2. Operating profit**

	2007 £000	2006 £000
Operating profit is calculated as follows		
Other income	11	10
	<u>11</u>	<u>10</u>

Auditors' remuneration is borne by BMW (UK) Holdings Ltd

**3. Directors remuneration**

The directors receive no remuneration for their services to this Company (2006 £nil), and no payment (2006 £nil) is made to group companies for their services

**4. Net Interest receivable and similar income**

	2007 £000	2006 £000
Interest receivable		
Interest on loans made to Group undertakings	<u>87</u>	<u>2,570</u>
Net interest receivable	<u>87</u>	<u>2,570</u>

A dividend of £1.8m was paid during the year and shown as a deduction in shareholders' funds in note 10

**BMW (UK) INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS - continued****5 Tax on profit on ordinary activities****Analysis of charge in period****Current Tax**

	2007	2006
	£000	£000
Current tax on income for the period being total current tax	26	376
Prior year adjustment	395	-
Total tax	<u>421</u>	<u>376</u>

The current tax charge is higher (2006 lower) than the standard rate of corporation tax of 30% (2006 30%) The reconciling differences are shown below

	2007	2006
	£000	£000
<b>Current Tax reconciliation</b>		
Profit on ordinary activities before tax	98	2,580
Current tax at 30% (2006 30%)	<u>29</u>	<u>774</u>

**Effects of:**

Adjustment to tax charge in respect of prior periods	395	(395)
Other timing differences not previously recognised	(3)	(3)

<b>Total current tax charge</b>	<u>421</u>	<u>376</u>
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**BMW (UK) INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS - continued****6. Debtors - amounts falling due within one year**

	2007 £000	2006 £000
Interest bearing loan to Group undertaking	1,166	2,737
Other debtors	-	489
	<u>1,166</u>	<u>3,226</u>

**7. Creditors – amounts falling due within one year**

	2007 £000	2006 £000
Corporation tax payable	<u>75</u>	<u>-</u>
	<u>75</u>	<u>-</u>

**8. Provisions for liabilities and charges**

	£000
As at 31 December 2006	19
Released to profit and loss account	12
As at 31 December 2007	<u>7</u>

The contaminated land provision of £7,500 relates to estimated future rectification costs in respect of property sold in a prior year, for which the company remains responsible

**9. Share capital**

1,000,000 (2006 1,000,000) Ordinary shares of £1 each

	2007 £000	2006 £000
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid	<u>1,000</u>	<u>1,000</u>

**BMW (UK) INVESTMENTS LIMITED****NOTES TO THE ACCOUNTS – continued****10. Reconciliation of movements in shareholders' funds**

	Called-up Share capital	Profit and Loss account	Total
	£000	£000	£000
Opening shareholders' funds	1,000	2,207	3,207
Loss for financial year	-	(323)	(323)
Dividends	-	(1,800)	(1,800)
	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	1,000	84	1,084
	<hr/>	<hr/>	<hr/>

**11 Ultimate parent company**

The company is a wholly owned subsidiary of BMW (UK) Holdings Limited which is registered in England and Wales

The ultimate parent company is Bayerische Motoren Werke Aktiengesellschaft, which is incorporated in Germany

The address where Bayerische Motoren Werke Aktiengesellschaft's accounts can be obtained is Petuelring 130, D-80809 Munich, Germany