

APD Industries Plc

**Directors' report and financial
statements**

Registered number 03532544

For the year ended 31 December 2009

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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 2009

Business review

The Company acts as a holding company for Rolls-Royce Motor Cars Limited in which it holds an investment of £81,500,002. The Company has not traded during the current or preceding financial years. Accordingly, the company has made neither a trading profit nor a loss.

The key risk facing the Company is the carrying value of the investment in Rolls-Royce Motor Cars Limited. The directors continue to monitor the performance of Rolls-Royce Motor Cars Limited and have determined that there is no indication of impairment at 31 December 2009. The Company holds the investment in GBP, being the currency in which the investment was made which mitigates any foreign currency exposure. The directors do not consider there is a credit risk in connection with the amounts receivable from group undertakings. Similarly, they do not consider there is any cash flow risk.

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.


Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board


GM Woolley
Secretary

Ellesfield Avenue
Bracknell
Berkshire
RG12 8TA

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 and applicable law (UK Generally Accepted Accounting Practice)

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 adequate 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 its financial statements comply with the Companies Act 2006. 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
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

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 2009 set out on pages 5 to 8. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Andy Argyle (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants


Profit and loss account
for the year ended 31 December 2009

During the current and preceding financial year, the company did not trade and received no income and incurred expenses. Consequently the company made neither a profit nor a loss in either period.

Balance sheet
at 31 December 2009

	<i>Note</i>	2009 £	2008 £
Fixed assets			
Investments	3	81,500,002	81,500,002
Current assets			
Debtors	4	50,000	50,000
Creditors amounts falling due within one year	5	(2)	(2)
Net current assets		49,998	49,998
Net assets		81,550,000	81,550,000
Capital and reserves			
Called up share capital	6	41,550,001	41,550,001
Share premium	7	39,999,999	39,999,999
Shareholders' funds		81,550,000	81,550,000

These financial statements were approved by the Board of directors on 1 June 2010 and were signed on its behalf by


Dr J Reul
Director

Company registered number 03532544

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

Under Financial Reporting Standard 1 "Cash flow statements" (Revised 1996), 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

The company is exempt under section 400 of the Companies Act 2006 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 ultimate parent company, Bayerische Motoren Werke Aktiengesellschaft, a company incorporated in Germany. These financial statements present information about the Company as an individual undertaking and not as a group.

As the Company is a wholly owned subsidiary of BMW (UK) Holdings Limited the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related party disclosures" and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Bayerische Motoren Werke Aktiengesellschaft, the company's ultimate parent company can be obtained from the address given in note 9.

Investment in subsidiary undertaking

The investment in its subsidiary undertaking is stated at its original cost and is reviewed on an annual basis by directors to determine whether there has been any impairment.

2 Notes to the profit and loss account

Auditors' remuneration is borne by a subsidiary undertaking.

Two (2008: two) directors held office during the year. The directors receive no remuneration for their services to the company.

3 Fixed asset investment

	2009 £	2008 £
<i>Cost and carrying value</i>		
At 1 January 2008	81,500,002	81,500,002
At 31 December 2008	81,500,002	81,500,002

Rolls-Royce Motor Cars Limited was the only trading subsidiary company of APD Industries Plc at 31 December 2009 and 31 December 2008. APD Industries Plc owns 100% of the ordinary shares of Rolls-Royce Motor Cars Limited which is incorporated in the UK.

The directors considered the carrying value of the investment and determined that there was no indication of impairment.

4 Debtors, amounts falling due within one year

	2009 £	2008 £
Amount owed by group undertakings	50,000	50,000

Notes (continued)

5 Creditors, amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	2	2

6 Called up share capital

	2009 £	2008 £
<i>Allotted, called up and fully paid</i> 41,550,001 (2008 41,550,001) ordinary shares of £1 each	41,550,001	41,550,001

7 Share premium

	2009 £	2008 £
At beginning and end of period	39,999,999	39,999,999

8 Financial instruments and risk analysis

The directors do not consider there is a credit risk in connection with the amounts receivable from group undertakings. Similarly, they do not consider there is any cash flow risk.

9 Ultimate parent company and parent undertaking of a larger group of which the company is a member

The Company is a subsidiary undertaking of Bayerische Motoren Werke Aktiengesellschaft which is the ultimate parent company incorporated in Germany.

The largest group in which the results of the Company are consolidated is that of the ultimate parent company. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from Petuelring 130, D-80809, Munich, Germany.