

Registered in England and Wales
Number 48324

AUSTIN ROVER GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 1994



AUSTIN ROVER GROUP LIMITED**DIRECTORS**

H A Rose
A T Armitage
A E Rowe

REPORT OF THE DIRECTORS

The directors present the Annual Report of the Company, together with the Financial Statements for the year ended 31 December 1994.

Review of Activities

The Company did not trade during the year but ceased to be dormant within the meaning of section 250 of the Companies Act 1985 following the payment of a dividend.

Directors

The directors listed above held office throughout the year.

The directors have no interests in shares or rights to subscribe for shares which require disclosure under companies legislation.

Close company provisions

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

Dividends

Due to the Company's distributable reserves no longer being required, the Company paid a dividend of £169,681,000 (1993: £Nil) during the year to its parent undertaking. The directors recommend that no further dividend should be paid and that the loss of £169,681,000 (1993: £Nil) be transferred from reserves.

AUSTIN ROVER GROUP LIMITED**REPORT OF THE DIRECTORS - continued****Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently ;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements ;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

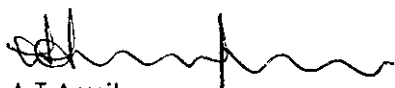
Auditors

Further to the Company ceasing to be dormant during the year, the directors appointed KPMG Peat Marwick as auditors.

On 6 February 1995, our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

In accordance with S384 of the Companies Act 1985, a resolution to reappoint KPMG as auditors and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

On behalf of the Board.



A T Armitage
SECRETARY
1 March 1995

AUSTIN ROVER GROUP LIMITED**REPORT OF THE AUDITORS KPMG TO THE MEMBERS
OF AUSTIN ROVER GROUP LIMITED**

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

As described on page 3, the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 1994 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditors
Birmingham

1 March 1995

AUSTIN ROVER GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994**

	<u>Notes</u>	<u>1994</u> <u>£ 000</u>	<u>1993</u> <u>£ 000</u>
Result on ordinary activities before and after taxation	1	-	-
Dividend paid		<u>(169,681)</u>	<u>-</u>
Retained loss for financial year		<u>(169,681)</u>	<u>-</u>
Movements on reserves			
Accumulated surplus at beginning of year		169,681	169,681
Loss for financial year		<u>(169,681)</u>	<u>-</u>
Accumulated surplus at end of year		<u>-</u>	<u>169,681</u>

CONTINUING OPERATIONS

None of the Company's operations were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

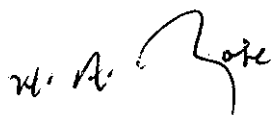
The Company has no recognised gains or losses other than the result for the above two financial years.

AUSTIN ROVER GROUP LIMITED

BALANCE SHEET
AT 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u> <u>£ 000</u>	<u>1993</u> <u>£ 000</u>
Current assets			
Debtors	3	60,288	544,442
Current liabilities			
Creditors - amounts falling due within one year	4	-	(314,473)
Net current assets being total assets less current liabilities		<u>60,288</u>	<u>229,969</u>
Capital and reserves			
Called up share capital	5	58,000	58,000
Share premium account		2,288	2,288
Profit and loss account		-	169,681
	6	<u>60,288</u>	<u>229,969</u>

These financial statements were approved by the Board of Directors on 1 March 1995 and were signed on its behalf by:



H A Rose

AUSTIN ROVER GROUP LIMITED**ACCOUNTING POLICIES****Accounting convention**

These financial statements are prepared in accordance with applicable accounting standards.

Deferred taxation

Provision for deferred taxation is made where a liability is likely to crystallise in the foreseeable future.

AUSTIN ROVER GROUP LIMITED**NOTES TO THE ACCOUNTS****1. Result on ordinary activities after taxation**

Auditors' remuneration is borne by another Group undertaking.

The directors receive no remuneration for their services to this Company.

2. Taxation

Based on the result for the year no provision for UK Corporation Tax or potential deferred taxation is required.

3. Debtors - amounts falling due within one year

	1994 <u>£ 000</u>	1993 <u>£ 000</u>
Amount due from parent undertaking	60,288	-
Amount due from fellow subsidiary undertaking	-	544,442

4. Creditors - amounts falling due within one year

	1994 <u>£ 000</u>	1993 <u>£ 000</u>
Amount due to parent undertaking	-	15,482
Amounts due to fellow subsidiary undertakings	-	298,991
	-	314,473

5. Share capital

	Ordinary shares of 25 pence each	
	1994 <u>£ 000</u>	1993 <u>£ 000</u>
Authorised	58,000	58,000
Issued and fully paid	58,000	58,000

AUSTIN ROVER GROUP LIMITED**NOTES TO THE ACCOUNTS - continued****6. Reconciliation of movements in shareholders' funds**

	1994 <u>£ 000</u>	1993 <u>£ 000</u>
Retained loss for financial year	(169,681)	-
Opening shareholders' funds	<u>169,681</u>	<u>169,681</u>
Closing shareholders' funds	<u>-</u>	<u>169,681</u>

7. Ultimate parent company

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

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