

Company Registration No. 1682792

**GENERAL MOTORS LIMITED**

**Report and Financial Statements**

**31 December 2005**



# **GENERAL MOTORS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# **GENERAL MOTORS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

K J Benjamin  
G Branston

#### **SECRETARY**

K J Benjamin

#### **REGISTERED OFFICE**

Griffin House  
Osborne Road  
Luton  
Bedfordshire  
LU1 3YT

#### **BANKERS**

Barclays Bank PLC

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

# **GENERAL MOTORS LIMITED**

## **DIRECTORS' REPORT**

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

### **ACTIVITIES**

The principal activity of the company is that of a holding company.

### **BUSINESS REVIEW**

For the year ended 31 December 2005 the company made a loss after taxation of £452,000 (2004 – profit of £1,317,000).

Details of fixed asset investments are set out in note 7 to the financial statements.

### **FUTURE DEVELOPMENTS**

The Directors expect the company to continue in its activities as a holding company. No significant changes in the nature of the business are envisaged.

### **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 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 financial risks are fully mitigated.

### **POST BALANCE SHEET EVENTS**

Details of post balance sheet events are given in note 14 to the accounts.

### **DIVIDENDS**

During the year the Directors paid an interim dividend of £7,480,000 (2004 - £nil) and they do not recommend payment of a final dividend (2004 - £nil).

### **DIRECTORS AND THEIR INTERESTS**

The Directors who currently hold office are shown on page 1. There were the following changes in Directors during the year and since the year end:

G Becht	(appointed 25 June 2005, resigned 6 September 2005)
G Branstion	(appointed 6 September 2005)
T Holderer	(resigned 25 June 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 also employees or Directors of other United Kingdom group companies. During the year all Directors held shares or options acquired under the arrangement.

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

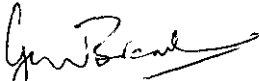
## **GENERAL MOTORS LIMITED**

### **DIRECTORS' REPORT**

#### **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



G Branton  
Director

30 October 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 GENERAL MOTORS LIMITED**

We have audited the financial statements of General Motors Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 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 with the Company 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 circumstances of the Company, 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 x Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
London

*30th October 2006*

# GENERAL MOTORS LIMITED

## **PROFIT AND LOSS ACCOUNT** **Year ended 31 December 2005**

	<b>Notes</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Administrative expenses		<u>(28)</u>	<u>(20)</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(28)</b>	<b>(20)</b>
Investment income – dividends received	<b>4</b>	8,167	-
Interest receivable and similar income	<b>5</b>	<u>1,954</u>	<u>1,670</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>10,093</b>	<b>1,650</b>
Tax charge on profit on ordinary activities	<b>6</b>	<u>(3,065)</u>	<u>(333)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>7,028</b>	<b>1,317</b>
Dividends paid (£58.90 per share)		<u>(7,480)</u>	<u>-</u>
<b>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	<b>12</b>	<u><u>(452)</u></u>	<u><u>1,317</u></u>

All amounts in the current year derive from continuing operations.

During the current and preceding 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 or 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.



# **GENERAL MOTORS LIMITED**

## **BALANCE SHEET 31 December 2005**

	Notes	£'000	2005 £'000	£'000	2004 £'000
<b>FIXED ASSETS</b>					
Investments	7		92,150		92,150
<b>CURRENT ASSETS</b>					
Debtors	8	40,332		37,820	
Cash at bank and in hand		116		35	
		40,448		37,855	
<b>CREDITORS:</b>					
Amounts falling due within one year	9	(3,452)		(407)	
<b>NET CURRENT ASSETS</b>			36,996		37,448
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			129,146		129,598
<b>CREDITORS:</b>					
Amounts falling due after more than one year	10		(3,807)		(3,807)
<b>NET ASSETS</b>			125,339		125,791
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		127		127
Share premium account	12		124,764		124,764
Profit and loss account	12		448		900
<b>EQUITY SHAREHOLDERS' FUNDS</b>			125,339		125,791

These financial statements were approved by the Board of Directors on 30 October 2006 and are signed on its behalf by:



G Branston  
Director

20 October 2006

**NOTES TO THE FINANCIAL STATEMENTS**

**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.

**Basis of preparation**

The financial statements are prepared on the historical cost basis in conformity with applicable United Kingdom accounting standards.

Group accounts have not been prepared because the Company has utilised the exemptions under Section 228A of the Companies Act 1985 as a wholly owned subsidiary of a parent company preparing group accounts to the same date in a manner equivalent to consolidated accounts drawn up in accordance with the provisions of the Seventh Directive (83/349/EEC). See note 13 for details of the parent undertaking which draws up the group accounts referred to above.

**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 more than 90% of the voting rights are controlled by General Motors Corporation, which prepares consolidated financial statements in which the results of General Motors Limited are included and are publicly available. See note 13 for details of the ultimate parent company.

**Fixed asset investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

**Taxation**

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

**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.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign currencies**

Foreign currency monetary assets and liabilities at the balance sheet date are translated into sterling at rates prevailing at that date or at forward cover rates, if applicable. Foreign currency transactions during the year are translated at the rate of exchange ruling at the time.

The exchange gains and losses arising from the translation of the Company's net investment in overseas subsidiaries are taken directly to reserves. All other exchange gains and losses arising are dealt with through the profit and loss account for the year.

**2. OPERATING LOSS**

	2005 £'000	2004 £'000
<b>Operating loss is arrived at after charging</b>		
Auditors' remuneration	22	20

# **GENERAL MOTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2005**

### **3. STAFF COST AND EMOLUMENTS OF DIRECTORS**

The Company had no employees in the financial year (2004 – none).

The Directors received no remuneration from the Company (2004 – £nil) in the financial year. During the year, certain of the directors were also directors of Vauxhall Motors Limited and no part of any remuneration they received from that company was in respect of duties performed relating to General Motors Limited.

### **4. INCOME FROM SHARES IN SUBSIDIARY UNDERTAKINGS**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Dividend income from subsidiary undertaking	7,480	-
Dividend income from listed investment	687	-
	<u>8,167</u>	<u>-</u>

### **5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Loans to group undertakings receivable within five years	<u>1,954</u>	<u>1,670</u>

### **6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES**

Analysis of tax credit on ordinary activities

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Current tax:		
UK corporation tax at 30%	2,980	446
Withholding tax	48	-
Prior period tax	37	(113)
	<u>3,065</u>	<u>333</u>
Deferred tax:		
Movement in the year	-	-
	<u>3,065</u>	<u>333</u>

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 30% (2004 – 30%). The differences are explained below:

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	<u>10,093</u>	<u>1,650</u>
Tax at UK rate of 30% (2004 – 30%) thereon	3,028	495
Effects of:		
Group relief not paid for	-	(49)
Prior period tax	37	(113)
	<u>3,065</u>	<u>333</u>

# **GENERAL MOTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year ended 31 December 2005**

### **7. FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £'000	Listed investments £'000	Total £'000
<b>Cost and net book value</b>			
At 1 January 2005 and 31 December 2005	41,965	50,185	92,150

The investment represents 90,090,000 shares in Isuzu Motors Limited, a company registered in Japan, being 7.89% (2004 - 8.39%) of the common stock of Isuzu Motors Limited. The dilution occurred as a result of the exercise of stock acquisition rights by other shareholders. The market value of this investment, at 31 December 2005 was £200.0 million (2004 - £138.2 million). On 11 April 2006, the company disposed of its investment in Isuzu Motors Limited, Japan for £174.0 million realising a profit on disposal of £123.8 million.

Shares in subsidiary undertakings relate to General Motors Limited's purchase on 30 November 2002 of 15,000 common shares in ISPOL-IMG Holdings BV, a company incorporated in The Netherlands. The investment represents 60% of the issued share capital of ISPOL-IMG Holdings BV. ISPOL-IMG Holdings BV holds 100% of the ordinary shares in Isuzu Motors Polska Sp. z o.o. and 94.9% of the issued share capital in Isuzu Motors Germany GmbH respectively. The principal activities of these companies are the manufacture and marketing of diesel engines. In accordance with accounting standards the Company monitors the carrying value of its fixed asset investments.

### **8. DEBTORS**

	2005 £'000	2004 £'000
Amounts owed by fellow subsidiaries	40,332	37,820
	<u>40,332</u>	<u>37,820</u>

### **9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2005 £'000	2004 £'000
Amounts owed to General Motors Corporation and fellow group undertakings	102	74
Corporation tax	3,350	333
	<u>3,452</u>	<u>407</u>

### **10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2005 £'000	2004 £'000
Other creditors	3,807	3,807
	<u>3,807</u>	<u>3,807</u>

# **GENERAL MOTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **Year ended 31 December 2005**

### **11. CALLED UP SHARE CAPITAL**

	2005 £'000	2004 £'000
Authorised, called up, allotted and fully paid: 127,000 (2004 – 127,000) ordinary shares of £1 each	127	127

### **12. MOVEMENT ON RESERVES**

	Share premium account £'000	Profit and loss account £'000
At 1 January 2005	124,764	900
Retained loss for the financial year	-	(452)
At 31 December 2005	124,764	448

### **13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

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

The immediate parent company and controlling entity of the Company is General Motors Asia Pacific Holdings LLC, a company incorporated in State of Delaware, USA. The accounts of General Motors Asia Pacific Holdings LLC are available from Global Headquarters, 300 Renaissance Centre, PO Box 300, Detroit, Michigan, 48265 - 3000 USA.

### **14. POST BALANCE SHEET EVENTS**

On 11 April 2006, the company disposed of its investment in Isuzu Motors Limited, Japan for £174.0 million realising a profit on disposal of £123.8 million.