

BMW (UK) Investments Limited

**Directors' report and financial
statements**

Registered number 1663911

For the year ended 31 December 2016

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Directors' report

The directors present the Annual Report of the Company, together with the Financial Statements for the year ended 31 December 2016.

Review of activities

In previous years the Company operated as a property investment company. This activity has come to an end and the only activities remaining within this company relate to funds on deposit.

Financial

The profit and loss account for the year is shown on page 3.

Financial instruments and risks

The company has a financial receivable with BMW Finance N.V.

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 company does not have any interest payables or receivables; therefore management does not consider the company to have any interest rate risk.

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.

Dividends

The directors recommend that no dividend should be paid for the year ended 31 December 2016 (2015:£Nil).

Directors

The directors who held office throughout the year were as follows:

NC Wharton
GM Woolley

These financial statements were approved by the board of directors on 5.7.2017 and were signed on its behalf by:

On behalf of the Board



NC Wharton
Director

Summit ONE
Summit Avenue
Farnborough
Hampshire
GU14 0FB

5.7.2017

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) including *FRS 101 Reduced Disclosure Framework*.

Under Company law the Directors' must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 adequate records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at anytime the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. 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 auditor's 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 2016 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

- Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:
- We have not identified material misstatements in those reports; and in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of BMW (UK) Investments Limited
(continued)

Matters on which we are required to report by exception

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

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



Matthew Buckingham (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

5.7.2017

Profit and loss account
for the year ended 31 December 2016

	2016 £000	2015 £000
Administrative expenses	(59)	-
Operating loss	(59)	-
Net receivable and similar income	-	-
Profit on ordinary activities before taxation	(59)	-
Tax on profit on ordinary activities	-	-
Profit for financial year being total comprehensive income for the year	(59)	-

Notes from pages 6 to 7 form part of the financial statements.

Balance sheet
at 31 December 2016

	<i>Note</i>	2016 £000	2015 £000
Current assets			
Debtors	3	1,193	1,193
Creditors: amounts falling due within one year	4	(134)	(75)
		<hr/>	<hr/>
Net current assets, being net assets		1,059	1,118
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	5	1,000	1,000
Profit for the year		59	118
		<hr/>	<hr/>
Shareholders' funds		1,059	1,118
		<hr/>	<hr/>

Notes from pages 6 and 7 form part of the financial statements.



NC Wharton
Director

Company registered number: 1663911

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 January 2015	1,000	118	1,118
Profit for the Year	-	-	-
Balance at 31 December 2015	1,000	118	1,118
Balance at 1 January 2016	1,000	118	1,118
Loss for the Year	-	(59)	(59)
Balance at 31 December 2016	1,000	59	1,059

Notes

(forming part of the financial statements)

1 Accounting policies

BMW (UK) Investments Limited (the "Company") is a company incorporated, domiciled and registered in England. The registered number is 1663911 and the registered address is Summit ONE, Summit Avenue, Farnborough, Hampshire GU14 0FB.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Bayerische Motoren Werke Aktiengesellschaft, which is incorporated in Germany includes the Company in its consolidated financial statements. The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Petuelring 130, D-80788 Munich, Germany.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The directors have reviewed the accounting policies and do not believe there are any estimates with a significant risk of material adjustment in the next year which affect these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis and presented in pound sterling, rounded to the nearest thousand.

1.2 Going concern

The company has net assets at 31 December 2016. The company expects to continue to be in operation for at least 12 months from the date of signature. The directors have not identified any risk that prevent the accounts being prepared under a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise of trade and other creditors, and trade and other debtors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.4 Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2 Directors' remuneration

The directors receive no remuneration for their services to this Company (2015: £Nil), and no payment (2015: £Nil) is made to group companies for their services.

3 Debtors: Amounts falling due within one year

	2016 £000	2015 £000
Amount owed by group undertakings	1,193	1,193

The amounts included in the above are repayable on demand.

4 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Internal creditors	134	75

5 Called up share capital

	2016 £000	2015 £000
<i>Allotted, called up and fully paid</i>		
1,000,000 (2015: 1,000,000) ordinary shares of £1 each	1,000	1,000

6 Ultimate parent company and parent undertaking of a larger group of which the company is a member

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 group in which the results of the company are consolidated is that headed by the ultimate parent company.

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

BMW Group

BMW (UK) Investments Ltd.

KPMG LLP
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

5.7.2017

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of BMW (UK) Investments Limited ("the Company"), for the year ended 31 December 2016, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the Company's profit or loss for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including Financial Reporting Standard 101 *Reduced Disclosure Framework*); and
- iii. whether the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

These financial statements comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Equity and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that the Company meets the definition of a qualifying entity and meets the criteria for applying Financial Reporting Standard 101 *Reduced Disclosure Framework*.

In particular the Board confirms that it has notified its shareholders in writing and they have not objected to the use of the permitted disclosure exemptions that the Board has taken when preparing the financial statements applying Financial Reporting Standard 101 *Reduced Disclosure Framework*.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 13 December 2013, for the preparation of financial statements that:

- i. give a true and fair view of the state of the Company's affairs as at the end of its financial year and of its profit or loss for that financial year;
- ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice (including Financial Reporting Standard 101 *Reduced Disclosure Framework*); and

Company
BMW (UK)
Investments Ltd.

BMW Group Company

Postal Address
Oxford OX4 6NL

VAT No
572417244

Directors
G Woolley
N Wharton

Registered Office
Summit ONE
Summit Avenue
Farnborough
Hampshire, GU14 0FB

Registered in England
No 16 63911



iii. have been prepared in accordance with the requirements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Board in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* as applied under Financial Reporting Standard 101 *Reduced Disclosure Framework*, requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Information provided

5. The Board has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Board for the purpose of the audit; and
 - unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Board confirms the following:
 - i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Company and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the Company's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material



misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as applied under Financial Reporting Standard 101 *Reduced Disclosure Framework*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Board has disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 *Related Party Disclosures*, as applied under Financial Reporting Standard 101 *Reduced Disclosure Framework*. The Board confirms that the Company has taken advantage of the exemption in Financial Reporting Standard 101 *Reduced Disclosure Framework* paragraph 8 (k) and has therefore not included the exempted information in the financial statements

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.

11. The Board confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Company's ability to continue as a going concern as required to provide a true and fair view.
- b) No events or circumstances have been identified that may cast significant doubt on the ability of the Company to continue as a going concern.

12. On the basis of the process established by the Board and having made appropriate enquiries, the Board is satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities are consistent with its knowledge of the business and in accordance with IAS 19 (Revised) *Employee Benefits*, as applied under Financial Reporting Standard 101 *Reduced Disclosure Framework*.

The Board further confirms that:

- a) all significant retirement benefits, including any arrangements that are:
 - statutory, contractual or implicit in the employer's actions;
 - arise in the UK and the Republic of Ireland or overseas;
 - funded or unfunded; and
 - approved or unapproved,have been identified and properly accounted for; and



- b) all plan amendments, curtailments and settlements have been identified and properly accounted for.

This letter was tabled and agreed at the meeting of the Board of Directors on 5.7.2017.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'N. Wharton'.

N. Wharton, Director

A handwritten signature in black ink, appearing to read 'G. Woolley'.

G. Woolley, Secretary



Appendix to the Board Representation Letter of BMW (UK) Investments Limited: Definitions

Criteria for applying Financial Reporting Standard 101 *Reduced Disclosure Framework*

- The Company's shareholders have been notified in writing about, and do not object to, the use of the disclosure exemptions
- The Company otherwise applies as its financial reporting framework the recognition, measurement and disclosure requirements of IFRS as adopted by the EU, but makes amendments to IFRS as adopted by the EU requirements where necessary in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, given that the financial statements that it prepares are Companies Act accounts as defined in section 395(1)(a) of the Companies Act 2006, not IAS accounts as defined in section 395(1)(b) of the Companies Act 2006.
- The Company discloses in the notes to its financial statements:
 - A brief narrative summary of the disclosure exemptions adopted; and
 - The name of the parent of the group in whose consolidated financial statements its financial statements are consolidated, and from where those financial statements may be obtained

Financial Statements

A complete set of financial statements (before taking advantage of any of the FRS 101 disclosure exemptions) comprises:

- a Balance Sheet as at the end of the period;
- a Profit and Loss account for the period;
- a Statement of Other Comprehensive Income;
- a Statement of Changes in Equity for the period;
- a Statement of Cash Flows for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

"Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor."

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.



Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Qualifying Entity

A member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation.

A charity may not be a qualifying entity.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).



- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled, or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control or joint control of, or significant influence over, the reporting entity; and
- b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.