

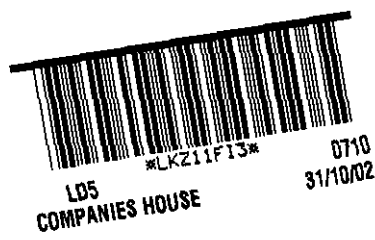
Company Registration No. 2091272

**IBC VEHICLES LIMITED**

**Report and Financial Statements**

**31 December 2001**

**Deloitte & Touche  
London**



# **IBC VEHICLES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2001**

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# **IBC VEHICLES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2001**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

P Thom  
M James  
K Wale  
J Jonsson

#### **SECRETARY**

L Galvin

#### **REGISTERED OFFICE**

P O Box 163  
Kimpton Road  
Luton  
LU2 0TY

#### **BANKERS**

HSBC Bank plc  
63 George Street  
Luton  
LU1 2AP

Barclays Bank PLC  
38 George Street  
Luton  
LU1 2AE

#### **SOLICITORS**

Manches & Co  
Aldwych House  
81 Aldwych  
London  
WC2B 4RP

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants and  
Registered Auditors  
London

# **IBC VEHICLES LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

### **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, and the Vauxhall-Opel Vivaro / Renault Trafic. In all other European countries, Frontera products are sold under the Opel badge.

### **REVIEW OF DEVELOPMENTS**

2001 was a significant year for IBC with the expansion to two vehicle lines, the transfer of 1,000 employees from the Vauxhall facility and the launch of a totally integrated systems landscape to support the business.

Production of the new Vivaro / Trafic van started early in the year on two shifts with a nightshift being added in April to support the market demand. The production facility is currently working 24 hours per day together with additional shifts at the weekends to support this strong demand. Frontera production started again in May following its relocation to a site within the Vauxhall Motors Limited manufacturing facility in Luton.

The group made a loss after tax of £35.6 million (2000 - loss of £121.2 million).

### **FUTURE PROSPECTS**

In late 2001 further investment was approved to add additional variants to the van range such as people carriers and to help the plant achieve its full capacity. This will all be in place by the end of the summer closure in 2002 and it is expected that the plant will then be able to deliver its scheduled output of almost 100,000 vehicles without the need for working additional hours. The market reception for the Vivaro / Trafic van has been extremely positive and the order books are currently full.

### **DIVIDENDS**

The directors do not propose the payment of a dividend (2000 - £nil).

### **DIRECTORS**

The present members of the Board of Directors are shown on Page 1.

H Burkutean was appointed Director on 1 February 2001, and resigned his Directorship on 1 June 2002.

M James was appointed Director on 2 June 2002.

K Wale was appointed Director on 3 September 2001.

D Tremblay was appointed Director on 1 February 2001, and resigned her Directorship on 2 April 2002.

W Jung resigned his Directorship on 31 January 2001.

C Gubbey resigned his Directorship on 31 January 2001.

R Harting resigned his Directorship on 1 June 2002.

D N Reilly resigned his Directorship on 28 August 2002.

J Jonsson was appointed Director on 2 July 2002.

No director had any interests in any shares of the company or any other General Motors group company incorporated in the United Kingdom. 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 £4,677 during the year for charitable purposes (2000 – £4,119). No political donations were made (2000 – £nil).

### 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



Director

30. 10. 2002

# **IBC VEHICLES LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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; and
- prepare the financial statements on the 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 responsible for the group's system of internal control, 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IBC VEHICLES LIMITED**

We have audited the financial statements of IBC Vehicles Limited for the year ended 31 December 2001 which comprise the profit and loss account, balance sheets, reconciliation of movements in equity shareholders' funds and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 group is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 the affairs of the company and the group as at 31 December 2001 and of the loss of the group for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
London

30.10.2002

**IBC VEHICLES LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2001**

	Note	2001 £'000	2000 £'000
<b>TURNOVER: continuing operations</b>	2	345,605	382,891
Cost of sales			
Exceptional cost of sales - restructuring costs	3	-	(48,799)
Other cost of sales		(359,625)	(444,136)
Total cost of sales		<u>(359,625)</u>	<u>(492,935)</u>
Gross loss		(14,020)	(110,044)
Distribution costs		(114)	(918)
Administrative expenses		<u>(15,748)</u>	<u>(26,989)</u>
<b>OPERATING LOSS: continuing operations</b>	3	(29,882)	(137,951)
Interest receivable and similar income	4	640	119
Interest payable and similar charges	5	<u>(13,376)</u>	<u>(5,715)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(42,618)	(143,547)
Tax credit on loss on ordinary activities	6	<u>7,020</u>	<u>22,315</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	16	<u><u>(35,598)</u></u>	<u><u>(121,232)</u></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.



**IBC VEHICLES LIMITED**

**CONSOLIDATED BALANCE SHEET**  
**31 December 2001**

	Note	£'000	2001 £'000	£'000	2000 £'000
<b>FIXED ASSETS</b>					
Tangible assets	9		125,840		110,054
<b>CURRENT ASSETS</b>					
Stocks	11	32,181		43,470	
Debtors	12	247,743		139,786	
			<u>279,924</u>		<u>183,256</u>
<b>CREDITORS: amounts falling due within one year</b>	13		<u>(456,981)</u>		<u>(306,618)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(177,057)</u>		<u>(123,362)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(51,217)		(13,308)
<b>CREDITORS: amounts falling due after more than one year</b>	14		(15,865)		(18,176)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		<u>(3,800)</u>		<u>(3,800)</u>
<b>NET LIABILITIES</b>			<u>(70,882)</u>		<u>(35,284)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		239,000		239,000
Profit and loss account	16		<u>(309,882)</u>		<u>(274,284)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>			<u>(70,882)</u>		<u>(35,284)</u>

These financial statements were approved by the Board of Directors on 30. 10. 2002.

Signed on behalf of the Board of Directors



Director

**IBC VEHICLES LIMITED**

**COMPANY BALANCE SHEET  
31 December 2001**

	Note	£'000	2001 £'000	£'000	2000 £'000
<b>FIXED ASSETS</b>					
Tangible assets	9		125,840		110,054
Investments	10		100		100
			<u>125,940</u>		<u>110,154</u>
<b>CURRENT ASSETS</b>					
Stocks	11	32,181		43,470	
Debtors	12	268,501		200,552	
		<u>300,682</u>		<u>244,022</u>	
<b>CREDITORS: amounts falling due within one year</b>	13		<u>(477,767)</u>		<u>(367,412)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(177,085)</u>		<u>(123,390)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(51,145)		(13,236)
<b>CREDITORS: amounts falling due after more than one year</b>	14		(15,865)		(18,176)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		<u>(3,800)</u>		<u>(3,800)</u>
<b>NET LIABILITIES</b>			<u>(70,810)</u>		<u>(35,212)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		239,000		239,000
Profit and loss account	16		<u>(309,810)</u>		<u>(274,212)</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>			<u>(70,810)</u>		<u>(35,212)</u>

These financial statements were approved by the Board of Directors on 30.10. 2002.

Signed on behalf of the Board of Directors



Director

# IBC VEHICLES LIMITED

## RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS Year ended 31 December 2001

	2001 £'000	2000 £'000
Loss for the financial year	(35,598)	(121,232)
Opening shareholders' funds	<u>(35,284)</u>	<u>85,948</u>
Closing shareholders' funds	<u><u>(70,882)</u></u>	<u><u>(35,284)</u></u>

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2001

### 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 9.

#### Basis of consolidation

The group financial statements consolidate the financial results of the company and its subsidiary for the year ended 31 December 2001.

#### 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	4 to 25 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.

#### 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 in equal annual instalments over the lease term.

#### Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the foreseeable future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

#### 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.

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2001

### 1. ACCOUNTING POLICIES (continued)

#### 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

	2001 £'000	2000 £'000
United Kingdom	27,280	77,323
Other European countries	318,325	304,682
Outside Europe	-	886
	<u>345,605</u>	<u>382,891</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 2001

### 3. OPERATING LOSS

	2001 £'000	2000 £'000
<b>Loss on ordinary activities before taxation is after charging:</b>		
Depreciation and amortisation of tangible fixed assets:		
Owned assets	7,805	15,503
Assets held under finance leases	3,070	3,477
Exceptional writedown of tangible fixed assets	-	44,999
Exceptional contract cancellation costs	-	3,800
Rentals under operating leases:		
Hire of plant and machinery	70	-
Research and development	-	-
Auditors' remuneration:		
Audit services	67	64
Other services	-	5
	<u>          </u>	<u>          </u>

Included within cost of sales in the year ended 31 December 2000 was an exceptional cost of £48,799,000. Of this, £44,999,000 was charged against the carrying value of fixed assets including special tools, jigs and dies. As a result of the restructuring of General Motors European automotive operations announced in December 2000, the carrying value of certain assets utilised in the production of the Frontera was impaired. The exceptional charge reduced the carrying value of those assets. The remaining £3,800,000 related to a provision for the cost of cancelling contracts for expenditure expected to be incurred in relation to the move of the Frontera production facilities to Ellesmere Port. This move will now no longer take place.

### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £'000	2000 £'000
Bank interest	640	119
	<u>          </u>	<u>          </u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £'000	2000 £'000
Bank loans, overdrafts and other loans	(12,433)	(4,355)
Finance leases	(943)	(1,360)
	<u>(13,376)</u>	<u>(5,715)</u>

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2001

### 6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
Group relief	7,020	22,315

There is no provided or unprovided deferred tax liability at 31 December 2001 (2000 – £nil). The tax credit is low due to payment for group relief being less than the UK Corporation Tax rate.

### 7. DIRECTORS' EMOLUMENTS

	2001 £'000	2000 £'000
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	201	230
Contributions paid to a money purchase pension scheme	7	7
Awards (other than shares and share options) receivable during the year under long-term incentive schemes	-	-
	No.	No.
Number of directors (* - includes the highest paid director) who:		
are members of a defined benefit pension scheme	4*	3*
exercised share options	1	2
have received awards during the year in the form of shares under long-term incentive schemes	2*	3*
	£'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)	130	161

The amount of the accrued pension of the highest-paid director at 31 December 2001 is £17,264 p.a. (2000 – £13,955 p.a.)

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2001

### 8. EMPLOYEES

	2001 No.	2000 No.
<b>Average weekly number</b>		
Administration	211	159
Production	2,197	1,457
	<u>2,408</u>	<u>1,616</u>
	<b>£'000</b>	<b>£'000</b>
<b>Costs</b>		
Wages and salaries	64,426	38,847
Social security costs	4,929	3,131
Pension costs	4,218	2,909
	<u>73,573</u>	<u>44,887</u>

### 9. 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 2001	25,927	143,004	56,291	225,222
Additions at cost	1,838	19,398	5,872	27,108
Disposals	-	(790)	-	(790)
	<u>27,765</u>	<u>161,612</u>	<u>62,163</u>	<u>251,540</u>
At 31 December 2001				
<b>Depreciation</b>				
At 1 January 2001	4,742	56,121	54,305	115,168
Charge for the year	1,005	9,298	572	10,875
Disposals	-	(343)	-	(343)
	<u>5,747</u>	<u>65,076</u>	<u>54,877</u>	<u>125,700</u>
At 31 December 2001				
<b>Net book value</b>				
At 31 December 2001	<u>22,018</u>	<u>96,536</u>	<u>7,286</u>	<u>125,840</u>
At 31 December 2000	<u>21,185</u>	<u>86,883</u>	<u>1,986</u>	<u>110,054</u>

The net book value of fixed assets includes £24,981,023 (2000 – £28,052,041) in respect of assets held under finance leases, of which all relates to plant, machinery and equipment in 2001 and 2000.

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 Group has taken advantage of the transitional rules contained in Financial Reporting Standard 15: "Tangible Fixed Assets" to freeze the value of its freehold properties previously revalued and therefore these valuations have not been updated.



# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2001

### 10. INVESTMENTS

<b>The company</b>	<b>£'000</b>
Shares in subsidiary at cost:	
At 1 January 2001 and at 31 December 2001	<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.

### 11. STOCKS

	The group		The company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Raw materials	31,818	17,387	31,818	17,387
Work in progress	363	371	363	371
Finished goods and goods for resale	-	16,710	-	16,710
Motor vehicles sold under sale and repurchase agreements	-	9,002	-	9,002
	<u>32,181</u>	<u>43,470</u>	<u>32,181</u>	<u>43,470</u>

### 12. DEBTORS

	The group		The company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Trade debtors	97,987	21,726	33,463	21,726
Amounts owed by group undertakings:				
Fellow subsidiary undertakings	133,133	102,015	231,520	177,611
Other debtors	16,327	15,614	3,222	784
Prepayments	296	431	296	431
	<u>247,743</u>	<u>139,786</u>	<u>268,501</u>	<u>200,552</u>

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2001

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

	The group		The company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Bank loans and overdrafts	2,156	2,828	2,156	2,317
Trade creditors	90,776	7,822	90,776	7,012
Amounts owed to group undertakings:				
Fellow subsidiary undertakings	285,542	135,975	306,328	198,360
Taxation and social security	10,849	2,379	10,849	2,379
Obligations under finance leases (see note 14)	2,311	2,643	2,311	2,643
Accruals	59,552	139,946	59,552	139,946
Other creditors	5,795	6,023	5,795	5,753
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	-	9,002	-	9,002
	<u>456,981</u>	<u>306,618</u>	<u>477,767</u>	<u>367,412</u>

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

	The group and the company	
	2001 £'000	2000 £'000
Obligations under finance leases	<u>15,865</u>	<u>18,176</u>

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

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

	£'000	£'000
Within one year (see note 13)	2,311	2,643
Within two to five years	8,943	9,965
After five years	6,922	8,211
	<u>18,176</u>	<u>20,819</u>

### 15. PROVISIONS FOR LIABILITIES AND CHARGES

The group and the company

	2001 £'000	2000 £'000
Contract cancellation costs	<u>3,800</u>	<u>3,800</u>

The provision relates to the cost of cancelling contracts for expenditure expected to be incurred in relation to the move of the Frontera production facilities to Ellesmere Port which will now no longer take place.

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2001

### 16. CAPITAL AND RESERVES

	2001 No.	2001 £'000	2000 No.	2000 £'000
<b>Called up share capital</b>				
<b>Authorised</b>				
Ordinary shares of £1 each	239,000,000	239,000	239,000,000	239,000
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	239,000,000	239,000	239,000,000	239,000
<b>Profit and loss account</b>			<b>The group £'000</b>	<b>The company £'000</b>
Balance at 1 January 2000			(274,284)	(274,212)
Loss for the financial year			(35,598)	(35,598)
Balance at 31 December 2001			(309,882)	(309,810)

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 parent company's loss for the financial year is £38,398,000 (2000 – £121,232,000).

### 17. CONTINGENT LIABILITIES

There are no material contingent liabilities.

### 18. COMMITMENTS

At 31 December 2001 there are no capital expenditure commitments which are not provided for in these financial statements (2000 – £nil).

At 31 December 2001 the group was committed to making the following payments during the next year end respect of operating leases:

	Plant and machinery	
	2001 £'000	2000 £'000
Leases which expire:		
Within one year	-	-
Within two to five years	130	-
After five years	-	-
	<u>130</u>	<u>-</u>

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 2001

### 19. PENSIONS

Employees are members of either the Vauxhall Motors Limited Pension Plan ('VMLPP'), or IBC Vehicles Pension Plan ('IBCVPP'). Both are of the "defined benefit" type. Further details of the VMLPP are given in the Vauxhall Motors Limited financial statements, disclosures for the IBCVPP are given below.

The company operates a funded defined benefit pension scheme for all qualifying 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 31 December 2001, using the projected unit method, in which the actuarial liability makes allowances for projected earnings. The following actuarial assumptions were applied:

Investment returns	7.9% per annum
Salary growth	3.5% per annum plus an allowance of 0.75% per annum up to age 40 for promotional increases
Pension increases	1.5% per annum in respect of pensions in payment for service before 6 April 1997, 2.5% thereafter

At 1 January 2002, the market value of the assets of the plan had increased to £102.3 million. The actuarial value of the assets was sufficient to cover 89% of the benefits that had accrued to members. This was after the actuary had applied a major smoothing adjustment to reflect the volatility between the actual assets in which the plan is invested and the combination of UK Gilts and Index-linked which most closely match the plan's liabilities, and specifically the over-performance of the plan's actual investments relative to the matched portfolio over the past three year period. At the same date the plan was 94% funded on a Minimum Funding Requirement basis.

There are no prepaid or accrued amounts in respect of accumulated pension costs as at 31 December 2001 (2000 - £nil). Amounts charged to the profit and loss account relating to pension charges for the year were £4,235,000 (2000 - £2,869,000).

#### FRS 17

The valuations have been updated to 31 December 2001 in accordance with Financial Reporting Standard 17 'Retirement benefits' ('FRS 17') by an independent actuary. The major assumptions used by the actuary were:

Discount rate	5.9%
General salary inflation	3.5%
Pensions increase	2.5%
Price inflation	2.5%

The two defined benefit schemes into which the company contributes are multi-employer schemes. On the basis that the IBCVPP relates to current and former IBC employees only, this scheme will be accounted for as a defined benefit scheme by the IBC Vehicles Limited group.

The VMLPP operates across a number of General Motors group companies, and, in the opinion of the directors, it is not possible to separate out the assets and liabilities of this scheme in a reasonable and consistent manner between different group companies which contribute to them. The scheme will therefore be accounted for as a defined contribution scheme by the IBC Vehicles Limited group.

The values of assets and liabilities above are the result of an update exercise performed by qualified actuaries, rather than a full actuarial valuation at the balance sheet date. The update exercise is based on the full valuations which were carried out at 1 January 2000 for the VMLPP and the IBCVPP. The update exercise did not involve the same level of detail as a full actuarial valuation, and there may be differences

# IBC VEHICLES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 2001

between the results of the update and those of a full valuation. The figures above are based on that are, in the Directors' opinion, reasonable assumptions, and reflect their best estimate of the current position.

### 19. PENSIONS (continued)

The assets and liabilities of the plans at 31 December 2001 and the expected return on assets over the following year were:

	VMLPP	IBCVPP	Expected return 2002
	£m	£m	
Bonds	210.7	35.4	5.0%
Equities	508.5	65.4	8.9%
Other	139.4	0.8	8.6%
Total assets	858.6	101.6	7.6%
Liabilities	(1,031.1)	(145.0)	
Surplus/(deficit)	(172.5)	(43.4)	
Related deferred tax liability had the Company adopted FRS 17 early	-	-	
Net pension liability	(172.5)	(43.4)	

Had the group adopted FRS 17 early, the profit and loss reserves at 31 December 2001 would have been stated as follows:

	2001 £'000
Profit and loss reserve	(309,882)
SSAP 24 pension liability	-
Profit and loss reserve excluding pension liability	(309,882)
Pension reserve (net of related deferred tax liability)	(43,400)
Profit and loss reserve	(353,282)

### 20. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemptions in paragraph 3(c) of Financial Reporting Standard 8 not to disclose transactions with related parties which are members of the General Motors Corporation group.

### 21. ULTIMATE PARENT UNDERTAKING

The ultimate parent company and ultimate controlling entity and parent of the largest group for which consolidated accounts are prepared of which this company is a part, 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 Global Headquarters, 200 Renaissance Centre, 27 Floor – Tower 200, PO Box 200, Detroit, Michigan 48265-2000, USA.

## **IBC VEHICLES LIMITED**

### **NOTES TO THE ACCOUNTS** **Year ended 31 December 2001**

The results of the company are also included in the consolidated financial statements of General Motors Holdings (U.K.), the immediate parent company, which is the smallest group for which consolidated accounts are prepared of which this company is a part. These financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.