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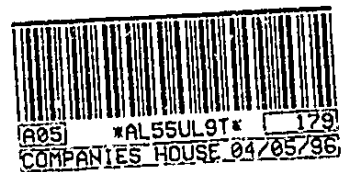
Company Registration No. 2091272

IBC VEHICLES LIMITED

Report and Financial Statements

31 December 1995

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



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IBC VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS 1995

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Auditors' report	5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Reconciliation of movements in equity shareholders' funds	10
Notes to the accounts	11



IBC VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K Murakami
M L Wolf
I Sugihara (Resigned 6 September 1995)
M Shinoda (Resigned 8 June 1995)
D P Sallee (Resigned 6 September 1995)
D E Clark
P F Murtaugh (Resigned 1 March 1996)
S Mackie
W Borst (Appointed 7 June 1995, resigned 6 September 1995)
T Sannomiya (Appointed 7 June 1995, resigned 6 September 1995)
C M Trudell (Appointed 1 March 1996)

SECRETARY

D McCrum

REGISTERED OFFICE

P O Box 163
Kimpton Road
Luton LU2 0TY

BANKERS

Midland Bank plc
63 George Street
Luton LU1 2AP

Barclays Bank PLC
38 George Street
Luton LU1 2AE

SOLICITORS

Slaughter & May
35 Basinghall Street
London EC2V 5DP

Taylor Walton
36-44 Alma Street
Luton LU1 2PL

AUDITORS

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

ACTIVITIES

The activities of the group continue to be the manufacture and distribution of motor vehicles and related spare parts and components.

Within the UK, the company's main products are marketed as the Vauxhall Frontera, Vauxhall Frontera Sport and the Vauxhall Midi. All products are sold in various European countries, the Frontera being sold under the Opel badge.

REVIEW OF DEVELOPMENTS

The Frontera has maintained its position as the leading four-wheel drive vehicle in the European market place, despite increasing levels of competition. The extensive appreciation of the Japanese Yen severely impacted the cost of Japanese component purchases, which could not be recovered in the market place. This effect, combined with the launch of the revamped Frontera gave rise to a loss of £28.2 million in the year.

DIVIDENDS AND TRANSFERS FROM RESERVES

The directors do not propose the payment of a dividend. The loss for the year of £(28,222,000), (1994 - profit £18,762,000) has been transferred (from)/to reserves.

FUTURE PROSPECTS

The directors are of the opinion that 1996 will be a demanding year, but are optimistic for the profit outlook, given the weakening of the Yen, accelerated re-sourcing of Japanese components and continuing cost reduction measures. The combined effects of these should help return IBC to profitable operation. Capital expenditure will increase significantly in 1996 reflecting new business expansion and future product program spend

FIXED ASSETS

During the course of the year £16 million (1994 - £17.2 million) was spent on additional tangible fixed assets. The majority of this was on production tools for the Frontera range of vehicles. Movements in tangible fixed assets are set out in note 10.

Development work continues on this vehicle with costs being capitalised as explained in note 9 to the accounts.

DIRECTORS

The directors are listed on page 1. All directors held office throughout the year except as otherwise indicated

No director had any interests in any shares of the company. No director was or is materially interested in any contract subsisting during, or at the end of, the financial year.



IBC VEHICLES LIMITED

DIRECTORS' REPORT (continued)

EMPLOYEE INVOLVEMENT

The Board regards employee involvement and effective communication as essential to maintain productive relationships, achieve improved performance and ensure commitment to the company's business objectives.

Discussions take place regularly with the trade unions and other employee representatives on a wide range of issues through the forum of the Company Joint Council. Additionally, all employees are briefed twice a year on the current business status and the immediate outlook.

EMPLOYMENT OF DISABLED PERSONS

The company gives full consideration to the possibility of employing disabled persons wherever suitable opportunities exist. Employees who become disabled are given every opportunity and assistance to continue in their employment or to be trained for other suitable positions.

CHARITABLE CONTRIBUTIONS

The company has made donations of £4,800 during the year for charitable purposes. No political donations were made.

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution to reappoint Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Synthia M. Trudell
C M Trudell

Director

29 April 1996
Luton, Bedfordshire

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Technique
International



IBC VEHICLES LIMITED

STATEMENT OF 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 group at the end of the financial year and of the profit or loss of the group 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group 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 and the group and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Deloitte & Touche



Chartered Accountants

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3FR

Telephone: National 0171 936 3000
International +44 171 936 3000
Telex: 884739 TRLNDN G
Fax (Gp 3) 0171 583 8517
LDE, DX 599

AUDITORS' REPORT TO THE MEMBERS OF IBC VEHICLES LIMITED

We have audited the financial statements on pages 6 to 21 which have been prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 4 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 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 circumstances of the company and the group, 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 affairs of the company and the group as at 31 December 1995 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

29 April 1996

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Deloitte Touche
Tohatsu
International

Also see: Bath, Belfast, Birmingham, Bolton, Bristol, Cardiff, Dundee, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle, Nottingham, Oxford, Plymouth, Southampton, Stoke-on-Trent, Swansea, Telford, York
Principal office of Deloitte & Touche at which all legal notices should be served: Hill House, 1 Little New Street, London EC4A 3FR
As required by the Institute of Chartered Accountants in England and Wales to the effect of the Companies Act 1985

Deloitte & Touche

Deloitte Touche
Partenaires
Internationaux



IBC VEHICLES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 1995

	Note	1995 £'000	1994 £'000
TURNOVER - Continuing operations	2	415,720	461,058
Cost of sales		<u>(430,966)</u>	<u>(431,827)</u>
Gross (loss)/profit		<u>(15,246)</u>	<u>29,231</u>
Distribution costs		(2,053)	(2,986)
Administrative expenses		(7,947)	(5,200)
Other operating income		<u>4</u>	<u>15</u>
OPERATING (LOSS)/PROFIT - Continuing operations		(25,242)	21,060
Interest receivable and similar income	3	698	1,267
Interest payable and similar charges	4	<u>(3,678)</u>	<u>(3,565)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(28,222)	18,762
Tax on (loss)/profit on ordinary activities	6	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	16	<u>(28,222)</u>	<u>18,762</u>

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

The decrease in shareholders funds in the year is £28,222,000 and represents the loss for the financial year.

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Kobayashi
International



IBC VEHICLES LIMITED

CONSOLIDATED BALANCE SHEET
31 December 1995

	Note	1995 £'000	1994 £'000
FIXED ASSETS			
Intangible assets	9	12,970	21,305
Tangible assets	10	66,775	73,293
		79,745	94,598
CURRENT ASSETS			
Stocks	12	56,117	45,917
Debtors	13	46,817	46,238
Cash at bank and in hand		28,810	18,838
		131,744	110,993
CREDITORS: amounts falling due within one year	14	(149,389)	(133,646)
NET CURRENT LIABILITIES		(17,645)	(22,653)
TOTAL ASSETS LESS CURRENT LIABILITIES		62,100	71,945
CREDITORS: amounts falling due after more than one year	15	(25,291)	(26,914)
		36,809	45,031
CAPITAL AND RESERVES			
Called up share capital	16	53,000	33,000
Other reserves	16	218	415
Profit and loss account	16	(16,409)	11,616
Equity shareholders' funds		36,809	45,031

These financial statements were approved by the Board of Directors on *29 April* 1996 and signed on its behalf by

Christopher M. Trudell

C M Trudell

Deloitte & Touche

Deloitte Touche
Robinson
Liffrithorpe



IBC VEHICLES LIMITED

COMPANY BALANCE SHEET

31 December 1995

	Note	£'000	1995 £'000	1994 £'000
FIXED ASSETS				
Intangible assets	9		12,970	21,305
Tangible assets	10		66,775	73,293
Investments	11		100	100
			79,845	94,698
CURRENT ASSETS				
Stocks	12	51,645	42,286	
Debtors	13	84,225	101,344	
Cash at bank and in hand		18,915	15,635	
		154,785	159,265	
CREDITORS: amounts falling due within one year	14	(172,365)	(181,630)	
NET CURRENT LIABILITIES			(17,580)	(22,365)
TOTAL ASSETS LESS CURRENT LIABILITIES			62,265	72,333
CREDITORS: amounts alling due after more than one year	15		(25,291)	(26,914)
			36,974	45,419
CAPITAL AND RESERVES				
Called up share capital	16		53,000	33,000
Other reserves	16		218	415
Profit and loss account	16		(16,244)	12,004
Equity shareholders' funds			36,974	45,419

These financial statements were approved by the Board of Directors 29 April 1996, and signed on its behalf by:

Cynthia M. Trudell
C M Trudell



IBC VEHICLES LIMITED

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 December 1995

	Note	£'000	1995 £'000	£'000	1994 £'000
Net cash inflow from operating activities	17		6,551		39,225
Returns on investments and servicing of finance					
Interest received		1,108		436	
Interest paid		(865)		(731)	
Interest element of finance lease rental payments		(2,753)		(3,019)	
Net cash outflow from returns on investment and servicing of finance			(2,510)		(3,314)
Taxation					
Amounts received in respect of the sale of tax losses to another group company		-		3,500	
			-		3,500
Investing activities					
Purchase of tangible fixed assets		(5,008)		(17,141)	
Purchase of intangible fixed assets		(1,491)		(6,450)	
Disposal of tangible fixed assets		1,316		924	
Net cash outflow from investing activities			(5,183)		(22,667)
Net cash (outflow)/inflow before financing			(1,142)		16,744
Financing					
Share issue		20,000		-	
Capital element of finance lease rental payments		(11,038)		(10,057)	
Net cash inflow/(outflow) from financing			8,962		(10,057)
Increase in cash and cash equivalents	19		7,820		6,687

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Knutson



IBC VEHICLES LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS
Year ended 31 December 1995

	1995 £'000	1994 £'000
(Loss)/profit for the financial year	(28,222)	18,762
New share capital subscribed	20,000	-
Opening shareholders' funds	<u>45,031</u>	<u>26,269</u>
Closing shareholders' funds	<u><u>36,809</u></u>	<u><u>45,031</u></u>

NOTES TO THE ACCOUNTS
 Year ended 31 December 1995

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets as described in note 10. Comparative figures have been amended to reflect changes in presentation.

Basis of consolidation

The group financial statements consolidate the financial results of the company and its subsidiary for the year ended 31 December 1995.

Fixed assets

Freehold land is not depreciated. The cost or valuation of other fixed assets is depreciated by equal monthly instalments over the expected useful lives of the assets as follows:

Freehold buildings	20 years
Plant, machinery and equipment	4 to 16 years
Office equipment	3 to 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the periods of the leases where these are shorter.

Special tools, jigs and dies

The costs of special tools, jigs and dies are written off over the estimated production run of the models to which they relate.

Research and development

Development expenditure attributable to major projects whose technical feasibility and commercial viability are reasonably assured is capitalised and amortised over the lesser of four years or the product's anticipated life. Other expenditure is charged to the profit and loss account as incurred.

Leased assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised at their fair value.

The capital element of the related rental obligations is included in creditors. The interest element of the rental obligation is charged to the profit and loss account so as to produce a constant rate of charge on the remaining balance of the obligations. Rentals in respect of operating leases are charged to the profit and loss account as incurred.

Capital reserve

The excess of the fair market value ascribed to the net tangible assets over the purchase consideration paid for the business of the company at the date of its commencement was transferred to an unrealised capital reserve account. An amount is transferred annually from the unrealised capital reserve account to realised reserves in accordance with standard accounting practice, over the expected useful life of the assets acquired.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.



NOTES TO THE ACCOUNTS
Year ended 31 December 1995

1. ACCOUNTING POLICIES (continued)

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Costs used in the valuation are based either on the first-in, first-out basis, or on a weighted average basis, and relate to material, direct labour and appropriate overheads.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Warranty liability on company products

Provision is made for potential abnormal warranty or service liabilities on all products. Normal warranty costs are dealt with as the final wholesaler.

2. TURNOVER - GEOGRAPHICAL ANALYSIS

	1995 £'000	1994 £'000
United Kingdom	99,415	175,494
Other European countries	307,529	282,936
Outside Europe	13,776	2,628
	<u>415,720</u>	<u>461,058</u>

The group is engaged solely in the manufacture and distribution of motor vehicles and related spare parts and components.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £'000	1994 £'000
Bank interest	698	436
Exchange gains	-	421
Interest arising on adjustment to prior periods business rates charges	-	410
	<u>698</u>	<u>1,267</u>

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IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £'000	1994 £'000
Bank loans, overdrafts and other loans repayable within five years	865	731
Finance leases	2,503	2,834
Exchange losses	310	-
	<u>3,678</u>	<u>3,565</u>

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £'000	1994 £'000
(Loss)/profit on ordinary activities before taxation is after charging:		
Depreciation and amortisation of tangible fixed assets:		
Owned assets	9,604	6,610
Assets held under finance leases	12,064	12,762
Amortisation of intangible fixed assets	9,826	5,064
Research and development	4,595	4,019
Auditors' remuneration:		
Audit services	51	51
Other services	20	-
Early retirements and redundancy costs	253	2,439
Adjustment to prior periods business rates charges	-	3,565
	<u>-</u>	<u>3,565</u>

6. TAXATION

Provision has not been made for potential deferred taxation liabilities of £4,300,000 (1994 - £7,000,000), relating to fixed asset timing differences and capitalised development costs which are reduced by the existence of equivalent deferred tax assets.

7. DIRECTORS' EMOLUMENTS

	1995 £'000	1994 £'000
Directors' emoluments	20	11
Amounts paid to third parties for services of directors	193	89
	<u>213</u>	<u>100</u>

The chairman did not receive any remuneration from the company

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Ernst & Young
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IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

7. DIRECTORS' EMOLUMENTS (continued)

	1995 £'000	1994 £'000
Emoluments, excluding pension contributions, were:		
Highest paid director	<u>213</u>	<u>96</u>

Scale of other directors' remuneration
£ 0 - £ 5,000

	No.	No.
	<u>9</u>	<u>10</u>

8. EMPLOYEES

	1995 No.	1994 No.
Average weekly number		
Administration	187	125
Production	<u>1,637</u>	<u>1,971</u>
	<u>1,824</u>	<u>2,096</u>
	£'000	£'000
Costs		
Wages and salaries	36,158	39,704
Social security costs	2,923	3,226
Pension costs	<u>2,358</u>	<u>2,541</u>
	<u>41,439</u>	<u>45,471</u>



NOTES TO THE ACCOUNTS
Year ended 31 December 1995

9. INTANGIBLE FIXED ASSETS

	Development costs £'000
The Group and the Company	
Cost	
At 1 January 1995	33,861
Expenditure during the year	1,491
Amount written off during the year	(877)
	<hr/>
At 31 December 1995	34,475
	<hr/>
Amortisation	
At 1 January 1995	12,556
Amount charged in the year	9,826
Amount written off in the year	(877)
	<hr/>
At 31 December 1995	21,505
	<hr/>
Net book value	
At 31 December 1995	12,970
	<hr/>
At 31 December 1994	21,305
	<hr/>

The original development costs on the Frontera range of vehicles have been capitalised and carried forward. Amortisation of these costs commenced with the commercial production of the vehicles during 1991. Amortisation is charged according to units of production, and will take place over a maximum of four years from 1 January 1992.

The costs capitalised during the year are in respect of future improvements to the Frontera vehicles.

A number of these improvements began production in 1993, and are being amortised over a maximum of four years from 1 September 1993.

The remaining costs for uncompleted projects will be amortised at the start of commercial production

NOTES TO THE ACCOUNTS
Year ended 31 December 1995

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant, machinery and equipment £'000	Special tools, jigs, and dies £'000	Total £'000
The Group and the Company				
Cost				
At 1 January 1995	15,382	42,618	69,161	127,161
Additions at cost	1,545	8,954	5,469	15,968
Disposals	(17)	(877)	(1,054)	(1,948)
	<u>16,910</u>	<u>50,695</u>	<u>73,576</u>	<u>141,181</u>
At 31 December 1995				
Depreciation				
At 1 January 1995	1,341	11,740	40,787	53,868
Charge for the year	440	3,200	18,028	21,668
Disposals	(7)	(654)	(469)	(1,130)
	<u>1,774</u>	<u>14,286</u>	<u>58,346</u>	<u>74,406</u>
At 31 December 1995				
Net book value				
At 31 December 1995	<u>15,136</u>	<u>36,409</u>	<u>15,230</u>	<u>66,775</u>
At 31 December 1994	<u>14,041</u>	<u>30,878</u>	<u>28,374</u>	<u>73,293</u>

The net book value of fixed assets includes £26,210,574 (1994 - £29,698,000) in respect of assets held under finance leases, of which £5,969,232 relates to special tools, jigs and dies and £20,241,342 relates to plant, machinery and equipment.

Certain assets transferred to the company during the period ended 31 December 1988 were valued on an open market value for existing use basis at 31 July 1987 by Arthur D. Little Valuation Inc., valuers, at £9.9 million. The surplus over consideration paid of £1.9 million was transferred to the capital reserve.

11. INVESTMENTS

	£'000
The Company	
Shares in subsidiary at cost:	
At 1 January 1995 and at 31 December 1995	<u>100</u>

The company's sole subsidiary is IBC Vehicles (Distribution) Limited which is wholly owned. This company, which is registered in England and Wales, is a motor vehicle distributor.



IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 1995

12. STOCKS

	The Group		The Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Raw materials	32,374	26,944	32,469	26,944
Work in progress	1,603	2,800	1,603	2,800
Finished goods and goods for resale	4,567	3,631	-	-
Motor vehicles sold under sale and repurchase agreements	17,573	12,542	17,573	12,542
	<u>56,117</u>	<u>45,917</u>	<u>51,645</u>	<u>42,286</u>

13. DEBTORS

	The Group		The Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Trade debtors	5,747	1,768	198	1,399
Amounts owed by group undertakings:				
Subsidiary	-	-	73,624	93,684
Fellow subsidiary undertakings	31,774	34,118	9,631	541
Other debtors	6,803	8,343	456	5,147
Prepayments and accrued income	2,493	2,009	316	573
	<u>46,817</u>	<u>46,238</u>	<u>84,225</u>	<u>101,344</u>

14. CREDITORS: amounts falling due within one year

	The Group		The Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Bank loans and overdrafts	6,102	3,950	5,879	2,382
Trade creditors	37,728	34,090	36,809	34,046
Bills of exchange payable	20,557	10,532	20,557	10,532
Amounts owed to group undertakings:				
Subsidiary	-	-	30,314	61,755
Fellow subsidiary undertakings	21,954	19,837	18,928	13,050
Taxation and social security	7,202	15,660	6,377	12,542
Obligations under finance leases (see note 15)	10,651	9,106	10,651	9,106
Accruals	31,217	27,929	28,872	25,675
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	13,978	12,542	13,978	12,542
	<u>149,389</u>	<u>133,646</u>	<u>172,365</u>	<u>181,630</u>

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Deloitte Touche
Kohnstien
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IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 1995

15. CREDITORS: amounts falling due after more than one year

	The Group and the Company	
	1995	1994
	£'000	£'000
Obligations under finance leases	<u>25,291</u>	<u>26,914</u>

Finance leases are repayable in instalments at varying rates of interest.

The capital amounts due under finance lease obligations are as follows:

	The Group and the Company	
	1995	1994
	£'000	£'000
Within one year (see note 14)	10,651	9,106
Within two to five years	25,291	23,818
After five years	-	3,096
	<u>35,942</u>	<u>36,020</u>

16. CAPITAL AND RESERVES

	1995 No	1994 No	1995 £'000	1994 £'000
Called up share capital				
Authorised				
Ordinary shares of £1 each	<u>80,000,000</u>	<u>33,000,000</u>	<u>80,000</u>	<u>33,000</u>
Allotted, called up and fully paid				
"G" £1 ordinary shares	<u>39,800,000</u>	<u>19,800,000</u>	<u>39,800</u>	<u>19,800</u>
"I" £1 ordinary shares	<u>13,200,000</u>	<u>13,200,000</u>	<u>13,200</u>	<u>13,200</u>
	<u>53,000,000</u>	<u>33,000,000</u>	<u>53,000</u>	<u>33,000</u>

20 million "G" £1 ordinary shares were issued at par during the year.

NOTES TO THE ACCOUNTS
 Year ended 31 December 1995

16. CAPITAL AND RESERVES (continued)

	The Group and the Company Capital reserve £'000	The Group Profit and loss account £'000	The Company Profit and loss account £'000
Reserves			
Balance at 1 January 1995	415	11,616	12,004
Capital reserve transfer	(197)	197	197
Loss for the financial year	-	(28,222)	(28,445)
	<u>218</u>	<u>(16,409)</u>	<u>(16,244)</u>
Balance at 31 December 1995			

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The group's loss for the financial year attributable to shareholders includes £(28,445,000) (1994 profit - £18,975,000) which is dealt with in the financial statements of the parent company.

17. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1995 £'000	1994 £'000
Operating (loss)/profit	(25,242)	21,060
Depreciation	21,668	19,372
Amortisation of intangible fixed assets	9,826	5,064
(Profit)/loss on sale of tangible fixed assets	(498)	138
(Increase)/decrease in debtors	(30,310)	5,952
(Increase)/decrease in stocks	(10,200)	1,129
Increase/(decrease) in creditors	41,307	(13,490)
	<u>6,551</u>	<u>39,225</u>



NOTES TO THE ACCOUNTS
Year ended 31 December 1995

18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1995 £'000
Balance at 1 January 1995	14,888
Net cash inflow	<u>7,820</u>
Balance at 31 December 1995	<u>22,708</u>

19. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995 £'000	1994 £'000	Change in year £'000
Cash at bank and in hand	28,810	18,838	9,972
Bank loans and overdrafts	<u>(6,102)</u>	<u>(3,950)</u>	<u>(2,152)</u>
	<u>22,708</u>	<u>14,888</u>	<u>7,820</u>

20. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Loans and finance		Loans and finance	
	Share capital 1995 £'000	lease obligations 1995 £'000	Share capital 1994 £'000	lease obligations 1994 £'000
Balance at 1 January 1995	33,000	36,020	33,000	45,986
Cash outflow from financing	-	(11,038)	-	(10,057)
Shares issued during the year	20,000	-	-	-
Inception of new finance leases	-	10,960	-	91
Balance at 31 December 1995	<u>53,000</u>	<u>35,942</u>	<u>33,000</u>	<u>36,020</u>

21. CONTINGENT LIABILITIES

There are no material contingent liabilities



NOTES TO THE ACCOUNTS
Year ended 31 December 1995

22. COMMITMENTS

Capital expenditure authorised and commitments not provided for in these financial statements are:

	1995	1994
	£'000	£'000
Committed	16,136	4,271
Authorised but not committed	<u>68,955</u>	<u>6,478</u>

23. PENSIONS

The company operates a funded defined benefit pension scheme for all qualified employees. The assets of the scheme are held in a separate trustee administered fund. The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out at 1 January 1994, using the projected unit method, in which the actuarial liability makes allowances for projected earning. The following actuarial assumptions were applied:

Investment returns	9% per annum
Salary growth	6% per annum until 1 January 1997, 7% thereafter
Pension increases	3% per annum

At the last actuarial valuation date, the market value of the assets of the scheme was £62.7 million and the actuarial value was sufficient to cover 95.0% of the benefits which had accrued to members, after allowing for expected future increases in earning. The employer's contribution rate over the average remaining service lives of the members of the scheme takes account of the deficit disclosed by the valuation.

24. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is General Motors Corporation, a company incorporated in the State of Delaware, United States of America. The consolidated financial statements of General Motors Corporation may be obtained from the General Motors Building, 3044 West Grand Boulevard, Detroit, Michigan 48202, USA.