

VAUXHALL PROPERTIES LIMITED

Report and Financial Statements

31 December 2002

**Deloitte & Touche LLP
London**



VAUXHALL PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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VAUXHALL PROPERTIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K J Benjamin
R Davis
K G Ward

SECRETARY

L Galvin

REGISTERED OFFICE

Griffin House
Osborne Road
Luton
Bedfordshire LU1 3YT

BANKERS

Lloyds TSB Bank PLC

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

VAUXHALL PROPERTIES LIMITED

DIRECTORS' REPORT

The Directors of Vauxhall Properties Limited (the "Company") submit their annual report and the audited financial statements for the year ended 31 December 2002.

PRINCIPAL ACTIVITIES

The Company is a property investment company. All the properties owned by the Company are occupied by its parent company, Vauxhall Motors Limited.

REVIEW OF DEVELOPMENTS

Following the closure of the manufacturing plant in March 2002 that was operated by the immediate holding company, the Directors now consider that the carrying value of some of the Company's freehold buildings is impaired and they have written them down to their recoverable value. The profit and loss account for the year ended 31 December 2002 includes an exceptional charge of £4,847,000 in respect of this.

The profit after tax for the year amounted to £17,803,000 (2001 – profit as restated of £19,544,000). No dividends were declared (2001 – £nil).

The accounts reflect the adoption of Financial Reporting Standard 19 "Deferred Tax" for the first time. This has resulted in a prior year adjustment, which has decreased shareholder's funds and increased provisions for liabilities and charges by £3,137,000 as at 31 December 2001.

FUTURE PROSPECTS

The Company is expected to trade satisfactorily for the foreseeable future. The Company continues to own properties occupied and utilised by Vauxhall Motors Limited.

DIRECTORS

The present members of the Board of Directors are shown on page 1. There were the following changes in Directors during the year and since the year end:

Mr M James resigned as director on 6 March 2003.

Mr R Davis was appointed director on 6 March 2003.

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

AUDITORS

Following the conversion of our Auditors Deloitte & Touche to a Limited Liability Partnership (LLP) from 1 August 2003, Deloitte & Touche resigned and the Directors appointed its successor, Deloitte & Touche LLP, as 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



R Davis
Director

1 September 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VAUXHALL PROPERTIES LIMITED

We have audited the financial statements of Vauxhall Properties Limited (the "Company") for the year ended 31 December 2002 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 12. 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 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 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 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 of the state of the Company's affairs as at 31 December 2002 and its profit 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

8 September 2003

VAUXHALL PROPERTIES LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2002

	Note	2002	2001
		£'000	as restated £'000
TURNOVER		17,650	17,650
Cost of sales			
Depreciation	6	(2,636)	(7,299)
Exceptional cost of sales - Impairment of fixed assets	6	(4,847)	-
Total cost of sales		<u>(7,483)</u>	<u>(7,299)</u>
OPERATING PROFIT		10,167	10,351
Interest receivable and similar income	4	<u>6,182</u>	<u>7,405</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,349	17,756
Tax credit on profit on ordinary activities	5	<u>1,454</u>	<u>1,788</u>
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	10	<u>17,803</u>	<u>19,544</u>

All amounts derive from continuing operations.

VAUXHALL PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **Year ended 31 December 2002**

	2002	2001
	£'000	as restated £'000
Profit for the financial year	17,803	19,544
Total recognised gains and losses relating to the year	17,803	19,544
Prior year adjustment (note 1 – adoption of FRS 19 “Deferred tax”)	(3,137)	
TOTAL RECOGNISED GAINS AND LOSSES SINCE THE LAST ANNUAL REPORT	14,666	

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS **Year ended 31 December 2002**

	2002	2001
	£'000	as restated £'000
Profit for the financial year	17,803	19,544
NET ADDITION TO SHAREHOLDERS' FUNDS	17,803	19,544
Opening shareholders' funds (Originally £211,731,000 before deducting prior year adjustment of £3,137,000)	208,594	189,050
CLOSING SHAREHOLDERS' FUNDS	226,397	208,594

VAUXHALL PROPERTIES LIMITED

BALANCE SHEET **31 December 2002**

	Note	2002 £'000	2001 as restated £'000
TANGIBLE FIXED ASSETS	6	48,555	56,038
CURRENT ASSETS			
Debtors	7	179,525	155,693
NET CURRENT ASSETS		179,525	155,693
TOTAL ASSETS LESS CURRENT LIABILITIES		228,080	211,731
PROVISIONS FOR LIABILITIES AND CHARGES	8	(1,683)	(3,137)
NET ASSETS		226,397	208,594
CAPITAL AND RESERVES			
Called up share capital	9	124,000	124,000
Profit and loss account	10	102,397	84,594
EQUITY SHAREHOLDERS' FUNDS		226,397	208,594

These financial statements were approved by the Board of Directors on 1 September 2003 and are signed on its behalf by:

R. Davis

R Davis
Director

1 September 2003

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting basis

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

The cost or valuation of all tangible fixed assets, other than freehold land, is written off over the estimated useful lives on a straight-line basis.

For the major asset categories asset lives are as follows:

Freehold land and buildings: 25 years

No depreciation is provided on freehold 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.

Taxation

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

Deferred taxation

The Company adopted Financial Reporting Standard 19 "Deferred Tax" during the financial year. Prior to the adoption of Financial Reporting Standard 19, the Company provided for deferred taxation to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied. Details of the impact on prior year results are given in Note 8 and Note 10. There is no material impact on the current year's results from the adoption of Financial Reporting Standard 19.

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.

Cash flow statement

The Company has taken advantage of the exemption granted in Financial Reporting Standard 1 "Cash Flow Statements" (Revised) not to produce a cash flow statement, since its immediate parent company, Vauxhall Motors Limited, produces a consolidated cash flow statement including the cash flows of the Company.

Revenue

Revenue represents rents receivable on investment properties in the United Kingdom. All revenue is receivable from the parent company, Vauxhall Motors Limited.

2. EMOLUMENTS OF DIRECTORS

The Directors of the Company are also Directors of other trading and holding companies within the group and it is not practicable to allocate their remuneration for the financial period between their services to each company. Therefore details of their remuneration for the year to 31 December 2002 are disclosed in the financial statements of General Motors Holdings (U.K.).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002**3. ADMINISTRATIVE EXPENSES**

Auditors' remuneration for the current and preceding financial years was borne by the parent company.

The Company had no employees or associated costs in the current and preceding financial years.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002	2001
	£'000	£'000
Interest receivable from parent company	-	213
Interest receivable from group undertaking	6,182	7,192
	<u>6,182</u>	<u>7,405</u>

5. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITY

Analysis of tax credit on ordinary activities

	2002	2001
	£'000	as restated £'000
Current tax:		
UK corporation tax at 30% (2001 – 30%)	-	-
Deferred tax:		
Deferred tax credit	1,454	1,788
Total tax credit on ordinary activities	<u>1,454</u>	<u>1,788</u>

The tax assessed for the period differs to that resulting from applying the standard rate of corporation tax in the UK of 30% (2001 – 30%). The differences are explained below:

	2002	2001
	£'000	as restated £'000
Profit on ordinary activities before tax	<u>16,349</u>	<u>17,756</u>
Tax at UK rate of 30% (2001 – 30%) thereon	4,905	5,327
Effects of:		
Depreciation in excess of capital allowances	1,844	1,788
Group relief not paid for	(6,749)	(7,115)
Current tax charge for the year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2002

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Leasehold property improvements £'000	Total £'000
Cost			
At 1 January 2002	96,050	26,846	122,896
At 31 December 2002	96,050	26,846	122,896
Accumulated depreciation			
At 1 January 2002	62,394	4,464	66,858
Charge for the year	2,614	22	2,636
Impairment charge (see below)	4,847	-	4,847
At 31 December 2002	69,855	4,486	74,341
Net book value			
At 31 December 2002	26,195	22,360	48,555
At 31 December 2001	33,656	22,382	56,038

Included within freehold land and buildings is land at cost of £ 43,629,000 (2001 - £43,629,000) not subject to depreciation. However £25,800,000 (2001 - £25,800,000) of this has been written down to zero as part of the impairment charge in the year ended 31 December 2000.

The impairment of freehold buildings in 2002 relates to the write down of certain assets at the Company's Luton site. Following the closure of the manufacturing plant in March 2002 that was operated by the immediate holding company, the Directors now consider that the carrying value of these assets is impaired and they have written them down to their recoverable value.

7. DEBTORS

	2002 £'000	2001 £'000
Loans to group undertaking and accrued interest	153,578	138,507
Amount receivable from parent company	25,947	17,186
	<u>179,525</u>	<u>155,693</u>

Amounts falling due after more than one year and included in debtors are:

	2002 £'000	2001 £'000
Amount receivable from parent company	25,947	17,186
	<u>25,947</u>	<u>17,186</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

8. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation

Movements on the provision for deferred taxation are as follows:

	2002	2001
	£'000	as restated £'000
At 1 January 2002 (2001 as previously stated)	3,137	-
Prior year adjustment	-	4,925
At 1 January 2002 (2001 as restated)	3,137	4,925
Credit to profit and loss account	(1,454)	(1,788)
At 31 December 2002	<u>1,683</u>	<u>3,137</u>

Deferred taxation is analysed over the following timing differences:

	2002	2001
	£'000	as restated £'000
Accelerated capital allowances	<u>1,683</u>	<u>3,137</u>

In accordance with Financial Reporting Standard 19 "Deferred Tax", deferred tax has not been provided on the revaluation of fixed assets. The amounts of unprovided deferred taxation are as follows:

	2002	2001
	£'000	as restated £'000
Tax on revalued fixed assets if they were disposed of at their revalued amounts	<u>8,362</u>	<u>8,782</u>
Total unprovided deferred taxation liability	<u>8,362</u>	<u>8,782</u>

9. CALLED UP SHARE CAPITAL

	2002	2001
	£'000	£'000
Authorised, called up, allotted and fully paid:		
124,000,105 (2001 – 124,000,105) ordinary shares of £1 each	<u>124,000</u>	<u>124,000</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2002

10. RESERVES

	Profit and loss account £'000
At 31 December 2001 as previously stated	87,731
Prior year adjustment	(3,137)
	<hr/>
At 1 January 2002 as restated	84,594
Profit for the financial year	17,803
	<hr/>
At 31 December 2002	<u>102,397</u>

11. ULTIMATE PARENT COMPANY

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 Global Headquarters, 300 Renaissance Centre, PO Box 300, Detroit, Michigan, 48265 - 3000 USA.

The immediate parent company and controlling entity of the Company is Vauxhall Motors Limited, a company incorporated in England and Wales. The consolidated accounts of Vauxhall Motors Limited are filed with the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

12. RELATED PARTY DISCLOSURES

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