

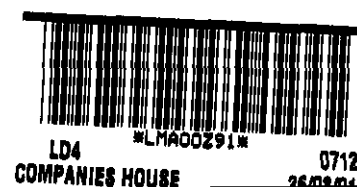
Company Registration No. 2091272

**IBC VEHICLES LIMITED**

**Report and Financial Statements**

**31 December 1999**

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



# **IBC VEHICLES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 1999**

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# **IBC VEHICLES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 1999**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

C M Trudell (resigned 18 January 1999)  
J Bailey (resigned 22 February 1999)  
R Van der Kooi (resigned 22 February 1999)  
C Gubbey (appointed 22 February 1999/resigned 31 January 2001)  
WH Jung (appointed 22 February 1999/resigned 31 January 2001)  
DN Reilly  
P Thom (appointed 18 January 1999)  
R Harting (appointed 22 February 1999)  
D Tremblay (appointed 1 February 2001)  
HG Burkutean (appointed 1 February 2001)

#### **SECRETARY**

D McCrum

#### **REGISTERED OFFICE**

P O Box 163  
Kimpton Road  
Luton LU2 0TY

#### **BANKERS**

HSBC Bank plc  
63 George Street  
Luton LU1 2AP

Barclays Bank PLC  
PO Box 729  
Eagle Point  
1 Capability Green  
Luton  
LU1 3US

#### **SOLICITORS**

Geisler & Laws Solicitors  
6<sup>th</sup> Floor  
Thavies Inn House  
3-4 Holborn Circus  
London  
EC1N 2HA

#### **AUDITORS**

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

# **IBC VEHICLES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

### **ACTIVITIES**

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

Within the UK, the company's main products are marketed as the Vauxhall Frontera and the Vauxhall Frontera Sport. In all other European countries, these products are sold under the Opel badge.

### **REVIEW OF DEVELOPMENTS**

1999 was a very demanding year, however, all market requirements were satisfied. Competition in the recreational vehicle segment is becoming tougher, with several new entrants in the last 12 months. As predicted last year the pound remained strong, resulting in a loss and this is expected to be the case in 2000.

### **DIVIDENDS**

The directors do not propose the payment of a dividend (1998 - £nil).

### **FUTURE PROSPECTS**

At the end of December 2000, IBC ceased production of the Frontera to allow the installation of equipment in preparation for the start-up of production of the new van on behalf of Vauxhall/Opel and Renault.

It is expected that this new business venture will require the introduction of a third shift and provide the plant with increased security over the next decade.

Profit projections look much healthier when the production of this medium-duty van commences in March 2001.

It is expected that Frontera production will re-commence in the late spring/early summer of 2001.

### **FIXED ASSETS**

During the course of the year £15million (1998 - £19.6million) was spent on additional tangible fixed assets. The majority of this was on building/facility improvements and production tools for the frontera range of vehicles and press shop improvements. Movements in tangible fixed assets are set out in note 10.

### **DIRECTORS**

The directors who served during the year are listed on page 1.

No director had any interests in any shares of the company or the group. 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 throughout the year on the current business status and the immediate outlook through a range of communication forums.

### 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 (1998 - £4,800). No political donations were made (1998 - £nil).

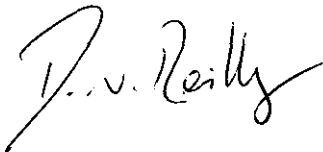
### EURO CONVERSION

Since 1998, an internal company work group has been working on the conversion to the Euro in all business areas. This is being done in accordance with the EMU compliance strategy developed by General Motors Europe. The company's changeover plan is on schedule, and all major suppliers have been informed about the plan and its implications on affected business processes.

### AUDITORS

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



D N Reilly

Director

21 March 2001

Luton, Bedfordshire

**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 1985. They are also 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.

## AUDITORS' REPORT TO THE MEMBERS OF

### IBC VEHICLES LIMITED

We have audited the financial statements on pages 6 to 19 which have been prepared under the accounting policies set out on pages 10 and 11.

#### 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 1999 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

21 March, 2001

# IBC VEHICLES LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 December 1999

	Note	1999 £'000	1998 (as restated) £'000
<b>TURNOVER</b>	2	468,783	293,807
Cost of sales		<u>(503,381)</u>	<u>(335,898)</u>
Gross loss		(34,598)	(42,091)
Distribution costs		(750)	(1,324)
Administrative expenses		(10,072)	(7,644)
<b>OPERATING LOSS</b>		<u>(45,420)</u>	<u>(51,059)</u>
Interest receivable and similar income	3	553	247
Interest payable and similar charges	4	<u>(6,645)</u>	<u>(8,144)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	(51,512)	(58,956)
Tax credit on loss on ordinary activities	6	<u>10,000</u>	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	16	<u><u>(41,512)</u></u>	<u><u>(58,956)</u></u>

All amounts derive from continuing operations. 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. Accordingly no statement of total recognised gains and losses has been prepared.



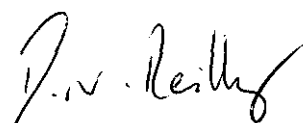
**IBC VEHICLES LIMITED**

**CONSOLIDATED BALANCE SHEET**  
**31 December 1999**

	Note	1999		1998
				(as restated)
		£'000	£'000	£'000
<b>FIXED ASSETS</b>				
Tangible assets	10		129,527	133,418
<b>CURRENT ASSETS</b>				
Stocks	12	38,239		38,866
Debtors	13	121,042		55,230
Cash at bank and in hand		7,390		17,722
		<u>166,671</u>		<u>111,818</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(189,431)</u>		<u>(250,356)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(22,760)</u>	<u>(138,538)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			106,767	(5,120)
<b>CREDITORS: amounts falling due after more than one year</b>	15		<u>(20,819)</u>	<u>(26,420)</u>
<b>TOTAL NET ASSETS</b>			<u>85,948</u>	<u>(31,540)</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		239,000	80,000
Profit and loss account	16		<u>(153,052)</u>	<u>(111,540)</u>
Equity shareholders' funds			<u>85,948</u>	<u>(31,540)</u>

These financial statements were approved by the Board of Directors on *21 March* 2001

Signed on behalf of the Board of Directors



D N Reilly

Director

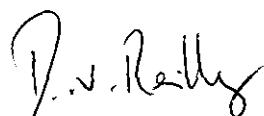
**IBC VEHICLES LIMITED**

**COMPANY BALANCE SHEET**  
**31 December 1999**

	Note	1999	1998
		£'000	(as restated) £'000
<b>FIXED ASSETS</b>			
Tangible assets	10	129,527	133,418
Investments	11	100	100
		<u>129,627</u>	<u>133,518</u>
<b>CURRENT ASSETS</b>			
Stocks	12	37,686	37,634
Debtors	13	116,965	103,628
Cash at bank and in hand		7,091	17,201
		<u>161,742</u>	<u>158,463</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(184,530)</u>	<u>(297,029)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(22,788)</u>	<u>(138,566)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		106,839	(5,048)
<b>CREDITORS: amounts falling due after more than one year</b>	15	<u>(20,819)</u>	<u>(26,420)</u>
<b>TOTAL NET ASSETS</b>		<u>86,020</u>	<u>(31,468)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	239,000	80,000
Profit and loss account	16	(152,980)	(111,468)
Equity shareholders' funds		<u>86,020</u>	<u>(31,468)</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

*21 March* 2001



D N Reilly  
Director

# IBC VEHICLES LIMITED

## RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS Year ended 31 December 1999

	1999 £'000	1998 (as restated) £'000
Loss for the financial year	(41,512)	(58,956)
New share capital subscribed	159,000	-
Opening shareholders' funds (as restated)	(31,540)	27,416
Closing shareholders' funds	<u>85,948</u>	<u>(31,540)</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 1999

	1999 £'000	1998 (as restated) £'000
Loss for year	<u>(41,512)</u>	<u>(58,956)</u>
Total recognised gains and losses related to the year	(41,512)	<u>(58,956)</u>
Prior year adjustment	17	<u>(6,030)</u>
Total gains and losses recognised since last annual report	<u>(47,542)</u>	

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1999**

**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.

**Basis of consolidation**

The group financial statements consolidate the financial results of the company and its subsidiary for the year ended 31 December 1999.

**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	25 years
Plant, machinery and equipment	3 to 25 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**

Research and development costs are written off to the profit and loss account as they are incurred. This policy has been changed from the prior year in which development expenditure attributable to major projects whose technical feasibility and commercial viability were reasonably assured was capitalised and amortised over the product's anticipated life.

**Investments**

Investments are stated at cost less any provision for impairment.

**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.

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1999

### 1. ACCOUNTING POLICIES (continued)

#### 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.

#### 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 by the final wholesaler.

### 2. TURNOVER - GEOGRAPHICAL ANALYSIS

	1999 £'000	1998 £'000
United Kingdom	98,710	82,903
Other European countries	369,579	208,997
Outside Europe	494	1,907
	<u>468,783</u>	<u>293,807</u>

A geographical analysis of the loss before tax has not been given as, in the opinion of the directors, this would be prejudicial to the interests of the company.

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

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1999

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999 £'000	1998 £'000
Bank interest	<u>553</u>	<u>247</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £'000	1998 £'000
Bank loans, overdrafts and other loans.	5,036	5,522
Exchange losses	-	203
Finance leases	<u>1,609</u>	<u>2,419</u>
	<u>6,645</u>	<u>8,144</u>

### 5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £'000	1998 (as restated) £'000
<b>Loss on ordinary activities before taxation is after charging:</b>		
Depreciation and amortisation of tangible fixed assets:		
Owned assets	14,661	7,095
Assets held under finance leases	3,178	2,420
Research and development	2,062	5,966
Auditors' remuneration:		
Audit services (group and company)	<u>55</u>	<u>60</u>

### 6. TAXATION

	1999 £'000	1998 £'000
Group relief	<u>10,000</u>	<u>-</u>

There is no provided or unprovided deferred tax liability at 31 December 1999 (1998 - £nil). The tax credit is low due to payment for group relief being less than the UK Corporation Tax rate. There is no tax credit in 1998 as the loss was surrendered for nil consideration.

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1999

### 7. DIRECTORS' EMOLUMENTS

	1999 £'000	1998 £'000
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	166	564
Contributions paid to a money purchase pension scheme	0	1
	<u>          </u>	<u>          </u>
Awards (other than shares and share options) receivable during the year under long-term incentive schemes	-	-
	<u>          </u>	<u>          </u>
	No.	No.
Number of directors (* - includes the highest paid director) who:		
• are members of a defined benefit pension scheme	3	2*
• exercised share options	5	2*
• have received awards during the year in the form of shares under long-term incentive schemes	5	1*
	<u>          </u>	<u>          </u>
	£'000	£'000
Highest paid director's remuneration:		
Aggregate of emoluments and awards under long-term incentive schemes (excluding pension contributions, share options gains and awards in the form of shares)	113	360
	<u>          </u>	<u>          </u>

The amount of accrued pension of the highest-paid director at 31 December 1999 is nil (1998: £22,000).

### 8. EMPLOYEES

	1999	1998
	No.	No.
<b>Average weekly number</b>		
Administration	175	212
Production	1,489	1,505
	<u>          </u>	<u>          </u>
	1,664	1,717
	<u>          </u>	<u>          </u>
	£'000	£'000
<b>Costs</b>		
Wages and salaries	39,946	40,078
Social security costs	3,291	3,115
Pension costs	3,012	2,986
	<u>          </u>	<u>          </u>
	46,249	46,179
	<u>          </u>	<u>          </u>

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1999

### 9. INTANGIBLE FIXED ASSETS

The Group and the Company	£'000
<b>Cost</b>	
At 1 January 1999 as previously reported	40,305
Prior year adjustment (note 17)	(40,305)
	<hr/>
At 1 January 1999 (as restated) and at 31 December 1999	-
	<hr/>
<b>Amortisation</b>	
At 1 January 1999 as previously reported	34,275
Prior year adjustment (note 17)	(34,275)
	<hr/>
At 1 January 1999 (as restated) and at 31 December 1999	-
	<hr/>
<b>Net book value</b>	
At 31 December 1998 as previously reported	6,030
	<hr/> <hr/>
At 1 January 1999 (as restated) and at 31 December 1999	-
	<hr/> <hr/>

### 10. TANGIBLE FIXED ASSETS

The Group and the Company	Freehold land and buildings £'000	Plant, machinery and equipment £'000	Special tools, jigs and dies £'000	Total £'000
<b>Cost</b>				
At 1 January 1999	21,889	92,896	53,165	167,950
Additions at cost	3,008	10,816	1,182	15,006
Disposals	(104)	(1,730)	(224)	(2,058)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	24,793	101,982	54,123	180,898
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 1999	3,487	25,935	5,110	34,532
Charge for the year	692	6,568	10,579	17,839
Disposals	(42)	(858)	(100)	(1,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	4,137	31,645	15,589	51,371
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 1999	20,656	70,337	38,534	129,527
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 1998	18,402	66,961	48,055	133,418
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1999

### 10. TANGIBLE FIXED ASSETS (continued)

The net book value of fixed assets includes £30,904,277(1998 - £34,220,000) in respect of assets held under finance leases, of which £30,904,277 (1998 - £34,220,000) 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.

### 11. INVESTMENTS

#### The Company

£'000

Shares in subsidiary at cost and net book value:

At 1 January 1998 and at 31 December 1999

100

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.

### 12. STOCKS

	The Group		The Company	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Raw materials	26,553	25,335	26,554	25,335
Work in progress	2,105	1,876	2,103	1,876
Finished goods and goods for resale	552	1,232	-	-
Motor vehicles sold under sale and repurchase agreements	9,029	10,423	9,029	10,423
	<u>38,239</u>	<u>38,866</u>	<u>37,686</u>	<u>37,634</u>

### 13. DEBTORS

	The Group		The Company	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Trade debtors	2,453	2,080	1,928	1,004
Amounts owed by group undertakings:				
Subsidiary	-	-	98,616	90,830
Fellow subsidiary undertakings	90,252	37,888	5,897	11,287
Other debtors	27,665	14,967	9,852	212
Prepayments and accrued income	672	295	672	295
	<u>121,042</u>	<u>55,230</u>	<u>116,965</u>	<u>103,628</u>

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1999

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Bank loans and overdrafts	-	12,224	-	12,224
Trade creditors	82,361	46,199	82,359	46,174
Bills of exchange payable	-	5,724	-	5,724
Amounts owed to group undertakings:				
Subsidiary undertakings	-	-	-	48,595
Fellow subsidiary undertakings	73,526	150,722	68,715	149,573
Taxation and social security	10,987	9,607	10,945	9,536
Obligations under finance leases (see note 15)	5,602	5,184	5,602	5,184
Accruals	9,710	14,356	9,664	13,679
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	7,245	6,340	7,245	6,340
	<u>189,431</u>	<u>250,356</u>	<u>184,530</u>	<u>297,029</u>

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group and the Company	
	1999 £'000	1998 £'000
Obligations under finance leases	<u>20,819</u>	<u>26,420</u>

Finance leases are repayable in instalments at varying rates of interest. The debt is secured on the asset.

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

	£'000	£'000
Within one year (see note 14)	5,602	5,184
Within one to two years	2,639	5,602
Within two to five years	7,799	7,554
After five years	10,381	13,264
	<u>26,421</u>	<u>31,604</u>

**IBC VEHICLES LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1999**

**16. CAPITAL AND RESERVES**

	1999 No.	1998 No.	1999 £'000	1998 £'000
<b>Called up share capital</b>				
Authorised:				
Ordinary shares of £1 each	239,000,000	80,000,000	239,000,000	80,000,000
	<u>239,000,000</u>	<u>80,000,000</u>	<u>239,000,000</u>	<u>80,000,000</u>
Allotted, called up and fully paid:				
£1 ordinary shares	239,000,000	80,000,000	239,000,000	80,000,000
	<u>239,000,000</u>	<u>80,000,000</u>	<u>239,000,000</u>	<u>80,000,000</u>

During the year the company issued 159,000,000 £1 shares at £1 each to General Motors Holdings to provide additional working capital for the company.

	The Group Profit and loss account £'000	The Company Profit and loss account £'000
<b>Reserves</b>		
Balance at 1 January 1999 as previously reported	(105,510)	(105,438)
Prior year adjustment	<u>(6,030)</u>	<u>(6,030)</u>
Balance at 1 January 1999 (restated)	(111,540)	(111,468)
Loss for the financial year	<u>(41,512)</u>	<u>(41,512)</u>
Balance at 31 December 1999	<u>(153,052)</u>	<u>(152,980)</u>

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 £41,512,000 (1998 restated- £58,956,000) which is dealt with in the financial statements of the parent company.

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1999

### 17. PRIOR YEAR ADJUSTMENT

During the year, the accounting policy with respect to intangible assets was changed. Costs capitalised in respect of future improvements to Frontera Vehicles are no longer capitalised as intangible assets, but are written off to the profit and loss account as incurred. The brought forward net book value of intangible assets (£6,030,000) has therefore been adjusted through opening reserves as a prior year adjustment. The prior year adjustment results in an increased contribution of £1,090,000 on the previously reported loss for the year ended 31 December 1998 of £57,866,000.

### 18. COMMITMENTS

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

	1999 £	1998 £'000
Contracted but not provided for	<u>8,680</u>	<u>2,936</u>

### 19. 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 1997, 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 2000, 7% thereafter
Pension increases	2.5% per annum in respect of pensions in payment for service before 6 April 1998, 4% thereafter

At the last actuarial valuation date, the market value of the assets of the scheme was £77.9 million and the actuarial value was sufficient to cover 98.0% 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.

### 20. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption granted under paragraph 3(c) of FRS8 whereby as a member of a group it is not required to disclose intra group transactions.

### 21. POST BALANCE SHEET EVENT

On 12 December 2000, General Motors announced a major reorganisation and rationalisation of its UK manufacturing operations. This will include ceasing production of the Vectra at the Luton plant. Frontera production will continue, at reduced levels of production, at IBC for the foreseeable future.

The impact of this event resulting in a write down of impaired tangible fixed assets to nil, will be reflected in the financial statements for the year ended 31 December 2000.

## **IBC VEHICLES LIMITED**

### **NOTES TO THE ACCOUNTS**

**Year ended 31 December 1999**

#### **22. ULTIMATE PARENT UNDERTAKING**

The ultimate parent company and ultimate controlling party 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 General Motors Building, 3044 West Grand Boulevard, Detroit, Michigan 48202.

The results of the company are also included in the consolidated financial statements of GM Holdings UK, the immediate parent company, which are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.