

Registered in England and Wales
Number 2135419

LRL INTERNATIONAL HOLDINGS LIMITED

**REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2003**



LRL INTERNATIONAL HOLDINGS LIMITED**DIRECTORS**

U Hurmer
G M Woolley

REPORT OF THE DIRECTORS

The directors present the Annual Report of the Company, together with the Financial Statements for the year ended 31 December 2003.

Activities and Results

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

Mr M C Kreeft and Mrs G M Woolley both served throughout the year.

Mr M C Kreeft resigned on 19 March 2004. Mr U Hurmer was appointed on 19 March 2004.

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

Dividends

The directors recommend that no dividend should be paid for the year ended 31 December 2003 (2002: £nil).

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.

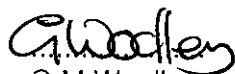
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to

them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution to reappoint KPMG LLP as auditors will be proposed at the Annual General Meeting.

On behalf of the Board:



G M Woolley

SECRETARY

25th October 2004

LRL INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LRL INTERNATIONAL HOLDINGS LIMITED

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

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

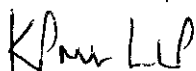
Basis of audit opinion

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 includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of 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 misstatement, 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 the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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KPMG LLP
Chartered Accountants
Registered Auditor

25th October 2004

LRL INTERNATIONAL HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 £000	2002 £000
Operating expense	1	(27)	(13)
Loss for financial year		<u>(27)</u>	<u>(13)</u>
Movements on reserves			
At beginning of year		209	222
Loss for financial year		<u>(27)</u>	<u>(13)</u>
At end of year		<u>182</u>	<u>209</u>

CONTINUING OPERATIONS

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

LRL INTERNATIONAL HOLDINGS LIMITED
**BALANCE SHEET
AT 31 DECEMBER 2003**

	Notes	2003 £000	2002 £000
Fixed assets			
Investments	3	<u>-</u>	<u>15</u>
Current assets			
Debtors	4	260	260
Current liabilities			
Creditors - amounts falling due within one year	5	<u>(78)</u>	<u>(66)</u>
Net current assets		<u>182</u>	<u>194</u>
Net assets		<u>182</u>	<u>209</u>
 Capital and reserves			
Called up share capital	6	-	-
Profit and loss account		<u>182</u>	<u>209</u>
Equity shareholders' funds	7	<u>182</u>	<u>209</u>

These Financial Statements were approved by the Board of Directors on 25th October 2004 and were signed on its behalf by:



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U Hurmer

LRL 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.

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.

LRL INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

1. Loss on ordinary activities

	2003 £000	2002 £000
Loss on ordinary activities is after charging:		
Foreign exchange losses	(12)	(13)
Provision against share in subsidiary undertaking	(15)	-
	<u>(27)</u>	<u>(13)</u>

Auditors' remuneration is borne by another Group undertaking.

The directors receive no remuneration for their services to this Company (2002: £ nil).

2. Tax on profit on ordinary activities

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.

3. Investments

	Shares in Subsidiaries £000	Associated Companies £000	Total £000
Cost			
At beginning and end of year	<u>15</u>	<u>160</u>	<u>175</u>
Provisions			
At beginning and end of year	<u>(15)</u>	<u>(160)</u>	<u>(175)</u>
Net book values:			
At beginning and end of year	<u>-</u>	<u>-</u>	<u>-</u>

The following is a list of all of LRL International Holdings Ltd subsidiaries at 31 December 2003. With the exception of recognising certain transactions, the companies were not otherwise engaged in trading activities during the year.

Name	% Owned	Status	Country of Registration
BMC Sanayi ve Ticaret AS	0.39	Dormant	Turkey
Leyland Nigeria Limited	40.30	Dormant	Nigeria
Rover South Africa (Pty) Ltd	100.00	Dormant	South Africa
Aveling Barford Manufacturing (Pty) Ltd	*100.00	Dormant	South Africa

*Indirect subsidiary

LRL INTERNATIONAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS - continued****4. Debtors - amounts falling due within one year**

	2003 £000	2002 £000
Amount due from group undertaking	<u>260</u>	<u>260</u>

5. Creditors - amounts falling due within one year

	2003 £000	2002 £000
Amount due to group undertaking	<u>78</u>	<u>66</u>

6. Share capital

	2003 £	2002 £
Ordinary shares of £1 each		
Authorised and allotted, issued and fully paid	<u>100</u>	<u>100</u>

7. Reconciliation of movements in shareholders' funds

	2003 £000	2002 £000
Total recognised losses for the year	(27)	(13)
Opening shareholders' funds	<u>209</u>	<u>222</u>
Closing shareholders' funds	<u>182</u>	<u>209</u>

LRL INTERNATIONAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS – continued****8. 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 Petuelring 130, D-80788 Munich, Germany.

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