

Company Registration No. 2091272

IBC VEHICLES LIMITED

Report and Financial Statements

31 December 2000



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

IBC VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS

Page

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

IBC VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D N Reilly
P Thom
K Wale

SECRETARY

L Galvin

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

Manches & Co
Aldwych House
81 Aldwych
London
WC2B 4RP

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 2000.

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

2000 was a very demanding year as major work was carried out on the manufacturing site in preparation for the production of the new Vauxhall-Opel Vivaro / Renault Trafic van in 2001. Production of the Frontera continued throughout the year. In December 2000 General Motors announced a restructuring of its European automotive operations. As a consequence an exceptional charge to the profit and loss account of £48.8 million was recorded in 2000. This related to an impairment charge on Frontera related fixed assets and special tools, and a provision for costs expected to be incurred due to the cancellation of the move of Frontera production to the Ellesmere Port production facility.

After the exceptional costs referred to above, the group made a loss after tax of £121.2 million (1999 - loss of £41.5 million).

DIVIDENDS

The directors do not propose the payment of a dividend (1999 - £nil).

FUTURE PROSPECTS

In 2001 production commenced on the new Vivaro / Trafic van, and a third shift was introduced to support demand. Frontera production was temporarily ceased at the beginning of 2001, and restarted in the spring, and the company became a two vehicle production facility. The facility now operates on a three shift pattern with a capacity of almost 100,000 vehicles per annum.

The group is expected to perform satisfactorily on this basis.

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.

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.

No director had any interests in any shares of the company or any other 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 £4,119 during the year for charitable purposes (1999 - £4,800). No political donations were made (1999 - 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

2nd July 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 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 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 2000 which comprise the profit and loss account, balance sheets, reconciliation 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 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 2000 and the loss of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

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

28 August 2002

IBC VEHICLES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2000

	Note	2000 £'000	1999 £'000
TURNOVER: continuing operations	2	382,891	468,783
Cost of sales			
Exceptional cost of sales - restructuring costs	3	(48,799)	-
Other cost of sales		<u>(444,136)</u>	<u>(503,381)</u>
Total cost of sales		<u>(492,935)</u>	<u>(503,381)</u>
Gross loss		(110,044)	(34,598)
Distribution costs		(918)	(750)
Administrative expenses		<u>(26,989)</u>	<u>(10,072)</u>
OPERATING LOSS: continuing operations	3	(137,951)	(45,420)
Interest receivable and similar income	4	119	553
Interest payable and similar charges	5	<u>(5,715)</u>	<u>(6,645)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(143,547)	(51,512)
Tax credit on loss on ordinary activities	6	<u>22,315</u>	<u>10,000</u>
LOSS FOR THE FINANCIAL YEAR	16	<u><u>(121,232)</u></u>	<u><u>(41,512)</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 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	9	110,054	129,527
CURRENT ASSETS			
Stocks	11	43,470	38,239
Debtors	12	139,786	121,042
Cash at bank and in hand		-	7,390
		<u>183,256</u>	<u>166,671</u>
CREDITORS: amounts falling due within one year	13	<u>(306,618)</u>	<u>(189,431)</u>
NET CURRENT LIABILITIES		<u>(123,362)</u>	<u>(22,760)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(13,308)	106,767
CREDITORS: amounts falling due after more than one year	14	(18,176)	(20,819)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(3,800)</u>	-
NET (LIABILITIES)/ASSETS		<u>(35,284)</u>	<u>85,948</u>
CAPITAL AND RESERVES			
Called up share capital	16	239,000	239,000
Profit and loss account	16	<u>(274,284)</u>	<u>(153,052)</u>
EQUITY SHAREHOLDERS' (DEFICIT) / FUNDS		<u>(35,284)</u>	<u>85,948</u>

These financial statements were approved by the Board of Directors on 2nd July 2002.

Signed on behalf of the Board of Directors



Director


IBC VEHICLES LIMITED

COMPANY BALANCE SHEET 31 December 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	9	110,054	129,527
Investments	10	100	100
		<u>110,154</u>	<u>129,627</u>
CURRENT ASSETS			
Stocks	11	43,470	37,686
Debtors	12	200,552	116,965
Cash at bank and in hand		-	7,091
		<u>244,022</u>	<u>161,742</u>
CREDITORS: amounts falling due within one year	13	<u>(367,412)</u>	<u>(184,530)</u>
NET CURRENT LIABILITIES		<u>(123,390)</u>	<u>(22,788)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(13,236)	106,839
CREDITORS: amounts falling due after more than one year	14	(18,176)	(20,819)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(3,800)</u>	-
NET (LIABILITIES)/ASSETS		<u>(35,212)</u>	<u>86,020</u>
CAPITAL AND RESERVES			
Called up share capital	16	239,000	239,000
Profit and loss account	16	<u>(274,212)</u>	<u>(152,980)</u>
EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS		<u>(35,212)</u>	<u>86,020</u>

These financial statements were approved by the Board of Directors on 2nd July 2002.

Signed on behalf of the Board of Directors



Director

IBC VEHICLES LIMITED

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS Year ended 31 December 2000

	2000 £'000	1999 £'000
Loss for the financial year	(121,232)	(41,512)
New share capital subscribed	-	159,000
Opening shareholders' funds/(deficit)	85,948	(31,540)
Closing shareholders' (deficit)/funds	<u>(35,284)</u>	<u>85,948</u>

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2000

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 2000.

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.

Research and development

Development expenditure attributable to major projects whose technical feasibility and commercial viability are reasonably assured is capitalised and amortised over the product's anticipated life. Other development expenditure is written off 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 in equal annual instalments over the lease term.

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2000

1. ACCOUNTING POLICIES (continued)

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.

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

	2000 £'000	1999 £'000
United Kingdom	77,323	98,710
Other European countries	304,682	369,579
Outside Europe	886	494
	<u>382,891</u>	<u>468,783</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 2000

3. OPERATING LOSS

	2000	1999
	£'000	£'000
Loss on ordinary activities before taxation is after charging:		
Depreciation and amortisation of tangible fixed assets:		
Owned assets	15,503	14,661
Assets held under finance leases	3,477	3,178
Exceptional writedown of tangible fixed assets	44,999	-
Exceptional contract cancellation costs	3,800	-
Research and development	-	2,062
Auditors' remuneration:		
Audit services	64	55
Other services	5	-
	<u>15,503</u>	<u>14,661</u>

Included within cost of sales in the year ended 31 December 2000 is an exceptional cost of £48,799,000 (1999 - £nil). Of this, £44,999,000 has been charged against the carrying value of fixed assets including special tools, jigs and dies (see note 9). 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 reduces the carrying value of those assets. The remaining £3,800,000 relates 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.

There were no amounts payable under operating leases in the current or preceding financial years.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£'000	£'000
Bank interest	119	553
	<u>119</u>	<u>553</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£'000	£'000
Bank loans, overdrafts and other loans	(4,355)	(5,036)
Finance leases	(1,360)	(1,609)
	<u>(5,715)</u>	<u>(6,645)</u>

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2000

6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2000 £'000	1999 £'000
Group relief	22,315	10,000

There is no provided or unprovided deferred tax liability at 31 December 2000 (1999 - £nil). The tax credit is low due to payment for group relief being less than the UK Corporation Tax rate.

7. DIRECTORS' EMOLUMENTS

	2000 £'000	1999 £'000
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	230	166
Contributions paid to a money purchase pension scheme	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	3*	3
exercised share options	2	5
have received awards during the year in the form of shares under long-term incentive schemes	3*	5
Highest paid director's remuneration:	£'000	£'000
Aggregate of emoluments and awards under long-term incentive schemes (excluding pension contributions, share options gains and awards in the form of shares)	161	113

The amount of the accrued pension of the highest-paid director at 31 December 2000 is £13,955 p.a.

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2000

8. EMPLOYEES

	2000 No.	1999 No.
Average weekly number		
Administration	159	175
Production	1,457	1,489
	<u>1,616</u>	<u>1,664</u>
	£'000	£'000
Costs		
Wages and salaries	38,847	39,946
Social security costs	3,131	3,291
Pension costs	2,909	3,012
	<u>44,887</u>	<u>46,249</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
Cost				
At 1 January 2000	24,793	101,982	54,123	180,898
Additions at cost	1,316	41,378	2,216	44,910
Disposals	(182)	(356)	(48)	(586)
	<u>25,927</u>	<u>143,004</u>	<u>56,291</u>	<u>225,222</u>
At 31 December 2000				
Depreciation				
At 1 January 2000	4,137	31,645	15,589	51,371
Charge for the year	712	6,874	11,394	18,980
Disposals	(107)	(27)	(48)	(182)
Impairment of fixed assets	-	17,629	27,370	44,999
	<u>4,742</u>	<u>56,121</u>	<u>54,305</u>	<u>115,168</u>
At 31 December 2000				
Net book value				
At 31 December 2000	<u>21,185</u>	<u>86,883</u>	<u>1,986</u>	<u>110,054</u>
At 31 December 1999	<u>20,656</u>	<u>70,337</u>	<u>38,534</u>	<u>129,527</u>

The net book value of fixed assets includes £28,052,041 (1999 - £30,904,277) in respect of assets held under finance leases, of which all relates to plant, machinery and equipment in 2000 and in 1999.

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 2000

10. INVESTMENTS

The company	£'000
Shares in subsidiary at cost:	
At 1 January 2000 and at 31 December 2000	<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	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Raw materials	17,387	26,553	17,387	26,554
Work in progress	371	2,105	371	2,103
Finished goods and goods for resale	16,710	552	16,710	-
Motor vehicles sold under sale and repurchase agreements	9,002	9,029	9,002	9,029
	<u>43,470</u>	<u>38,239</u>	<u>43,470</u>	<u>37,686</u>

12. DEBTORS

	The group		The company	
	2000	1999	2000	1999
	£'000	£'000	£'000	£'000
Trade debtors	21,726	2,453	21,726	1,928
Amounts owed by group undertakings:				
Subsidiary	-	-	-	98,616
Fellow subsidiary undertakings	102,015	90,252	177,611	5,897
Other debtors	15,614	27,665	784	9,852
Prepayments and accrued income	431	672	431	672
	<u>139,786</u>	<u>121,042</u>	<u>200,552</u>	<u>116,965</u>

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	2000 £'000	1999 £'000	2000 £'000	1999 £'000
Bank loans and overdrafts	2,828	-	2,317	-
Trade creditors	7,822	82,361	7,012	82,359
Amounts owed to group undertakings:				
Fellow subsidiary undertakings	135,975	73,526	198,360	68,715
Taxation and social security	2,379	10,987	2,379	10,945
Obligations under finance leases (see note 14)	2,643	5,602	2,643	5,602
Accruals	139,946	9,710	139,946	9,664
Other creditors	6,023	-	5,753	-
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	9,002	7,245	9,002	7,245
	<u>306,618</u>	<u>189,431</u>	<u>367,412</u>	<u>184,530</u>

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

The group and the company

	2000 £'000	1999 £'000
Obligations under finance leases	<u>18,176</u>	<u>20,819</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

	£'000	£'000
Within one year (see note 13)	2,643	5,602
Within two to five years	9,965	10,428
After five years	8,211	10,381
	<u>20,819</u>	<u>26,421</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

The group and the company

	2000 £'000	1999 £'000
Contract cancellation costs	<u>3,800</u>	<u>-</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 2000

16. CAPITAL AND RESERVES

Called up share capital	2000 No.	2000 £'000	1999 No.	1999 £'000
Authorised Ordinary shares of £1 each	239,000,000	239,000	239,000,000	239,000
Allotted, called up and fully paid Ordinary shares of £1 each	239,000,000	239,000	239,000,000	239,000

Profit and loss account	The Group £'000	The Company £'000
Balance at 1 January 2000	(153,052)	(152,980)
Capital reserve transfer	-	-
Loss for the financial year	(121,232)	(121,232)
Balance at 31 December 2000	(274,284)	(274,212)

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 £121,232,000 (1999 - £41,512,000) which is dealt with in the financial statements of the parent company.

17. CONTINGENT LIABILITIES

There are no material contingent liabilities.

18. COMMITMENTS

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

	2000 £'000	1999 £'000
Committed	-	8,680

There were no commitments under operating leases at 31 December 2001 (1999 - £nil).

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

19. PENSIONS

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 1 January 2000, using the projected unit method, in which the actuarial liability makes allowances for projected earnings. The following actuarial assumptions were applied:

Investment returns	8.9% per annum
Salary growth	3.9% per annum
Pension increases	1.5% per annum in respect of pensions in payment for service before 6 April 1998, 2.8% thereafter

At 1 January 2000, the market value of the assets of the plan had increased to £107.2 million. The actuarial value of the assets was sufficient to cover 79% 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 105% funded on a Minimum Funding Requirement basis.

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.

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, CF4 3UZ.