Company Registration No. 2091272

IBC VEHICLES LIMITED

Report and Financial Statements

31 December 2013

IBC VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

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REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J R Fulcher
P Millward
A R Gilson
N P Barrett
D N Aldred
M Wright
D Borland
T Tozer

SECRETARY

R S Nagi

REGISTERED OFFICE

Kimpton Road
Luton
Bedfordshire
England
LU2 0TY

BANKERS

Barclays Bank PLC

ACTUARIES

Towers Watson Limited
21 Tothill Street
Westminster
London
SW1H 9LL

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

STRATEGIC REPORT

The Directors of IBC Vehicles Limited ("the Company") set out below their strategic report, providing a review of the Company's business and a description of the principal risks and uncertainties affecting the Company.

PRINCIPAL ACTIVITIES

The principal activity of the Company continues to be the manufacture of motor vehicles, pressed parts and related spare parts and components.

Within the UK, the Company's main product is marketed as the Vauxhall Vivaro. In all other European countries, the Vivaro product is sold under the Opel badge.

BUSINESS REVIEW

The Company produced 43,652 vehicles during 2013 (2012: 53,465). Output was higher than forecast at the start of the year following the cessation of production for Renault and Nissan at 31 December 2012, as the Company's UK & European markets started their recovery from the economic downturn. The plant operated a single shift production process at the start of the year and introduced additional Saturday shifts and an extension to the working day to satisfy demand.

Turnover per vehicle was £11,300 during 2013 (2012: £10,970) and cost of sales per vehicle was £10,794 (2012: £10,619) giving gross profit per vehicle of £506 (2012: £351). The average number of vehicles manufactured per member of staff was 47 during 2013 (2012: 51). The Company made a profit before tax in 2013 of £22.2 million compared to £5.4 million in the prior year, largely due to higher restructuring costs being incurred in 2012 which were not compensated by customers by way of contributions to the cost of such programmes. The Company has benefitted in 2013 from these restructuring actions through higher gross profit per vehicle.

Tangible fixed assets increased from £59.8 million at 31 December 2012 to £86.0 million at 31 December 2013, principally due to additions in all categories amounting to £34.8 million, with total depreciation charged during the year of £8.4 million.

Current assets decreased from £132.9 million at 31 December 2012 to £110.3 million at 31 December 2013, reflecting a decrease in receivables from third party debtors following the cessation of production for Renault and Nissan at 31 December 2012. Current liabilities decreased from £106.8 million at 31 December 2012 to £103.0 million at 31 December 2013.

Net assets excluding pension liabilities increased by £8.4 million (2012: increase of £1.0 million); whilst the pension scheme deficit has decreased by £14.2 million (2012: £5.5 million increase) as the actuarial gain on plan assets exceeded the increase in the present value of plan obligations.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe the main risks and uncertainties to which the Company is exposed, which could adversely affect the business, results of operations, cash flow, financial condition, turnover, profits, assets, liquidity and capital resources of the Company are summarised as follows:

- The Company has a single customer that is a fellow subsidiary of General Motors Company. Vehicles produced by the Company are sold by fellow subsidiaries in the UK and in continental Europe. If the Company does not continue to compete effectively by developing its products and responding to the activities of its competitors, demand for its for its products could reduce and its results of operations, cash flow and financial condition could be adversely affected.
- The Company's revenues are dependent on the continued operation of its manufacturing facilities. The occurrence of major operational problems at these facilities could have an adverse effect on the Company's results of operations, cash flow and financial condition. Operational risks include equipment and system failures, supply disruptions, work stoppages, events impeding or increasing the cost of transporting products, natural disasters and terrorist attacks. These risks are increased during the transition period to the 2014 start of production of next generation Vivaro. Whilst the Company maintains insurance at appropriate levels, some of the operational risks could result in losses in excess of the insurance cover or in uninsured losses.

STRATEGIC REPORT continued

PRINCIPAL RISKS AND UNCERTAINTIES continued

- The loss of a significant number of key personnel could adversely affect the Company's results of operations, cash flow and financial condition.
- The Company manufactures its vehicles under a long-term contract arrangement with a fellow subsidiary of General Motors Company ("GMC"). In the event that the contract is not renewed or there are material amendments thereto, the results of operations, cash flow and financial condition of the Company could be materially affected.
- The failure of its customer would materially affect the Company's operations, cash flow and financial condition.
- The Company's reliance on key suppliers, including suppliers of tooling and other equipment being procured for the manufacture of the new Vivaro, could result in an adverse effect on the results of operations, cash flow and financial condition if the suppliers are unable to meet their obligations and if the Company were unable to mitigate the effect by securing satisfactory alternative suppliers.
- Breaches of environmental, health and safety and other laws and regulations could restrict the Company's operations, expose it to liability, increase its costs and have an adverse effect on its results of operations, cash flow and financial condition.
- The IBC Vehicles Pension Plan is currently in deficit. Increases in funding from the Company required to make good the deficit could adversely affect cash flow and the financial condition of the Company.
- The Company is reliant on funding from the European treasury operations of Adam Opel. To meet its liquidity needs Adam Opel is itself reliant on a revolving credit facility from a subsidiary of GMC. The revolving credit facility expires on 3 January 2018. To the extent that the Adam Opel group, including the Company, does not remain within its borrowing limits, or generate sufficient funds to enable repayment of the revolving credit facility over this period, it will require additional financing to continue in operation. This exposes the Company to liquidity risk as there is no certainty that such additional financing will be forthcoming. The directors continue to monitor and manage this risk through timely discussions with GMC with respect to the Company's liquidity position and borrowing requirements.

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

NPBarrett

N P Barrett
Director
25 September 2014

DIRECTORS' REPORT

The Directors of the Company submit their annual report on the affairs of the Company together with the financial statements and auditors' report for the year ended 31 December 2013.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The Directors' consideration of liquidity risk and the application of the going concern assumption in preparing these financial statements are set out in note 1 to the financial statements.

The most important components of financial risk are liquidity risk, cash flow risk, interest rate risk, currency risk and price risk. During 2013, these financial risks were managed by the treasury function of Adam Opel AG which provides the Company's inter-company funding. This funding is denominated in euros, the functional currency of Adam Opel AG, which exposes the Company to foreign exchange risk. A risk management control system is utilised to monitor the strategies, risks and any related hedge positions, in accordance with approved policies and procedures.

With respect to credit risk, the Company's exposure arises from the risk of default by the counterparty. The Company faces a concentration of credit risk as its sales are made almost exclusively to a fellow subsidiary of General Motors Company ("GMC"). The Company seeks to manage this risk through contractually agreed payment terms, and by agreeing production volumes with its customer in advance.

FUTURE DEVELOPMENTS

Production of the next generation Vivaro started in August 2014 at the Company's site in Luton. The Directors expect volume to be stable in 2014, whilst production transitions to the new model, before increasing in future years. The Company is in the process of agreeing the terms of its new contract manufacturing agreement for the next generation Vivaro, which will have a direct impact on the Company's future revenues and profits.

GOING CONCERN

After review, the Directors consider they should continue to adopt the going concern basis in preparing the financial statements. Please refer to Note 1 to the financial statements.

DIVIDENDS

No dividends were paid in the years ended 31 December 2013 or 31 December 2012. No final dividend is proposed for the year ended 31 December 2013 (2012: £nil).

EMPLOYEE CONSULTATION

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 Joint Leadership Committee. 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 employing disabled persons and making reasonable adjustments where necessary. Employees who become disabled are given every opportunity and assistance to continue in their employment or to be trained for other suitable positions.

DIRECTORS' INDEMNITIES

The Company maintains insurance in respect of the Directors and officers against any such liabilities as are referred to in Section 232 of the Companies Act 2006.

DIRECTORS' REPORT continued

DIRECTORS AND THEIR INTERESTS

The present members of the Board of Directors are shown on page 1. There were the following changes in Directors during the year and since the year end:

C Parfitt	resigned 30 June 2013
D Borland	appointed 8 July 2013
T Tozer	appointed 22 April 2014

The Directors had no disclosable interests at any time during the year in the shares of IBC Vehicles Limited, or any other company within the United Kingdom group.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting.

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

NPBarrett

N P Barrett
Director
25 September 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient of show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBC VEHICLES LIMITED

We have audited the financial statements of IBC Vehicles Limited for the year ended 31 December 2013 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movement in shareholder's funds, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

H Shekle

Hadleigh Shekle FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 September 2014

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2013

	Note	2013 £'000	2012 £'000
TURNOVER	2	493,263	586,522
Cost of sales		(471,164)	(567,763)
GROSS PROFIT		22,099	18,759
Administrative expenses		(1,768)	(13,298)
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES AND INTEREST	3	20,331	5,461
Net interest receivable	4	13	105
Other finance income /(charges)		1,900	(200)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		22,244	5,366
Tax (charge)/credit on profit on ordinary activities	5	(4,794)	1,324
PROFIT FOR THE FINANCIAL YEAR	17	17,450	6,690

All amounts in both the current and preceding financial year derive from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 December 2013

	2013 £'000	2012 £'000
Profit for the financial year	17,450	6,690
Actuarial gain/(loss) recognised in the pension scheme (note 15)	4,200	(11,200)
TOTAL RECOGNISED GAINS AND LOSSES SINCE THE LAST ANNUAL REPORT	21,650	(4,510)

RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS
Year ended 31 December 2013

	2013 £'000	2012 £'000
Profit for the financial year	17,450	6,690
Other gains/(losses) relating to the year	4,200	(11,200)
Movement in share-based payments reserve (note 17)	8	3
NET INCREASE/(DECREASE) IN SHAREHOLDER'S FUNDS	21,658	(4,507)
Opening shareholder's funds	6,237	10,744
CLOSING SHAREHOLDER'S FUNDS	27,895	6,237

BALANCE SHEET
31 December 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	9	85,954	59,781
CURRENT ASSETS			
Stocks	10	15,300	13,969
Debtors	11	94,872	118,835
Cash at bank and in hand		149	113
		110,321	132,917
CREDITORS:			
Amounts falling due within one year	12	(102,993)	(106,842)
NET CURRENT ASSETS		7,328	26,075
TOTAL ASSETS LESS CURRENT LIABILITIES		93,282	85,856
CREDITORS:			
Amounts falling due after more than one year	13	(287)	(319)
NET ASSETS EXCLUDING PENSION LIABILITIES		92,995	85,537
NET PENSION SCHEME LIABILITIES	15	(65,100)	(79,300)
NET ASSETS INCLUDING PENSION LIABILITIES		27,895	6,237
CAPITAL AND RESERVES			
Called up share capital	16	239,000	239,000
Share-based payments reserve	17	47	39
Profit and loss account	17	(211,152)	(232,802)
SHAREHOLDER'S FUNDS		27,895	6,237

These financial statements were approved by the Board of Directors on 25 September 2014 and are signed on its behalf by:

NPBarrett

N P Barrett
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The principal accounting policies adopted, which are consistent with those applied in the prior year, are described below.

Accounting basis
The financial statements are prepared on the historical cost basis.

Going concern
The Company generated profits in the year of £17.5 million. The balance sheet at 31 December 2013 shows that the Company has net current assets of £7.3 million and net assets of £27.9 million. Production of the next generation Vivaro started in August 2014 at the Company's site in Luton.

In July 2014 General Motors Company ("GMC") renewed and extended the Adam Opel group's revolving loan agreement. This new agreement extended the repayment date on borrowings under the facility to 3 January 2018 and removed financial covenants. The directors are satisfied that, as at the date of approval of these financial statements, having made appropriate enquires of management of the Adam Opel group, the group will remain within its borrowing limits for a period of not less than 12 months from the date of approval of these financial statements, and thus that the Company will continue to meet its liabilities as they fall due. Accordingly the Directors continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement
The Company has taken advantage of the exemption in Financial Reporting Standard 1 "Cash Flow Statements" from the requirement to produce a cash flow statement because IBC Vehicles Limited is a wholly owned subsidiary of General Motors Company, a company registered in the State of Delaware, USA, which prepares consolidated financial statements that include a cash flow statement, including those of the Company, and which are publicly available.

Fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Freehold land and assets in the course of construction are not depreciated. The cost, less estimated residual value, of other fixed assets is depreciated by equal monthly instalments over the expected useful lives of the assets as follows:

Freehold buildings	40 years
Plant, machinery and equipment	5 to 27 years
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.

Residual value is calculated on prices prevailing at the date of acquisition.

1. ACCOUNTING POLICIES continued

Leases
Rentals in respect of operating leases are charged to the profit and loss account in equal annual instalments over the lease term.

Taxation
The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full using the liability method for all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise 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.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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 include material, labour and appropriate overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for any anticipated obsolescence of stocks.

Foreign currencies
Foreign currency transactions during the year are recorded using the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Restructuring costs
The Company recognises the cost of employee separation programmes when the Company has announced the terms of the separation and the individuals affected are identified. Contributions to such separation costs from the Company's customers are recognised once such amounts have been agreed with the customer and invoiced.

Pension costs
The Company makes contributions to two pension plans, each of which is of the "defined benefit" type where pensions are determined by an employee's earnings level and length of service. The two plans are the Vauxhall Motors Limited Pension Plan ('VMLPP') and the IBC Vehicles Pension Plan ("IBCVPP").

The VMLPP into which the Company contributes is a multi-employer scheme. In the opinion of the Directors, it is not possible to separate out on a reasonable and consistent basis the assets and liabilities of the scheme between the different group companies that contribute to it. Accordingly, the VMLPP is accounted for on a defined contribution basis in the financial statements of IBC Vehicles Limited. The pension cost charged in the financial statements in respect of the VMLPP represents the contributions payable by the Company during the year.

The IBCVPP into which the Company contributes is a single-employer scheme.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2013

1. ACCOUNTING POLICIES continued

Pension costs continued

In accordance with FRS17 the fair value of the IBCVPP pension scheme is reported in the balance sheet of the Company. The movements in the fair value of the scheme are reflected in the performance statements. The current service cost, being the costs of benefits accrued in the reporting period and variations to past service benefits, being the cost or gain of any benefit improvements or reductions that affect past service, are recognised within operating costs.

Net interest accrued on pension liabilities and the expected return on the assets held by the scheme are charged or credited as other finance charges or income in the profit and loss account.

Actuarial gains and losses arising from differences between actual and expected returns on the scheme assets, experience changes affecting scheme liabilities and the effects of any changes to actuarial assumptions are charged or credited to the statement of total recognised gains and losses.

Turnover

Turnover represents the sales of motor vehicles, components, parts and accessories net of trade discounts, VAT and other sales related taxes, and is recognised when the risks of ownership of the motor vehicles, components, parts and accessories pass to the customer, which is normally when the products leave the Company's production facilities and are passed to the customer's freight carrier.

Share-based payment

General Motors Company group, of which IBC Vehicles Limited is part, issued equity-settled share-based payments to certain employees.

Equity-settled share-based payments were measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that would eventually vest. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions, including option lapses. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve within shareholder's funds.

2. TURNOVER: GEOGRAPHICAL ANALYSIS BY DESTINATION

	2013 £'000	2012 £'000
United Kingdom	212,995	208,300
Other European countries	280,268	378,222
	493,263	586,522

The Company is engaged in one principal activity, the manufacture and distribution of motor vehicles and related spare parts and components. A geographical analysis of the profit before tax has not been given, as in the opinion of the Directors, this would be prejudicial to the interests of the Company.

3. OPERATING PROFIT

	2013 £'000	2012 £'000
Operating profit on ordinary activities before taxation is after charging/(crediting):		
Depreciation of tangible fixed assets:		
Owned assets	8,416	7,646
Exceptional item:		
Restructuring costs, net of contributions received	-	11,578
Loss on disposal of fixed assets	213	117
Foreign exchange loss/(gain)	26	(1,016)
Rentals under operating leases:		
Hire of plant and machinery	50	155
Auditor's remuneration:		
Payable to the Company's auditor for audit of the Company's annual accounts	90	89

Exceptional items charged in the year ended 31 December 2012 comprise restructuring costs arising from voluntary staff reductions.

4. NET INTEREST RECEIVABLE

	2013 £'000	2012 £'000
Interest receivable		
Loans to group undertakings	75	157
Interest payable		
Loans from group undertakings	(10)	-
Finance lease interest payable	(52)	(52)
	(62)	(52)
Net interest receivable	13	105

5. TAX CHARGE/(CREDIT) ON PROFIT ON ORDINARY ACTIVITIES

	2013 £'000	2012 £'000
Current tax:		
UK corporation tax at 23.25% (2012: 24.5%)	18	38
Adjustment in respect of prior years	-	38
Current tax	18	76
Deferred tax (note 14)	4,776	(1,400)
	4,794	(1,324)

5. TAX CHARGE/(CREDIT) ON PROFIT ON ORDINARY ACTIVITIES continued

The tax assessed for the year differs to that resulting from applying the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	22,244	5,366
Tax at UK rate of 23.25% (2012: 24.5%) thereon	5,172	1,315
Effects of:		
Permanent differences	149	150
Capital allowances in excess of depreciation	1,860	1,753
Short-term timing differences	(2,325)	(1,397)
Utilisation of losses brought forward	(4,838)	(1,783)
Prior year adjustment	-	38
Current tax charge for the year	18	76

6. DIRECTORS' EMOLUMENTS

	2013 £'000	2012 £'000
Directors' emoluments	257	222
Aggregate of contributions paid in respect of money purchase pension schemes	5	-
	No.	**No.**
Number of Directors who received, or became eligible to receive, shares during the year	1	1
	No.	**No.**
Number of Directors who are members of a money purchase pension scheme	4	2
Number of Directors who are members of a defined benefit pension scheme	5	6
	£'000	**£'000**
In respect of the highest paid Director:		
Aggregate emoluments	157	85
Contributions paid in respect of money purchase pension scheme	5	-
Annual pension accrued under a defined benefit pension scheme	22	32

Certain directors of the Company are also Directors of other companies within the General Motors group of companies. It is not practicable to allocate the remuneration of these Directors between the group companies to which they provide services.

7. EMPLOYEES

	2013 No.	2012 No.
Average weekly number of employees, including directors		
Administration	105	104
Production	818	945
	923	1,049

	2013 £'000	2012 £'000
Costs		
Wages and salaries	26,794	36,223
Social security costs	2,000	2,717
Pension costs (note 15)	7,168	10,300
	35,962	49,240

8. SHARE-BASED PAYMENTS: EQUITY-SETTLED SHARE OPTION SCHEME

General Motors Company operates an incentive scheme (the 2009 Long-Term Incentive Plan: "2009 GMLTIP") which awards Restricted Stock Units ("RSU"s) to certain of the Company's employees. It is administered by the Executive Compensation Committee of the board of directors of General Motors Company ("GM").

Awards granted under the 2009 GMLTIP become non-forfeitable following a three year service period from the date of grant. New shares are issued one for one upon settlement of RSUs. The cost of new grants of RSUs will be based on the fair US dollar value of GM common stock on the date of grant.

Details of the RSUs outstanding during the year are as follows:

	2013		2012	
	Number '000	Weighted average price £	Number '000	Weighted average price £
Outstanding at beginning of year	0.6	16.22	2.4	14.24
Transfers out	-	-	(3.1)	(14.85)
Granted during the year	0.7	18.07	1.3	16.74
Outstanding at the end of the year	1.3	16.16	0.6	16.22

No RSUs were eligible for settlement in the year. The awards outstanding at 31 December 2013 had a weighted average remaining contractual life of 1.7 years (2012: 2.3 years). RSUs were granted on 1 March 2013 (2012: 15 March 2012) and the aggregate of the estimated fair values of the RSUs granted is £0.02m (2012: £0.01m) all of which in both years relates to the Directors. The Company recognises these amounts as total expenses related to equity-settled share-based payment transactions.

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant, machinery and equipment £'000	Special tools, jigs and dies £'000	Assets in course of construction £'000	Total £'000
Cost					
Cost at 1 January 2013	38,105	132,045	4,007	10,754	184,911
Additions	1,846	22,998	5,085	4,873	34,802
Disposals at cost	-	(2,889)	-	-	(2,889)
Total cost at 31 December 2013	39,951	152,154	9,092	15,627	216,824
Depreciation					
Depreciation at 1 January 2013	15,625	106,561	2,944	-	125,130
Charge for the year	630	7,390	396	-	8,416
Elimination on disposal	-	(2,676)	-	-	(2,676)
Total depreciation at 31 December 2013	16,255	111,275	3,340	-	130,870
Net book value					
At 31 December 2013	23,696	40,879	5,752	15,627	85,954
At 31 December 2012	22,480	25,484	1,063	10,754	59,781

10. STOCKS

	2013 £'000	2012 £'000
Raw materials	14,721	13,439
Work in progress	525	530
Finished goods	54	-
	15,300	13,969

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Year ended 31 December 2013

11. DEBTORS

	2013 £'000	2012 £'000
Trade debtors	2,676	35,338
Amounts owed by General Motors Company and fellow subsidiary undertakings	78,289	71,169
Group relief receivable	690	632
Other debtors	1,014	1,307
Prepaid expenses and accrued income	8,006	1,416
Deferred tax (see note 14)	4,197	8,973
	94,872	118,835

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Trade creditors	78,471	83,039
Amounts owed to General Motors Company and fellow subsidiary undertakings	14,454	5,010
Taxation and social security	4,800	4,948
Other creditors	4,491	12,917
Accruals and deferred income	777	928
	102,993	106,842

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

	2013 £'000	2012 £'000
Deferred income		
- regional development and assistance grants	287	319

The value of Regional Development and Assistance Grants to be amortised after more than five years is £159,000 (2012: £191,000).

14. DEFERRED TAXATION

The amount of recognised deferred tax asset is as follows:

	2013 £'000	2012 £'000
Tax losses	4,197	8,973
Total recognised deferred tax asset	4,197	8,973

The amounts of unrecognised deferred tax assets are as follows:

	2013 £'000	2012 £'000
Accelerated capital allowances	17,963	18,927
Short term timing difference	129	148
Tax losses	8,454	9,742
Pension scheme deficit	13,020	18,239
Total unrecognised deferred tax balance	39,566	47,056

£4.197 million of the total deferred tax asset has been recognised as at 31 December 2013 (2012: £8.973 million) based on the period over which future profits can be reliably forecast.

In the 2012 Finance Act it was substantively enacted that the UK corporation tax rate would be reduced from 24% to 23% effective from 1 April 2013. In the 2013 Finance Act, a reduction of 2% to 21% was enacted effective from 1 April 2014 with a further reduction of 1% to 20% effective 1 April 2015.

15. PENSIONS

The Company makes contributions to two pension plans, each of which is of the "defined benefit" type where pensions are determined by an employee's earnings level and length of service. The two plans are the Vauxhall Motors Limited Pension Plan ('VMLPP') and the IBC Vehicles Pension Plan ("IBCVPP"). The assets of the plans are held in trustee-administered funds, and are completely separate from the assets of the Company.

Funding

Funding is provided at a level determined after taking independent professional actuarial advice, with the Company meeting the balance of the costs not covered by members' contributions.

Pension cost

The Company's total pension cost for 2013 was £7.2 million (2012: £10.3 million).

Contributions to the Pension Plans

During 2013 the Company made contributions to the plans of £16.3 million (2012: £17.4 million) including special contributions of £1.0 million (2012: £0.2 million). Company contributions to the plans are payable in accordance with the Schedules of Contributions agreed with the Trustee of the IBCVPP dated 28 March 2012 and agreed with the Trustee of the VMLPP dated 29 March 2012.

15. PENSIONS continued

Financial Reporting Standard 17 "Retirement Benefits"

The VMLPP into which the Company contributes is a multi-employer scheme. In the opinion of the Directors, it is not possible to separate out on a reasonable and consistent basis the assets and liabilities of the scheme between the different group companies which contribute to it. Accordingly, the VMLPP is accounted for on a defined contribution basis within IBC Vehicles Limited. The charge recognised in the year in respect of this scheme was £3.5 million (2012: £4.3 million). The IBCVPP into which the Company contributes is a single-employer scheme, and is accounted for on a defined benefit basis.

Employee benefit obligations
The amounts recognised in the balance sheet are as follows:

	IBCVPP	
	Value at 31 December 2013 £m	Value at 31 December 2012 £m
Present value of scheme liabilities	(267.7)	(258.0)
Fair value of plan assets	202.6	178.7
Deficit in scheme	(65.1)	(79.3)

The amounts recognised in profit or loss are as follows:

	IBCVPP	
	2013 £m	2012 £m
Current service cost	(3.4)	(3.5)
Interest on obligation	(11.1)	(11.3)
Expected return on plan assets	13.0	11.1
Curtailment cost	(0.3)	(2.5)
	(1.8)	(6.2)

	IBCVPP	
	2013 £m	2012 £m
Expected return on plan assets	13.0	11.1
Actuarial gain on plan assets	9.2	5.4
Actual return on plan assets	22.2	16.5

15. PENSIONS continued

Changes in the present value of the defined benefit obligation are as follows:

	IBCVPP 2013 £m	2012 £m
Opening defined benefit obligation	258.0	233.5
Current service cost	3.4	3.5
Interest cost	11.1	11.3
Curtailments	0.3	2.5
Net benefits paid out from plan assets	(10.1)	(9.4)
Actuarial loss on plan liabilities	5.0	16.6
Closing defined benefit obligation	267.7	258.0

Changes in the fair value of plan assets are as follows:

	IBCVPP 2013 £m	2012 £m
Opening fair value of plan assets	178.7	159.7
Expected return on assets	13.0	11.1
Contributions by the employer	11.8	11.9
Net benefits paid out	(10.1)	(9.4)
Actuarial gain on plan assets	9.2	5.4
Closing fair value of plan assets	202.6	178.7

The Company expects to contribute £13.2 million to its defined benefit pension plans in 2014.

The major categories of plan assets are as follows:

	IBCVPP Value at 31 December 2013 £m	Value at 31 December 2012 £m
Equities	100.1	99.3
Property	15.3	17.3
Government and non-government bonds	66.9	60.5
Other	20.3	1.6
Total fair value of assets	202.6	178.7

15. PENSIONS continued

The principal actuarial assumptions at the balance sheet date were:

	IBCVPP 31 December 2013 % pa	31 December 2012 % pa
RPI Inflation	3.50	3.10
CPI Inflation	2.80	2.40
Rate of general long-term increase in salaries	3.50	3.10
Rates of increase to pensions in payment		
- Guaranteed LPI (RPI to maximum of 2.5%)	2.10	1.90
- Guaranteed LPI (RPI to maximum of 5%)	3.20	2.90
- ½ RPI to maximum of 3%	1.75	1.55
- Post 88 GMP	2.20	2.00
Discount rate for scheme liabilities	4.43	4.37
Expected return on plan assets	7.54	7.48

Life expectancies used in the mortality assumptions:

	IBCVPP Life expectancy of a member currently aged 65	Life expectancy at age 65 of a member currently aged 45
Male	22.2	24.0
Female	23.9	25.9

Amounts for the current and previous four years are as follows:

	IBCVPP 2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Defined benefit obligation	(267.7)	(258.0)	(233.5)	(203.9)	(210.1)
Plan assets	202.6	178.7	159.7	162.9	144.9
Deficit	(65.1)	(79.3)	(73.8)	(41.0)	(65.2)
Experience adjustments on plan liabilities	5.4	1.6	3.6	4.4	1.3
Experience adjustments on plan assets	9.2	5.4	(13.5)	6.5	13.4
Changes in assumptions underlying the present value of the scheme liabilities	(10.4)	(18.2)	(27.1)	1.7	(28.3)
Actuarial gain/(loss) recognised in the Statement of Total Recognised Gains and Losses	4.2	(11.2)	(37.0)	12.6	(13.6)
Cumulative amount of actuarial (loss)/gain recognised in the Statement of Total Recognised Gains and Losses brought forward	(74.4)	(63.2)	(26.2)	(38.8)	(25.2)
Cumulative amount of actuarial loss recognised in the Statement of Total Recognised Gains and Losses carried forward	(70.2)	(74.4)	(63.2)	(26.2)	(38.8)

15. PENSIONS continued

VMLPP Pension

For the VMLPP, the whole assets and liabilities (not just those relating to IBC Vehicles Limited) updated to 31 December 2013 on the assumptions above were as follows:

	VMLPP 2013 £m	VMLPP 2012 £m
Assets	1,410.6	1,242.4
Liabilities	(2,143.7)	(2,032.7)
Deficit in scheme	(733.1)	(790.3)

16. CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Allotted, called up and fully paid:		
239,000,000 (2012: 239,000,000) ordinary shares of £1 each	239,000	239,000

17. RESERVES

	Share-based payment reserve £'000	Profit and loss account £'000
At 1 January 2013	39	(232,802)
Profit for the financial year	-	17,450
Actuarial gain for the financial year	-	4,200
Movement in shares to be issued in relation to the GMLTIP	8	-
At 31 December 2013	47	(211,152)

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Year ended 31 December 2013

18. COMMITMENTS

At 31 December 2013 there are capital expenditure commitments of £13.8m which are not provided for in these financial statements (2012: £35.7m).

At 31 December 2013 the Company was committed to making the following payments during the next year in respect of operating leases:

	Plant and machinery	
	2013	**2012**
	£'000	**£'000**
Leases which expire:		
Within one year	16	18
Within two to five years	69	84
	85	102

19. ULTIMATE PARENT UNDERTAKING

At 31 December 2013, the ultimate parent company and controlling entity of the Company, and parent of the largest group for which consolidated accounts are prepared of which this Company is a part, was General Motors Company, a company registered in the State of Delaware USA. The financial statements of General Motors Company are available from Global Headquarters, 300 Renaissance Centre, PO Box 300, Detroit, Michigan, 48265 - 3000 USA.

The immediate parent company and controlling entity of the Company is GM Holdings U.K. No. 1 Limited, a company incorporated in Great Britain and registered in England and Wales. The parent of the smallest group for which consolidated accounts are prepared of which this company is a part is General Motors Automotive Holdings S.L., a company registered in Spain. The financial statements of General Motors Automotive Holdings S.L. have been deposited at the commercial register of the City of Zaragoza, Book 2887, page Z-32723.

20. RELATED PARTY TRANSACTIONS

The Company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 "Related Party Transactions" not to disclose transactions with General Motors Company group companies or interests of either group who are related parties.

As detailed in note 15, the Company makes contributions to two of the five pension plans within the group, the Vauxhall Motors Limited Pension Plan ("VMLPP") and the IBC Vehicles Pension Plan ("IBCVPP").