

Registered in England and Wales
Number 3950870

BMW SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2009

TUESDAY



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BMW SERVICES LIMITED

DIRECTORS

M C Kreeft
P D Griffiths

REPORT OF THE DIRECTORS

The directors present the Annual Report of BMW Services Limited together with the Financial Statements for the year ended 31 December 2009, which are prepared under United Kingdom Generally Accepted Accounting Practice ("UK GAAP")

Review of activities

In previous years the Company was engaged in providing services to other BMW group undertakings in the UK and certain former BMW Group undertakings in the UK. These services have come to an end and the only activities remaining within this company relate to operating leases on properties and funds on deposit.

Financial

The profit and loss account for the year is shown on page 6. The company derived income from the release of provisions on an onerous lease, rental income from property and placing available funds on term deposits with BMW (UK) Capital plc. The company's main expenses relate to rental payments on leased property.

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 SERVICES LIMITED**Dividends**

The directors recommend that no dividend should be paid for the year ended 31 December 2009 (2008 £nil)

Directors

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

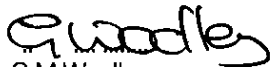
Political and charitable donations

The Company made no political donations in either period The Company made no charitable donations (2008 £nil)

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
15 September 2010

BMW SERVICES 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)

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 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. 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 SERVICES LTD LIMITED

We have audited the financial statements of BMW Services Limited for the year ended 31 December 2009 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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

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 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



JD Leech (Senior Statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

15 September 2010

BMW SERVICES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £000	2008 £000
Administrative expenses		(40)	(45)
Operating (loss)/profit	2	(40)	(45)
Net interest receivable and similar income	4	150	1,598
Profit on ordinary activities before taxation		110	1,553
Tax on profit on ordinary activities	5	(31)	(442)
Profit for financial year		79	1,111

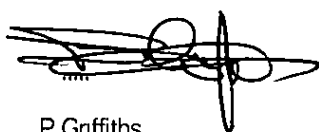
All of the above results relate to continuing operations

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

BMW SERVICES LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Notes	2009 £000	2008 £000
Fixed Assets			
Intangible assets	6	-	-
		-	-
Current Assets			
Debtors	7	34,034	33,955
		<u>34,034</u>	<u>33,955</u>
Creditors – amounts falling due within one year	8	<u>(479)</u>	<u>(479)</u>
Net current assets		<u>33,555</u>	<u>33,476</u>
Total assets less current liabilities		<u>33,555</u>	<u>33,476</u>
Net assets		<u>33,555</u>	<u>33,476</u>
Capital and reserves			
Called up share capital	9	7,000	7,000
Share premium	10	63,000	63,000
Profit and loss account	10	<u>(36,445)</u>	<u>(36,524)</u>
Total shareholders' funds	11	<u>33,555</u>	<u>33,476</u>

These Financial Statements were approved by the Board of Directors on 15 September 2010 and were signed on its behalf by



P Griffiths

Registered Company Number 3950870

BMW SERVICES 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 13

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment.

Leasing

Payments under operating leases are included in the profit and loss account as they fall due.

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 measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse and is provided in respect of all timing differences which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19 "Deferred Tax".

BMW SERVICES LIMITED**NOTES TO THE ACCOUNTS****2. Operating profit**

	2009 £000	2008 £000
Operating profit is stated after charging/(crediting)		
Auditors remuneration		
- audit services	2	4
Hire of tangible assets under operating leases		
- other	130	130
Pensions Augmentation	19	0
Release of accruals	(29)	(11)
Property sub-let income	<u>(80)</u>	<u>(80)</u>

3. Staff numbers and costs

With the exception of the directors, the Company has no employees (2008 none) The directors receive no remuneration (2008 £nil) for their services to this Company and no pension contributions were made in the current or preceding year.

4. Net interest receivable and similar income

	2009 £000	2008 £000
Interest payable		
Interest on loans received from group undertakings	<u>0</u>	<u>(1)</u>
Interest receivable		
Interest on loans made to group undertakings	<u>150</u>	<u>1,599</u>
Net interest receivable	<u>150</u>	<u>1,598</u>

BMW SERVICES LIMITED**NOTES TO THE ACCOUNTS – continued****5. Tax on profit on ordinary activities****Analysis of charge in period****Current Tax**

	2009 £000	2008 £000
Current tax on income for the period being total current tax	31	442
Prior year adjustment	-	-
Total tax	<u>31</u>	<u>442</u>

	2009 £000	2008 £000
Current Tax reconciliation		
Profit on ordinary activities before tax	110	1,553
Current tax at 28% (2008 28.5%)	<u>31</u>	<u>442</u>

Effects of:

Capital allowances for the period in excess of depreciation and other timing differences	-	-
Adjustment in respect of prior period	-	-
Total Current tax charge	<u>31</u>	<u>442</u>

BMW SERVICES LIMITED**NOTES TO THE ACCOUNTS - continued****6. Intangible fixed assets**

	Goodwill £000
Cost	
At 31 December 2009 and 2008	<u>23,273</u>
Amortisation	
At 31 December 2009 and 2008	<u>(23,273)</u>
Net book value at:	
31 December 2009 and 2008	<u>-</u>

7. Debtors

	2009 £000	2008 £000
Trade debtors	28	32
Amounts owed by group undertakings	33,993	33,910
Other debtors	13	13
Other taxes	<u>-</u>	<u>-</u>
	<u>34,034</u>	<u>33,955</u>

8. Creditors - amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	2	4
Amounts due to group undertakings	-	-
VAT	(2)	(2)
Other taxes and social security costs	184	154
Accruals	<u>295</u>	<u>323</u>
	<u>479</u>	<u>479</u>

BMW SERVICES LIMITED**NOTES TO THE ACCOUNTS – continued****9. Share Capital**

Ordinary Shares of £1 each

	2009 £000	2008 £000
7,000,000 (2008 7,000,000) allotted and fully paid	<u>7,000</u>	<u>7,000</u>

10. Reserves

	Share premium Account £000	Profit and loss account £000
At beginning of year	63,000	(36,524)
Profit for financial year	<u>-</u>	<u>79</u>
At end of year	<u>63,000</u>	<u>(36,445)</u>

11. Reconciliation of movements in shareholders' funds

	2008 £000
Profit for financial year	<u>79</u>
Net increase in shareholders' funds	79
Opening shareholders' funds	<u>33,476</u>
Closing shareholders' funds	<u>33,555</u>

BMW SERVICES LIMITED**NOTES TO THE ACCOUNTS – continued****12. Operating lease commitments**

Payments totalling £130,000 were committed at the end of the year to be made during the following year in respect of operating leases, analysed as follows:-

	2009 £000	2008 £000
Land and buildings		
Agreements expiring Beyond five years	<u>130</u>	<u>130</u>
	<u>130</u>	<u>130</u>

13. Ultimate parent company

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

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

The address where Bayensche Motoren Werke Aktiengesellschaft's accounts can be obtained is Petuelring 130, D-80809 Munich, Germany. No other group accounts include the results of the Company