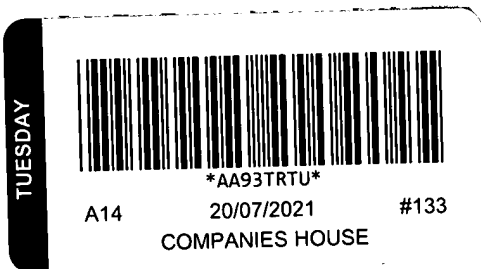


BMW Motorsport Limited

Directors' report and financial statements

Registered number 03114332
For the year ended 31 December 2020



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Directors' report

The directors present the Directors' Report for BMW Motorsport Limited ("the company"), together with the Financial Statements for the year ended 31 December 2020.

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 throughout the year were as follows:

AMD Schneider (appointed 1 July 2020)

M Schuster (appointed 1 July 2020)

JP Stoye (resigned 1 July 2020)

NB Martin (resigned 1 July 2020)

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.

Directors' report *(continued)*

Financial

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.

Covid-19

The impacts of the Coronavirus outbreak, which was characterised as a pandemic by the World Health Organisation in March 2020, have been observable across the company's operations. The effects of the pandemic reached virtually all the areas of risk. The UK Government-led lockdown resulted in an unprecedented period of production shutdown. The company's risk mitigation measures led to an agile response. The directors are continuing to monitor the situation, and have no reason to believe it 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.

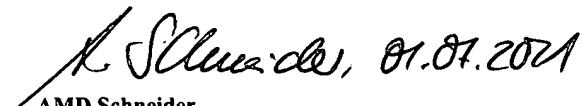
Dividends

The directors recommend that no dividend should be paid for the year ended 31 December 2020.

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.

These financial statements were approved by the board of directors 1 July 2021 and were signed on its behalf by:


AMD Schneider
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 2020 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, comprising 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 Annual Report, which comprise: the Balance Sheet as at 31 December 2020; 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 on, 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 2020 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 we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 journal entries posted to manipulate the financial statements. 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;
- Consideration of any changes to the control environment, including as a result of the impact of the COVID-19 pandemic; and
- Identifying and understanding all journal entries posted within the company to ensure all had appropriate business rationale.

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. 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

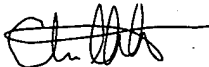
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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 in preparing the Directors' report and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Christopher Hibbs (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
8 July 2021

Statement of comprehensive income
for the year ended 31 December 2020

	<i>Note</i>	2020 £000	2019 £000
Administrative expenses	2	(3,979)	(4,703)
Other income		4,581	5,696
Operating profit		602	993
Other interest receivable and similar income		-	10
Interest payable and similar expenses		(27)	(37)
Profit before taxation		575	966
Tax on profit	4	(109)	(183)
Profit for financial year being total comprehensive income for the year		466	783

Notes from pages 9 to 12 form part of the financial statements.

The company has no other comprehensive income other than the result above and as such no separate other comprehensive income statement has been provided.

Balance sheet
at 31 December 2020

	<i>Note</i>	2020 £000	2019 £000
Current assets			
Debtors	5	5,503	3,791
		<u>5,503</u>	<u>3,791</u>
Creditors: amounts falling due within one year	6	(4,911)	(3,665)
		<u>592</u>	<u>126</u>
Net current assets		592	126
Capital and Reserves			
Called up share capital	7	1	1
Profit and Loss reserves		591	125
		<u>592</u>	<u>126</u>
Total shareholders' funds		592	126

Notes from pages 9 to 12 form part of the financial statements.

These financial statements were approved by the board of directors on 1 July 2021 and were signed on its behalf by:

A Schneider, 01.07.2021

AMD Schneider
Director

Company registered number: 03114332

Statement of changes in equity
for the year ended 31 December 2020

	Called up Share capital	Profit and loss reserve	Total shareholders' funds
	£000	£000	£000
Balance at 1 January 2019	1	(658)	(657)
Total comprehensive income for the year			
Profit for the financial year	-	783	783
Balance at 31 December 2019	1	125	126
Balance at 1 January 2020	1	125	126
Total comprehensive income for the year			
Profit for the financial year	-	466	466
Balance at 31 December 2020	1	591	592

Notes

(forming part of the financial statements)

1 Accounting policies

BMW Motorsport Limited ("the company") is a private limited company and is incorporated, domiciled and registered in the UK. The registered number is 03114332 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").

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 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 critical 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 light of the current external factors (such as COVID-19 and 'Brexit') 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.

Notes (continued)

1 Accounting policies (continued)

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 Change in Accounting Policy

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

2 Administrative expenses

	2020 £000	2019 £000
Audit fees in connection with the audit of these financial statements	5	5

3 Directors' remuneration

The directors receive no remuneration for their services to this company, and no payment is made to group companies for their services.

4 Tax on profit

Analysis of charge in year

	2020 £000	2019 £000
UK corporation tax		
Current tax on profit for the year	109	183
Total current tax / Tax on profit	109	183

Notes (continued)

4 Tax on profit (continued)

Factors affecting the tax charge for the current year

The tax charge for the year is equal to (2019: Equal to) the standard rate of corporation tax in the UK (19%) (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
<i>Tax reconciliation</i>		
Profit before tax	575	966
	<hr/>	<hr/>
Current tax at 19% (2019: 19%)	109	183
	<hr/>	<hr/>
Total tax charge (see above)	109	183
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

On 17 March 2020, a cancellation of this reduction was enacted, resulting in the UK corporation tax rate remaining at 19% from 1 April 2020.

The UK Chancellor of the Exchequer announced on 3 March 2021 as part of the 2021 Budget that the UK Government would be increasing the rate of UK Corporation Tax to 25% from 1 April 2023.

5 Debtors

	2020 £000	2019 £000
Amount owed by group undertakings	5,222	3,791
Tax receivables from group relief	-	-
Trade debtors	281	-
	<hr/>	<hr/>
	5,503	3,791
	<hr/> <hr/>	<hr/> <hr/>

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

6 Creditors: amounts falling due within one year

	2020 £000	2019 £000
Amounts owed to group undertakings	4,745	3,640
Tax payables	134	25
Trade creditors	32	-
	<hr/>	<hr/>
	4,911	3,665
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed to group undertakings are unsecured, interest bearing, and are repayable on demand.

Notes (continued)

7 Called up share capital

	2020 £000	2019 £000
<i>Allotted, called up and fully paid</i>		
1,000 (2019: 1,000) ordinary shares of £1 each	1	1

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.