

Company Registration No. 1682792

GENERAL MOTORS LIMITED

Report and Financial Statements

31 December 2003



GENERAL MOTORS LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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GENERAL MOTORS LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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 2003.

ACTIVITIES

The principal activity of the Company is that of a holding company. The principal activity of the Group is the production and sale of diesel engines for motor vehicles.

FINANCIAL REVIEW

For the year ended 31 December 2003 the Group made a profit after taxation and before minority interest of £34,580,000 (2002 – loss of £1,998,000).

Details of fixed asset investments are set out in note 11 to the financial statements. The Directors do not consider the investment at the year end in Isuzu Motors Limited to be permanently impaired. The market value of this investment as at 14 September 2005 amounted to £163.4 million.

FUTURE DEVELOPMENTS

The Directors expect the Group to trade in line with expectations for the foreseeable future.

DIVIDENDS

The Directors do not propose the payment of a dividend (2002 - £nil).

EMPLOYEES

The Board regards employee involvement and effective communication as essential to maintain productive relationships, achieve improved performance and ensure commitment to the Company's business objectives.

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:

| | |
|-----------|---|
| L Galvin | (resigned 30 June 2004) |
| A Steele | (resigned 6 January 2003) |
| G Becht | (appointed 25 June 2005, resigned 6 September 2005) |
| G Branton | (appointed 6 September 2005) |

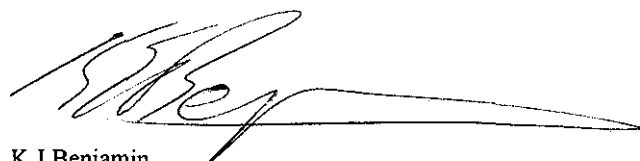
At the end of the year there existed an arrangement between companies in the United Kingdom group and General Motors Corporation under which certain group companies met the cost of awards made by the General Motors Stock Incentive Plan to eligible employees, who qualify by virtue of their employment. 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.

AUDITORS

Deloitte & Touche LLP were appointed auditors to the company on 26 September 2003. 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



K J Benjamin
Director

20 September 2005

GENERAL MOTORS LIMITED

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 and the Group as at the end of the financial year and of the profit or loss of the Group 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 Group 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 Group 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 Group 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 2003 which comprise the consolidated profit and loss account, the balance sheets, the consolidated statement of total recognised gains and losses, the reconciliation of movement in consolidated equity shareholders' funds and the related notes 1 to 23. 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 transactions with the Company and other members of the Group is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the Company and the Group, 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 affairs of the Company and the Group as at 31 December 2003 and the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

22.9.2005

GENERAL MOTORS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT **Year ended 31 December 2003**

| | Notes | 2003 £'000 | 2002 £'000 |
|---|-------|---------------|---------------|
| TURNOVER | 2 | 465,232 | 19,627 |
| Cost of sales | | (361,996) | (16,373) |
| GROSS PROFIT | | 103,236 | 3,254 |
| Distribution costs | | (14,298) | (1,029) |
| Administrative expenses | | (51,731) | (4,184) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST | 3 | 37,207 | (1,959) |
| Interest receivable and similar income | 6 | 988 | 1 |
| Interest payable and similar charges | 7 | (3,808) | (56) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 34,387 | (2,014) |
| Tax credit on profit/(loss) on ordinary activities | 8 | 193 | 16 |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION | | 34,580 | (1,998) |
| Equity minority interest | | (12,879) | 702 |
| RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR | 19 | 21,701 | (1,296) |

All amounts in the current year derive from continuing operations.

GENERAL MOTORS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 December 2003

| | 2003 £'000 | 2002 £'000 |
|--|-----------------------|-----------------------|
| Profit/(loss) for the financial year | 21,701 | (1,296) |
| Currency translation difference of foreign currency of net equity investments in foreign subsidiary | (1,767) | 157 |
| Total recognised gains and losses relating to the year | <u>19,934</u> | <u>(1,139)</u> |

RECONCILIATION OF MOVEMENT IN CONSOLIDATED SHAREHOLDERS' FUNDS

Year ended 31 December 2003

| | 2003 £'000 | 2002 £'000 |
|--|-----------------------|-----------------------|
| Profit/(loss) for the financial year | 21,701 | (1,296) |
| Other recognised gains and losses relating to the year | (1,767) | 157 |
| Total recognised gains and losses relating to the year | <u>19,934</u> | <u>(1,139)</u> |
| New shares issued | <u>36,513</u> | <u>88,378</u> |
| Net additions to equity shareholders' funds | 56,447 | 87,239 |
| Opening equity shareholders' funds | <u>87,239</u> | <u>-</u> |
| CLOSING EQUITY SHAREHOLDERS' FUNDS | <u>143,686</u> | <u>87,239</u> |

GENERAL MOTORS LIMITED

CONSOLIDATED BALANCE SHEET 31 December 2003

| | Notes | £'000 | 2003 £'000 | £'000 | 2002 £'000 |
|---|-------|----------------|-----------------------|----------------|----------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | | 33,557 | | 37,042 |
| Tangible assets | 10 | | 67,548 | | 80,715 |
| Investments | 11 | | 50,185 | | 50,185 |
| | | | <u>151,290</u> | | <u>167,942</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 12 | 47,931 | | 37,096 | |
| Debtors | 13 | 131,565 | | 55,651 | |
| Cash at bank and in hand | | 5,709 | | 16,529 | |
| | | <u>185,205</u> | | <u>109,276</u> | |
| CREDITORS: | | | | | |
| Amounts falling due within one year | 14 | (132,195) | | (92,416) | |
| NET CURRENT ASSETS | | | <u>53,010</u> | | <u>16,860</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>204,300</u> | | <u>184,802</u> |
| CREDITORS: | | | | | |
| Amounts falling due after more than one year | 15 | | (38,403) | | (89,737) |
| PROVISIONS FOR LIABILITIES AND CHARGES | 17 | | (5,941) | | (4,435) |
| NET ASSETS | | | <u><u>159,956</u></u> | | <u><u>90,630</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 18 | | 127 | | 98 |
| Share premium account | 19 | | 124,764 | | 88,280 |
| Profit and loss account | 19 | | 18,795 | | (1,139) |
| EQUITY SHAREHOLDERS' FUNDS | | | <u>143,686</u> | | <u>87,239</u> |
| MINORITY INTEREST | | | | | |
| Equity minority interest | 20 | | <u>16,270</u> | | <u>3,391</u> |
| TOTAL CAPITAL EMPLOYED | | | <u><u>159,956</u></u> | | <u><u>90,630</u></u> |

These financial statements were approved by the Board of Directors on behalf by:

2005 and are signed on its


K J Benjamin
Director

20 September 2005

GENERAL MOTORS LIMITED

COMPANY BALANCE SHEET **31 December 2003**

| | Notes | 2003 £'000 | 2002 £'000 |
|--|-------|-----------------------|----------------------|
| FIXED ASSETS | | | |
| Investments | 11 | <u>92,150</u> | <u>92,150</u> |
| CURRENT ASSETS | | | |
| Cash at bank and in hand | | 35 | 35 |
| Debtors | 13 | <u>36,150</u> | <u>-</u> |
| NET CURRENT ASSETS | | <u>36,185</u> | <u>35</u> |
| TOTAL ASSETS | | 128,335 | 92,185 |
| CREDITORS: | | | |
| Amounts falling due after more than one year | 15 | <u>(3,861)</u> | <u>(3,807)</u> |
| NET ASSETS | | <u><u>124,474</u></u> | <u><u>88,378</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 18 | 127 | 98 |
| Share premium account | 19 | 124,764 | 88,280 |
| Profit and loss account | 19 | <u>(417)</u> | <u>-</u> |
| EQUITY SHAREHOLDERS' FUNDS | | <u><u>124,474</u></u> | <u><u>88,378</u></u> |

These financial statements were approved by the Board of Directors on behalf by:

2005 and are signed on its



K J Benjamin
Director

20 September 2005

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

1. ACCOUNTING POLICIES

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

Accounting basis

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

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 within the Group and consolidated financial statements in which the results of General Motors Limited are included are publicly available. See note 22 for details of the ultimate parent company.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking up to 31 December 2003, using the acquisition method.

Goodwill

Goodwill arising on acquisitions is shown on the consolidated balance sheet as an intangible fixed asset. Goodwill is capitalised in the year in which it arises and amortised over its estimated useful life up to a maximum of 20 years. The Directors regard 20 years as a reasonable maximum for the estimated useful life since it is difficult to make projections exceeding this period.

Development costs and licences

Development costs and licences are charged to the profit and loss account in the year in which they are incurred with the exception of expenditure on the development of certain major new product projects where the outcome of those projects are assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over a period not longer than 5 years from the date when production commences.

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 improvements and buildings | 15 to 40 years |
| Plant, machinery and equipment | 3 to 12 years |

No depreciation is provided on land.

Fixed asset investments

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

Fixed asset leasing

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

Depreciation or amortisation on the relevant assets is provided at the rates referred to above. Leasing payments are treated as consisting of capital and interest elements with the interest charged against revenues.

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

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Corporation 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.

Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value. Costs used in the valuation are based either on the first in - first out basis, or on a weighted average basis, and include material, labour and appropriate overheads. Provision is made for any anticipated obsolescence of stocks.

Foreign currencies

Foreign currency monetary assets and liabilities at the balance sheet date are translated into sterling at rates prevailing at 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.

Warranty liability on Company products

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

Pensions costs

The Group makes contributions on behalf of its employees to state run defined contribution pension schemes. The amounts are paid in the countries in which its employees are based and are charged to the profit and loss account on an incurred basis.

Revenue

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

2. TURNOVER

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

| | 2003 | 2002 |
|---|----------------|---------------|
| | £'000 | £'000 |
| Geographical analysis of turnover by destination: | | |
| United Kingdom | 54,034 | 48 |
| Rest of Europe | 398,499 | 18,595 |
| Rest of the World | 12,699 | 984 |
| | <u>465,232</u> | <u>19,627</u> |

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2003**

3. OPERATING PROFIT/(LOSS)

| | 2003 | 2002 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Operating profit/(loss) is arrived at after charging | | |
| Depreciation of tangible fixed assets | | |
| - Owned assets | 10,788 | 660 |
| - Assets held under finance leases | 98 | 69 |
| Foreign exchange losses | 13,989 | 1,719 |
| Amortisation of development costs and licences | 1,678 | 56 |
| Amortisation of goodwill | 1,722 | 143 |
| Rentals under operating leases | 1,888 | 182 |
| Auditors' remuneration | 36 | - |

4. STAFF COSTS

| | 2003 | 2002 |
|--------------------------------------|---------------|--------------|
| | No. | No. |
| a. Average number of employees | | |
| Directors | 5 | 2 |
| Production, sales and administration | 1,265 | 1,139 |
| | <u>1,270</u> | <u>1,141</u> |
| | 2003 | 2002 |
| | £'000 | £'000 |
| b. Costs | | |
| Wages and salaries | 13,774 | 1,066 |
| Social security costs | 2,539 | 193 |
| | <u>16,313</u> | <u>1,259</u> |

5. EMOLUMENTS OF DIRECTORS

No directors received any emoluments from the Company (2002 – £nil). 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.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2003 | 2002 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Loans to group undertakings receivable within five years | <u>988</u> | <u>1</u> |

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2003**

7. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2003 | 2002 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Loan interest | 1,589 | - |
| Finance lease interest | 34 | - |
| Loans from group undertaking payable within five years | 2,185 | 56 |
| | <hr/> | <hr/> |
| Total interest payable and similar charges | 3,808 | 56 |
| | <hr/> | <hr/> |

8. TAX CREDIT ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Analysis of tax credit on ordinary activities

| | 2003 | 2002 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Current tax: | | |
| UK group relief receivable | 113 | - |
| Overseas taxation | 80 | 16 |
| | <hr/> | <hr/> |
| Total tax credit on ordinary activities | 193 | 16 |
| | <hr/> | <hr/> |

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 30% (2002 – 30%). The differences are explained below:

| | 2003 | 2002 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Profit/(loss) on ordinary activities before tax | 34,387 | (2,014) |
| | <hr/> | <hr/> |
| Tax at UK rate of 30% (2002 – 30%) thereon | (10,316) | 604 |
| Effects of: | | |
| Tax losses | (52) | (588) |
| Activities in tax exempt zone | 10,336 | - |
| Consolidation adjustments | 238 | - |
| Other | (13) | - |
| | <hr/> | <hr/> |
| Current tax credit for the year | 193 | 16 |
| | <hr/> | <hr/> |

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2003**

9. INTANGIBLE FIXED ASSETS

| Group | Development costs and licences £'000 | Goodwill £'000 | Total £'000 |
|--|---|---------------------------|------------------------|
| Cost | | | |
| At 1 January 2003 | 2,839 | 34,431 | 37,270 |
| Additions | 60 | - | 60 |
| Foreign exchange translation differences | (785) | - | (785) |
| At 31 December 2003 | 2,114 | 34,431 | 36,545 |
| Amortisation | | | |
| At 1 January 2003 | 85 | 143 | 228 |
| Charge for the year | 1,678 | 1,722 | 3,400 |
| Foreign exchange translation differences | (640) | - | (640) |
| At 31 December 2003 | 1,123 | 1,865 | 2,988 |
| Net book value | | | |
| At 31 December 2003 | 991 | 32,566 | 33,557 |
| At 31 December 2002 | 2,754 | 34,288 | 37,042 |

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

| Group | Freehold land and buildings £'000 | Plant, machinery and equipment £'000 | Total £'000 |
|--|--|---|------------------------|
| Cost | | | |
| At 1 January 2003 | 36,795 | 44,652 | 81,447 |
| Additions | 15 | 6,303 | 6,318 |
| Disposals | - | (3,648) | (3,648) |
| Foreign exchange translation differences | (2,070) | (6,104) | (8,174) |
| At 31 December 2003 | 34,740 | 41,203 | 75,943 |
| Accumulated depreciation | | | |
| At 1 January 2003 | 101 | 631 | 732 |
| Charge for the year | 1,106 | 9,780 | 10,886 |
| Disposals | - | (453) | (453) |
| Foreign exchange translation differences | (166) | (2,604) | (2,770) |
| At 31 December 2003 | 1,041 | 7,354 | 8,395 |
| Net book value | | | |
| At 31 December 2003 | 33,699 | 33,849 | 67,548 |
| At 31 December 2002 | 36,694 | 44,021 | 80,715 |

The net book value of assets, which are included in plant, machinery and equipment, held under finance leases at the balance sheet date is £124,000 (2002 – £222,000).

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

11. FIXED ASSET INVESTMENTS

| Group | Listed investments £'000 | Total £'000 |
|--|---|------------------------|
| Cost and net book value | | |
| At 1 January 2003 and 31 December 2003 | 50,185 | 50,185 |

| Company | Shares in subsidiary undertakings £'000 | Listed investments £'000 | Total £'000 |
|--|--|---|------------------------|
| Cost and net book value | | | |
| At 1 January 2003 and 31 December 2003 | 41,965 | 50,185 | 92,150 |

On 30 November 2002 General Motors Limited purchased 90,090,000 shares in Isuzu Motors Limited, a company registered in Japan. The investment represents 12.04% of the common stock of Isuzu Motors Limited. The market value of this investment, at 31 December 2003 was £85.9 million (2002 - £19.3 million.) The market value of this investment as at 14 September 2005 amounted to £163.4 million.

Shares in subsidiary undertakings relates to General Motors Limited's purchase on 30 November 2002 of 15 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.

12. STOCKS

| Group | 2003 £'000 | 2002 £'000 |
|-------------------------------|-----------------------|-----------------------|
| Raw materials and consumables | 41,859 | 31,929 |
| Work in progress | 269 | 452 |
| Finished goods | 5,803 | 4,715 |
| | <u>47,931</u> | <u>37,096</u> |

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

13. DEBTORS

| | Group | | Company | |
|-------------------------------------|----------------|---------------|----------------|--------------|
| | 2003 | 2002 | 2003 | 2002 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | 85,508 | 50,066 | - | - |
| Amounts owed by fellow subsidiaries | 37,175 | - | 36,150 | - |
| Other debtors and prepayments: | | | | |
| Due within one year | 8,704 | 3,446 | - | - |
| Due after more than one year | 178 | 2,139 | - | - |
| | <u>131,565</u> | <u>55,651</u> | <u>36,150</u> | <u>-</u> |

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| Group | 2003 | 2002 |
|--|----------------|---------------|
| | £'000 | £'000 |
| Bank loans and overdrafts (see note 16) | 21,952 | 14,367 |
| Finance leases (see note 16) | 86 | 102 |
| Trade creditors | 48,324 | 43,229 |
| Amounts owed to General Motors Corporation and fellow group undertakings | 36,488 | 16,878 |
| Corporation tax | 13 | - |
| Other creditors | 19,655 | 13,547 |
| Accruals and deferred income | 5,677 | 4,293 |
| | <u>132,195</u> | <u>92,416</u> |

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

| | Group | | Company | |
|--|---------------|---------------|----------------|--------------|
| | 2003 | 2002 | 2003 | 2002 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loans (see note 16) | 33,432 | 45,052 | - | - |
| Finance leases (see note 16) | 48 | 154 | - | - |
| Amounts owed to General Motors Corporation and fellow group undertakings | 54 | 40,530 | 54 | - |
| Other creditors | 4,869 | 4,001 | 3,807 | 3,807 |
| | <u>38,403</u> | <u>89,737</u> | <u>3,861</u> | <u>3,807</u> |

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2003**

16. BORROWINGS

| Group | 2003 £'000 | 2002 £'000 |
|--|-----------------------|-----------------------|
| Secured bank loan denominated in Euros, floating interest at the LIBOR six month rate | 55,384 | 59,419 |
| Obligations under finance leases and hire purchase contracts | 134 | 256 |
| | <u>55,518</u> | <u>59,675</u> |
| Due within one year (see note 14) | 22,038 | 14,469 |
| Due after more than one year (see note 15) | 33,480 | 45,206 |
| | <u>55,518</u> | <u>59,675</u> |
| Maturity profile of secured bank loan: | | |
| Within one year or less or on demand | 15,010 | 14,367 |
| More than one year but not more than two years | 6,602 | 14,368 |
| More than two years but not more than five years | 33,772 | 30,684 |
| | <u>55,384</u> | <u>59,419</u> |
| Minimum finance lease payments: | | |
| Within one year (see note 14) | 95 | 117 |
| Between one and five years (see note 15) | 49 | 163 |
| | <u>144</u> | <u>280</u> |
| Less: finance charges allocated to future periods | (10) | (24) |
| | <u>134</u> | <u>256</u> |

17. PROVISIONS FOR LIABILITIES AND CHARGES

| Group | 2003 £'000 | 2002 £'000 |
|---------------------------------------|-----------------------|-----------------------|
| Warranty provisions: | | |
| At 1 January 2003 | 4,435 | - |
| Acquired with subsidiaries | - | 4,397 |
| Charge to the profit and loss account | 1,506 | 38 |
| | <u>5,941</u> | <u>4,435</u> |
| At 31 December 2003 | | |

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2003**

18. CALLED UP SHARE CAPITAL

| | 2003 £'000 | 2002 £'000 |
|--|---------------|---------------|
| Authorised, called up, allotted and fully paid: | | |
| 127,000 (2002 – 98,000) ordinary shares of £1 each | 127 | 98 |

On 29 September 2003 the Company issued 29,000 ordinary shares of £1 each at a premium of £1,258.05 per share for cash.

19. MOVEMENT ON RESERVES

| Group | Share premium account £'000 | Profit and loss account £'000 |
|--|--|--|
| At 1 January 2003 | 88,280 | (1,139) |
| Share premium arising in the year | 36,484 | - |
| Foreign exchange profit on the translation of net equity investment in foreign subsidiary | - | (1,767) |
| Retained profit for the financial year | - | 21,701 |
| At 31 December 2003 | 124,764 | 18,795 |

| Company | Share premium account £'000 | Profit and loss account £'000 |
|--------------------------------------|--|--|
| At 1 January 2003 | 88,280 | - |
| Share premium arising in the year | 36,484 | - |
| Retained loss for the financial year | - | (417) |
| At 31 December 2003 | 124,764 | (417) |

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 made a loss for the current year of £417,000 (2002 - £nil).

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

20. MINORITY INTERESTS

| | 2003 | 2002 |
|--|---------------|--------------|
| | £'000 | £'000 |
| At 1 January 2003 | 3,391 | - |
| Acquisition of subsidiary undertakings | - | 4,093 |
| Profit/(loss) on ordinary activities | 12,879 | (702) |
| At 31 December 2003 | <u>16,270</u> | <u>3,391</u> |

21. COMMITMENTS

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

| | 2003 | 2002 |
|-----------|--------------|--------------|
| | £'000 | £'000 |
| Committed | <u>-</u> | <u>113</u> |

(b) At 31 December 2003 the Group was committed to make the following payments during the next year in respect of operating leases:

| | 2003 | 2002 |
|--------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Operating leases which expire: | | |
| Within one year | 1,014 | 1,183 |
| Within two to five years | 2,159 | 824 |
| After five years | 1 | 3 |
| | <u>3,174</u> | <u>2,010</u> |

22. 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.

GENERAL MOTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2003

23. RELATED PARTY DISCLOSURES

Isuzu Motors Limited, Japan holds 40% of the issued share capital of ISPOL-IMG Holdings BV. Isuzu Motors Polska Sp Zo.o and Isuzu Motors Germany GmbH had the following trading activities and balances with Isuzu Motors Limited group companies:

| Sales of merchandise, materials, products and services | 2003 £'000 | 2002 £'000 |
|--|-----------------------|-----------------------|
| Isuzu Motors Limited, Japan | 4,112 | 844 |
| Isuzu Motors Europe Limited, England | 26,544 | 2,242 |
| | <u>30,656</u> | <u>3,086</u> |
| Purchases of merchandise, materials, products, services and other costs | 2003 £'000 | 2002 £'000 |
| Isuzu Motors Limited, Japan | 434 | 8,526 |
| Isuzu Motors Europe Limited, England | 21,698 | 36 |
| | <u>22,132</u> | <u>8,562</u> |
| Balances receivable from related parties | 2003 £'000 | 2002 £'000 |
| Isuzu Motors Limited, Japan | 10 | 985 |
| Isuzu Motors Europe Limited, England | 5,491 | 3,312 |
| | <u>5,501</u> | <u>4,297</u> |
| Balances payable to related parties | 2003 £'000 | 2002 £'000 |
| Isuzu Motors Limited, Japan | 35,199 | 13,403 |
| Isuzu Motors Europe Limited, England | 228 | 13 |
| | <u>35,427</u> | <u>13,416</u> |
| Payments received on account from related parties | 2003 £'000 | 2002 £'000 |
| Isuzu Motors Limited, Japan | - | 1,663 |