

Company Registration No. 1682792

GENERAL MOTORS LIMITED

Report and Financial Statements

31 December 2006

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GENERAL MOTORS LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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GENERAL MOTORS LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

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 on the affairs of the Company together with the audited financial statements and auditors' report for the year ended 31 December 2006

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

For the year ended 31 December 2006 the Company made a profit after taxation of £107.5 million (2005 - £7.0 million). The result for the year ended 31 December 2006 includes £123.8 million profit on disposal of the Company's investment in Isuzu Motors Limited, a company registered in Japan. Dividends received as a percentage of the carrying value of investments was 58.7% for 2006 (2005 - 8.9%)

Details of fixed asset investments are set out in note 8 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 OBJECTIVES AND POLICIES

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund 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.

PRINCIPAL RISK AND UNCERTAINTY

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

- The Company acts as a holding company and faces a risk that the performance of its investments is below expectations and therefore the value of the investments is impaired
- The occurrence of major operational problems within the Company's subsidiaries could have an adverse effect on the Company's profits, cash flow and financial condition if dividend income were reduced

DIVIDENDS

As detailed in note 7 to the financial statements, during the year the Directors paid an interim dividend of £27.1 million (2005 - £7.5 million) and they do not recommend payment of a final dividend (2005 - £nil)

DIRECTORS' INDEMNITY

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

DIRECTORS AND THEIR INTERESTS

The Directors who currently hold office are shown on page 1. There were no changes in Directors during the year or since the year end.

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

GENERAL MOTORS LIMITED

DIRECTORS' REPORT (CONTINUED)

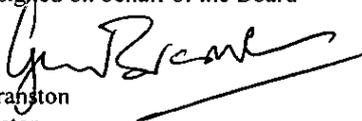
AUDITORS

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

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


G Brajston
Director

29 June 2007

GENERAL MOTORS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENERAL MOTORS LIMITED

We have audited the financial statements of General Motors Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte x Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
29 June 2007

GENERAL MOTORS LIMITED

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

	Notes	2006 £'000	2005 £'000
Operating income/(expenses)		66	(28)
OPERATING PROFIT/(LOSS)	2	66	(28)
Profit on disposal of fixed assets	8	123,773	-
Income from investments	4	22,810	8,167
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		146,649	8,139
Interest receivable	5	6,346	1,954
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		152,995	10,093
Tax charge on profit on ordinary activities	6	(45,459)	(3,065)
PROFIT AFTER TAXATION FOR THE FINANCIAL YEAR		107,536	7,028

All amounts in the current year derive from continuing operations

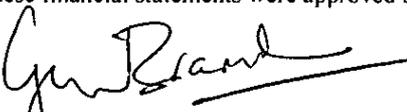
During the current and preceding years there have been no gains or losses other than those recognised in the profit and loss account and consequently no statement of total recognised gains or losses has been prepared

GENERAL MOTORS LIMITED

BALANCE SHEET 31 December 2006

	Notes	2006 £'000	2005 £'000
FIXED ASSETS			
Investments	8	38,883	92,150
CURRENT ASSETS			
Debtors	9	183,091	40,332
Cash at bank and in hand		-	116
		<u>183,091</u>	<u>40,448</u>
CREDITORS:			
Amounts falling due within one year	10	<u>(16,214)</u>	<u>(3,452)</u>
NET CURRENT ASSETS		<u>166,877</u>	<u>36,996</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>205,760</u>	<u>129,146</u>
CREDITORS:			
Amounts falling due after more than one year	11	-	(3,807)
NET ASSETS		<u><u>205,760</u></u>	<u><u>125,339</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	127	127
Share premium account	13	124,764	124,764
Profit and loss account	13	80,869	448
SHAREHOLDERS' FUNDS		<u><u>205,760</u></u>	<u><u>125,339</u></u>

These financial statements were approved by the Board of Directors on 29 June 2007 and are signed on its behalf by


G Branston
Director
29 June 2007

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

1. ACCOUNTING POLICIES

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

Accounting basis

The financial statements are prepared on the historical cost basis in conformity with 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 EU Seventh Directive on company law (83/349/EEC). See note 14 for details of the parent undertaking which draws up 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 14 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

Current tax, including corporation tax and foreign tax, is provided on taxable profit at the appropriate rates ruling each year.

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.

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

2 OPERATING PROFIT/(LOSS)

	2006	2005
	£'000	£'000
Operating profit/(loss) is arrived at after charging/(crediting)		
Profit on foreign exchange	(450)	-
Fee payable to the company's auditors for the audit of the company's annual accounts	20	22
	<u>20</u>	<u>22</u>

3. STAFF COSTS AND EMOLUMENTS OF DIRECTORS

The company had no employees in the financial year (2005 – none)

The Directors received no remuneration from the Company (2005 – £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 INVESTMENTS

	2006	2005
	£'000	£'000
Dividend income from subsidiary undertaking	21,532	7,480
Dividend income from listed investment	1,278	687
	<u>22,810</u>	<u>8,167</u>

5. INTEREST RECEIVABLE

	2006	2005
	£'000	£'000
Loans to group undertakings receivable within five years	6,339	1,954
Other interest receivable	7	-
	<u>6,346</u>	<u>1,954</u>

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on ordinary activities

	2006 £'000	2005 £'000
Current tax		
UK corporation tax	45,459	3,028
Withholding tax	(89)	(48)
Prior period tax	-	37
	<u>45,370</u>	<u>3,017</u>
Foreign tax	89	48
Total current tax charge	45,459	3,065
Deferred tax		
Movement in the year	-	-
Total tax charge on ordinary activities	<u>45,459</u>	<u>3,065</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% (2005 – 30%) The differences are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	152,995	10,093
Tax at UK rate of 30% (2005 – 30%) thereon	45,899	3,028
Effects of		
Net profit on sale of investments	(440)	-
Prior period tax	-	37
Current tax charge for the year	<u>45,459</u>	<u>3,065</u>

7. DIVIDENDS ON EQUITY SHARES

	2006 £'000	2005 £'000
Amounts recognised as distributions to equity holders in the period		
Interim dividend for the year ended 31 December 2006 of £213.51 (2005 – £58.90) per ordinary share (See note 13)	<u>27,115</u>	<u>7,480</u>

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

8. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £'000	Listed investments £'000	Total £'000
Cost and net book value			
At 1 January 2006	41,965	50,185	92,150
Disposal	-	(50,185)	(50,185)
Return of capital	(3,082)	-	(3,082)
	<hr/>	<hr/>	<hr/>
At 31 December 2006	<u>38,883</u>	<u>-</u>	<u>38,883</u>

The listed investment represented 90,090,000 shares in Isuzu Motors Limited, a company registered in Japan, being 7.89% (2005 - 7.89%) of the common stock of Isuzu Motors Limited. 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 Holding B.V. (formerly ISPOL-IMG Holdings B.V.), a company incorporated in The Netherlands. The investment represents 60% of the issued share capital of ISPOL Holding B.V. During the year the Company received a return of capital of £3.082 million from ISPOL Holding B.V. The aggregate amount of its capital and reserves at 31 December 2007 was EUR238.7m and its profit for the year was EUR40.7m.

As at 31 December 2005 and 2006, ISPOL Holding B.V. held 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. ISPOL Holding B.V. sold its 94.9% holding in Isuzu Motors Germany GmbH to Isuzu Motors Limited on 10 January 2007.

9. DEBTORS

	2006 £'000	2005 £'000
Amounts owed by fellow subsidiaries	<u>183,091</u>	<u>40,332</u>

The amounts relate to fixed term borrowings with fixed interest rates of between 4.5% and 5.5% per annum. The fixed terms are for less than 1 year with interest due on maturity.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Amounts owed to General Motors Corporation and fellow group undertakings	381	102
Corporation tax	12,026	3,350
Other creditors	3,807	-
	<hr/>	<hr/>
	<u>16,214</u>	<u>3,452</u>

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £'000	2005 £'000
Other creditors	-	3,807

12. CALLED UP SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised, called up, allotted and fully paid 127,000 (2005 – 127,000) ordinary shares of £1 each	127	127

13. MOVEMENT ON RESERVES

	Share premium account £'000	Profit and loss account £'000
At 1 January 2006	124,764	448
Retained profit for the financial year	-	107,536
Dividend paid on equity shares (See note 7)	-	(27,115)
At 31 December 2006	124,764	80,869

14 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.

15. 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.

16 POST BALANCE SHEET EVENTS

At 31 December 2005 and 2006 the Company held an investment in a subsidiary undertaking representing 60% of the issued share capital of ISPOL Holding B V (formerly ISPOL-IMG Holdings B V). ISPOL Holding B V continues to hold 100% of the ordinary shares in Isuzu Motors Polska Sp Zo o but sold its 94.9% holding in Isuzu Motors Germany GmbH to Isuzu Motors Limited on 10 January 2007.