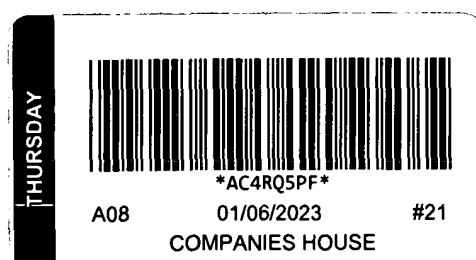


# **BMW Motorsport Limited**

## **Directors' report and financial statements**

**Registered number 03114332  
For the year ended 31 December 2022**



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## Directors' report

The directors present the Directors' Report for BMW Motorsport Limited ("the company"), together with the audited Financial Statements for the year ended 31 December 2022.

The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006, which also provides an exemption from the preparation of a Strategic Report under section 414B.

### Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

Dr D Dreher

M Schuster

A Kindler (appointed: 1 June 2022)

AMD Schneider (resigned 1 June 2022)

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

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Review of activities

Following a period of dormant trading BMW Motorsport Limited recommenced trading in 2017 as an engineering solution provider for innovative automotive products. The company is currently engaged in multiple research and development projects. The company has no employees (2021: nil).

## Directors' report (*continued*)

### Financial

The other operating income of the company increased by 144.9% compared to the previous year (2021: reduction of 24.4%), fluctuations in other operating income are due to the content of specific research and development projects being undertaken by the company. Net assets at the end of the financial year were £1,070k (2021: £712k). The statement of comprehensive income for the year is shown on page 6.

### Financial instruments and risks

The company has a financial payable with BMW International Investment B.V. The liquidity risk faced by the company is considered low because the loan is provided from a related party.

### Risk and uncertainties

The war in Ukraine at the beginning of 2022 brought the potential for disruption. The company's risk mitigation measures continue to lead an agile response to counter risks in volatility. The directors are continuing to monitor these situations, and have no reason to believe they will impact negatively on the business.

### 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 2022 (2021: £Nil).

### Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and PricewaterhouseCoopers LLP will therefore continue in office.

The financial statements were approved by the board of directors on 17 May 2023 and were signed on its behalf by:



A Kindler  
Director

Summit ONE  
Summit Avenue  
Farnborough  
Hampshire  
GU14 0FB  
England

# Independent auditors' report to the members of BMW Motorsport Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, BMW Motorsport Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the companies act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing meeting minutes with the Board and those charged with governance;
- Identifying and testing journal entries with unusual account combinations;
- Challenging assumptions and judgements made by management in their accounting estimates and judgements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

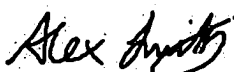
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Alex Smith (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
17 May 2023

**Statement of comprehensive income**  
*for the year ended 31 December 2022*

|  | <i>Note</i> | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|--|-------------|----------------------------|----------------------------|
| Administrative expenses  | 2           | <b>(8,152)</b>             | (3,287)                    |
| Other operating income   |             | <b>8,478</b>               | 3,461                      |
| <b>Operating profit</b>  |             | <b>326</b>                 | 174                        |
| Other interest receivable and similar income                                       |             | <b>28</b>                  | -                          |
| Interest payable and similar expenses  |             | <b>(24)</b>                | (26)                       |
| <b>Profit before taxation</b>  |             | <b>330</b>                 | 148                        |
| Tax on profit  | 4           | <b>28</b>                  | (28)                       |
| <b>Profit for the financial year being total comprehensive income for the year</b> |             | <b>358</b>                 | 120                        |

The 'Notes to the accounts' section of this annual report is an integral part of these financial statements.




**Balance sheet**  
*at 31 December 2022*

|   | <i>Note</i> | <b>2022</b><br><b>£000</b> | <b>2022</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> | <b>2021</b><br><b>£000</b> |
|---|-------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Current assets</b>                                 |             |                            |                            |                            |                            |
| Debtors   | 5           | 8,735                      |                            | 5,084                      |                            |
|   |             | <u>8,735</u>               |                            | <u>5,084</u>               |                            |
| <b>Creditors: amounts falling due within one year</b> | 6           | <u>(7,665)</u>             |                            | <u>(4,372)</u>             |                            |
| <b>Net current assets</b>                             |             |                            | <u><b>1,070</b></u>        |                            | <u><b>712</b></u>          |
| <b>Capital and Reserves</b>                           |             |                            |                            |                            |                            |
| Called up share capital                               | 7           |                            | <b>1</b>                   |                            | <b>1</b>                   |
| Profit and Loss account                               |             |                            | <b>1,069</b>               |                            | <b>711</b>                 |
| <b>Total shareholders' funds</b>                      |             |                            | <u><b>1,070</b></u>        |                            | <u><b>712</b></u>          |

The 'Notes to the accounts' section of this annual report is an integral part of these financial statements.

The financial statements were approved by the board of directors on 17 May 2023 and were signed on its behalf by:



**A Kindler**  
*Director*

Company registered number: 03114332

**Statement of changes in equity**  
*for the year ended 31 December 2022*

|  | <b>Called up<br/>Share<br/>capital<br/>£000</b> | <b>Profit<br/>and loss<br/>account<br/>£000</b> | <b>Total<br/>shareholders'<br/>funds<br/>£000</b> |
|--|---|---|---|
| Balance at 1 January 2021                        | 1   | 591   | 592   |
| <b>Total comprehensive income for the period</b> |   |   |   |
| Profit for the financial year                    | -   | 120   | 120   |
| Total comprehensive income for the period        | -   | 120   | 120   |
| <b>Balance at 31 December 2021</b>               | <b>1</b>  | <b>711</b>                                      | <b>712</b>  |
| Balance at 1 January 2022                        | 1   | 711   | 712   |
| <b>Total comprehensive income for the period</b> |   |   |   |
| Profit for the financial year                    | -   | 358   | 358   |
| Total comprehensive income for the period        | -   | 358   | 358   |
| <b>Balance at 31 December 2022</b>               | <b>1</b>  | <b>1,069</b>                                    | <b>1,070</b>                                      |

## **Notes to the accounts** *(forming part of the financial statements)*

### **1 Accounting policies**

BMW Motorsport Limited ("the company") is a private limited company (limited by shares) and is incorporated, domiciled and registered in England, part of the United Kingdom. The registered number is 03114332 and the registered address is Summit ONE, Summit Avenue, Farnborough, Hampshire, GU14 0FB, England.

These financial statements were prepared in accordance with Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

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 group 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.

In preparing these financial statements, management has made estimates and judgements that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates, judgments and underlying assumptions are reviewed on an ongoing basis.

The directors have considered the estimates and judgements made within the financial statements including tax and note that none have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Consequently, no significant estimates have been identified.

#### **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 financial statements have been prepared on the going concern basis. In determining the appropriate basis of preparation of the financial statements, the directors are required to consider whether the group can continue in operational existence for a period no shorter than 12 months from the date of approval of the financial statements.

The company meets its day-to-day working capital requirements through access to funds as part of the BMW AG group's cash pooling arrangement that is administered through BMW International Investment B.V., a BMW subsidiary company registered in the Netherlands, who manage the external banking relationships and act as an internal bank for BMW subsidiary deposits and loans. There are not considered to be limits to the available facility, this is a rolling facility which is an integrated part of the BMW AG group's operations. Under the cash pooling arrangements, there is no external cash held by the company, as it is held within internal bank accounts and funds on internal deposit. Internal bank account funds and deposited funds are presented within the note 'Debtors - Amounts

## Notes to the accounts *(continued)*

### 1.2 *Going concern (continued)*

owed by group undertakings'. Loans are presented within the note 'Creditors – Amounts owed to group undertakings.

In light of the current external factors (such the war in Ukraine) robust scenarios have been reviewed, and the directors have no reason to believe that a material uncertainty exists since the directors of the company's parent BMW (UK) Holdings Limited have formally indicated it will provide sufficient funding to the company to enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of these financial statements, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

### 1.3 *Non-derivative financial instruments*

Non-derivative financial instruments comprise of intercompany trade balances.

#### *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*

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

Current tax is the expected tax payable on the taxable income 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.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

### 1.5 *Government Grants*

Government grants are recognised when there is reasonable assurance that both of the following criteria are satisfied:

- the entity complies with the conditions attaching to government grant and
- the grants will actually be received.

### 1.6 *Other operating income*

Other operating income includes Government grants and recharges to Intercompany.

### 1.7 *Change in Accounting Policy*

There were no changes in accounting policy in these financial statements.

## 2 Expenses and auditor remuneration

|   | 2022<br>£000 | 2021<br>£000 |
|---|--------------|--------------|
| Audit fees in connection with the audit of these financial statements | 5            | 6            |

There are no amounts paid to the auditor in respect of non-audit fees in either year.

## Notes to the accounts *(continued)*

### 3 Directors' remuneration

The directors receive no remuneration for their services to this company (2021: £nil), and no payment is made to group companies for their services.

### 4 Tax on profit

#### *Analysis of tax (credit)/charge in year*

|                                    | 2022<br>£000 | 2021<br>£000 |
|------------------------------------|--------------|--------------|
| <i>UK corporation tax</i>          |              |              |
| Current tax on profit for the year | -            | 28           |
| Prior year adjustments             | (28)         | -            |
|                                    | <hr/>        | <hr/>        |
| Total tax on profit                | (28)         | 28           |
|                                    | <hr/>        | <hr/>        |

#### *Factors affecting the tax (credit)/charge for the current year*

The tax charge for the year is lower than (2021: Equal to) the standard rate of corporation tax in the UK 19% (2021: 19%). The differences are explained below:

|                                | 2022<br>£000 | 2021<br>£000 |
|--------------------------------|--------------|--------------|
| <i>Tax reconciliation</i>      |              |              |
| Profit before tax              | 330          | 148          |
|                                | <hr/>        | <hr/>        |
| Current tax at 19% (2021: 19%) | 63           | 28           |
|                                | <hr/>        | <hr/>        |
| <i>Effects of:</i>             |              |              |
| Group relief received          | (63)         | -            |
| Prior year adjustments         | (28)         | -            |
|                                | <hr/>        | <hr/>        |
| Total tax (credit)/charge      | (28)         | 28           |
|                                | <hr/>        | <hr/>        |

#### *Factors that may affect future charges*

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021.

### 5 Debtors

|                                   | 2022<br>£000 | 2021<br>£000 |
|-----------------------------------|--------------|--------------|
| Amount owed by group undertakings | 8,004        | 5,084        |
| Third party receivables           | 731          | -            |
|                                   | <hr/>        | <hr/>        |
|                                   | 8,735        | 5,084        |
|                                   | <hr/>        | <hr/>        |

Amounts owed by group undertakings are unsecured, interest bearing, and have no fixed date of repayment and are repayable on demand.

## Notes to the accounts *(continued)*

### 6 Creditors: amounts falling due within one year

|                                    | 2022<br>£000 | 2021<br>£000 |
|------------------------------------|--------------|--------------|
| Amounts owed to group undertakings | 7,619        | 4,183        |
| Tax payables                       | -            | 162          |
| Third party creditors              | 46           | 27           |
|                                    | <u>7,665</u> | <u>4,372</u> |

Included in the amounts owed to group undertakings is a loan from BMW International Investment B.V., as at 31 December 2022 £2.5m (2021: £2.5m). The amounts owed to group undertakings are unsecured, interest bearing, and are repayable on demand.

### 7 Called up share capital

|  | 2022<br>£000 | 2021<br>£000 |
|--|--------------|--------------|
| <i>Allotted, called up and fully paid</i>      |              |              |
| 1,000 (2021: 1,000) ordinary shares of £1 each | <u>1</u>     | <u>1</u>     |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the company. All shares rank equally.

### 8 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.

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

The only group in which the results of the company are consolidated is that headed by Bayerische Motoren Werke Aktiengesellschaft. The consolidated financial statements of the group are available to the public and may be obtained from Petuelring 130, D-80788 Munich, Germany.