

**VAUXHALL MOTORS LIMITED**  
**ANNUAL REPORT AND ACCOUNTS 1997**

**BOARD OF DIRECTORS**

M R Chapman  
I M Coomber  
J Gildea  
C Gubbey  
J H Raymond  
D N Reilly  
E V Sabisky  
J A Spalding  
B M Warman

**SECRETARY AND REGISTERED OFFICE**

K J Benjamin  
Griffin House  
Osborne Road  
Luton  
Bedfordshire LU1 3YT

**AUDITORS**

Deloitte & Touche

**BANKERS**

Barclays Bank PLC  
Lloyds Bank Plc  
National Westminster Bank PLC



**NOTICE OF MEETING**

Notice is hereby given that the Eighty-fourth Annual General Meeting of the Company will be held at the Registered Office, Griffin House, Osborne Road, Luton on Monday 2 March 1998 for the purpose of transacting the following business:

1. To receive and consider the Financial Statements for the year ended 31 December 1997, together with the reports of the Directors and Auditors thereon.
2. To re-elect Directors.
3. To reappoint Deloitte & Touche as Auditors of the Company and to authorise the Directors to determine their remuneration.
4. To transact any other ordinary business.

**By order of the Board**



**Director**

2 March 1998

## **DIRECTORS' REPORT**

The Directors of Vauxhall Motors Limited ("the Company") submit their Annual Report and the Audited Financial Statements for the year ended 31 December 1997.

## **PRINCIPAL ACTIVITIES**

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

Vehicle and component manufacturing activities are located at Ellesmere Port, Cheshire and at Luton, Bedfordshire. The V6 engine plant located at Ellesmere Port produces engines for GM's European and world-wide operations. Parts and accessories for the UK market are supplied from the Aftersales warehouse situated at Luton Road, Chalton, Bedfordshire.

## **OPERATING AND FINANCIAL REVIEW**

The total UK passenger market grew strongly in 1997 to 2.17 million vehicles, an increase of 7.2% over 1996. Vauxhall shared in this market growth but fierce competition continued to hold down profitability.

In a climate of continuing excess capacity across Europe, the impact of stronger Sterling in 1997, meant that German, French, Italian and Asian manufacturers saw the UK as increasingly profitable relative to their home markets. As a result, these companies aggressively targeted the UK market during 1997 resulting in severe competition in both the fleet and retail segments. Despite this, Vauxhall increased its car registrations by 3.7% to 294,550 (1996 283,989), giving Vauxhall a market share of 13.6% (1996 14.0%).

The Company's turnover increased by 2.9% to £4,236 million (1996 £4,116 million). Vehicle exports played a significant part in this increase as higher exports of Vectra estate models from the Luton plant to markets across the world pushed total exports up 22.4% to 160,311 vehicles in 1997 (1996: 131,016). Operating profit for the year was £37.6 million (1996 £27.2 million). Pre-tax net income was £24.4 million, or 0.6% of net sales (1996 £10.1 million, 0.2%). After a tax charge of £0.2 million, net profit after tax was £24.2 million (1996 £2.1 million). No dividend was declared and £24.2 million was transferred to reserves.

Vauxhall's results benefited from a very strong performance with retail buyers, continuing success in the fleet segment, production efficiencies and the containment of material costs. However, the aggressive competitive pressures in the UK market which have created the need for costly industry-wide discounting and incentive programmes continued to prevent the Company from achieving higher margins.

Vauxhall achieved a series of sales highlights in 1997, including its highest ever monthly sales volume with the new R-plate in August. Record sales of Corsa and Tigra and continuing strong sales of Astra in its run-out year drove Vauxhall's retail share up to 10.3% in 1997 (1996 10.1%), while Vectra also achieved record volumes - in total sales, in fleet and in the retail sectors. Overall, Vectra, Astra and Corsa were the 4th, 5th and 6th best selling cars in the UK for the second year running. Vectra also won a number of industry awards including being named as Fleet Car of the Year, best upper medium car and best upper-medium diesel car.

In the light commercial vehicle market, Vauxhall's sales fell to 24,094 (1996 25,812) resulting in a market share of 10.7% (1996 12.7%). This reduction in share was driven principally by a reduction in fleet volume. Nevertheless, Vauxhall remains second only to Ford in this segment.

Total production volumes were steady at 277,442 (1996 277,888). Production at the Luton plant increased to 157,330 vehicles, with over 70% of the vehicles produced being exported. As preparation for the new model continued, output of the Astra and Astravan at the Ellesmere Port facility fell marginally to 120,112 vehicles. However, the plant reached a milestone with the production of the 250,000th V6 engine.

Other notable events during 1997 were the enhancement of Vauxhall's product range with the launch of the Sintra people-carrier and the Arena medium van, the announcement of plans to sell the Cadillac Seville and Chevrolet Corvette through a select group of Vauxhall dealers, the unveiling of the new Astra and the achievement of a Guinness Book of Records entry for Frontera for the world's fastest time for a road vehicle circling the globe.

### **FUTURE DEVELOPMENTS**

Vauxhall is in the final stages of a £300 million modernisation programme at its Ellesmere Port plant to put the new Astra into production. The new car was first shown at the Frankfurt and London Motor Shows in 1997 and will go on sale in the UK market in Spring 1998.

In September 1997, Vauxhall announced that construction of industrial units for a £20 million, 21-acre supplier park had started at the Ellesmere Port plant. This project, which will be completed early in 1998, supports the current modernisation programme and will make a significant contribution to the plant's overall efficiency by minimising delivery movements and simplifying production processes.

Vauxhall has also announced that it will sponsor ITV's full coverage of the 1998 World Cup Finals. The company will be building on the expertise that it gained during the Euro 96 Championships, which were also sponsored by Vauxhall.

The company will be continuing its pro-active stance on environmental issues and will be actively promoting prudent car usage, starting with its own workforce. Vauxhall are establishing a pattern of congestion reduction programmes, initially in the Luton area, working in conjunction with local authorities and other organisations to encourage car-sharing and other initiatives such as working-from-home days.

### **EMPLOYEE INVOLVEMENT**

Good communication continues to be the cornerstone of the Company's commitment to involve all those participating in the Company's business and in its affairs. This allows full explanation of current issues, helpful feedback, an increase in job satisfaction and pride in Vauxhall and its range of products.

Noticeboards continue to provide urgent or routine information quickly, particularly concerning local and team performance. In addition, local news sheets are issued to cover important Plant information and up-to-date performance information. The monthly Company newspaper remains the most significant source of general information on the business, competition, associated national and international news, as well as social matters. The networked electronic mail system is being used increasingly to provide swift and universal circulation for important bulletins, announcements, internal position advertisements and social notices. Such systems cover nearly all staff and can be used to cascade information to all employees. World-wide news can also be accessed in this way.

Communication, consultation and negotiation about Vauxhall Motors employee-related business matters takes place with recognised Trades Unions. Recognition agreements and detailed procedural agreements cover the whole Company and also each operating unit. In this way, many employees are able to become involved in a variety of formal roles.

Employee meetings regularly take place throughout the Company. Meeting of teams and work groups are encouraged and scheduled formally in many parts of the Company. Regular business reviews are also held by each Director with all the members of their departments. In addition, many are co-opted into task groups and working parties to cover specialised topics. Team working is universally applied.

Employees are regularly invited to volunteer to represent the Company at events involving customers. For example, employees have assisted sales representatives at major motor shows and others have attended meetings of retailers and customers. This involvement not only adds interest for the employees concerned but also provides good feedback to operating departments concerning both products and services.

Ideas generated by individuals or teams are formally recognised and rewarded. The company-wide Recognition Scheme provides financial recognition for good ideas. In 1997 a record number of ideas were submitted resulting in a record saving of £5.1million and awards paid to the suggestors totalling £1.1million. In addition, two groups were selected to represent cross-functional teams which had made outstanding contributions to Company projects. These representatives were presented with a reward at a ceremony in Detroit hosted by the President of General Motors.

A programme to survey employees' opinions on work-related matters is continuing. During 1997, considerable trouble was taken to feed back the results of surveys and then encourage employees to develop their own action plans for identified concerns.

In order to assist the involvement of anyone who is concerned about reporting criminal wrongdoing or illegal acts involving the Company, a confidential and free phone-line has been introduced which ensures that such issues are dealt with fully and without any victimisation.

## **HEALTH AND SAFETY**

The recently updated Company Health & Safety Policy, which builds on the emphasis that Health & Safety is the overriding priority throughout the General Motors Corporation, is being developed further to include up-to-date policies on each important operational topic. Specific management responsibilities are detailed together with the processes for assessing the risks in all activities and ensuring that working practices are safe.

At each site, the most significant effort during the year has been the on-going development and implementation of the procedure covering the Control and Management of Construction Work and Contractors to meet the Construction (Design and Management) Regulations. The procedure to approve contractors and their methods of work and to train those working at each site has required a massive amount of work, especially with the major site development at Ellesmere Port.

Training and Health & Safety awareness have remained major programmes for management and other Company employees alike.

Health and Safety matters are increasingly being co-ordinated by General Motors Europe where the importance is regularly stressed. Safety Champions have been appointed at Director level at each operating unit with extremely tight safety improvement targets. The commitment to increasing the emphasis on Health and Safety in this way is reflected in an increase in the rate of improvement of measurable safety statistics.

#### **DISABLED PERSONS**

The Company has introduced procedures to ensure that employees or potential employees are not the subject of discrimination because of any disability. Each site is proud of the success in finding satisfactory solutions for those who become disabled or whose capability is reduced. The occupational health and physiotherapy staff, together with protected work centres, play a major role in this.

Reviews continue to take place to ensure that procedures comply with the letter and spirit of the recent Disability Discrimination Act, and the Company's Equal Opportunities Policy has been thoroughly revised to take account of this and recent changes in all aspects of discrimination.

#### **VALUATION OF TANGIBLE FIXED ASSETS**

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

#### **DIVIDENDS**

No dividends were paid during 1997 and 1996. No further dividends are proposed.

#### **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 out the Company's interest 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 until all preference shares are redeemed.

#### **DONATIONS**

No donations for political purposes were made during the year. The Company's donations for charitable purposes totalled £313,162.

#### **RESEARCH AND DEVELOPMENT**

Research and development activities are carried out on behalf of the Company in Germany by General Motors Technical Development Centre (a division of Adam Opel AG., a fellow subsidiary of General Motors Corporation) which has overall responsibility for vehicle design and development in Europe.

#### **AUDITORS**

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the reappointment of Deloitte & Touche 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.

**DIRECTORS**

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

Mr J C Barber resigned his Directorship on 31 March 1997.

Mr A R Burnip resigned his Directorship on 30 June 1997.

Mr D Wallis resigned his Directorship on 31 July 1997.

Mr C Gubbey was appointed on 14 April 1997.

Mr J Gildea was appointed on 1 July 1997.

Messrs B M Warman, J A Spalding and I M Coomber retire by rotation under the Articles of Association and, being eligible so to do, offer themselves for re-election.

At the end of the year there subsisted an arrangement between the Company and General Motors Corporation under which the Company met the cost of awards made by General Motors Stock Incentive Plan to eligible employees of the Company, who qualify by virtue of their employment with the Company. Such awards might include awards of 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 of the Company. During the year all Directors held shares acquired under the arrangement.

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

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



**D N Reilly  
Director**

2 March 1998

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

As Directors we are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss of the Group for that year. In preparing those financial statements, we 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable us to ensure that the financial statements comply with the Companies Act 1985. We are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**D N Reilly**  
**Director**

2 March 1998



**AUDITORS' REPORT TO THE MEMBERS OF  
VAUXHALL MOTORS LIMITED**

We have audited the financial statements on pages 10 to 30 which have been prepared under the accounting policies set out on pages 14 to 15.

**Respective responsibilities of Directors and Auditors**

As described on page 8 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's and the Group'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 of the state of the affairs of the Company and the Group as at 31 December 1997 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

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

2 March 1998

**VAUXHALL MOTORS LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

	<u>Notes</u>	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
<b>Turnover</b>	2	4,235.6	4,115.9
Cost of Sales		(3,809.3)	(3,729.9)
Gross Profit		<u>426.3</u>	<u>386.0</u>
Distribution Costs		(328.9)	(301.8)
Administrative Expenses		<u>(59.8)</u>	<u>(57.0)</u>
<b>Operating Profit</b>	3	37.6	27.2
Net Interest Payable	4	(13.2)	(17.1)
<b>Profit on Ordinary Activities Before Taxation</b>		<u>24.4</u>	<u>10.1</u>
Tax Charge on Profit on Ordinary Activities	5	(0.2)	(8.0)
<b>Profit on Ordinary Activities After Taxation retained for the Financial Year</b>	17	<u>24.2</u>	<u>2.1</u>

All activities derive from continuing operations.

During the current and preceding financial years there have been no gains or losses other than those recognised in the Profit and Loss Account and consequently no Statement of Total Recognised Gains and Losses has been prepared.

There are no movements in shareholders' funds other than the recognised gains and losses for the current and preceding financial years and consequently no Reconciliation of Movements in Shareholders' Funds has been prepared.

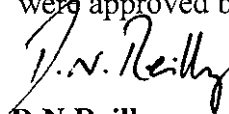
There are no material differences between the result as disclosed in the Profit and Loss Account and the result on an unmodified historical cost basis.

**VAUXHALL MOTORS LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 1997**

	<u>Notes</u>	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
<b>Fixed Assets</b>			
Tangible Fixed Assets			
- Land, Buildings, Plant, Machinery and Equipment	8	539.5	495.9
- Special Tools, Jigs and Dies	9	143.9	132.6
Investments	10	24.0	26.5
		<u>707.4</u>	<u>655.0</u>
<b>Current Assets</b>			
Stocks	11	689.2	685.7
Debtors	12	488.9	536.8
Cash at Bank and in Hand	18	115.4	149.7
		<u>1,293.5</u>	<u>1,372.2</u>
<b>Creditors</b>			
Amounts falling due within one year	13	1,618.5	1,659.8
<b>Net Current Liabilities</b>		<u>(325.0)</u>	<u>(287.6)</u>
<b>Total Assets Less Current Liabilities</b>		<u>382.4</u>	<u>367.4</u>
<b>Creditors</b>			
Amounts falling due after more than one year	14	256.2	265.4
		<u>126.2</u>	<u>102.0</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	16	45.9	45.9
Revaluation Reserve	17	81.9	83.6
Capital Reserve	17	0.1	0.1
Profit and Loss Account	17	(1.7)	(27.6)
<b>Equity Shareholders' Funds</b>		<u>126.2</u>	<u>102.0</u>

The Financial Statements on pages 10 to 30

were approved by the Board of Directors on 2 March 1998 and are signed on its behalf by:-



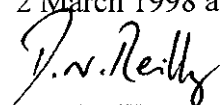
**D N Reilly**

**Director**

**VAUXHALL MOTORS LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 1997**

	<u>Notes</u>	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
<b>Fixed Assets</b>			
Tangible Fixed Assets			
- Land, Buildings, Plant, Machinery and Equipment	8	433.9	387.5
- Special Tools, Jigs and Dies	9	143.9	132.6
Investments			
- Shares in Group Undertaking	10	124.0	124.0
- Other Investments	10	24.0	26.5
		<hr/> 725.8	<hr/> 670.6
<b>Current Assets</b>			
Stocks	11	689.2	685.7
Debtors	12	426.9	494.5
Cash at Bank and in Hand	18	115.4	149.7
		<hr/> 1,231.5	<hr/> 1,329.9
<b>Creditors</b>			
Amounts falling due within one year	13	1,618.5	1,659.8
		<hr/>	<hr/>
<b>Net Current Liabilities</b>		<hr/> (387.0)	<hr/> (329.9)
<b>Total Assets Less Current Liabilities</b>		<hr/> 338.8	<hr/> 340.7
<b>Creditors</b>			
Amounts falling due after more than one year	14	256.2	265.4
		<hr/> 82.6	<hr/> 75.3
<b>Capital and Reserves</b>			
Called Up Share Capital	16	45.9	45.9
Revaluation Reserve	17	6.4	7.2
Capital Reserve	17	0.1	0.1
Profit and Loss Account	17	30.2	22.1
<b>Equity Shareholders' Funds</b>		<hr/> 82.6	<hr/> 75.3

The Financial Statements on pages 10 to 30 were approved by the Board of Directors on 2 March 1998 and are signed on its behalf by:-



**D N Reilly**

**Director**

**VAUXHALL MOTORS LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**

	<u>Notes</u>	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
<b>Net Cash Inflow from Operating Activities</b>	18(a)	<b>131.0</b>	119.7
<b>Returns on Investments and Servicing of Finance</b>			
Interest received		37.2	31.1
Interest paid		(50.3)	(47.8)
Interest element of finance lease rental payments		(0.1)	(0.4)
<b>Net Cash Outflow from Returns on Investments and Servicing of Finance</b>		<u>(13.2)</u>	<u>(17.1)</u>
<b>Taxation</b>			
Corporation tax received/(paid)		1.2	(11.8)
<b>Tax Received/(Paid)</b>		<u>1.2</u>	<u>(11.8)</u>
<b>Capital Expenditure and Financial Investment</b>			
Payments to acquire tangible fixed assets		(151.1)	(114.3)
Receipts from sales of tangible fixed assets		2.0	-
Net acquisitions/sales of other investments		2.5	33.8
<b>Net Cash Outflow from Capital Expenditure and Financial Investment</b>		<u>(146.6)</u>	<u>(80.5)</u>
<b>Net Cash (Outflow)/Inflow Before use of liquid resources and financing</b>		<u>(27.6)</u>	<u>10.3</u>
<b>Financing</b>			
Capital element of finance lease rentals		(6.0)	(6.2)
<b>Net cash outflow from financing</b>		<u>(6.0)</u>	<u>(6.2)</u>
<b>Net (decrease)/increase in cash</b>	18(c)	<u>(33.6)</u>	<u>4.1</u>

# **VAUXHALL MOTORS LIMITED**

## **NOTES TO THE ACCOUNTS**

### **1. ACCOUNTING POLICIES**

#### **Accounting Basis**

The financial statements are prepared on the historical cost basis, modified to include the revaluation of certain fixed assets, in conformity with United Kingdom applicable accounting standards.

#### **Basis of Consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking, using the acquisition method.

#### **Tangible Fixed Assets**

Freehold and leasehold land and buildings and plant, machinery and equipment values 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 land improvements and buildings	25 years
Plant, machinery and equipment	7-10 years
No depreciation is provided on land.	

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 where the Directors consider that there may have been a diminution in their value.

#### **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 profit and loss account on a straight line basis over the term of the lease.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**1. ACCOUNTING POLICIES (Continued)**

**Taxation**

Corporation tax is provided on taxable profit at the appropriate rates ruling each year.

Advance corporation tax payable on dividends paid or provided for during the year is written off, except when recoverability against corporation tax payable is considered to be reasonably assured. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities.

Deferred taxation arises when costs, revenues and allowances are recognised for tax purposes in periods different from those in which they are recognised for accounting purposes. The policy is to provide for deferred taxation using the liability method on such timing differences to the extent where it can be reasonably demonstrated that a tax liability will arise in the foreseeable future.

**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 purchase.

**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 are translated into pounds sterling at year-end rates or at forward cover rates, if applicable. Foreign currency transactions during the year are translated at the rates ruling at the time. Gains and losses, which include forward cover contracts with maturity dates subsequent to the balance sheet date, are included in the Profit and Loss Account for the year.

**Warranty Liability on Company Products**

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

**Pensions Costs**

Contributions to the Company's Pension Fund are charged to the Profit and Loss Account on a systematic basis over the expected average remaining service lives of current employees, adjusted for interest on the discounted cumulative adjustment.

**GM Credit Card**

All income and expenses relating to the Group's credit card operations are taken to the Profit and Loss Account as they arise with the exception of points earned by cardholders. Liabilities relating to points earned but not yet redeemed are only recognised to the extent that a net charge will be incurred by the Group after taking into account the profit arising on the sale of the vehicle at the time that the points are redeemed.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**2. TURNOVER**

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

	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
Geographical Analysis of Turnover by Destination:		
United Kingdom	2,791.9	2,865.7
Rest of Europe	1,412.9	1,249.7
Rest of World	30.8	0.5
	<hr/> 4,235.6	<hr/> 4,115.9

**3. OPERATING PROFIT**

	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
<b>Arrived at after charging/(crediting):</b>		
Depreciation of tangible fixed assets		
- owned	62.3	50.5
- leased	2.4	2.6
Amortisation of special tools, jigs and dies	31.2	37.4
(Gains)/Losses from currency realignments	(16.0)	0.7
Specific voluntary early retirement and separation provisions	1.6	2.9
Operating lease charges (hire of plant & machinery)	3.5	3.5
Amortisation of regional development grants	(0.9)	(0.9)
Increase in provision for write down of investments in dealerships	-	0.2
(Gains)/Losses on disposal of tangible fixed assets	(0.8)	2.4
Auditors' remuneration - Audit Fees	0.1	0.1
	<hr/>	<hr/>

**4. NET INTEREST PAYABLE**

	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
Loans from group undertakings	(49.1)	(46.7)
Bank loans	(1.2)	(1.1)
Finance lease charges	(0.1)	(0.4)
	<hr/>	<hr/>
Interest payable and similar charges	(50.4)	(48.2)
	<hr/>	<hr/>
Loans to group undertakings	29.1	24.2
Other loans and deposits receivable within five years	7.6	6.9
Corporation tax repayment supplement	0.5	-
	<hr/>	<hr/>
Interest receivable and similar income	37.2	31.1
	<hr/>	<hr/>
Net interest payable	(13.2)	(17.1)



**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**5. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
Corporation tax at 31.5% (1996 33%)	-	-
Tax on franked investment income	0.2	0.2
	<u>0.2</u>	<u>0.2</u>
Adjustment in respect of prior years group relief	-	7.8
	<u>0.2</u>	<u>8.0</u>

There is no current year tax charge due to the availability of group relief.

**6. EMPLOYEES**

	<u>1997</u> <u>Number</u>	<u>1996</u> <u>Number</u>
a) Average weekly number		
Staff	1,808	1,768
Hourly	8,214	7,883
	<u>10,022</u>	<u>9,651</u>
	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
b) Costs		
Wages and salaries	241.6	236.6
Social security costs	19.5	19.6
Pension costs	19.4	13.6
	<u>280.5</u>	<u>269.8</u>

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**7. EMOLUMENTS OF DIRECTORS**

	<u>1997</u> £	<u>1996</u> £
Total Emoluments of all Directors acting during the year	<u>2,012,367</u>	<u>2,229,300</u>
Number of Directors exercising options	8	4
Number of Directors who received, or became eligible to receive shares during the year	7	6
Aggregate of contributions paid in respect of money purchase pension schemes	172,404	110,067
Number of Directors who are members of a money purchase pension scheme as at 31/12/97.	9	10
Number of Directors who are members of a defined benefit pension scheme as at 31/12/97.	9	10
Aggregate Compensation paid for loss of office	98,149	-
In respect of the highest paid Director:		
Aggregate emoluments	399,632	445,827
Contributions paid in respect of the money purchase pension scheme	11,623	-
Annual Pension accrued under the defined benefit pension scheme	69,445	-
Shares received under long term incentive plan	21,570	196,991
Gain on options exercised	-	436,459

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 schooling allowances.

Some of the 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.

Directors resigning during the year were allowed further usage of their company cars for up to 6 months post cessation of employment. This gave rise to aggregate benefits in kind of £8,149.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**8. TANGIBLE FIXED ASSETS - LAND, BUILDINGS, PLANT,  
MACHINERY AND EQUIPMENT**

	<u>Freehold land and buildings £M</u>	<u>Long leasehold land and buildings £M</u>	<u>Plant, machinery and equipment £M</u>	<u>Total £M</u>
<b>Consolidated:</b>				
Cost or Valuation at 1 January 1997	222.4	33.2	532.3	787.9
Additions	10.5	0.3	98.7	109.5
Disposals	(0.3)	-	(7.8)	(8.1)
At 31 December 1997	<u>232.6</u>	<u>33.5</u>	<u>623.2</u>	<u>889.3</u>
At Cost	<u>104.7</u>	<u>4.8</u>	<u>615.6</u>	<u>725.1</u>
At Valuation	<u>127.9</u>	<u>28.7</u>	<u>7.6</u>	<u>164.2</u>
At 31 December 1997	<u>232.6</u>	<u>33.5</u>	<u>623.2</u>	<u>889.3</u>
Depreciation at 1 January 1997	59.7	6.1	226.2	292.0
Charge for year	5.9	0.2	58.6	64.7
Deductions in respect of disposals	-	-	(6.9)	(6.9)
At 31 December 1997	<u>65.6</u>	<u>6.3</u>	<u>277.9</u>	<u>349.8</u>
Net Book Value at 31 December 1997	<u>167.0</u>	<u>27.2</u>	<u>345.3</u>	<u>539.5</u>
Net Book Value at 31 December 1996	<u>162.7</u>	<u>27.1</u>	<u>306.1</u>	<u>495.9</u>

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**8. TANGIBLE FIXED ASSETS - LAND, BUILDINGS, PLANT,  
MACHINERY AND EQUIPMENT**  
(Continued)

	<u>Freehold land and buildings £M</u>	<u>Long leasehold land and buildings £M</u>	<u>Plant, machinery and equipment £M</u>	<u>Total £M</u>
<b>Consolidated:</b>				
Original Cost Equivalent				
At 31 December 1997				
Cost	180.9	7.9	642.5	831.3
Accumulated depreciation	63.8	4.2	305.7	373.7
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value	117.1	3.7	336.8	457.6
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996				
Cost	170.5	7.6	548.6	726.7
Accumulated depreciation	58.6	4.0	251.8	314.4
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value	111.9	3.6	296.8	412.3
	<hr/>	<hr/>	<hr/>	<hr/>

- a) The net book value of plant, machinery and equipment held under finance lease agreements as at 31 December 1997 was £21.7 million (1996 £23.3 million).
- b) A valuation of the freehold and long leasehold land and buildings sold to Vauxhall Properties Limited was carried out in 1991 and the remaining land and buildings were valued as at 31 December 1984. Both these valuations were on the basis of their open market existing use value or depreciated replacement costs, as appropriate, and these values have been incorporated into the accounts.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**8. TANGIBLE FIXED ASSETS - LAND, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT**  
(Continued)

	<u>Freehold land and buildings £M</u>	<u>Long leasehold land and buildings £M</u>	<u>Plant, machinery and equipment £M</u>	<u>Total £M</u>
<b>Company:</b>				
Cost or Valuation at 1 January 1997	116.2	5.1	532.3	653.6
Additions	10.7	0.3	98.7	109.7
Disposals	(0.2)	-	(7.8)	(8.0)
At 31 December 1997	126.7	5.4	623.2	755.3
At Cost	104.7	4.8	615.6	725.1
At Valuation	22.0	0.6	7.6	30.2
At 31 December 1997	126.7	5.4	623.2	755.3
Depreciation at 1 January 1997	37.2	2.7	226.2	266.1
Charge for year	3.4	0.1	58.7	62.2
Deductions in respect of disposals	-	-	(6.9)	(6.9)
At 31 December 1997	40.6	2.8	278.0	321.4
Net Book Value at 31 December 1997	86.1	2.6	345.2	433.9
Net Book Value at 31 December 1996	79.0	2.4	306.1	387.5
<b>Original Cost Equivalent</b>				
At 31 December 1997				
Cost	109.7	4.5	642.8	757.0
Accumulated depreciation	22.6	0.9	306.0	329.5
Net Book Value	87.1	3.6	336.8	427.5
At 31 December 1996				
Cost	99.2	4.2	549.0	652.4
Accumulated depreciation	19.2	0.8	252.1	272.1
Net Book Value	80.0	3.4	296.9	380.3

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**9. TANGIBLE FIXED ASSETS - SPECIAL TOOLS, JIGS AND DIES**

<b>Consolidated &amp; Company</b>	<b>£M</b>
Cost at 1 January 1997	280.7
Additions	42.5
	<hr/>
At 31 December 1997	323.2
	<hr/>
Amortisation at 1 January 1997	148.1
Amount provided in the year	31.2
	<hr/>
At 31 December 1997	179.3
	<hr/>
Net book value at 31 December 1997	143.9
	<hr/>
Net book value at 31 December 1996	132.6
	<hr/>

**10. FIXED ASSET INVESTMENTS**

a) Shares in group undertaking	<u>1997</u> <u>£M</u> <u>Company</u>	<u>1996</u> <u>£M</u> <u>Company</u>
Shares in subsidiary undertaking	124.0	124.0

Shares in a subsidiary undertaking comprised of 124,000,105 ordinary shares of £1 each in Vauxhall Properties Limited, registered in England and Wales, representing a 100% interest. Vauxhall Properties Limited carries on business as a property company and holds no debt securities.

**b) Other Investments**

	<u>1997</u> <u>£M</u>		<u>1996</u> <u>£M</u>
	<u>Cost</u>	<u>Provision</u>	<u>Net</u>
Investments in Dealerships	16.0	(0.9)	15.1
Loans to Dealerships	8.7	-	8.7
Other Investments	0.2	-	0.2
	<hr/>	<hr/>	<hr/>
	24.9	(0.9)	24.0
	<hr/>	<hr/>	<hr/>
			26.5
	<hr/>	<hr/>	<hr/>

The investments in dealerships are stated at cost less any provision required. The Directors of the Company consider that the consolidation of the accounts of such dealership companies would be of no real value to the shareholders in view of the insignificant amounts involved. Accordingly, the results of such companies have not been consolidated.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**10. FIXED ASSET INVESTMENTS (Continued)**

The Directors have reviewed the management accounts of the unquoted investments in dealerships and have concluded that the valuations of these investments are not materially different from their acquisition cost. However, where there is considered to be a diminution in value, investments are written down to their estimated net realisable value.

Information in respect of movements during the year:

	<b>---Dealerships---</b>		<b>Other</b>	
	<b>Invest.</b>	<b>Loans</b>	<b>Invest.</b>	<b>Total</b>
	<b>£M</b>	<b>£M</b>	<b>£M</b>	<b>£M</b>
Balance at 1 January 1997	14.7	11.7	0.1	26.5
Acquisitions	2.4	1.0	0.1	3.5
Redemptions/Sales	(2.0)	(4.0)	-	(6.0)
Balance at 31 December 1997	15.1	8.7	0.2	24.0

**11. STOCKS**

**Consolidated & Company**

	<b>1997</b>	<b>1996</b>
	<b>£M</b>	<b>£M</b>
Raw Materials and Work-in-Progress	51.0	87.2
Finished Product (Motor Vehicles)	344.8	181.1
Motor Vehicles on Consignment	204.9	299.3
Parts and Accessories	40.6	51.6
Motor Vehicles sold under Sale and Repurchase Agreements	47.9	66.5
	689.2	685.7

**12. DEBTORS**

	<b>1997</b>		<b>1996</b>	
	<b>£M</b>		<b>£M</b>	
	<b>Consolidated</b>	<b>Company</b>	<b>Consolidated</b>	<b>Company</b>
Amounts falling due within one year:				
Trade Debtors	87.0	87.0	74.5	74.5
Amounts owed by General Motors Corporation and fellow subsidiary undertakings	387.1	324.4	435.6	377.1
Corporation Tax Repayable	0.9	0.9	2.0	2.0
Other Debtors	8.0	8.0	14.9	14.9
Prepayments	5.9	5.9	9.8	25.3
	488.9	426.2	536.8	493.8
Amounts falling due after more than one year:				
Prepayments	-	0.7	-	0.7
	488.9	426.9	536.8	494.5

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**13. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

<b>Consolidated and Company</b>	<b><u>1997</u></b> <b><u>£M</u></b>	<b><u>1996</u></b> <b><u>£M</u></b>
Bank Loans and Overdrafts	9.4	10.1
Trade Creditors	345.4	274.1
Amounts owed to General Motors		
Corporation and fellow subsidiary undertakings	882.8	1,042.9
Payroll Taxes and Social Security	52.2	18.7
Liability for repurchase of specific vehicles sold under Sale and Repurchase Agreements	47.9	66.5
Other Creditors	278.2	238.9
Finance Leases	-	6.0
Deferred Income (refer to note 14c)	2.6	2.6
	<u>1,618.5</u>	<u>1,659.8</u>

**14. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

<b>Consolidated &amp; Company</b>	<b><u>1997</u></b> <b><u>£M</u></b>	<b><u>1996</u></b> <b><u>£M</u></b>
Loan from fellow subsidiary undertaking (a)	149.6	149.6
Deferred Income - Regional Development & Assistance Grants (b)	4.0	4.0
Deferred Income - Other (c)	26.9	23.4
Cumulative Pension Costs calculated under SSAP24	75.7	88.4
	<u>256.2</u>	<u>265.4</u>

- (a) Interest is payable annually at a fixed rate of 11.475% to December 2006, and 11.6% to 2031.
- (b) The value of Regional Development and Assistance Grants to be amortised after more than five years is £1.4 million.
- (c) Deferred Income - Other of £26.9 million includes £10.5 million for the premium received for the lease of certain freehold land and buildings. Of these amounts £2.6 million are shown as Creditors - amounts falling due within one year. This premium is being amortised over a period of fifteen years to match the rentals of £5.1 million per annum payable under the sub-lease arrangements entered into by the Company on the same assets. The value of the premium to be amortised after more than five years is nil (1996 £nil).



**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**14. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**  
**(Continued)**

(d) Analysis of changes in finance leasing during the year:

	<u>1997</u>			<u>1996</u>		
	<u>Short</u>	<u>Long</u>	<u>Total</u>	<u>Short</u>	<u>Long</u>	<u>Total</u>
	<u>Term</u>	<u>Term</u>	<u>£M</u>	<u>Term</u>	<u>Term</u>	<u>£M</u>
	<u>£M</u>	<u>£M</u>		<u>£M</u>	<u>£M</u>	
As at January 1	6.0	-	6.0	6.2	6.0	12.2
Capital element of finance						
lease rental repaid	(6.0)	-	(6.0)	(6.2)	-	(6.2)
Reclassifications	-	-	-	6.0	(6.0)	-
As at December 31	-	-	-	6.0	-	6.0

**15. PROVISIONS FOR LIABILITIES AND CHARGES**

There were no deferred taxation provisions at the end of 1997 (1996 nil).

The amounts of unprovided deferred taxation are as follows:

	<u>(Asset)/Liability</u>			
	<u>1997</u>		<u>1996</u>	
	<u>£M</u>		<u>£M</u>	
	<u>Consolidated</u>	<u>Company</u>	<u>Consolidated</u>	<u>Company</u>
Excess of book depreciation of fixed assets over tax allowances	31.6	31.6	34.3	34.3
Pension Costs	(23.4)	(23.4)	(23.1)	(23.1)
Other timing differences	(9.2)	(9.2)	(16.6)	(16.6)
Total unprovided related to trading activities	(1.0)	(1.0)	(5.4)	(5.4)
Taxes on:				
Capital gains arising on disposal of property that has been deferred under the roll-over provisions	4.6	4.6	4.9	4.9
Revalued fixed assets if they were disposed of at their revalued amounts	25.4	2.0	27.6	2.3
	29.0	5.6	27.1	1.8

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**16. CALLED UP SHARE CAPITAL**

	1997 <u>£M</u>	1996 <u>£M</u>
Authorised, allotted and fully paid: 45,875,463 ordinary shares of £1 each	45.9	45.9

**17. RESERVES**

	Revaluation <u>Reserve</u> <u>£M</u>	Capital <u>Reserve</u> <u>£M</u>	Profit and Loss <u>Account</u> <u>£M</u>
<b>Consolidated:</b>			
Reserves as at 1 January 1997	83.6	0.1	(27.6)
Transfer between categories due to disposal/depreciation of revalued fixed assets	(1.7)	-	1.7
Retained profit for the financial year	-	-	24.2
Balance at 31 December 1997	81.9	0.1	(1.7)

Unrealised exchange losses of £2.9 million (1996 gain £8.2 million) have been included in the Consolidated and Company Profit and Loss Accounts.

	Revaluation <u>Reserve</u> <u>£M</u>	Capital <u>Reserve</u> <u>£M</u>	Profit and Loss <u>Account</u> <u>£M</u>
<b>Company:</b>			
Reserves as at 1 January 1997	7.2	0.1	22.1
Transfer between categories due to disposal/depreciation of revalued fixed assets	(0.8)	-	0.8
Retained profit for the financial year	-	-	7.3
Balance at 31 December 1997	6.4	0.1	30.2

As permitted under section 230 of the Companies Act 1985, the Profit and Loss Account of the Company is not presented as part of these accounts. The Company's profit for the financial year amounted to £7.3 million (1996 £1.8 million loss).

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**18. NOTES TO THE CASH FLOW STATEMENT**

	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
<b>a) Reconciliation of Operating Profit to</b>		
<b>Net Cash Inflow from Operating Activities</b>		
Operating profit	37.6	27.2
Depreciation and special tool amortisation	95.9	90.5
Amortisation of regional development grants	(0.9)	(0.9)
Increase of other deferred income	3.5	9.7
Increase in provision for write down of investments in dealerships	-	0.2
(Gains)/Losses on disposal of tangible fixed assets	(0.8)	2.4
(Increase)/Decrease in stocks	(3.5)	101.7
Increase/(Decrease) in debtors	46.6	(108.2)
Decrease in creditors	(47.4)	(2.9)
	<u>131.0</u>	<u>119.7</u>
Net cash inflow from operating activities		

<b>b) Analysis of Net Debt/Net Funds</b>	<b>At 1st Jan</b> <b>1997</b> <b>£M</b>	<b>Cash</b> <b>Flow</b> <b>£M</b>	<b>At 31st Dec</b> <b>1997</b> <b>£M</b>
Cash in hand and at bank	149.7	(34.3)	115.4
Overdrafts	(10.1)	0.7	(9.4)
	<u>139.6</u>	<u>(33.6)</u>	<u>106.0</u>
Finance leases	(6.0)	6.0	-
Total	<u>133.6</u>	<u>(27.6)</u>	<u>106.0</u>

<b>c) Reconciliation of Net Cash Flow to Movement in Net Debt</b>	<u>1997</u> <u>£M</u>	<u>1996</u> <u>£M</u>
Increase/decrease in cash in the period	(33.6)	4.1
Cash inflow from decrease in debt and lease financing	6.0	6.2
Change in net debt resulting from cash flows	<u>(27.6)</u>	<u>10.3</u>
Net debt at start of the year	133.6	123.3
Net debt at end of the year	106.0	133.6
Movement in net debt in the period	<u>(27.6)</u>	<u>10.3</u>

d) No further lease financing occurred in 1996 and 1997.

e) There was no purchase or sale of investment in subsidiaries in 1997.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**19. CONTINGENT LIABILITIES**

Points earned by GM credit card holders may result in additional discount being given on the future sale of new vehicles, when the points are redeemed. No provision has been made for such discounts as the margins earned on the new vehicle sales are expected to exceed the value of these discounts. Due to the many variables surrounding the restructuring of the GM Card it is not possible for the Directors to know the total value of future discounts arising from the points earned but not redeemed at 31 December 1997.

**20. COMMITMENTS**

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

	<u>1997</u> <u>£M</u>
Committed	39.7
Authorised but not committed	64.6

- (b) At 31 December 1997 the Company had annual commitments of £1.1 million under non-cancellable operating leases.

**21. PENSIONS**

The Vauxhall Motors Pension Plan is of the "defined benefit" type where pensions are determined by earnings levels and length of service. The assets of the Plan are held in a trustee administered fund, 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 (along with General Motors Acceptance Corporation (U.K.) plc and General Motors Overseas Corporation Administrative Services (U.K.)) meeting the balance of the cost not covered by members' contributions. The Participating Companies are also committed to make good any shortfall in the Plan other than that due to benefit improvements as a result of legislative changes since the Plan was set up, on winding up.

**Pension Cost**

Total net discounted Company pension cost for 1997 was £19.4 million (1996 £13.6 million) calculated in accordance with the provisions of SSAP24, consistently applied. The increase is mainly due to the cost of providing improved benefits, which were negotiated during the year.

**Actuarial Valuation as at 1 January 1997**

The latest actuarial valuation of the Plan was performed at 1 January 1997 using the projected unit method. The principal assumptions underlying the valuation remained the same as in the previous valuation; anticipated investment returns of 8.5% per annum, dividend growth of 4.5% per annum, pay increases of 5% per annum, an increase in State earnings limits of 4% per annum and increases to pensions in payment (in excess of the guaranteed minimum pension in payment) for pre-1992 and post-1992 service of 2% and 4% respectively. The valuation also includes allowance for the cost of the impact of the Pensions Act 1995 on certain benefits, and an allowance for improved life expectancy. The above method and assumptions have also been used to calculate the pension cost.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**21. PENSIONS (Continued)**

At 1 January 1997, the market value of the assets of the plan had increased to £504 million. The assets were valued for actuarial purposes by assuming that their market value was reinvested in a notional portfolio of 65% UK equities, 33% fixed interest gilts and 2% in index-linked gilts and discounting the anticipated future income and redemption proceeds at the valuation rate of interest. The actuarial value of the assets was sufficient to cover 94% of the benefits that had accrued to members, after allowing for the benefit improvements and expected future pay increases.

**Contribution to the Pension Plan**

After reviewing the results of the valuation and in agreement with the Plan Actuary and the Trustees, the Company made a contribution to the Plan of £32.1 million in October 1997.

**22. RELATED PARTY DISCLOSURES**

The ultimate parent company and controlling entity of the Company is General Motors Corporation, a company registered in the State of Delaware USA. The Financial Statements of General Motors Corporation are available from General Motors Building, 3044 West Grand Boulevard, Detroit, Michigan 48202.

The immediate controlling entity of the Company is VHC Subholdings, a company registered in England and Wales. Copies of the accounts can be obtained from Mr K J Benjamin, Griffin House, Osborne Road, Luton, Bedfordshire, LU1 3YT.

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

Other related party disclosures are given below.

- 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. 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.

**VAUXHALL MOTORS LIMITED**  
**NOTES TO THE ACCOUNTS**

**22 . RELATED PARTY DISCLOSURES (Continued)**

At 31 December 1997, there were no amounts outstanding relating to the current or prior years rental (1996 nil), and the Company was committed to amounts totalling £7.2 million (1996 £8.0 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 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 £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 hold 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 1997, there were no amounts outstanding relating to the current or prior years rental (1996 nil), and the Company was committed to amounts totalling £2.7 million (1996 £3.0 million) in respect of future years rentals which are not provided for in these financial statements.

**ADDITIONAL INFORMATION NOT PART OF THE FINANCIAL STATEMENTS**  
**TABLE OF RELEVANT COMPARATIVE FIGURES FOR THE PAST TEN YEARS**

YEAR	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
Production Units	277,442	277,888	242,859	261,991	245,313	301,857	261,896	276,031	237,379	205,907
Vehicle Sales (Units)										
Home	314,724	312,127	317,441	333,947	325,727	289,664	260,679	360,205	392,003	345,345
Overseas	160,311	131,016	103,286	93,494	46,964	112,953	104,391	29,523	8,202	8,201
Total	475,035	443,143	420,727	427,441	372,691	402,617	365,070	389,728	400,205	353,546
Total Turnover (£M)	4,235.6	4,115.9	3,631.8	3,582.1	3,100.9	2,998.1	2,572.6	2,620.2	2,498.6	2,048.5
Net Profit Before Taxes (£M)	24.4	10.1	2.5	79.0	185.1	223.7	132.6	239.1	236.3	151.9
Net Profit After Taxes (£M)	24.2	2.1	7.3	51.0	126.5	138.3	86.2	181.3	209.1	151.9
Gross Fixed Assets and Unamortised Special Tools (£M)	1,033.2	920.5	856.6	721.9	693.3	679.8	604.6	386.6	303.0	267.5
Capital Expenditure (£M)	152.0	114.3	170.1	60.8	38.9	105.1	178.8	97.8	55.9	24.6
Total Payrolls (£M)	241.6	236.6	215.7	219.7	216.3	233.4	209.8	197.7	171.2	150.8
Number of Employees (Weekly) Average	10,022	9,651	9,641	9,917	10,554	11,042	11,248	11,268	11,132	10,943