

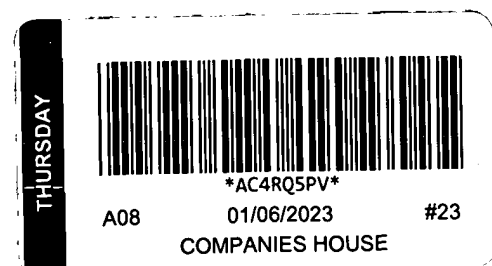
Registered in England  
Number 3950870

# **BMW Services Limited**

Annual report and financial statements

Registered number 3950870

31 December 2022



**BMW Services Limited**

**Annual report and financial statements**

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## STRATEGIC REPORT

### Principal activities

In previous years BMW Services Limited ("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 activity remaining within this company relates to funds on deposit. The company has no employees (2021: nil). It is the Directors' intention to realise the assets of the company and settle its liabilities, and then perform an orderly wind down of the company. As a result of this decision, the directors accordingly have not prepared the financial statements on a going concern basis.

Given the non-trading nature of the business, with the majority of the income and expense arising from transactions with other Group companies, the directors are of the opinion that analysis of financial key performance indicators is not useful for an understanding of the development, performance or position of the business.

### Financial instruments and risks

The company has a financial receivable with BMW International Investment B.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 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.

#### 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.

**STRATEGIC REPORT** *(continued)*

On behalf of the Board:



J Clements  
Director

2023

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mwgroup.com  
(internal encryption)

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Summit ONE  
Summit Avenue  
Farnborough  
Hampshire  
GU14 0FB  
England

## **DIRECTORS' REPORT**

The directors present the annual report of BMW Services Limited together with the audited financial statements for the year ended 31 December 2022.

### **DIRECTORS**

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

J Clements  
A Kindler (appointed 1 June 2022)  
N Wharton (resigned 31 May 2022)

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

The directors are responsible for preparing the Annual 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.

### **Financial**

Net assets at the end of the financial year were £34.4m (2021: £34.4m). The statement of comprehensive income for the year is shown on page 8.

## **DIRECTORS' REPORT** *(continued)*

### **Dividends**

The directors recommend that no dividend should be paid for the year ended 31 December 2022 (2021: £nil).

### **Political and charitable donations**

The company made no political donations or charitable donations in either period.

### **Independent Auditor**

Pursuant to Section 487 of the Companies Act 2006, the independent auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP ("PwC") will therefore continue in office.

On behalf of the Board:



J Clements  
Director

2023

Jeremy  
Clements

Summit ONE  
Summit Avenue  
Farnborough  
Hampshire  
GU14 0FB  
England

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Clements  
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# Independent auditors' report to the members of BMW Services Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, BMW Services 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 Annual 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.

### Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

### 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 Strategic report and 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.

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and 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 Strategic report and 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; and
- 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.



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**

	Note	2022 £000	2021 £000
Administrative expenses	2	-	-
Net interest receivable and similar income	4	<u>3</u>	<u>-</u>
<b>Profit before taxation</b>		<b>3</b>	<b>-</b>
Tax on profit	5	<u>-</u>	<u>-</u>
<b>Profit for financial year being total comprehensive income for the year</b>		<b><u>3</u></b>	<b><u>-</u></b>

The 'Notes to the accounts' section on pages 11 to 14 form an integral part of the financial statements.

**BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000
<b>Current Assets</b>			
Debtors	6	34,397	34,394
<b>Net current assets</b>		34,397	34,394
<b>Net assets</b>		34,397	34,394
<b>Capital and reserves</b>			
Called up share capital	7	7,000	7,000
Share premium account		63,000	63,000
Profit and loss account		(35,603)	(35,606)
<b>Total shareholders' funds</b>		34,397	34,394

The 'Notes to the accounts' section on pages 11 to 14 form an integral part of the financial statements.

These financial statements on pages 1 to 14 were approved by the Board of Directors on 2023 and were signed on its behalf by:

Jeremy Clements  
Clements

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Date: 2023.05.17 13:14:48 +01'00'



J Clements  
Director

2023

jeremy.clements@bmwgroup.com (internal encryption)  
Digitally signed by jeremy.clements@bmwgroup.com (internal encryption)  
Date: 2023.05.17 13:13:56 +01'00'

Registered Company Number 3950870

## STATEMENT OF CHANGES IN EQUITY

	<b>Called up Share capital £000</b>	<b>Share Premium account £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 January 2021	7,000	63,000	(35,606)	34,394
<b>Total comprehensive income for the period</b>				
Result for the year	-	-	-	-
Total comprehensive income for the period	-	-	-	-
<b>Balance at 31 December 2021</b>	<b>7,000</b>	<b>63,000</b>	<b>(35,606)</b>	<b>34,394</b>
Balance at 1 January 2022	7,000	63,000	(35,606)	34,394
<b>Total comprehensive income for the period</b>				
Profit for the year	-	-	3	3
Total comprehensive income for the period	-	-	3	3
<b>Balance at 31 December 2022</b>	<b>7,000</b>	<b>63,000</b>	<b>(35,603)</b>	<b>34,397</b>

Details of share capital are disclosed in note 8. The retained earnings represents the total accumulated net gains and losses at the balance sheet date.

The 'Notes to the accounts' section on pages 11 to 14 form an integral part of the financial statements.

## NOTES TO THE ACCOUNTS

### 1. Accounting policies

BMW Services 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 3950870 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 the 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. Revisions to estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods prospectively. The directors have considered the estimates and judgements made within the financial statements 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 pounds sterling, rounded to the nearest thousand.

## NOTES TO THE ACCOUNTS (continued)

### 1.2 Going concern

In 2015 the directors took the decision to cease trading once successfully fulfilling operating lease obligations on properties. It is the Directors' intention to realise the assets of the company and settle its liabilities, and then perform an orderly wind down of the company. As a result of this decision, the directors have prepared the financial statements on a basis other than going concern in the current year.

The company has no employees (2021: £Nil).

### 1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity, cash and cash equivalents, 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 Interest

Other interest receivable and similar income include interest receivable on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

### 1.5 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 or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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.

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 following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 temporary difference can be utilised.

## 2. Expenses and auditor remuneration

Auditor remuneration of £500 (2021: £500) is borne by another group company. 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 (2021: £Nil) is made to group companies for their services.

### 4. Net interest receivable and similar income

	2022 £000	2021 £000
Net interest from related parties	3	-
Net interest receivable	3	-

### 5. Tax on result

#### Recognised in the profit and loss account

##### UK corporation tax

	2022 £000	2021 £000
Current tax on income for the year	-	-
Adjustments in respect of prior periods	-	-
Total current tax being tax on result	-	-

#### Reconciliation of total tax rate

	2022 £000	2021 £000
Result before taxation	3	-
Current tax at 19% (2021: 19%)	1	-
Adjustments in respect of group relief received	(1)	-
Total tax charge	-	-

#### Factors affecting future tax 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.

**NOTES TO THE ACCOUNTS (continued)**

**6. Debtors**

	2022 £000	2021 £000
Amounts due from group undertakings	34,397	34,394
	<u>34,397</u>	<u>34,394</u>

Of the amount due from group undertakings, £34.2m (2021: £34.2m) relates to funds on deposit with BMW International Investment BV, which is unsecured, and is repayable on demand.

**7. Called up share capital**

Ordinary Shares of £1 each

	2022 £000	2021 £000
7,000,001 (2021: 7,000,001) issued and fully paid	<u>7,000</u>	<u>7,000</u>

Share premium represents the additional capital received over the nominal value of new shares subscribed. 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**

The company is a wholly owned subsidiary undertaking of BMW (UK) Holdings Limited which is incorporated in England.

The ultimate parent company and controlling party 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.