

Company Registration No. 2091272

IBC VEHICLES LIMITED

Report and Financial Statements

31 December 2006



IBC VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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IBC VEHICLES LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Fulcher
D Sanford

SECRETARY

R S Nagi

REGISTERED OFFICE

Kimpton Road
Luton
LU2 0TY

BANKERS

Barclays Bank PLC

AUDITORS

Deloitte & Touche LLP
London

IBC VEHICLES LIMITED

DIRECTORS' REPORT

The Directors of IBC Vehicles Limited ("the Company") and its subsidiary undertaking submit their annual report on the affairs of the Group together with audited financial statements and independent auditors' report for the year ended 31 December 2006

PRINCIPAL ACTIVITIES

The activities of the Group continue to be the manufacture of motor vehicles, pressed parts and related spare parts and components. During the year the company introduced a mud cycle enhancement to the design of the vehicle which required additional investment in the production facility.

Within the UK, the Company's main products are marketed as the Vauxhall Vivaro, Renault Trafic and Nissan Primastar vans. In all other European countries, the Vivaro product is sold under the Opel badge, Renault and Nissan market their product as Trafic and Primastar respectively.

The subsidiary undertaking of the Group in the year is listed in note 1 to the financial statements.

BUSINESS REVIEW

The Company produced 89,065 vehicles during 2006 (2005 - 90,414). The plant continues to operate a three-shift production process and the lower volume was purely as a result of the model changeover. In fact standard daily output has increased in 2006 versus 2005.

Turnover per vehicle was £7,997 during 2006 (2005 - £7,696) and cost of sales per vehicle was £7,701 (2005 - £7,453) giving gross profit per vehicle of £296 (2005 - £243). The average number of vehicles manufactured per member of staff was 48 during 2006 (2005 - 45).

The vans were sold under 4 different badges: Vauxhall, Opel, Renault and Nissan and sold across all of Europe. The Group made a profit before tax in 2006 of £9,804 million (2005 - £10,832 million).

ENVIRONMENTAL MATTERS

The Company is a subsidiary of General Motors Corporation ("GM"). GM has for a number of years set itself worldwide energy saving targets as part of its Corporate Responsibility principles. For 2005-2010, GM has established new aggressive goals to reduce global facility energy use by 10% and CO2 emissions by 8%.

GM has a long term strategy to cut CO2 emissions across the whole product range. For GM, energy diversity and alternative propulsion technologies that improve fuel economy and reduce emissions are key to developing sustainable transportation. To deliver on this overarching objective, GM has a clear and comprehensive strategy for the development of alternative fuels and advanced propulsion systems, encompassing short, medium and long term objectives.

All GM manufacturing sites are ISO 14001 approved and GM actively encourages its suppliers to gain the same accreditation. GM's goal is to reduce waste as much as possible at its source and otherwise to reuse or recycle as much as is technically and practically possible.

All GM manufacturing sites worldwide have a five year target to reduce total waste by 15% from a 2000 baseline.

FUTURE DEVELOPMENTS

The company has one subsidiary, IBC Vehicles (Distribution) Limited. The company now plans to liquidate this company having commenced selling directly from IBC Vehicles Limited to its customers effective from 1st August 2006.

As a member of the European family of General Motors, the Company will continue to face a number of significant challenges in 2007 as the organisation continues to execute its turnaround plan to return to profitability on a European basis. Consequently the company will require funding support from General Motors Companies.

Demand for the Company's vans across the whole of Europe continues to be very positive and the factory expects to be able to deliver the market demand through continuous improvements in productivity.

IBC VEHICLES LIMITED

DIRECTORS' REPORT (continued)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group 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 most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. As these financial risks are managed entirely by the treasury function of the ultimate parent company, the Directors consider these risks are fully mitigated.

PRINCIPAL RISK AND UNCERTAINTY

The following comprises a summary of what the Directors believe are the main risks and uncertainties to which the Group is exposed, which could adversely affect the business, results of operations, cash flow, financial condition, turnover, profits, assets, liquidity and capital resources of the Group.

- The Group operates in a competitive market. If the Group does not continue to compete effectively by developing its products and responding to the activities of its competitors it could lose customers and its results, cash flow and financial conditions could be adversely affected.
- The occurrence of major operational problems could have an adverse effect on the Group's results of operations, cash flow and financial condition. The Group's revenues are dependent on the continued operation of its manufacturing facilities. 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. Whilst the Group maintains insurance at appropriate levels, some of the operational risks could result in losses in excess of the insurance cover or in uninsured losses.
- The loss of a significant number of key personnel could adversely affect the Group's results of operations, cash flow and financial condition.
- The Group derives a significant percentage of its revenue from sales to major customers outside of the General Motors Group and if it is unable to retain these customers, its results of operations, cash flow and financial condition could be adversely affected.
- The Group's reliance on key suppliers could result in an adverse effect on results of operations, cash flow and financial condition if the suppliers are unable to meet their obligations and if the Group 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 Group's operations, expose it to liability, increase its costs and have an adverse effect on its results of operations, cash flow and financial condition.

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.

DIVIDENDS

The Directors do not propose the payment of a dividend (2005 – £nil)

IBC VEHICLES LIMITED

DIRECTORS' REPORT (continued)

SUPPLIER PAYMENT POLICY

IBC Vehicles Limited aim to pay all their suppliers within the payment terms negotiated with each individual supplier. At 31 December 2006, the company's trade creditors represented 73 days of trade purchases (2005 - 73 days)

CHARITABLE AND POLITICAL CONTRIBUTIONS

No donations for political purposes were made during the year (2005 - £nil). The Company has made donations of £3,885 during the year for charitable purposes (2005 - £4,142)

DIRECTORS INDEMNITIES

The Group maintains insurance in respect of the Directors and officers against any such liabilities as are referred to in Section 309A of the Companies Act 1985

DIRECTORS AND THEIR INTERESTS

The present members of the Board of Directors are shown on Page 1. There were no changes in Directors during the year and since the year end

At the end of the year there existed an arrangement between companies in the United Kingdom Group and General Motors Corporation under which group companies met the cost of certain awards made by the General Motors Stock Incentive Plan to eligible employees, who qualify by virtue of their employment. Such awards might include awards of Common Stock or options for Common Stock of General Motors Corporation and the eligible employees to whom such awards might be made include Directors of the Company who are also employees or Directors of other United Kingdom group companies.

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

AUDITORS

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 auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be put to the Annual General Meeting. In addition, a further resolution will be put to the Meeting authorising the Directors to determine the Auditors' remuneration

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



John Fulcher

Director

21 May 2007

IBC VEHICLES LIMITED

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). The financial statements are required by law to 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, subject to any material departures disclosed and explained in the financial statements,
- 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 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 1985. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IBC VEHICLES LIMITED

We have audited the group and parent company financial statements (the "financial statements") of IBC Vehicles Limited for the year ended 31 December 2006 which comprise the consolidated profit and loss account, the group statement of total recognised gains and losses, the reconciliation of movement in consolidated shareholders' deficit, the consolidated and company balance sheets and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2006 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
21 May 2007

IBC VEHICLES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT **Year ended 31 December 2006**

	Notes	2006 £'000	2005 £'000
TURNOVER	2	712,216	695,808
Cost of sales		<u>(685,900)</u>	<u>(673,811)</u>
GROSS PROFIT		26,316	21,997
Other operating expenses		<u>(3,947)</u>	<u>(1,769)</u>
OPERATING PROFIT	3	22,369	20,228
Loss on disposal of fixed assets		<u>(5,696)</u>	<u>(506)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		16,673	19,722
Interest receivable	4	105	233
Interest payable and similar charges	5	<u>(5,674)</u>	<u>(8,423)</u>
Other finance charges	6	<u>(1,300)</u>	<u>(700)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,804	10,832
Tax credit on profit on ordinary activities	7	<u>9,926</u>	<u>-</u>
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	19	<u>19,730</u>	<u>10,832</u>

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

There are no movements in shareholders' funds other than the recognised gains and losses for the current and preceding financial years, consequently no reconciliation of movements in shareholders' funds has been prepared

IBC VEHICLES LIMITED

STATEMENT OF TOTAL CONSOLIDATED RECOGNISED GAINS AND LOSSES
Year ended 31 December 2006

	2006	2005
	£'000	£'000
Retained profit for the financial year	19,730	10,832
Share of actuarial gain/(loss) recognised in the pension scheme (see note 17)	10,700	(8,297)
TOTAL RECOGNISED GAINS AND LOSSES SINCE THE LAST ANNUAL REPORT AND FINANCIAL STATEMENTS	30,430	2,535

IBC VEHICLES LIMITED

CONSOLIDATED BALANCE SHEET 31 December 2006

	Notes	2006 £'000	2005 £'000
FIXED ASSETS			
Tangible assets	10	91,720	100,262
CURRENT ASSETS			
Stocks	12	13,531	11,674
Debtors	13	170,443	156,706
		<u>183,974</u>	<u>168,380</u>
CREDITORS:			
Amounts falling due within one year	14	<u>(291,674)</u>	<u>(295,177)</u>
NET CURRENT LIABILITIES		<u>(107,700)</u>	<u>(126,797)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(15,980)	(26,535)
CREDITORS:			
Amounts falling due after more than one year	15	(5,470)	(6,922)
PROVISIONS FOR LIABILITIES	16	<u>-</u>	<u>(33)</u>
NET LIABILITIES EXCLUDING PENSION LIABILITIES		(21,450)	(33,490)
NET PENSION SCHEME LIABILITIES	17	<u>(44,510)</u>	<u>(62,900)</u>
NET LIABILITIES INCLUDING PENSION LIABILITIES		<u>(65,960)</u>	<u>(96,390)</u>
CAPITAL AND RESERVES			
Called up share capital	18	239,000	239,000
Profit and loss account	19	<u>(304,960)</u>	<u>(335,390)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(65,960)</u>	<u>(96,390)</u>

These financial statements were approved by the Board of Directors on 21 May 2007 and are signed on its behalf by



John Fulcher
Director

21 May 2007

IBC VEHICLES LIMITED

COMPANY BALANCE SHEET 31 December 2006

	Notes	2006 £'000	2005 £'000
FIXED ASSETS			
Tangible assets	10	91,720	100,262
Investments	11	28	100
		<u>91,748</u>	<u>100,362</u>
CURRENT ASSETS			
Stocks	12	13,531	11,674
Debtors	13	170,444	156,678
		<u>183,975</u>	<u>168,352</u>
CREDITORS:			
Amounts falling due within one year	14	<u>(291,703)</u>	<u>(295,177)</u>
NET CURRENT LIABILITIES			
		<u>(107,728)</u>	<u>(126,825)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		(15,980)	(26,463)
CREDITORS:			
Amounts falling due after more than one year	15	(5,470)	(6,922)
PROVISIONS FOR LIABILITIES			
	16	<u>-</u>	<u>(33)</u>
NET LIABILITIES EXCLUDING PENSION LIABILITIES			
		(21,450)	(33,418)
NET PENSION SCHEME LIABILITIES			
	17	<u>(44,510)</u>	<u>(62,900)</u>
NET LIABILITIES INCLUDING PENSION LIABILITIES			
		<u>(65,960)</u>	<u>(96,318)</u>
CAPITAL AND RESERVES			
Called up share capital	18	239,000	239,000
Profit and loss account	19	<u>(304,960)</u>	<u>(335,318)</u>
EQUITY SHAREHOLDERS' DEFICIT			
		<u>(65,960)</u>	<u>(96,318)</u>

These financial statements were approved by the Board of Directors on 21 May 2007 and are signed on its behalf by



John Fulcher
Director

21 May 2007

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular 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 in conformity with United Kingdom applicable accounting standards. Prior year comparatives have been restated where appropriate to ensure consistency of presentation.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking up to 31 December 2006, using the acquisition method. The Company's sole subsidiary is IBC Vehicles (Distribution) Limited which is wholly owned. This company, registered in England and Wales, is a motor vehicle distributor.

Cash flow statement

The Group 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 GM Automotive UK, a company incorporated in Great Britain and registered in England and Wales. The results of IBC Vehicles Limited are consolidated in the accounts of GM Automotive UK (See note 21).

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, less any provision for impairment.

Freehold buildings	25 years
Plant, machinery and equipment	3 to 25 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.

Assets in the course of construction are not depreciated. 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.

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.

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.

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. 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.

Provision is made for any anticipated obsolescence of stocks.

Foreign currencies

Foreign currency monetary assets and liabilities at the balance sheet date are translated into sterling at rates prevailing at the balance sheet date or at forward cover rates, if applicable. Foreign currency transactions during the year are translated at the rate of exchange ruling at the time. The exchange gains and losses are dealt with through the profit and loss account for the year.

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 within IBC Vehicles Limited and on a defined benefit basis in the consolidated accounts of GM Automotive UK. 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. The Directors believe that it is correct to account for the whole of this scheme on a defined benefit basis in IBC Vehicles Limited.

In accordance with FRS17 the fair value of the IBCVPP pension scheme is reported in the balance sheet of the Group. 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.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment.

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

2. TURNOVER - GEOGRAPHICAL ANALYSIS BY DESTINATION

	2006 £'000	2005 £'000
United Kingdom	259,643	251,496
Other European countries	452,573	444,312
	<u>712,216</u>	<u>695,808</u>

The Group 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 Group

3. OPERATING PROFIT

	2006 £'000	2005 £'000
Operating profit on ordinary activities before taxation is after charging/(crediting):		
Depreciation and amortisation of tangible fixed assets		
Owned assets	8,716	8,012
Assets held under finance leases	1,263	2,215
Restructuring costs	3,072	1,138
Foreign exchange gain	(1,030)	(2,244)
Rentals under operating leases		
Hire of plant and machinery	258	268
Auditors' remuneration		
Audit fees	117	106
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE

	2006 £'000	2005 £'000
Bank interest	<u>105</u>	<u>233</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £'000	2005 £'000
Loans from group undertakings	(5,299)	(7,489)
Finance leases	(375)	(934)
	<u>(5,674)</u>	<u>(8,423)</u>

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

6. OTHER FINANCE CHARGES

	2006	2005
	£'000	£'000
Interest on pension scheme liabilities	(9,600)	(9,100)
Expected return on pension scheme assets	8,300	8,400
	<u>(1,300)</u>	<u>(700)</u>

7. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES

Group	2006	2005
	£'000	£'000
Current tax	-	-
Group relief	-	-
Adjustment in respect of prior years	(9,926)	-
	<u>(9,926)</u>	<u>-</u>
Current tax	(9,926)	-
Deferred tax	-	-
	<u>(9,926)</u>	<u>-</u>

The tax assessed for the period differs to that resulting from applying the standard rate of corporation tax in the UK of 30% (2005 – 30%) The differences are explained below

Group	2006	2005
	£'000	£'000
Profit on ordinary activities before tax	<u>9,804</u>	<u>10,832</u>
Tax at UK rate of 30% (2005 – 30%) thereon	2,941	3,250
Effects of		
Permanent differences	83	104
Depreciation in excess of capital allowances	3,278	-
Capital allowances in excess of depreciation	-	(1,466)
Short term timing differences	(2,310)	86
Group relief not paid for	(32)	(62)
Utilisation of losses brought forward	(3,960)	(1,912)
Prior year adjustment	(9,926)	-
Current tax for the year	<u>(9,926)</u>	<u>-</u>

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

8. DIRECTORS' EMOLUMENTS

	2006	2005
	£'000	£'000
Emoluments (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	261	123
Contributions paid to a money purchase pension scheme	-	-
	<u>No.</u>	<u>No.</u>
Number of Directors who received, or became eligible to receive, shares during the year	<u>-</u>	<u>3</u>
	<u>No.</u>	<u>No.</u>
Number of Directors (* includes the highest paid director) who		
are members of a defined benefit pension scheme	2*	3*
exercised share options	-	-
have received awards during the year in the form of shares under long-term incentive schemes	-	-
	<u>£'000</u>	<u>£'000</u>
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)	<u>163</u>	<u>78</u>
The amount of the accrued pension of the highest-paid director at 31 December 2006 is £42,000 p a (2005 – £36,000 p a)		

9. EMPLOYEES

	2006	2005
	No.	No.
Average weekly number excluding executive directors		
Administration	157	176
Production	1,709	1,840
	<u>1,866</u>	<u>2,016</u>
	2006	2005
	£'000	£'000
Costs		
Wages and salaries	56,396	57,520
Social security costs	4,502	4,575
Pension costs	2,531	5,786
	<u>63,429</u>	<u>67,881</u>

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

10. TANGIBLE FIXED ASSETS

The Group and the Company	Freehold land and buildings £'000	Plant, machinery and equipment £'000	Special tools, jigs and dies £'000	Total £'000
Cost				
At 1 January 2006	33,953	133,892	9,648	177,493
Additions at cost	3,402	7,022	26	10,450
Disposals	(1,632)	(15,332)	(55)	(17,019)
At 31 December 2006	<u>35,723</u>	<u>125,582</u>	<u>9,619</u>	<u>170,924</u>
Depreciation				
At 1 January 2006	10,752	63,714	2,765	77,231
Charge for the year	1,403	8,295	281	9,979
Disposals	(115)	(7,891)	-	(8,006)
At 31 December 2006	<u>12,040</u>	<u>64,118</u>	<u>3,046</u>	<u>79,204</u>
Net book value				
At 31 December 2006	<u>23,683</u>	<u>61,464</u>	<u>6,573</u>	<u>91,720</u>
At 31 December 2005	<u>23,201</u>	<u>70,178</u>	<u>6,883</u>	<u>100,262</u>

The net book value of fixed assets includes £4,145,608 (2005 – £12,451,364) in respect of assets held under finance leases all in respect of plant, machinery and equipment

11. INVESTMENTS

The Company	£'000
Shares in subsidiary at cost	
At 1 January 2006	100
Impairment (2005 £0)	(72)
31 December 2006	<u>28</u>

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

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

12. STOCKS

	The Group and the Company	
	2006	2005
	£'000	£'000
Raw materials	13,162	11,318
Work in progress	369	356
	<u>13,531</u>	<u>11,674</u>

13. DEBTORS

	The Group		The Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Trade debtors	63,836	61,412	63,836	5,105
Amounts owed by group undertakings				
Fellow subsidiary undertakings	105,268	91,439	105,269	151,295
Other debtors	1,098	3,855	1,098	278
Prepayments	241	-	241	-
	<u>170,443</u>	<u>156,706</u>	<u>170,444</u>	<u>156,678</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2006	2005	2006	2005
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	22	1	22	1
Obligations under finance leases (see note 15b)	1,452	1,290	1,452	1,290
Trade creditors	126,385	114,376	126,385	114,376
Amounts owed to group undertakings				
Fellow subsidiary undertakings	126,609	161,145	126,638	161,145
Corporation tax	24,205	-	24,205	-
Taxation and social security	7,063	11,326	7,063	11,326
Other creditors	5,139	4,016	5,139	4,016
Accruals and deferred income	799	3,023	799	3,023
	<u>291,674</u>	<u>295,177</u>	<u>291,703</u>	<u>295,177</u>

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

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

	The Group and the Company	
	2006	2005
	£'000	£'000
Obligations under secured finance leases (see note 15b)	5,470	6,922

15.b FINANCE LEASE OBLIGATIONS

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	
	2006	2005
	£'000	£'000
Within one year (see note 14)	1,452	1,290
Between one and five years (see note 15a)	5,470	6,922
	<u>6,922</u>	<u>8,212</u>

16. PROVISIONS FOR LIABILITIES

The Group and the Company	Contract cancellation costs £'000
At 1 January 2006	33
Released to the profit and loss account	<u>(33)</u>
At 31 December 2006	<u>-</u>

Contract cancellation costs

The provision relates to the cost of cancelling contracts for expenditure expected to be incurred in relation to the cessation of Frontera production

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

16. PROVISIONS FOR LIABILITIES (continued)

Deferred taxation

There is no deferred taxation provided in the current or prior years. The amounts of unprovided deferred taxation are as follows:

	The Group and the Company	
	2006	2005
		as restated
	£'000	£'000
Accelerated capital allowances	(18,262)	1,655
Short term timing differences	(65)	703
Tax losses	(50,314)	(81,681)
Pension scheme deficit	(13,350)	(18,870)
	<hr/>	<hr/>
Total unprovided deferred tax balance	(81,991)	(98,193)
	<hr/>	<hr/>

17. 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 2006 was £2.5 million (2005 - £5.8 million). The latest actuarial valuation of the VMLPP and IBCVPP plans were performed at 1 January 2005. The actuarial valuations were performed using a market-led approach in which the assets are valued at their market value at the date of the valuation, and liabilities are valued using financial assumptions derived from market yields on Fixed Interest and Index-linked Government stock at the valuation date.

Contributions to the Pension Plans

During 2006 the Company made contributions to the plans of £11.5 million (2005 - £5.5 million). On 1 March 2006, Company contributions to the IBCVPP increased from 17% to 27.4% of pensionable pay and Company contributions to the VMLPP increased from 14% to 25.6% of pensionable pay.

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS **Year ended 31 December 2006**

17. PENSIONS (continued)

Financial Reporting Standard 17 "Retirement Benefits"

The principal assumptions used by the independent, qualified actuaries in updating the latest valuations of the schemes for FRS17 purposes were

	31 December 2006 % pa	31 December 2005 % pa	31 December 2004 % pa
Price inflation	3.1	2.9	2.9
Rate of general long-term increase in salaries	3.6	3.4	3.4
Rates of increase to pensions in payment			
- Guaranteed LPI (RPI to maximum of 2.5%)	2.3	2.1	N/A
- Guaranteed LPI (RPI to maximum of 5%)	3.1	2.8	2.7
- ½ RPI to maximum of 3%	1.6	1.4	1.4
Discount rate for scheme liabilities	5.2	4.8	5.3
Long-term rate of return on assets			
- Equities	8.3	7.6	8.5
- Property	6.7	7.1	7.5
- Government bonds	4.5	4.1	4.5
- Corporate bonds	5.2	4.5	5.2
- Other	7.5	4.5	4.8

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 and on a defined benefit basis in the consolidated accounts of GM Automotive UK.

The IBCVPP into which the Company contributes is a single-employer scheme. The Directors believe that it is correct to account for the whole of this scheme on a defined benefit basis in IBC Vehicles Limited.

The values of assets and liabilities below are the result of an update exercise performed by qualified actuaries as at 31 December 2006, rather than a full actuarial valuation at the balance sheet date. The update exercise is based on the last full valuations that were carried out at 1 January 2005 for both the VMLPP and IBCVPP. The update exercise did not involve the same level of detail as a full actuarial valuation, and there may be differences between the results of the update and those of a full valuation. The figures below are based on what are, in the Directors' opinion reasonable assumptions, and reflect their best estimate of the current position.

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2006

17. PENSIONS (continued)

Financial Reporting Standard 17 "Retirement Benefits" (continued)

The assets and liabilities of the IBCVPP scheme at 31 December 2006 were

	Value at 31 December 2006 £m	IBC VPP Value at 31 December 2005 £m	Value at 31 December 2004 £m
Equities	85.4	80.4	66.4
Property	16.1	13.1	11.2
Government bonds	29.5	27.7	24.4
Corporate bonds	19.2	16.6	16.3
Other	2.6	0.5	0.7
	<hr/>	<hr/>	<hr/>
Total market value of assets	152.8	138.3	119.0
Present value of scheme liabilities	(197.3)	(201.2)	(172.6)
	<hr/>	<hr/>	<hr/>
Deficit in scheme	(44.5)	(62.9)	(53.6)

Further information regarding the IBCVPP scheme is shown below

The analysis of the amount charged to operating profit was as follows

	IBC VPP 2006 £m	2005 £m
Current service cost	3.7	3.9
Past service cost	(6.4)	-
Separation Programme costs	1.4	-
	<hr/>	<hr/>
Total operating (credit)/charge	(1.3)	3.9

The analysis of the amount charged to other finance charges was as follows

	IBC VPP 2006 £m	2005 £m
Expected return on pension scheme assets	8.3	8.4
Interest on pension scheme liabilities	(9.6)	(9.1)
	<hr/>	<hr/>
Net finance cost	(1.3)	(0.7)

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

17. PENSIONS (continued)

Financial Reporting Standard 17 "Retirement Benefits" (continued)

The amounts recognised in the Statement of Total Recognised Gains and Losses were as follows

	IBCVPP	
	2006	2005
	£m	£m
Actual return less expected return on pension scheme assets	4.3	13.2
Experience losses arising on the scheme liabilities	(0.5)	-
Changes in assumptions underlying the present value of the scheme liabilities	6.9	(21.5)
	<u>10.7</u>	<u>(8.3)</u>
Actuarial gain/(loss) recognised in the Statement of Total Recognised Gains and Losses	<u>10.7</u>	<u>(8.3)</u>

The analysis of movement in the pension scheme deficit during the year was as follows

	IBCVPP	
	2006	2005
	£m	£m
Deficit in scheme at the beginning of the year	(62.9)	(53.6)
Current service cost	(3.7)	(3.9)
Past service cost	6.4	-
Separation Programme costs	(1.4)	-
Contributions	7.7	3.6
Other finance charge	(1.3)	(0.7)
Actuarial gain/(loss)	10.7	(8.3)
	<u>(44.5)</u>	<u>(62.9)</u>
Deficit in scheme at the end of the year	<u>(44.5)</u>	<u>(62.9)</u>

History of experience gains and losses was as follows

	2006	2005	IBCVPP		
			2004	2003	2002
Difference between expected and actual return on scheme assets					
Amount (£m)	4.3	13.2	2.8	7.8	(20.2)
Percentage of scheme assets	2.8%	9.5%	2.4%	7.1%	(21.3%)
Experience gains/(losses) on scheme liabilities					
Amount (£m)	(0.5)	-	0.2	(0.1)	18.6
Percentage of the present value of the scheme liabilities	(0.3%)	0.0%	0.1%	(0.1%)	13.0%
Total amount recognised in Statement of Total Recognised Gains and Losses					
Amount (£m)	10.7	(8.3)	(3.6)	(1.0)	(3.1)
Percentage of the present value of the scheme liabilities	5.4%	(4.1%)	(2.1%)	(0.6%)	(2.2%)

IBC VEHICLES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

20. COMMITMENTS

At 31 December 2006 the Group and the Company had capital expenditure commitments amounting to £1 7 million, which are not provided for in these financial statements (2005 – £3 0 million)

At 31 December 2006 the Group and the Company were committed to making the following payments during the next year in respect of operating leases

	Plant and machinery	
	2006	2005
	£'000	£'000
Leases which expire		
Within one year	8	10
Within two to five years	250	258
	<hr/>	<hr/>
	258	268
	<hr/> <hr/>	<hr/> <hr/>

21. ULTIMATE PARENT UNDERTAKING

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, is General Motors Corporation, a company registered in the State of Delaware USA. The financial statements of General Motors Corporation 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 Automotive UK, 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 GM Automotive UK. The consolidated accounts of GM Automotive UK will be filed with the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

22. 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 Corporation group companies or interests of the General Motors Corporation group who are related parties.