

Registered in England and Wales  
Number 2135419

# **LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
31 DECEMBER 1997**



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COMPANIES HOUSE 07705798

**LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED****DIRECTORS**

A T Armitage  
H A Rose

**REPORT OF THE DIRECTORS**

The directors present the Annual Report of the Company, together with the Financial Statements for the year ended 31 December 1997.

**Review of activities**

The profit and loss account for the year is set out on page 5.

The Company operates as a holding company. It does not itself trade and has no direct sales.

**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.

**Dividends**

The Company paid a dividend of £9,598,000 (1996: £960,000) during the year. The directors recommend that no further dividend should be paid for the year ended 31 December 1997.

**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.

**LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED****REPORT OF THE DIRECTORS - continued****Auditors**

The Company has previously passed an elective resolution to dispense with the obligation to appoint the auditors KPMG annually.

On behalf of the Board:

A handwritten signature in black ink, appearing to be 'A T Armitage', written over a dotted line.

A T Armitage  
SECRETARY  
23 March 1998

**LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED****REPORT OF THE AUDITORS KPMG TO THE MEMBERS  
OF LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED**

We have audited the financial statements on pages 5 to 10.

**Respective responsibilities of directors and auditors**

As described on page 2, 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 1997 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
.....  
Chartered Accountants  
Registered Auditors  
Birmingham

23 March 1998

**LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1997**

	<u>Notes</u>	<u>1997 £ 000</u>	<u>1996 £ 000</u>
Other operating income		<u>6</u>	<u>73</u>
<b>Operating profit</b>	<b>1</b>	<b>6</b>	<b>73</b>
Income from associated undertaking		-	811
Profit on sale of associated undertaking		-	23,027
Net interest payable	<b>2</b>	<u>-</u>	<u>(462)</u>
<b>Profit on ordinary activities before taxation</b>		<b>6</b>	<b>23,449</b>
Tax on profit on ordinary activities	<b>3</b>	<u>-</u>	<u>(163)</u>
<b>Profit on ordinary activities after taxation</b>		<b>6</b>	<b>23,286</b>
Dividend paid		<u>(9,598)</u>	<u>(960)</u>
<b>Retained (loss)/profit for financial year</b>		<u><b>(9,592)</b></u>	<u><b>22,326</b></u>
<b>Movements on reserves</b>			
At beginning of year		9,752	(12,574)
(Loss)/profit for financial year		<u>(9,592)</u>	<u>22,326</u>
<b>At end of year</b>		<u><b>160</b></u>	<u><b>9,752</b></u>

**CONTINUING OPERATIONS**

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

**TOTAL RECOGNISED GAINS AND LOSSES**

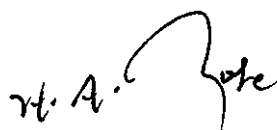
The Company has no recognised gains or losses other than the result for the above two financial years.

## LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED

BALANCE SHEET  
AT 31 DECEMBER 1997

	<u>Notes</u>	<u>1997</u> <u>£ 000</u>	<u>1996</u> <u>£ 000</u>
<b>Fixed assets</b>			
Investments	4	<u>15</u>	<u>15</u>
<b>Current assets</b>			
Debtors	5	259	9,854
<b>Current liabilities</b>			
Creditors - amounts falling due within one year	6	<u>(114)</u>	<u>(117)</u>
<b>Net current assets</b>		<u>145</u>	<u>9,737</u>
<b>Total assets less current liabilities</b>		<u>160</u>	<u>9,752</u>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account		<u>160</u>	<u>9,752</u>
<b>Shareholders' funds</b>	8	<u>160</u>	<u>9,752</u>

These Financial Statements were approved by the Board of Directors on 23 March 1998 and were signed on its behalf by:



.....  
H A Rose

## **LAND ROVER LEYLAND INTERNATIONAL HOLDINGS LIMITED**

### **ACCOUNTING POLICIES**

#### **Accounting convention**

These Financial Statements are prepared in accordance with applicable accounting standards under the historical cost convention.

#### **Foreign currencies**

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

#### **Taxation**

Provision is made for deferred taxation on the liability method to take account of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is only made to the extent that it is probable that an actual liability will crystallise.

No provision is made for taxation which would be payable if profits to be retained in overseas subsidiaries were remitted to the UK.

#### **Investments**

The investments in subsidiary undertakings are stated at the lower of cost or net asset value.

#### **Cash flow statement**

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

#### **Related party disclosures**

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose transactions with entities that are part of the Group on the grounds that it is wholly owned by a parent undertaking which includes the Company in its own published consolidated financial statements.

# LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS

### 1. Operating profit

	1997 £ 000	1996 £ 000
Operating profit is after crediting:		
Foreign exchange gains	-	52

Auditors' remuneration is borne by another Group undertaking.

The directors receive no remuneration for their services to this Company (1996: £ nil).

### 2. Net interest payable

	1997 £ 000	1996 £ 000
Interest payable to parent undertaking	-	462

### 3. Tax on profit on ordinary activities

	1997 £ 000	1996 £ 000
Tax on franked investment income	-	(163)

Due to the availability of tax losses in other Group companies no provision for UK Corporation Tax is required. In addition no provision for deferred taxation is required.

### 4. Investments

	Shares in subsidiaries £ 000	Associated companies £ 000	Total £ 000
Cost			
At beginning of year	15	160	175
Liquidations	-	-	-
At end of year	15	160	175
Provisions			
At beginning of year	-	(160)	(160)
Liquidations	-	-	-
At end of year	-	(160)	(160)
Net book values:			
At beginning and end of year	15	-	15



# **LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED**

## **NOTES TO THE ACCOUNTS - continued**

### **4. Investments - continued**

The following subsidiaries were liquidated during the year, each of which had a cost and net book value amounting to £1:

Land Rover-Leyland International Services SA  
Leyland Vehicles Ireland Ltd

The Company owns 100% of the issued share capital of Rover South Africa (Pty) Ltd, a dormant company which is incorporated in South Africa.

### **5. Debtors - amounts falling due within one year**

	1997 £ 000	1996 £ 000
Amount due from group undertaking	259	9,854

### **6. Creditors - amounts falling due within one year**

	1997 £ 000	1996 £ 000
Amount due to subsidiary undertaking	114	116
Sundry creditor	-	1
	114	117

### **7. Share capital**

	Ordinary shares of £1 each	
	1997 £	1996 £
Authorised and allotted, issued and fully paid	100	100

### **8. Reconciliation of movements in shareholders' funds**

	1997 £ 000	1996 £ 000
(Loss)/profit for financial year	(9,592)	22,326
Opening shareholders' funds	9,752	(12,574)
Closing shareholders' funds	160	9,752

**LAND ROVER-LEYLAND INTERNATIONAL HOLDINGS LIMITED****NOTES TO THE ACCOUNTS - continued****9. Ultimate parent company**

The company is a wholly owned subsidiary of BLMC Limited which is registered in England and Wales.

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 Petculring 130, D-80809 Munich, Germany.

**10. Group accounts**

The Company being a subsidiary undertaking of another company which draws up group accounts is not required to present group accounts. These accounts represent the results of the Company as an individual entity.

The largest group in which the results of the Company are consolidated is that headed by the ultimate parent company.

The parent undertaking of the smallest group in which the results of the Company are consolidated is Rover Group Limited which is incorporated in Great Britain and registered in England and Wales.