

VAUXHALL MOTORS LIMITED

Report and Financial Statements

31 December 2005



VAUXHALL MOTORS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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VAUXHALL MOTORS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K J Benjamin
J Browning
C W Parfitt
K Ward

SECRETARY

K J Benjamin

REGISTERED OFFICE

Griffin House
Osborne Road
Luton
Bedfordshire LU1 3YT

BANKERS

Barclays Bank PLC
Lloyds TSB Bank plc

ACTUARIES

Hewitt Bacon & Woodrow Limited
Epsom, Surrey

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

DIRECTORS' REPORT (CONTINUED)

The Directors of Vauxhall Motors Limited ("the Company") submit their annual report and audited financial statements for the year ended 31 December 2005.

ACTIVITIES

The Company manufactures, markets and services passenger cars and light vans.

Vauxhall's vehicle and component manufacturing activities are located at Ellesmere Port, Cheshire which produces the Astra. In 2005 Ellesmere Port produced 188,764 vehicles.

The Company's sales and marketing activities, as well as corporate headquarters' functions, are located in Luton at Griffin House. The after-sales parts warehouse, with a capacity for nearly 83,000 different part lines is situated at Toddington Road in Luton.

BUSINESS REVIEW

Vauxhall Motors is part of the General Motors Corporation ("GM"), which is listed on the New York Stock Exchange (NYSE ticker: GM). GM's results for the past 12 months, which includes those of Vauxhall Motors, were released on 26 January 2006.

The company reported a loss before tax in 2005 of £147.9 million. On an operating basis excluding exceptional items this shows an improvement versus 2004. This was mainly attributable to increased production volume and improved efficiency at the Ellesmere Port plant.

Vauxhall's share of the UK car market improved versus 2004 at 13.0 percent, (from 12.7 percent) with 317,353 registrations (325,010 in 2004) in a market that declined year on year by 5.0 percent (127,552 unit decline). For the third year in succession, Vauxhall remained in 1st place in UK Fleet market and held 2nd place in the retail car market whilst closing the gap with the market leader by 0.5 percent.

Vauxhall sales of commercial vehicles were 52,481 units versus 48,528 in 2004 in a market that declined year on year by 2.0 percent (6,669 unit decline). This is the first time ever that Vauxhall has achieved annual LCV registrations in excess of 50,000 units. Vauxhall ended the year in 2nd place in the commercial vehicle market with a market share of 16.3 percent (14.7 percent in 2004).

Key highlights of the year were the successful launches of the new 3 door Astra Sports Hatch, including a well received VXR variant, and a new Monaro VXR, which built on the critical acclaim that was given to this sports coupe during the previous year. New enhanced versions of Vectra and Signum with tailored driving dynamics for use on the UK roads were released in October, with the motoring press acknowledging that the vehicles were "transformed" as a result. The family-driven New Zafira was launched in July, benefiting from an updated interior and exterior and increased versatility of its unique Flex7 passenger and load space organiser.

In 2005 Vauxhall topped the sales charts for combined car and commercial vehicles sales for 3 months of the year, the current record for the number of times the company has held the number one position for the combined figure.

Several prestigious awards were won by Vauxhall for its role as a manufacturer and also for its products. Highlights included the Astra winning 'New Fleet Car of the Year' at the 2005 Fleet Excellence awards, 'Best Lower Medium Car' at the Fleet News awards, 'Best Fleet Car' at the Fleet World Honours and the Association of Fleet Car Operators 'Car of the Year'. The new Vectra Estate was named 'Estate Car of the Year' by What Car? magazine. Vauxhall was named the best Fleet Manufacturer at the FleetWorld Honours.

DIRECTORS' REPORT (CONTINUED)

Commercial Vehicles also gathered several awards. Combo was named 'Best Small Van' by Professional Van and Light Truck magazine and 'Best Light Van' by Commercial FleetWorld, which also named the 1.3 CDTi engine as 'Best CV Engine' and the Vivaro as 'Best Medium Van'. Vivaro also was awarded 'Best Large Van' at the Commercial Motor Testers' Choice Awards and once again Vauxhall's entire Commercial Vehicle range was recognised with the 'Best "One-stop Shop" Award' for conversions by What Van? magazine. As stated above, total production volume at Ellesmere Port increased by 27.6 percent compared to 2004 with 188,764 units (147,918 in 2004). Exports grew to 122,762 units (88,442 units in 2004), an increase of 38.8 percent compared to 2004.

Throughout 2005, Vauxhall executed several major marketing drives, including the "Million Mile Test Drive" where anyone who wished to test drive a Vauxhall was given an evaluation car for 3 days. The VXR brand, which offers high performance versions of Vauxhall's most popular models, was launched with the VXR220 and Monaro VXR variants which quickly sold out before the end of 2004. Higher volume VXR models became available in 2005 with the launch of Astra VXR, Vectra VXR and Zafira VXR. The range will be joined by the launch of Meriva VXR in 2006.

The VX Racing motor sport team enjoyed continued success in 2005. Vauxhall were the constructors champions for the 5th successive year with the introduction of a brand new vehicle based on the Astra Sport Hatch which won its debut race. Vauxhall has now been competing in the BTCC for an unprecedented 18 consecutive years.

FUTURE DEVELOPMENTS

As a member of the European family of General Motors, the Company will face a number of significant challenges in 2006 as the organization continue to restructure to achieve profitability on a European basis and consequently we will require funding support from General Motors Companies. A key programme to aid General Motors Europe in this endeavour was announced in late 2004 by General Motors Europe. This has reduced Europe-wide annual costs by around €500 million.

Vauxhall product launches in 2006 will include a number of key models. As well as the launch of the Meriva VXR in February, the entire Meriva range will enjoy a series of enhancements. The Astra range is fully rounded out with the launch of the Astra Twin Top in summer. This is an Astra convertible model with a class leading 3-piece retractable metal roof which looks certain to enjoy the same positive reviews as those bestowed on the Tigra.

A new Astravan based on the latest Astra model line will be launched in midsummer and is to be built at the Ellesmere Port facility. Vauxhall will re-enter the Sport Utility Vehicle segment with a new vehicle called Antara, which is to be launched in 2007. This new 4x4 debuted at Frankfurt in 2005 and was the winner of Autocar magazine's 'Concept of the Year' award.

The final major launch of 2006 will be the New Corsa. This is a key replacement model for Vauxhall as the current Corsa model ended 2005 as the leader in its fleet segment for an astonishing 32 consecutive months. Both three door and five door variants will be available on launch.

FINANCIAL RISK MANAGEMENT

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 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.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are given in note 25 to the accounts.

DIVIDENDS

No dividends were paid during 2004 and 2005. No final dividend is proposed for the year ended 31 December 2005.

DIRECTORS' REPORT (CONTINUED)

EMPLOYEE POLICIES

The Company operates an Equal Opportunities policy that is applied to all employees, contractors and agencies working for the Company.

Our business operations involve us in many relationships with employees, unions, government (both local and national), NGO's (Non-Governmental Organisations), communities, customers, suppliers and our parent company and sister businesses in their roles as investors in Vauxhall. Throughout the year we continued with our stakeholder consultations in all areas of our business - internal communications through weekly, monthly and annual publications; quarterly financial and state of the business reviews; along with an executive conference for all senior managers. Regular meetings were also held with key stakeholders outside the organisation including government, suppliers and NGO's. Vauxhall continues to explore how the company can participate in further initiatives across the community in support of a sustainable business.

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.

VALUATION OF TANGIBLE FIXED ASSETS

The Directors consider the carrying value of tangible fixed assets is not materially different from the market value.

CREDITOR PAYMENT POLICY

Vauxhall Motors Limited aim to pay all their suppliers within the payment terms negotiated with each individual supplier. At 31 December 2005, the company's trade creditors represented 59 days of trade purchases (2004 - 69 days).

INVESTMENTS IN DEALERSHIPS

The Company operates a Dealer Investment Plan. The primary objective is to provide financial assistance to suitably qualified candidates to set up dealerships, with the object of buying down the Company's interests in the shortest period possible. This financial support is provided by the Company investing in redeemable preference shares, debentures and loan stock of dealership companies. The Company retains control over major operational decisions until the operator has redeemed an agreed percentage of the preference shares. The Company also maintains a minority stake after buydown which enables it to retain control over strategic decisions, including, for example, use and location of the dealer's sites. (see note 12(b) to the accounts).

DONATIONS

No donations for political purposes were made during the year. The Company's donations for charitable purposes in 2005 totalled £211,695 (2004 - £235,127).

RESEARCH AND DEVELOPMENT

General Motors' Technical Development Centre (a division of Adam Opel AG, a fellow subsidiary undertaking), which has overall responsibility for vehicle design and development in Europe, carries out research and development activities on behalf of the Company in Germany. In the UK the Vauxhall Engineering Centre at Millbrook in Bedfordshire is an engineering centre of excellence for vans.

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:

M James	(resigned 1 November 2005)
K Ward	(appointed 1 November 2005)


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 employees or Directors of other United Kingdom group companies. During the year all Directors held shares or options in General Motors Corporation.

The Directors had no interests at any time during the year in the shares of Vauxhall Motors Limited, nor any other company within the United Kingdom group.

AUDITORS

A resolution proposing the reappointment of Deloitte & Touche LLP as Auditors of the Company 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



Director
23rd Oct 2006

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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VAUXHALL MOTORS LIMITED

We have audited the financial statements of Vauxhall Motors Limited for the year ended 31 December 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movement in shareholders' deficit, the balance sheet and the related notes 1 to 25. 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

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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

23rd October 2006

VAUXHALL MOTORS LIMITED**PROFIT AND LOSS ACCOUNT****Year ended 31 December 2005**

	Note	2005 £m	2004 as restated £m
TURNOVER	2	<u>3,960.8</u>	<u>3,784.9</u>
Cost of sales			
Exceptional restructuring costs	3	-	(32.1)
Other cost of sales		<u>(3,764.0)</u>	<u>(3,621.8)</u>
Total cost of sales		<u>(3,764.0)</u>	<u>(3,653.9)</u>
GROSS PROFIT		196.8	131.0
Distribution costs		(308.8)	(289.6)
Administrative expenses		<u>(30.9)</u>	<u>(24.8)</u>
OPERATING LOSS	3	<u>(142.9)</u>	<u>(183.4)</u>
Dividend and final distribution on liquidation of subsidiary	4	-	125.6
Exceptional profit on disposal of fixed assets	4	<u>-</u>	<u>10.6</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(142.9)	(47.2)
Net interest payable and similar charges	5	(4.8)	(11.3)
Other finance charges	6	<u>(0.2)</u>	<u>(0.1)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(147.9)	(58.6)
Tax credit on loss on ordinary activities	7	<u>87.8</u>	<u>30.3</u>
RETAINED LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	20	<u><u>(60.1)</u></u>	<u><u>(28.3)</u></u>

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

There are no material differences between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

VAUXHALL MOTORS LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
Year ended 31 December 2005

	2005	2004
	£m	as restated £m
Loss for the financial year	(60.1)	(28.3)
Share of actuarial loss recognised in the pension scheme (see note 18)	(1.5)	(0.9)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(61.6)	(29.2)
Prior year adjustments (note 1 – adoption of FRS17 “Retirement Benefits”)	70.7	
TOTAL RECOGNISED GAINS AND LOSSES SINCE THE LAST ANNUAL REPORT	(9.1)	

**RECONCILIATION OF MOVEMENT IN
SHAREHOLDERS’ DEFICIT**
Year ended 31 December 2005

	2005	2004
	£m	as restated £m
Loss for the financial year	(60.1)	(28.3)
Other gains and losses relating to the year	(1.5)	(0.9)
NET INCREASE IN SHAREHOLDERS’ DEFICIT	(61.6)	(29.2)
Opening shareholders’ deficit (originally £360.4m before deducting prior year adjustments of £70.7m)	(289.7)	(260.5)
CLOSING SHAREHOLDERS’ DEFICIT	(351.3)	(289.7)

VAUXHALL MOTORS LIMITED**BALANCE SHEET**
31 December 2005

	Note	2005 £m	2004 as restated £m
FIXED ASSETS			
Tangible assets			
- Land, buildings, plant, machinery and equipment	10	275.0	322.4
- Special tools, jigs and dies	11	28.8	33.8
Investments			
- Shares in group undertaking	12a	0.5	0.5
- Other investments	12b	18.9	20.5
		<u>323.2</u>	<u>377.2</u>
CURRENT ASSETS			
Stocks	13	706.5	749.6
Debtors	14	529.7	540.1
Cash at bank and in hand		0.7	5.9
		<u>1,236.9</u>	<u>1,295.6</u>
CREDITORS:			
Amounts falling due within one year	15	<u>(1,673.7)</u>	<u>(1,722.3)</u>
NET CURRENT LIABILITIES		<u>(436.8)</u>	<u>(426.7)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(113.6)</u>	<u>(49.5)</u>
CREDITORS:			
Amounts falling due after more than one year	16	(15.4)	(21.1)
PROVISIONS FOR LIABILITIES	17	<u>(217.7)</u>	<u>(215.7)</u>
NET LIABILITIES EXCLUDING PENSION LIABILITIES		<u>(346.7)</u>	<u>(286.3)</u>
NET PENSION SCHEME LIABILITIES	18	<u>(4.6)</u>	<u>(3.4)</u>
NET LIABILITIES INCLUDING PENSION LIABILITIES		<u>(351.3)</u>	<u>(289.7)</u>
CAPITAL AND RESERVES			
Called up share capital	19	45.9	45.9
Capital reserve	20	0.1	0.1
Profit and loss account	20	<u>(397.3)</u>	<u>(335.7)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(351.3)</u>	<u>(289.7)</u>

These financial statements were approved by the Board of Directors on 23rd October and are signed on its behalf by:

K Ward
Director

23rd Oct 2006

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

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. The company has adopted FRS17 in relation to its defined benefit pension schemes.

Accounting basis

The financial statements are prepared on the historical cost basis in conformity with applicable United Kingdom accounting standards. Prior year comparatives have been restated where appropriate to ensure consistency of presentation.

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 Vauxhall Motors Limited is a wholly-owned subsidiary of GM Automotive UK, a company incorporated in Great Britain. The results of Vauxhall Motors are consolidated in the accounts of GM Automotive UK (see note 23).

Tangible fixed assets

Freehold land is not depreciated. Freehold and leasehold buildings and plant, machinery and equipment costs are written off over the estimated remaining useful lives on a straight-line basis.

For the major asset categories asset lives are as follows:

Freehold improvements and buildings	25 years
Plant, machinery and equipment	7-10 years

Leasehold property is written off at rates appropriate to the period of the lease or at 4 per cent per annum, whichever is the greater.

Special tools, jigs and dies

The cost of special tools, jigs and dies is written off over the estimated production run of the models to which they relate or a maximum of six years.

Fixed asset investments

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

Fixed asset and special tool leasing

Where fixed assets and special tools are financed by leasing agreements that give rights approximately equivalent to ownership (finance leases) the assets are treated as if they had been purchased outright at the present value of the total rental payable during the primary period of the lease, and the corresponding leasing commitments are treated as obligations to the lessor.

Depreciation or amortisation on the relevant assets is provided at the rates referred to above.

Leasing payments are treated as consisting of capital and interest elements with the interest charged against revenues.

All other leases are operating leases, the annual rentals of which are charged to the profit and loss account on a straight-line basis over the term of the lease.

Taxation

The charge of 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

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 tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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 financial statements.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

1. ACCOUNTING POLICIES (continued)

Deferred taxation (continued)

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.

Regional development and assistance grants

Regional development and assistance grants are credited to income over the estimated lives of the assets to which the grants relate at the date of grant.

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

Warranty liability on Company products

Provision is made for the estimated liability on all products under warranty.

Pensions costs

During the year the Company adopted Financial Reporting Standard 17 "Retirement Benefits" in full ("FRS17"). The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied. Details of the impact on prior year results are given in note 18 and note 20.

The Company makes contributions to three 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 three plans are the Vauxhall Motors Limited Pension Plan ("VMLPP"), the General Motors Retirees Pension Plan ("GMRPP") and the Vauxhall and Associated Companies Pension Fund ("VACPF").

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 Vauxhall Motors 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 GMRPP and VACPF are accounted for on a defined benefit basis. All three pension schemes are accounted for on a defined benefit basis in the consolidated accounts of GM Automotive UK

In accordance with FRS17 the fair value of the pension schemes 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.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**1. ACCOUNTING POLICIES (continued)****Pension costs (continued)**

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.

Revenue

In accordance with Application Note G to Financial Reporting Standard 5 "Reporting the Substance of Transactions", revenue is recognised under an exchange contract with a customer, when, and to the extent that, the Company obtains the right to consideration in exchange for its performance.

Revenue represents the sales of motor vehicles, components, parts and accessories net of trade discounts, VAT and other sales related taxes. Provisions for dealer and customer incentives, allowances and rebates are made at the time of vehicle sales and are recorded against revenue.

Certain vehicles are sold under agreements containing residual value or repurchase commitments. If the substance of the transaction indicates that the Company has not transferred the principal risks and rewards of vehicle ownership to the purchaser, the transaction is accounted for as a grant of an operating lease until an economic sale of the vehicle has been made.

2. TURNOVER

The operations of the Company are based exclusively in the United Kingdom. All turnover relates to the sale of automotive products.

	2005 £m	2004 £m
Geographical analysis of turnover by destination:		
United Kingdom	2,898.7	2,975.0
Rest of Europe	1,061.4	809.0
Rest of the World	0.7	0.9
	<u>3,960.8</u>	<u>3,784.9</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

3. OPERATING LOSS

	£m	2005 £m	£m	2004 £m
Operating loss is arrived at after charging/(crediting)				
Depreciation of tangible fixed assets				
- owned		40.4		64.2
Exceptional restructuring costs				
- other charges	-		7.7	
- cessation of Vectra production	-		24.4	
- charged through profit and loss account		-		32.1
Amortisation of special tools, jigs and dies				
- owned		9.9		7.6
Foreign exchange losses/(gains)		15.2		(1.0)
Rentals under operating leases				
- Hire of plant and machinery		1.0		0.8
- Other operating leases		2.7		2.2
Amortisation of regional development grants		(1.4)		(1.6)
Increase/(release) of provision for write down of investments in dealerships		0.1		(0.2)
Loss on disposal of tangible fixed assets		2.2		7.9
Auditors' remuneration				
- audit fees		0.3		0.3
- non-audit fees		0.1		0.2

Exceptional restructuring costs in 2004 comprise £7.7 million representing the company's share of certain restructuring costs incurred by the Fiat-GM joint venture which are borne by the joint venture parties and £24.4 million relating to the cessation of the Vectra production at Ellesmere Port.

4. EXCEPTIONAL INCOME

	2005 £m	2004 £m
Dividend and final distribution on liquidation of subsidiary		
Vauxhall Properties Limited	-	125.6
Exceptional profit on disposal of fixed assets		
Profit on sale of freehold land	-	10.6

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**5. NET INTEREST PAYABLE**

	2005	2004
	£m	£m
Loans from group undertakings	(13.8)	(16.8)
Other interest expense	(1.1)	(0.5)
	<hr/>	<hr/>
Interest payable and similar charges	(14.9)	(17.3)
	<hr/>	<hr/>
Loans to group undertakings	8.0	5.9
Bank interest receivable	-	0.1
Other	2.1	-
	<hr/>	<hr/>
Interest receivable and similar income	10.1	6.0
	<hr/>	<hr/>
Net interest payable	(4.8)	(11.3)
	<hr/>	<hr/>

6. OTHER FINANCE CHARGES

	2005	2004
	£m	as restated £m
Interest on pension scheme liabilities	(15.2)	(16.0)
Expected return on pension scheme assets	15.0	15.9
	<hr/>	<hr/>
	(0.2)	(0.1)
	<hr/>	<hr/>

7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2005	2004
	£m	as restated £m
Current tax:		
UK corporation tax at 30% (2004 – 30%)	(49.5)	-
Adjustment in respect of prior periods	(15.8)	(30.3)
	<hr/>	<hr/>
	(65.3)	(30.3)
Deferred tax:		
Deferred tax credit	(22.5)	-
	<hr/>	<hr/>
	(87.8)	(30.3)
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 December 2005
7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES (continued)

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

	2005 £m	2004 as restated £m
Loss on ordinary activities before tax	(147.9)	(58.6)
Tax at UK rate of 30% thereon	(44.4)	(17.6)
Effects of:		
Non-taxable income and expenses not deductible for tax purposes	(0.1)	(37.8)
Capital allowances in excess of depreciation	(8.4)	25.4
Other timing differences	(2.1)	(1.1)
Group relief at nil value	5.5	2.5
Tax losses	-	28.6
Prior period adjustments	(15.8)	(30.3)
Current tax credit for the year	(65.3)	(30.3)

8. EMPLOYEES

	2005 No.	2004 No.
a. Average monthly number		
Salaried	953	944
Hourly	3,901	4,103
	4,854	5,047
	2005 £m	2004 as restated £m
b. Costs		
Wages and salaries	164.8	170.4
Social security costs	13.5	12.9
Pension costs	18.5	11.4
	196.8	194.7

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**9. EMOLUMENTS OF DIRECTORS**

	2005	2004
	£'000	£'000
Directors' emoluments	796.3	1,334.6
Aggregate of contributions paid in respect of money purchase pension schemes	24.3	23.3
	<u> </u>	<u> </u>
	No.	No.
Number of Directors who received, or became eligible to receive, shares during the year	6	6
	<u> </u>	<u> </u>
	No.	No.
Number of Directors who are members of a money purchase pension scheme	4	3
Number of Directors who are members of a defined benefit pension scheme	5	6
	<u> </u>	<u> </u>
	£'000	£'000
In respect of the highest paid Director:		
Aggregate emoluments	204.9	375.3
Contributions paid in respect of the money purchase pension scheme	9.2	-
Annual pension accrued under a defined benefit pension scheme	18.5	103.9
Shares received under long-term incentive plan	-	67.8
	<u> </u>	<u> </u>

The emoluments of certain Directors, including those of the highest paid Director, have been apportioned between the General Motors Corporation group companies in the United Kingdom of which they are Directors. A significant portion of the incentive compensation of Directors is based on the annual as well as longer-term financial results of General Motors Europe and General Motors Corporation. Also included within the above emoluments, where applicable, are certain benefits-in-kind, principally housing and living allowance costs.

Some of the non-UK national Directors were paid in US dollars, the translation of their emoluments to pounds sterling has been at rates closely approximating to the market rates at the time of payment.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005
10. TANGIBLE FIXED ASSETS - LAND, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT

	Freehold land and buildings £m	Long leasehold land and buildings £m	Plant, machinery and equipment £m	Total £m
Cost or valuation				
At 1 January 2005	407.1	9.1	512.1	928.3
Additions	2.2	-	7.4	9.6
Disposals	(11.2)	-	(49.2)	(60.4)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	398.1	9.1	470.3	877.5
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation				
At 1 January 2005	272.9	3.7	329.3	605.9
Charge for the year	9.4	1.5	29.5	40.4
Disposals	(3.9)	-	(39.9)	(43.8)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	278.4	5.2	318.9	602.5
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2005	119.7	3.9	151.4	275.0
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	134.2	5.4	182.8	322.4
	<hr/>	<hr/>	<hr/>	<hr/>

The opening balance includes a revision to the cost and accumulated depreciation. There is no overall impact on the total net book value.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**11. TANGIBLE FIXED ASSETS – SPECIAL TOOLS, JIGS AND DIES**

	£m
Cost	
At 1 January 2005	127.4
Additions	6.5
Disposals	(91.1)
	<hr/>
At 31 December 2005	42.8
	<hr/>
Amortisation	
At 1 January 2005	93.6
Charge for the year	9.9
Disposals	(89.5)
	<hr/>
At 31 December 2005	14.0
	<hr/>
Net book value	
At 31 December 2005	28.8
	<hr/>
At 31 December 2004	33.8
	<hr/>

12. FIXED ASSET INVESTMENTS**a. Shares in group undertakings**

	£m
500,002 £1 ordinary shares in subsidiary at cost:	
At 1 January 2005 and at 31 December 2005	0.5
	<hr/>

The Company's sole subsidiary is Vauxhall Engineering Centre Limited, which is wholly-owned. This company, which is registered in England and Wales, provides automotive product development services. Vauxhall Engineering Centre Limited is not consolidated in these accounts due to its immateriality to the Company.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

12. FIXED ASSET INVESTMENT (continued)

b. Other investments

	2005	2005	2005	2004
	£m	£m	£m	£m
	Cost	Provision	Net	Net
Investments in dealerships	16.0	(1.1)	14.9	17.4
Loans to dealerships	3.2	(0.1)	3.1	2.9
Other investments	0.9	-	0.9	0.2
	<u>20.1</u>	<u>(1.2)</u>	<u>18.9</u>	<u>20.5</u>

Investments in dealerships arise as a result of the Company's Dealer Investment Plan. The primary objective of this is to provide financial assistance to suitably qualified candidates to set up dealerships, with the objective of buying down the Company's interests in the shortest period possible. This financial support is provided by the Company investing in redeemable preference shares, debentures and loan stock of dealership companies. The Company retains control over major operational decisions until the operator has redeemed an agreed percentage of the preference shares. The Company also maintains a minority stake after buydown which enables it to retain control over strategic decisions, including, for example, use and location of the dealer's sites. At 31 December 2005, Vauxhall's share of investments in dealerships ranged between 1% and 99%. Investments in dealerships are not consolidated due to their immateriality to the Company.

Information in respect of movements during the year:

	Dealerships		Other	Total
	Investments	Loans	Investments	
	£m	£m	£m	£m
Balance at 1 January 2005	17.4	2.9	0.2	20.5
Acquisitions	1.2	0.7	0.7	2.6
Redemptions, sales and repayments	(3.6)	(0.5)	-	(4.1)
Movement in provision	(0.1)	-	-	(0.1)
	<u>14.9</u>	<u>3.1</u>	<u>0.9</u>	<u>18.9</u>

13. STOCKS

	2005	2004
	£m	£m
Raw materials and work-in-progress	37.9	39.4
Finished product (motor vehicles)	190.2	192.4
Motor vehicles on consignment	228.9	246.5
Parts and accessories	51.0	54.6
Motor vehicles sold under sale and repurchase agreements	198.5	216.7
	<u>706.5</u>	<u>749.6</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**14. DEBTORS**

	2005	2004
	£m	£m
Amounts falling due within one year:		
Trade debtors	61.9	97.2
Amounts owed by General Motors Corporation and fellow subsidiary undertakings	346.1	404.9
Corporation tax	68.2	30.3
Other debtors	20.4	1.9
Deferred tax asset (refer to note 17)	22.5	-
Prepayments and accrued income	10.6	5.8
	<u>529.7</u>	<u>540.1</u>

A deferred tax asset has been recognised at 31 December 2005. This asset, which relates to trading losses incurred in the four years ending 31 December 2004, has been recognised in the financial statements following the sale of these assets to another company in the Group.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£m	£m
Finance lease (refer to note 16a)	-	4.5
Trade creditors	263.4	180.4
Amounts owed to General Motors Corporation and fellow subsidiary undertakings	1,065.8	1,024.9
Corporation tax	-	25.8
Taxation and social security	40.4	29.1
Other creditors	1.9	20.4
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	200.7	216.7
Accruals and deferred income	101.5	220.5
	<u>1,673.7</u>	<u>1,722.3</u>

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

	2005	2004
	£m	£m
Amounts owed to subsidiary undertakings	0.5	-
Deferred income		
- regional development and assistance grants (refer to 16b)	12.8	14.2
Other creditors	2.1	6.9
	<u>15.4</u>	<u>21.1</u>

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Continued)****(a) Minimum finance lease payments payable**

	2005 £m	2004 £m
Within one year (refer to note 15)	-	4.5
Between one and five years (see above)	-	-
	<hr/>	<hr/>
	-	4.5
Less: finance charges allocated to future periods	-	-
	<hr/>	<hr/>
	-	4.5
	<hr/>	<hr/>

(b) The value of Regional Development and Assistance Grants to be amortised after more than five years is £nil (2004 - £nil).

17. PROVISIONS FOR LIABILITIES

	Restructuring £m	Other provisions £m	Total £m
At 1 January 2005	17.0	198.7	215.7
Utilised in year	(20.7)	(341.8)	(362.5)
Unused provisions released in the year	(0.2)	(16.0)	(16.2)
Charge to the profit and loss account	11.8	356.4	368.2
Transfer from GM Powertrain	12.5	-	12.5
	<hr/>	<hr/>	<hr/>
At 31 December 2005	20.4	197.3	217.7
	<hr/>	<hr/>	<hr/>

Restructuring

This relates to voluntary separations and outsourcing of the transport fleet.

Other

This provision primarily relates to warranty costs, the bulk of which are expected to crystallise within three years.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**17. PROVISIONS FOR LIABILITIES (Continued)****Deferred taxation**

Deferred taxation is analysed over the following timing differences:

	2005 £m	2004 £m
Accelerated capital allowances	-	-
Pensions costs	-	-
Tax losses	22.5	
	<hr/>	<hr/>
Total asset	22.5	-
	<hr/> <hr/>	<hr/> <hr/>

The amounts of unprovided deferred taxation are as follows:

	2005 £m	2004 as restated £m
Accelerated capital allowances	(67.6)	(84.4)
Tax losses	-	(36.7)
Short term timing differences	(13.1)	(10.3)
	<hr/>	<hr/>
Total unprovided related to trading activities	(80.7)	(131.4)
Taxes on:		
Capital gains arising on disposal of property that has been deferred under the roll-over provisions	1.4	3.2
	<hr/>	<hr/>
Total unprovided deferred tax balance	(79.3)	(128.2)
	<hr/> <hr/>	<hr/> <hr/>

18. PENSIONS

The Company makes contributions to three 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 three plans are the Vauxhall Motors Limited Pension Plan ("VMLPP"), the General Motors Retirees Pension Plan ("GMRPP") and the Vauxhall and Associated Companies Pension Fund ("VACPF"). 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 cost not covered by members' contributions.

Pension cost

The Company's total charge to operating profit for 2005 was £18.5 million (2004 - £11.4 million) and relates solely to the VMLPP pension scheme. The latest actuarial valuations of the VMLPP and GMRPP plans were performed at 1 January 2005. The latest actuarial valuation for the VACPF was performed at 1 January 2004. 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.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

18. PENSIONS (continued)

Contributions to the Pension Plans

During 2005 the Company made contributions to the plans of £13.1 million (2004 - £10.7 million). During the year ended 31 December 2005 the Company paid against previous provisions, further special cash contributions to the plans of £5.4 million (2004 - £6.3 million) to cover separation programmes. The Company contributions increased from 10% to 14% of pensionable pay on 1 April 2005.

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 2005 % pa	31 December 2004 % pa	31 December 2003 % pa
Price inflation	2.9	2.9	2.8
Rate of general long-term increase in salaries	3.4	3.4	3.3
Rates of increase to pensions in payment			
- Guaranteed LPI (RPI to maximum of 2.5%)	2.1	-	-
- Guaranteed LPI (RPI to maximum of 5%)	2.8	2.7	2.7
- ½ RPI to maximum of 3%	1.4	1.4	1.4
Discount rate for scheme liabilities	4.8	5.3	5.5
Long-term rate of return on assets			
- Equities	7.6	8.5	8.5
- Property	7.1	7.5	7.5
- Government bonds	4.1	4.5	4.8
- Corporate bonds	4.5	5.2	5.5
- Other	4.5	4.8	4.0

The three defined benefit schemes into which the Company contributes are multi-employer schemes.

On the basis that historically, Vauxhall Motors Limited is responsible for all company contributions, if any, to the VACPF and GMRPP schemes, the Directors believe that the material portion of the scheme assets and liabilities are attributable to the Company and therefore it is correct to account for the whole of these schemes on a defined benefit basis in Vauxhall Motors Limited.

The VMLPP is more widely spread between companies, and in the opinion of the Directors, it is not possible to separate out in a reasonable and consistent basis the assets and liabilities of these schemes between the different group companies which contribute to them. Therefore, the VLMPP is accounted for on a defined contribution basis within Vauxhall Motors Limited and on a defined benefit basis in the consolidated accounts of GM Automotive UK.

The values of assets and liabilities below are the result of an update exercise performed by qualified actuaries as at 31 December 2005, 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 2004 for the VACPF and 1 January 2005 for the VMLPP and GMRPP. 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.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005**18. PENSIONS (continued)****Financial Reporting Standard 17 "Retirement Benefits" (continued)**

The assets and liabilities of the VACPF and GMRPP schemes at 31 December 2005 were:

	VACPF and GMRPP		
	Value at 31 December 2005 £m	Value at 31 December 2004 £m	Value at 31 December 2003 £m
Equities	60.3	55.6	53.4
Property	8.9	8.2	7.8
Government bonds	91.7	83.6	80.3
Corporate bonds	170.5	182.1	187.0
Other	0.9	1.2	1.2
Total market value of assets	332.3	330.7	329.7
Present value of scheme liabilities	(290.7)	(299.5)	(304.6)
Surplus in schemes	41.6	31.2	25.1
Adjustment for irrecoverable surplus	(46.2)	(34.6)	(27.9)
Net pension liability	(4.6)	(3.4)	(2.8)

Further information regarding the two schemes is shown below.

There was no charge to operating profit in 2004 or 2005 in respect of the VACPF and GMRPP schemes.

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

	VACPF and GMRPP	
	2005 £m	2004 £m
Expected return on pension scheme assets	15.0	15.9
Interest on pension scheme liabilities	(15.2)	(16.0)
Net finance cost	(0.2)	(0.1)

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

18. PENSIONS (continued)

Financial Reporting Standard 17 "Retirement Benefits" (continued)

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

	VACPF and GMRPP	
	2005	2004
	£m	£m
Actual return less expected return on pension scheme assets	12.1	12.0
Experience gains/(losses) arising on the scheme liabilities	2.9	(0.9)
Changes in assumptions underlying the present value of the scheme liabilities	(4.9)	(5.3)
Increase in irrecoverable surplus	(11.6)	(6.7)
	<hr/>	<hr/>
Actuarial loss recognised in the Statement of Total Recognised Gains and Losses	(1.5)	(0.9)
	<hr/>	<hr/>

The analysis of movement in surplus during the year was as follows:

	VACPF and GMRPP	
	2005	2004
	£m	£m
Surplus in scheme at beginning of the year	31.2	25.1
Current service cost	-	-
Contributions	0.5	0.4
Past service costs	-	-
Other finance income	(0.2)	(0.1)
Actuarial gain	10.1	5.8
	<hr/>	<hr/>
Surplus in scheme at the end of the year	41.6	31.2
	<hr/>	<hr/>

History of experience gains and losses was as follows:

	2005	2004	2003	2002
Difference between expected and actual return on scheme assets:				
Amount (£m)	12.1	12.0	13.2	5.7
Percentage of scheme assets	3.6%	3.6%	4.0%	1.7%
Experience gains/(losses) on scheme liabilities:				
Amount (£m)	2.9	(0.9)	(1.2)	4.3
Percentage of the present value of the scheme liabilities	1.0%	(0.3%)	(0.4%)	1.4%
Total amount recognised in Statement of Total Recognised Gains and Losses:				
Amount (£m)	(1.5)	(0.9)	(0.6)	(1.2)
Percentage of the present value of the scheme liabilities	(0.5%)	(0.3%)	(0.2%)	(0.4%)

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

18. PENSIONS (continued)

Financial Reporting Standard 17 "Retirement Benefits" (continued)

For the VMLPP, the whole assets and liabilities (not just those relating to Vauxhall Motors Limited) updated to 31 December 2005 on the assumptions above are as follows:

	VMLPP	
	2005	2004
	£m	£m
Assets	1,066.4	912.2
Liabilities	(1,532.5)	(1,328.8)
	<hr/>	<hr/>
Deficit in scheme	(466.1)	(416.6)
	<hr/>	<hr/>

19. CALLED UP SHARE CAPITAL

	2005	2004
	£m	£m
Authorised, called up, allotted and fully paid:		
45,875,463 (2004 – 45,875,463) ordinary shares of £1 each	45.9	45.9
	<hr/>	<hr/>

20. RESERVES

Unrealised exchange gains of £nil million (2004 - gains of £0.1 million) have been included in the profit and loss accounts.

	Capital reserve £m	Profit and loss account £m
At 31 December 2004 as previously stated	0.1	(406.4)
Prior year adjustment	-	70.7
	<hr/>	<hr/>
At 1 January 2005 restated	0.1	(335.7)
Retained loss for the financial year	-	(60.1)
Actuarial loss for the financial year	-	(1.5)
	<hr/>	<hr/>
Total loss for the financial year	-	(61.6)
	<hr/>	<hr/>
At 31 December 2005	0.1	(397.3)
	<hr/>	<hr/>

The restatements in the above table are due to the adoption of FRS17.

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

21. CONTINGENT LIABILITIES

End-of-life vehicles

In September 2000, the European Parliament passed Directive 2000/53/EC requiring member states to adopt legislation regarding end-of-life vehicles.

Under the Directive, vehicle manufacturers and professional importers are financially responsible for a significant part of the cost of collecting, disposing and recycling of vehicles put on the market after July 2002, and all vehicles put on the market prior to 1 July 2002 that are still in operation on 1 January 2007. In the UK the first part of this legislation, disposing and recycling of vehicles put on the market after July 2002, was passed in November 2003. The final part was passed on 3 March 2005.

Management is confident that there is no liability or contingent liability arising from both parts of the legislation as the Company has contracts with third parties for the disposal of these vehicles at minimal cost to the Company.

22. COMMITMENTS

(a) Capital expenditure authorised and commitments not provided in these accounts are:

	2005 £m	2004 £m
Committed	1.1	3.1

(b) At 31 December 2005 the Company was committed to make the following payments during the next year in respect of operating leases:

	Land and buildings 2005 £m	Other 2005 £m	Land and buildings 2004 £m	Other 2004 £m
Leases which expire:				
Within one year	0.3	-	-	-
Within two to five years	-	-	0.3	0.9
After five years	2.6	0.8	1.8	-
	<u>2.9</u>	<u>0.8</u>	<u>2.1</u>	<u>0.9</u>

The company has outstanding forward foreign exchange contracts amounting to £578,916,000 (2004 - £423,438,000) and outstanding foreign currency options amounting to £290,133,000 (2004 - £310,700,000)

NOTES TO THE ACCOUNTS
Year ended 31 December 2005

23. ULTIMATE PARENT COMPANY

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 controlling entity of the Company is VHC Sub-Holdings (UK), a company 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 are filed with the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

24. RELATED PARTY DISCLOSURES

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

- (a) On 31 December 1991 the Company entered into a sale and leaseback transaction with the Vauxhall Motors Limited Pension Plan (the Pension Plan) involving a property owned and occupied by the Company.

This involved the sale of the freehold of the property for £5.8 million. A condition of sale was that the Pension Plan could not sell or let the property to anyone other than the Company without the Company first having the choice of buying the property under the same terms and conditions. The Company simultaneously entered into an agreement to lease the property from the Pension Plan for fifteen years at an annual rental of £0.8 million.

The Pension Plan holds the option to require the Company to repurchase the property at the end of each five-year period of the lease at the higher of the market value at that time and the initial purchase price.

At 31 December 2005, there was £nil outstanding relating to the current or prior years' rental (2004 - £0.8 million), and the Company was committed to amounts totalling £0.8 million (2004 - £1.5 million) in respect of future years' rentals which are not provided for in these financial statements.

- (b) On 22 January 1992 the Company entered into a sale and leaseback transaction with the GM Retirees Pension Plan (the Pension Plan) involving a property owned and occupied by the Company.

This involved the sale of the leasehold of the property for £2.3 million. A condition of sale was that the Pension Plan could not sell or let the property to anyone other than the Company. The Company simultaneously entered into an agreement to lease the property from the Pension Plan for fifteen years at an annual rental of £0.3 million.

The Pension Plan holds the option to require the Company to repurchase the property at the end of each five-year period of the lease at the higher of the market value at that time and the initial purchase price.

At 31 December 2005, there was £nil outstanding relating to the current years' rental (2004 - £nil million), and the Company was committed to amounts totalling £0.3 million (2004 - £0.6 million) in respect of future years' rentals which are not provided for in these financial statements.

25. POST BALANCE SHEET EVENTS

On 17 May 2006, an adjustment in current production capacity at the Ellesmere Port plant was announced. With effect from August 2006, a reduction from three to two shifts is to be made, affecting approximately 900 employees.