

**APD Industries Plc**

**Directors' report and financial  
statements**

**Registered number 03532544**

**For the year ended 31 December 2005**



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## Directors' report

The directors present their Annual Report of the Company and the audited financial statements for the year ended 31 December 2005.

### Review of activities

The Company acts as a holding company and has not traded during the current or preceding financial years. Accordingly, the company has made neither a profit nor a loss.

### Directors

The directors who held office throughout the year were as follows:

Dr J Reul  
Dr H Grebenc

The directors had no beneficial interest in the shares of the company.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company, is to be proposed at the next Annual General Meeting.

On behalf of the Board:

  
GM Woolley  
Secretary

Ellesfield Avenue  
Bracknell  
Berkshire  
RG12 8TA

240506

## **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.

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.



KPMG LLP  
2 Cornwall Street  
Birmingham  
B3 2DL

## **Independent auditors' report to the members of APD Industries Plc**

We have audited the financial statements of APD Industries Plc for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

## Independent auditors' report to the members of APD Industries Plc *(continued)*

### Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP  
*Chartered Accountants*  
*Registered Auditor*

24/03/06  
.....

## Profit and loss account

*for the year ended 31 December 2005*


During the year under review and in the previous financial year, the company did not trade and received no income and incurred no expenses. Consequently during the period the company made neither a profit nor a loss.

## Balance sheet

*at 31 December 2005*

	<i>Note</i>	2005 £	2004 £
<b>Fixed assets</b>			
Investments	4	81,500,006	81,500,006
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	5	50,000	50,000
Creditors – amounts falling due within one year	6	(6)	(6)
		<hr/>	<hr/>
<b>Net current assets</b>		49,994	49,994
		<hr/>	<hr/>
<b>Net assets</b>		81,550,000	81,550,000
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	7	41,550,001	41,550,001
Share premium		39,999,999	39,999,999
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		81,550,000	81,550,000
		<hr/>	<hr/>

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

  
**Dr J Reul**  
 Director  
*May 24, 2006*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable UK Accounting Standards and under the historical cost convention.

#### *Investments in subsidiary undertakings*

The investments in subsidiary undertakings are valued at original cost and are reviewed on an annual basis by directors to determine whether there has been any impairment.

#### *Cash flow statement*

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on grounds that it is a wholly owned subsidiary undertaking of a parent undertaking which includes the company in its own published consolidated financial statements.

#### *Exemption from preparation of consolidated financial statements*

The company is exempt under section 228 of the Companies Act 1985 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as the results and balance sheet of the Company and its subsidiaries are consolidated in its parent company, BMW (UK) Holdings Limited, a company incorporated in Great Britain. These financial statements present information about the Company as an individual undertaking and not as a group.

### 2 Profit and loss

During the financial year the Company did not trade and received no income and incurred no expenditure, consequently the Company made neither a profit nor a loss.

### 3 Auditors' remuneration and directors' remuneration

Auditors' remuneration is borne by a subsidiary undertaking.

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

### 4 Investments

	2005 £	2004 £
Cost		
At beginning and end of year	81,500,006	81,500,006

The following were the subsidiary companies of APD Industries Plc at 31 December 2005:

Rolls-Royce Motor Cars Limited

Metalake Limited

Excelport Limited

Each of the subsidiaries is wholly owned and is incorporated in England and Wales.

Metalake and Excelport have not traded.



**Notes** *(continued)*

**5 Debtors – amounts falling due within one year**

	2005 £	2004 £
Amount owed by group undertaking	50,000	50,000

**6 Creditors – amounts falling due within one year**

	2005 £	2004 £
Amounts due to group undertakings	6	6

**7 Share capital**

	Ordinary shares of £1 each	
	2005 Number	2004 Number
Authorised	1,000,000,000	1,000,000,000
Allotted, called up and fully paid	41,550,001	41,550,001

**8 Ultimate parent company**

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

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

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

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