



General Motors-Holden's Limited ANNUAL REPORT 1979

Directors

CHARLES S. CHAPMAN - Managing Director

ERIC N. CLARK

WILLIAM R. DE LONG

EDWIN A. ELLISON

EVAN C. S. GREEN

JOHN S. LOVERIDGE

JOHN D. ROCK

C. REID RUNDELL

THOMAS J. STRATTON

ALBERT J. TEAL, C.B.E.

JOSEPH E. WHITESSELL

BANKERS

COMMONWEALTH TRADING BANK OF AUSTRALIA
BANK OF NEW SOUTH WALES
BANK OF ADELAIDE
COMMERCIAL BANKING CO. OF SYDNEY LTD.
BANQUE NATIONALE DE PARIS

SOLICITORS

MALLESONS, 121 WILLIAM STREET, MELBOURNE, 3000

AUDITORS

DELOITTE, HASKINS & SELLS
461 BOURKE STREET, MELBOURNE, 3000

SECRETARY

F. J. VAN OVERSTRAETEN

REGISTERED OFFICE

241 SALMON STREET, PORT MELBOURNE, 3207

GMH throughout Australia

Victoria

Fishermen's Bend

—Head Office

—Technical Centre incl. Engineering Department
and Design Studios

—Foundries

—Manufacturing Plants for Engines

—Manual Transmissions

—Wiring Looms

—Electrical Parts

—Management and Technical Education Centre

South Melbourne

—Sales Department

—Dealership Service

Dandenong

—Assembly Plant for Torana/Sunbird/
Commodore Vehicles

—Bedford, Chevrolet and Isuzu Trucks

—Computer Centre

—Head Office Parts and Accessories Operation

—Head Office Detroit Diesel Allison International

—Parts Manufacturing

Lang Lang

—Automotive Proving Ground for
Passenger Vehicles and Trucks

—Safety Test Centre

—Emissions Test Facility

South Australia

Elizabeth

—Assembly Plant Holden Range and Statesman

—Body Tool Design

—Production of Metal Stampings

—Stampings—Body Hardware Manufacture

—Trim Fabrication

Woodville

—Automatic Transmission Manufacture

—Body Tool Manufacture

—Stampings

—Electroplating

—Die-Casting

Birkenhead

—Parts and Accessories warehouse

—Export boxing centre

New South Wales

Pagewood

—Assembly Commodore Vehicles

—TEREX Head Office

Queensland

Acacia Ridge

—Assembly Holden and Gemini Vehicles

Western Australia

West Perth

—Zone Sales Office

Review of Operations

In 1979 GMH achieved its highest Australian motor vehicle market share and sales volume for six years.

It was GMH's 27th consecutive year of market leadership.

Total sales value of all GMH products in 1979 was \$1,089 million—an increase of \$194 million on the previous year's figures. This was the first time in the Company's history that Sales have exceeded \$1 billion.

The new Holden Commodore was Australia's most popular car, while the Holden Gemini was Australia's most popular small car.

GM Holden's unit volumes rose by 6% over 1978, and 158,545 GMH passenger and commercial vehicles were registered in 1979, representing a market share of 27.7 per cent. The total industry market fell 0.4 per cent, with 573,373 registrations.

In the passenger vehicle market only, the GMH story was even brighter.

The total passenger vehicle market increased by 2.6 per cent compared to 1978, while GMH's passenger vehicle volume rose 11.8 per cent.

The Commodore and the Gemini passenger models were the GMH stars. The Commodore in its first full year of sales, was Australia's top selling car with 63,989 sedans and wagons registered.

From September, the first full month in which the wagon version of the Commodore was on sale, to the end of the year, Commodore registrations exceeded those of its nearest competitor, by 3,376.

The Gemini was Australia's top selling small car with 28,007 registrations. Its nearest rival had 22,541 registrations.

The Gemini increased its lead significantly when the new TE model was released in October.

In December 1979 the TE Gemini gained 39.6 per cent of the small car market—the highest percentage ever achieved by a Gemini model. It outsold its nearest competitor in the small car class by a ratio of better than two to one.

The following table compares 1979 wholesale unit sales with sales in 1978:

	1979	1978
<i>Domestic:</i>		
Statesman	2,219	3,295
Commodore	70,844	11,912
Holden	38,293	73,481
Torana	3,992	17,496
Sunbird	9,927	16,334
Gemini	31,187	21,055
Bedford	1,747	3,268
Isuzu Truck	1,578	1,821
Chevrolet Truck	388	887
Isuzu LUV	2,404	613
Opel	3	—
Total Domestic	162,582	150,162
<i>Export:</i>		
Statesman	304	341
Commodore	3,377	2
Holden	4,439	3,926
Torana	166	133
Sunbird	3,369	2,757
Bedford	8	6
Isuzu Truck	3	2
Chevrolet Truck	4	4
Total Export	11,670	7,171
Total Domestic and Export	174,252	157,333

Export sales increased significantly in 1979, with 11,670 vehicles sold overseas, compared to 7,171 in 1978. The total value of 1979 export sales was \$50.9 million, compared to \$28.9 million in 1978. Most of this increase was attributable to strong demand for the Sunbird and Commodore models in New Zealand.

The long term outlook for GMH exports is good—especially with increased participation in the world car program, which has been made feasible by the Federal Government's decision to allow export credits to begin in 1982. Accordingly the GMH export division is being reorganized to take advantage of the opportunities that will become available in this area.

On the financial side, GMH returned to profitable operating conditions in 1979. The year's profit was \$4.6 million. Last year an overall loss of \$8.4 million was incurred.

The change to profitable operation provided an encouraging measure of the progress achieved by the company in 1979.

No dividend was paid to the parent company in 1979.

NEW MODEL INTRODUCTIONS

There were two significant new model releases for GMH in 1979. One was the wagon version of the top selling Commodore sedan, while the other was the new Gemini, TE.

The long awaited Commodore wagon was released in August. Available in two distinct luxury levels, it featured, despite its compact exterior size, the largest carrying capacity of any Holden wagon ever built.

It shared the sedan's excellent handling and quietness—and also went on to achieve the sedan's level of sales success. Together the sedan and wagon made Commodore Australia's top selling car. It increased its lead over competitors as the year went on.

The Commodore wagon was another step in the greater emphasis on efficiency at GMH. Like the sedan it featured greater design efficiency, space efficiency, weight efficiency and fuel efficiency.

In October, the replacement for the TD Gemini, which had been the top selling small car for 1979, was released. Called the TE, it had improved fuel economy from the 1.6 litre four cylinder engine, better ride and handling, greater comfort and better corrosion protection.

There was a marked appearance change, incorporating some Commodore features and subsequently greater aerodynamic efficiency.

The new TE further increased Gemini's lead in the small car sales battle.

EXPORT CREDIT SCHEME

The most important single event for the industry in 1979 was the Federal Government's decision to allow export credits.

This move means that Australian car makers can gain credits for goods exported, and in return import items up to the limit set by the Government.

The move allows export credits of 5 per cent in 1982, increasing to 7.5 per cent in 1984.

It means Australia can begin to participate effectively in the world car scheme—which is truly the way the world's car industry is heading.

The world car scheme will mean better, more economical and more fuel efficient cars for Australians, greater investment in local industry and the creation of new employment opportunities.

It also means the industry will achieve better economies of scale.

To qualify for credits, goods must first be manufactured in Australia and then exported. Only then can credits become available to import goods up to the level specified by the Government.

MARKET LEADERSHIP THROUGH THE 70s

GMH continued market leadership right through the 70s.

Perhaps even more importantly, the GMH share of the total market in 1979 was the company's highest since 1973—which bodes well for the 1980s.

The company's "Car for the 70s"—the HQ/HJ/HX/HZ series Holden regularly topped the sales charts throughout the decade until the release of the new generation Commodore.

The 70's also saw the advent of the first two General Motors world cars—the T car (known in Australia as the Gemini) and the V car (known in Australia as the Commodore). These two vehicles are the forerunners of future GM world cars.

TRADING STOCK VALUATION ADJUSTMENT

We are concerned that the Government has withdrawn the Trading Stock Valuation Adjustment (TSVA). This measure was introduced in 1975 as an aid to business liquidity, in real terms, by reducing the tax imposed on illusory profits boosted by inflation. Business generally used the resulting funds to finance expansion and real development of Australia.

Inflation continues at high levels as in 1975, and (alone among the major industrial nations) Australia provides no tax assistance to maintain business liquidity. The effect must surely be to retard the development of business, and Australia.



GMH People

Throughout 1979 the management style of increasing the involvement of employees in Company activities continued in a healthy fashion. An example of the degree of employee interest and concern is the participation in the suggestion program where 10,768 improvement ideas were received. No less than 3,606 were accepted for adoption and these earned employees \$322,444. This included five ideas for which maximum awards of \$10,000 were granted.

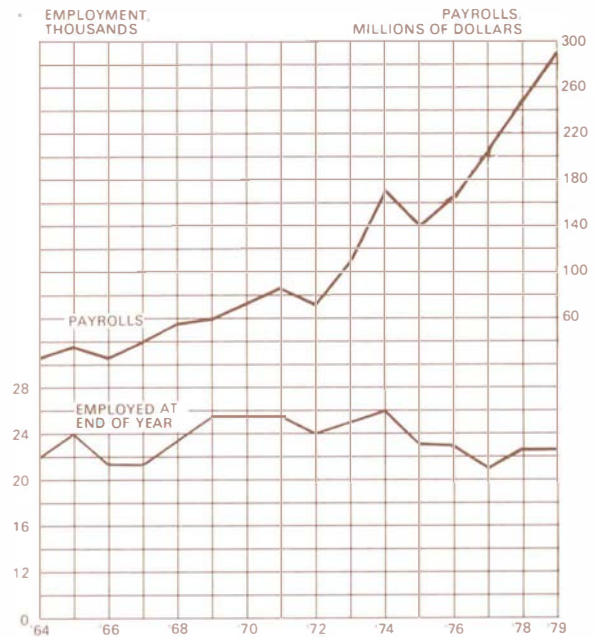
In line with the continuing education concept gaining strength in the overall community, there was a significant increase in employee participation in personnel development activities. A new word, MATEC, has been added to the vocabulary of GMH employees—it stands for Management & Technical Education Centre.

This new training complex has been set up in what was the Disco Plant on the Corner of Williamstown Road & Bridge Street, Port Melbourne. MATEC centralises GMH's apprentice training, technician training, product service training and supervisory and management training for Victoria under one roof. Completed in March 1980, it is one of the largest and best equipped industrial education and training complexes in Australia.

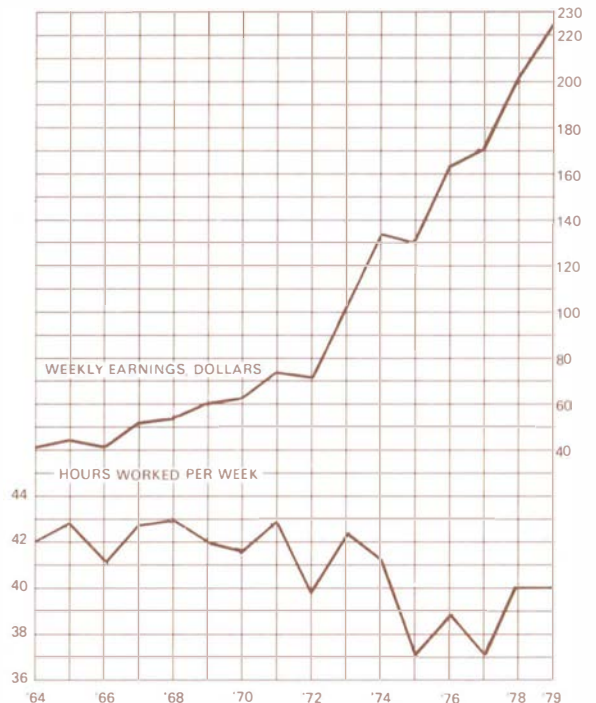
There were again a high number of applications for the General Motors Overseas Fellowship Plan open to employees only, and providing one year's education and experience at General Motors Institute in Michigan, U.S.A. in conjunction with such Corporation divisions as Oldsmobile, Cadillac and Pontiac.

Once again employees are to be congratulated on the excellent safety performance achieved throughout the year. Only one disabling injury occurred for every 2¼ million hours worked.

EMPLOYMENT AND PAYROLLS



GMH HOURLY RATED EMPLOYEES



CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1979

The accompanying notes form an integral part of these accounts.

	1979 \$	1978 \$
<i>Authorised Capital</i>		
70,000,000 Shares of \$2	<u>140,000,000</u>	<u>140,000,000</u>
<i>Issued Capital, Capital Surplus and Retained Earnings</i>		
70,000,000 Shares of \$2 fully paid	140,000,000	140,000,000
Capital Surplus—Revaluation	5,747,471	5,747,471
Unappropriated Profits at December 31	<u>197,923,519</u>	<u>193,306,920</u>
	343,670,990	339,054,391
<i>Non-Current Liabilities</i>		
Trade Creditors	58,875	38,425
Provision for Warranty and Policy	2,804,588	1,961,000
Deferred Income Taxes (Note 10)	9,267,395	3,066,586
Deferred Investment Tax Credits	4,832,638	388,746
Long Term Debt	22,500,000	30,000,000
Loan from Related Company	22,321,429	—
Provision for Outstanding Workers Compensation Claims	<u>3,647,624</u>	<u>807,521</u>
	65,432,549	36,262,278
<i>Current Liabilities</i>		
Bank Borrowings	47,316,671	30,143,410
Other Short Term Borrowings	43,000,000	—
Provision for Income Tax	—	249,414
Trade Creditors	89,638,123	88,494,974
Trade Creditors in respect of Fixed Assets	8,509,371	4,855,313
Amount Payable to Holding Company	13,547,666	17,782,707
Amount Payable to Other Related Companies	14,123,348	14,396,159
Amount Payable to Non-Consolidated Subsidiary Companies	265,237	453,187
Provision for Marketing Programs and Warranty and Policy	22,777,848	12,456,666
Deferred Investment Tax Credits	855,661	88,873
Provision for Separation Allowance	1,204,008	1,324,821
Provision for Long Service Leave	23,606,098	22,534,113
Provision for Sick Leave	5,722,385	5,194,079
Provision for Outstanding Workers Compensation Claims	<u>1,600,000</u>	<u>2,198,561</u>
	272,166,416	200,172,277
	681,269,955	575,488,946

	1979 \$	1978 \$
<i>Fixed Assets (Note 4)</i>		
Freehold Land, Improvements and Buildings	124,026,427	129,385,068
Leasehold Improvements	19,538,705	13,167,563
Machinery, General Tools, Furniture and Fixtures	60,345,773	46,991,315
	<u>203,910,905</u>	<u>189,543,946</u>
<i>Deferred Assets</i>		
Special Tools at Cost less amounts written off	84,108,015	76,874,054
Deferred Income Taxes (Note 10)	31,018,384	17,831,195
Prepayments	1,287,107	960,241
	<u>116,413,506</u>	<u>95,665,490</u>
<i>Investments</i>		
Shares in Non-Consolidated Subsidiary Companies at Cost less Amounts Written off (Note 1)	4,663,277	6,208,422
<i>Current Assets</i>		
Cash on Hand and in Bank	4,354,101	2,967,045
Marketable Securities	—	6,000,000
Stock on Hand and Work in Progress at lower of cost and net realisable value (Note 7)	290,829,037	226,269,566
Trade Receivables (Note 6)	34,356,618	30,533,752
Amount Receivable from Holding Company	819,832	1,401,024
Amount Receivable from Related Companies	17,105,365	8,329,481
Amount Receivable from Non-Consolidated Subsidiary Companies	9,193	27,254
Other Receivables	2,198,114	1,480,803
Prepayments	6,610,007	7,062,163
	<u>356,282,267</u>	<u>284,071,088</u>
	<u>681,269,955</u>	<u>575,488,946</u>

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED DECEMBER 31, 1979

The accompanying notes form an integral part of these accounts

	1979		1978	
	\$	\$	\$	\$
Net Profit (Loss) before Income Tax (Note 2)		2,060,192		(8,683,906)
Less Income Tax Expense (Note 10)				
Provision for Income Tax	6,611,448		(4,165,465)	
Deferred Income Tax Expense	(4,838,160)		4,014,465	
Deferred Investment Tax Credits	993,068		(97,845)	
		<u>2,766,356</u>		<u>(248,845)</u>
Net Profit (Loss) after Taxes		(706,164)		(8,435,061)
<i>Extraordinary Item—Profit (Loss)</i>				
Prior Year Adjustment (1975):				
Provision for Income Tax	780,707		—	
Deferred Income Tax	(804,047)		—	
Benefit of Prior Year Tax Loss	6,611,448		—	
Recording of Income Taxes in respect of Loss Years 1977 and 1978:				
Deferred Income Tax	2,952,267		—	
Deferred Investment Tax Credits	(4,217,612)		—	
		<u>5,322,763</u>		<u>—</u>
Net Profit (Loss) and Extraordinary Item		4,616,599		(8,435,061)
Add: Unappropriated Profits at January 1		<u>193,306,920</u>		<u>201,741,981</u>
Unappropriated Profits at December 31		<u>197,923,519</u>		<u>193,306,920</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1—*Significant Accounting Policies*

STATEMENT OF ACCOUNTING METHODS

The following summary of significant accounting methods adopted in the preparation of the Company's accounts is given in order to assist in the understanding of the figures presented. Except as otherwise stated in these notes, the historical cost convention has been adopted.

PRINCIPLES OF CONSOLIDATION AND TRANSACTIONS IN FOREIGN CURRENCIES

The consolidated financial statements include the accounts of General Motors-Holden's Limited and General Motors-Holden's Sales Pty. Limited, a wholly owned subsidiary company engaged in wholesale marketing operations.

Foreign currency transactions arising during the year have been stated in Australian currency at the average rates of exchange for the months in which they arose. Receivables and Payables at December 31, 1979, which are to be settled in foreign currencies have been stated in Australian currency at approximate rates of exchange at that date.

Foreign exchange adjustments are credited or charged to income currently.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value, with cost being determined substantially on the first-in, first-out or the average cost basis.

Inventories were taken at all locations. Methods used involve a combination of complete physical inventory and statistical sampling.

PROVISION FOR INCOME TAXES

The tax effects of timing differences between pre tax accounting income and taxable income are deferred, except that the tax effects of certain expenses charged to income prior to 1968 have not been deferred but are recognised in income taxes provided at the time such expenses become allowable for tax purposes. The Company does not adjust the balances of deferred tax accounts following changes in tax rates. Investment tax credits deducted in determining tax estimated to be payable are deferred for amortization over the lives of the related assets. Because the Company balances in December, the goods component of the consumer price index used to determine the now defunct stock valuation adjustment was available for only one quarter when the accounts of prior years were completed. Therefore, the benefit of the stock valuation adjustment was brought to account in the following year when the amount of the deduction became known. The return to profitable operations in 1979 resulted in the utilization of a substantial portion of the prior years' tax losses and the Company has no reason for not expecting the utilization of the balance of tax losses in the ensuing years, particularly in view of the deletion of the T.S.V.A. tax benefit. The following 1977 and 1978 items which were not previously recognized were therefore recognized in 1979:

Benefit of Tax Losses utilized in 1979
Tax effect of timing differences
Deferral of Investment Tax Credits.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

FIXED ASSETS

Certain Fixed Assets in the accounts have been revalued at dates as indicated in the accounts. Other Fixed Assets are shown at cost. Maintenance, repairs, rearrangement expenses and renewals and betterments which do not enhance the value or increase the basic productive capacity of the assets are charged to cost and expense as incurred.

The annual group (composite) rates of depreciation are, with minor exceptions, as follows:

Classification of Property	Annual Group Rates
Land Improvements	5%
Buildings	3½%
Machinery and equipment	8½% (Average)
Furniture and office equipment	6% (Average)

The actual rate of depreciation in a particular year on machinery and equipment may be slightly higher or lower than these rates dependent on the number of years for which the assets have been depreciated.

Depreciation is not provided in excess of 100% of the gross book amount. Depreciation is accrued at 150% and 100% of the applicable rate shown above for the first and second thirds of the expected life respectively, and then at 50% until fully depreciated. Use of this accelerated method accumulates depreciation of approximately two-thirds of the depreciable cost during the first half of the estimated lives of the property.

DEFERRED ASSETS

Expenditures for special tools are amortized over short periods of time because the utility value of the tools is radically affected by frequent changes in the design of the functional components and appearance of the product.

PRODUCT RELATED EXPENSE

Expenditures for research and development, advertising and sales promotion are charged to costs and expenses when incurred; provisions for estimated costs related to product warranty are made at the time the products are sold.

INVESTMENTS

Investments in Non-consolidated Subsidiary Companies are initially recorded in the Accounts at Cost. They are revalued at Balance date to their current value, where that value is lower than cost.

NOTES TO THE FINANCIAL STATEMENTS (Contd)

	1979 \$	1978 \$
NOTE 2:		
(a) The Net Profit (Loss) is arrived at		
<i>After Crediting:</i>		
Premiums on Non-Consolidated Subsidiary Companies Share Redemptions	332,842	76,482
Dividends from Non-Consolidated Subsidiary Companies as detailed in Note 11	38,036	58,101
Profit on Disposal of Land	86,180	—
<i>After Charging:</i>		
Depreciation and Amortization of Fixed Assets	14,783,897	14,040,725
Amortization of Special Tools	30,012,520	18,241,417
Provision for Long Service Leave	1,071,985	3,427,567
Provision for Sick Leave	528,306	1,039,822
Provision for Marketing Programs and Warranty and Policy	11,164,770	1,413,924
Provision for Stock Obsolescence	(113,315)	12,319
Provision for Doubtful Debts (Note 5)	24,000	6,815,892
Provision for Separation Allowance	(120,813)	94,123
Provision for Outstanding Workers Compensation Claims	2,241,542	3,006,082
Loss on Non Consolidated Subsidiary Company Share Redemption	2,012	116,017
Write Down of Investment in Non-Consolidated Subsidiary Companies	562,016	—
Interest paid to other persons	6,226,127	2,782,106
(b) Auditors' Remuneration—		
For auditing the Accounts and Consolidated Accounts	96,500	86,700
Other Services	5,800	3,750
The auditors of the Company also received fees from Non-Consolidated Subsidiaries which were paid by those Subsidiaries—		
For Audit of Accounts	55,463	69,505
For Other Services	5,147	11,454
The auditors received no other benefits.		
(c) The following profits (losses) on disposals of Fixed Assets were transferred to the Provision for Depreciation and Amortization and were not brought to account in determining the Consolidated profit.		
Land Improvements & Buildings	12,621	(441)
Machinery, General Tools, Furniture and Fixtures	455,776	144,532
NOTE 3—Emoluments Received by Directors:		
Emoluments received by Directors engaged in the full time employment of the Company and its related Corporations, other than fixed salaries contributed by the Company and its related Corporations	413,945	329,701

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	1979 \$	1978 \$
NOTE 4—Fixed Assets:		
Freehold Land, Land Improvements and Buildings		
—at 1962 Directors' Valuation plus additions at Cost	118,241	118,241
—at 1975 Independent Valuation plus additions at Cost	150,193,216	149,892,340
—at Cost	<u>1,733,984</u>	<u>1,950,377</u>
	152,045,441	151,960,958
<i>Less:</i> Provision for Depreciation	<u>28,019,014</u>	<u>22,575,890</u>
	<u>124,026,427</u>	<u>129,385,068</u>
Leasehold Improvements		
—at 1975 Independent Valuation plus additions at Cost	23,612,801	16,527,930
<i>Less:</i> Provision for Amortization	<u>4,074,096</u>	<u>3,360,367</u>
	<u>19,538,705</u>	<u>13,167,563</u>
Machinery, General Tools, Furniture and Fixtures		
—at 1962 Directors' Valuation plus additions at Cost	253,148,862	235,955,822
<i>Less:</i> Provision for Depreciation	<u>192,803,089</u>	<u>188,964,507</u>
	<u>60,345,773</u>	<u>46,991,315</u>
Freehold Land and Land Improvements at Cost includes the following amounts in respect of Property held for Resale		
—Cost of Acquisition	1,578,063	1,679,246
—Cost of Surveys, Roads and Drainage	154,180	268,908
—Rates and Taxes Capitalized	<u>1,741</u>	<u>2,223</u>
	<u>1,733,984</u>	<u>1,950,377</u>
NOTE 5		
Bad Debts Written off and debited to the Provision for Doubtful Debts	<u>634,094</u>	<u>1,343,149</u>
NOTE 6		
Trade Receivables	39,584,672	36,371,900
<i>Less:</i> Provision for Doubtful Debts	<u>5,228,054</u>	<u>5,838,148</u>
	<u>34,356,618</u>	<u>30,533,752</u>
NOTE 7:		
Stock on Hand and in Transit	279,061,956	215,469,503
<i>Less:</i> Provision for Stock Obsolescence	<u>340,176</u>	<u>453,491</u>
	<u>278,721,780</u>	<u>215,016,012</u>
<i>Add:</i> Work in Progress	<u>12,107,257</u>	<u>11,253,554</u>
	<u>290,829,037</u>	<u>226,269,566</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 8:

Capital Commitments not provided for in the Accounts—
Freehold Land, Improvements and Buildings
Machinery, General Tools, Furniture and Fixtures
Leasehold Improvements

1979
\$

1978
\$

451,919	86,424
75,216,889	2,734,359
10,489,681	28,267
<u>86,158,489</u>	<u>2,849,050</u>

NOTE 9—Contingent Liabilities:

1. Unsecured Contingent Liabilities—
Guarantees in respect of Assisted Dealerships and various Dealers' wholesale finance
2. Other Claims—Employees

2,210,563	1,083,500
156,800	—
<u>2,367,363</u>	<u>1,083,500</u>

There is a guarantee existing between General Motors-Holden's Sales Pty. Ltd. and General Motors Acceptance Corporation, Australia, relating to Lease Payments by Car Rental Companies.

NOTE 10—Income Taxes:

As mentioned in the accounting policies, deferred tax benefits and deferral of investment tax credits not recorded in 1977 and 1978 were recorded in 1979 due to the earning of taxable income.

The tax expense (Credit) represents:

(a) Minor adjustments to pre 1977 Tax Expense	23,340	(156,321)
(b) Deferred Tax Expense		
—relating to current year timing differences	(4,838,160)	—
—relating to timing differences included in 1977 and 1978 Tax Losses	(2,952,267)	—
(c) Deferral of Investment Tax Credits		
—relating to Investment Tax Credit of 1979	1,762,900	—
—relating to Investment Tax Credits of 1977 and 1978	4,760,510	—
(d) Amortization of Deferred Investment Tax Credits		
—Current year's amortization of deferrals to date (year 1978 excludes amortization of the 1977 and 1978 deferral)	(769,832)	(92,524)
—Amortization not recorded in 1977 and 1978 in respect of 1977 and 1978 deferrals	(542,898)	—
	<u>(2,556,407)</u>	<u>(248,845)</u>

The value of carry forward tax losses not recorded was:

9,261,466 15,872,914

The value of future income tax benefits will only be obtained if:

- The Company derives future assessable income of a nature and of sufficient amount to enable the benefit of the deductions to be realised;
- The Company continues to comply with the conditions for deductibility imposed by the law;
- Legislation does not change in a manner which would adversely affect the Company in realising the benefit of the deductions.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 11

<i>Name of Company</i>	<i>Place of Incorporation</i>	<i>*1</i>	<i>% of Total Issued</i>	<i>*2</i>	<i>% of Total Issued</i>
		\$		\$	
General Motors-Holden's Limited	Victoria				
General Motors-Holden's Sales Pty. Limited	Victoria	10,000	100.0		
<i>Dealership Assistance Division Subsidiaries:</i>					
Les Eaton Pty. Ltd.	Victoria	—	—	—	—
John Mitchell Motors Pty. Ltd.	Victoria	—	—	35,100	82.4
Donlee Motors Pty. Ltd.	Victoria	—	—	51,261	97.4
John Doran Pty. Ltd.	Victoria	—	—	—	—
Ian Hebiton Pty. Ltd.	Victoria	3,726	100.0	34,500	100.0
Gordon Lee & Co. Pty. Ltd.	Victoria	—	—	—	—
Wal McGarity Pty. Ltd. (Receiver appointed NSW)	Victoria	—	—	—	—
Vin Moar Pty. Ltd.	Victoria	—	—	—	—
Barry Sheales Pty. Ltd.	Victoria	—	—	—	—
John Sivyer Pty. Ltd.	Victoria	—	—	—	—
John Chant Motors Pty. Ltd.	Victoria	—	—	—	—
Miall-Phillips Motors Pty. Ltd.	Victoria	—	—	—	—
P. W. Bagnall Pty. Ltd.	Victoria	—	—	236,256	96.0
A. & E. Taylor Pty. Ltd.	Victoria	—	—	56,875	75.8
R. B. Nash Pty. Ltd.	Victoria	—	—	330,000	93.0
Tony Packard Motors Pty. Ltd.	Victoria	—	—	—	—
Max Aubert Pty. Ltd.	Victoria	—	—	266,000	94.2
Mellis Motors Pty. Ltd.	Victoria	—	—	333,000	90.9
North East Plaza Pty. Ltd.	Victoria	—	—	285,000	97.0
Geoff Brady Motors Pty. Ltd.	Victoria	—	—	641,275	92.0
John Martin Motors Pty. Ltd.	Victoria	—	—	353,000	93.4
N. F. & J. E. Dight Pty. Ltd.	Victoria	—	—	329,750	95.9
TOTAL		<u>13,726</u>		<u>2,952,017</u>	

*1 Ordinary Shares of \$1 each.

*2 Fully paid redeemable Non-participating 6% Cumulative Preference Shares—Class A \$1.

*3 Fully paid redeemable Non-participating 6% Cumulative Preference Shares—Class B \$1.

*4 Fully paid redeemable Participating Preference Shares—\$1.

COMPANY'S INVESTMENT

*3	% of Total Issued	*4	% of Total Issued	Total Invest- ment	Contribution to Consolidated Results	Dividends Received or Receivable	1979	1978
\$		\$		\$	\$	\$	\$	\$
					6,320,399			
				10,000	(1,510,650)			
—	—	—	—	—	—	—	—	12,297
97,450	100.0	10,500	100.0	143,050	1,531	—	—	3,977
44,537	97.5	3,764	100.0	99,562	7,570	—	—	5,748
—	—	—	—	—	7,257	—	—	—
29,700	100.0	3,300	100.0	71,226	5,722	—	—	—
—	—	—	—	—	—	—	—	17,118
18,400	100.0	2,110	100.0	20,510	—	—	—	—
34,200	100.0	3,800	100.0	38,000	352	—	—	—
—	—	—	—	—	(2,012)	—	—	—
—	—	—	—	—	—	—	—	7,335
—	—	—	—	—	—	—	—	4,408
—	—	—	—	—	118,349	—	—	—
38,314	99.6	4,275	100.0	278,845	13,976	—	—	—
81,125	100.0	9,000	100.0	147,000	(306)	—	—	7,218
198,000	100.0	22,000	100.0	550,000	38,134	—	—	—
—	—	—	—	—	166,571	38,036	—	—
143,100	100.0	15,900	100.0	425,000	(199,686)	—	—	—
150,300	100.0	16,700	100.0	500,000	(92,321)	—	—	—
147,600	95.9	16,400	100.0	449,000	(21,803)	—	—	—
287,843	100.0	31,982	100.0	961,100	68,389	—	—	—
584,000	100.0	50,000	100.0	987,000	(110,746)	—	—	—
202,725	100.0	22,525	100.0	555,000	(43)	—	—	—
<u>2,057,294</u>		<u>212,256</u>		<u>5,235,293</u>	<u>4,810,683</u>	<u>38,036</u>		<u>58,101</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

NOTE 12:

Share Issues by Subsidiary Companies during 1979.

No Shares were issued by Subsidiary Companies during 1979.

NOTE 13:

No Subsidiary Companies were acquired during 1979.

Subsidiaries disposed of during the year were as follows:—

<i>Name</i>	<i>Consideration</i> \$	<i>Net Tangible</i> <i>Assets</i> \$	<i>% Holding</i> <i>Company's Interest</i>	
John Doran Pty. Ltd.	56,185	127,838	38.3	***
Miall Phillips Motors Pty. Ltd.	468,375	424,457	95.9	***
Tony Packard Motors Pty. Ltd.	721,411	1,044,495	69.1	***

*** Holding Company's Interest at date of disposal.

Now in its tenth year of operation the Dealership Assistance Division has provided assistance to 31 dealers since its inception early in 1970.

The Division's objective is to provide temporary finance in two areas of operation; firstly, to potential new dealers who might otherwise have difficulty raising funds needed to establish a dealership and, secondly, to established dealers in need of funds for expansion.

This assistance is designed to enable eligible applicants to ultimately operate on their own capital, and is fully consistent with G.M.H's established policy of distributing its products through independent dealers.

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION FOR
YEARS ENDED DECEMBER 31, 1979 AND 1978

	1979 \$	1978 \$
<i>Source of Funds:</i>		
Net Income (Loss) for Year	4,616,599	(8,435,061)
Depreciation—Real Estate, Plant and Equipment	14,783,897	14,040,725
Disposals and Retirements of Real Estate	1,293,364	183,069
Amortization of Special Tools	30,012,520	18,241,417
Other	2,706,798	5,186,986
Long Term Debt	14,821,429	NIL
	<u>68,234,607</u>	<u>29,217,136</u>
<i>Application of Funds:</i>		
Expenditures for Real Estate, Plant and Equipment	30,444,220	14,514,933
Expenditures for Special Tools	37,246,481	38,091,657
Other	326,866	2,235,695
	<u>68,017,567</u>	54,842,285
Increase (Decrease) in Working Capital	217,040	(25,625,149)
	<u>68,234,607</u>	<u>29,217,136</u>
<i>Increase (Decrease) in Working Capital by Element:</i>		
Cash and Marketable Securities	(21,786,205)	(30,271,322)
Other Borrowings	(43,000,000)	NIL
Accounts Receivable	12,264,652	8,591,948
Inventories	64,559,471	28,335,453
Accounts Payable	(11,820,878)	(32,281,228)
	<u>217,040</u>	<u>(25,625,149)</u>

Auditors' Report

In our opinion:

(a) the attached Accounts, being the Consolidated Balance Sheet and Consolidated Profit and Loss Account of General Motors- Holden's Limited and General Motors- Holden's Sales Pty. Limited on pages 6 to 16 inclusive, are properly drawn up and so as to give a true and fair view of the state of affairs of the Company and its Consolidated Subsidiary as at December 31, 1979 and of the results of the Company and its Consolidated Subsidiary for the year ended on that date so far as they concern members of the holding company;

(b) the accounting records and other records, and the registers required by the Companies Act 1961 to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of that Act or, in the case of the subsidiaries, incorporated in another State of the Commonwealth, in accordance with the provisions of the corresponding law of that State.

We are satisfied that the Accounts of the subsidiary that have been consolidated are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for that purpose.

No auditor's report on the Accounts of any of the subsidiaries was made subject to any qualification, or included any comment made under subsection (3) of Section 167 of the Companies Act 1961.

DELOITTE, HASKINS & SELLS
Chartered Accountants

J. R. Collyer
Partner

May 21, 1980

Statement by the Principal Accounting Officer

I, James Alexander Chrisp state that to the best of my knowledge and belief, the accompanying Accounts of General Motors- Holden's Limited and its Consolidated Subsidiary give a true and fair view of the matters required to be dealt with therein by Section 162 of the Companies Act, 1961.

J. A. CHRISP
May 21, 1980.

Statement by the Directors

We, Charles Sherman Chapman and William Raymond De Long being two Directors of General Motors- Holden's Limited, do hereby state on behalf of the Directors that, in our opinion, the accompanying Accounts of General Motors- Holden's Limited and its Consolidated Subsidiary company are drawn up so as to give a true and fair view of:

(a) The profit and loss of the Company and its Consolidated Subsidiary for the financial year ended December 31, 1979.

(b) The state of affairs of the Company and its Consolidated Subsidiary as at December 31, 1979 so far as they concern members of the holding company.

C. S. CHAPMAN
W. R. DE LONG
May 21, 1980.

STATEMENT BY THE DIRECTORS IN ACCORDANCE WITH SECTION 9 (5) OF THE NINTH SCHEDULE OF THE COMPANIES ACT 1961.

We, Charles Sherman Chapman and William Raymond De Long, being two Directors of General Motors- Holden's Limited, state on behalf of the Directors that the Consolidated Financial Statements for the year ended December 31, 1979, do not include the results of the Dealership Assistance Division Subsidiaries.

In our opinion:

(a) The preparation of the Financial Statements in this form is preferable, in the interests of its shareholders, because the Investment in Dealership

Subsidiaries is temporary to assist the owners to commence business.

(b) That the accounts are not significantly affected by transactions and balances between the Companies covered by the accounts.

C. S. CHAPMAN
W. R. DE LONG
May 21, 1980.

General Motors-Holden's Limited

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED DECEMBER 31, 1979

Your Directors submit this annual report for the year ended December 31, 1979 and report as follows.

The names of the Directors in office at the date of this report are as follows:

Charles Sherman Chapman
Eric Noel Clark
William Raymond De Long
Edwin Alexander Ellison
Evan Clifford Symons Green
John Shillingford Loveridge
John Delano Rock
Carl Reid Rundell
Thomas James Stratton
Albert Joseph Teal, C.B.E.
Joseph Eugene Whitesell

The principal activities of the Companies in the group during the financial year were production and sale of motor vehicles, industrial equipment, and parts and accessories related to these products. There were no significant changes in the nature of these activities during the year.

The net amount of the group Profit for the financial year was \$4,810,683.

The extent to which each Company in the group contributed to the above consolidated profit is detailed on Note 11 of the Notes to the Financial Statements.

The following material transfers were made to/(from) Provisions during the year:

Long Service Leave	\$ 1,071,985
Sick Leave	\$ 528,306
Warranty & Policy and Marketing Programs	\$11,164,770
Depreciation & Amortization	\$14,783,897
Doubtful Debts	\$ (610,094)
Outstanding Workers Compensation Claims	\$ 2,241,542

Subsidiary Companies acquired and disposed of during the year 1979 are detailed in Note 13 of the Notes to the Financial Statements.

Shares issued by Subsidiary Companies during the year are detailed in Note 12 of the Notes to the Financial Statements.

No dividends were declared or paid during the year.

No dividends were paid to, or declared in favour of, the holding company by any subsidiary company since the end of the financial year and up to the date of this report which have not been shown in the group accounts.

The Directors took reasonable steps to ascertain that all known bad debts were written off and that adequate provision was made for Doubtful Debts, before the Profit and Loss Account and Balance Sheet of General Motors-Holden's Limited were made out.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount provided for Doubtful Debts by the Group, inadequate to any substantial extent.

The Directors took reasonable steps to ascertain before the Profit and Loss Account and Balance Sheet of General Motors-Holden's Limited were made out, that the current assets, other than Debtors, were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the normal course of business.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributable to current assets in the group accounts misleading.

No charge on the assets of any Company in the group has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liabilities of any Company in the group have arisen since the end of the financial year to the date of this report.

No contingent or other liability of any Company in the group has become enforceable or is likely to become enforceable within a period of twelve months from the end of the financial year which, in the opinion of the Directors, will substantially affect the Companies' ability to meet their obligations as and when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with which would render any amounts shown in the accounts misleading.

The results of the operations of the group or any Company in the group during the financial year have not, in the opinion of the Directors, been substantially affected by any item, transaction or event of a material and unusual nature.

In the opinion of the Directors, no other items, transactions or events of a material and unusual nature have arisen between December 31, 1979 and the date of this report which would substantially affect the results of any Company in the group during the next financial year.

No options have been granted to any person to have issued to him shares in the Companies or a Subsidiary Company to the date of this report.

No Director, since the end of the previous financial year, has received or become entitled to receive benefit by reason of a contract made by the Companies or by a related Company with the Director or with a firm of which he is a member or with a Company in which he has a substantial financial interest.

Signed at Melbourne this twenty-first day of May, 1980 in accordance with a Resolution of the Directors.

C. S. CHAPMAN

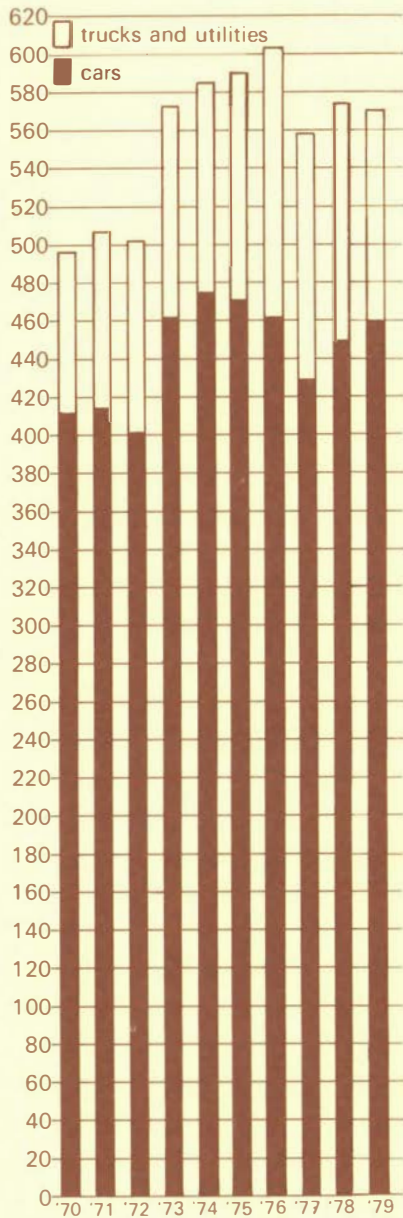
W. R. DE LONG

Directors



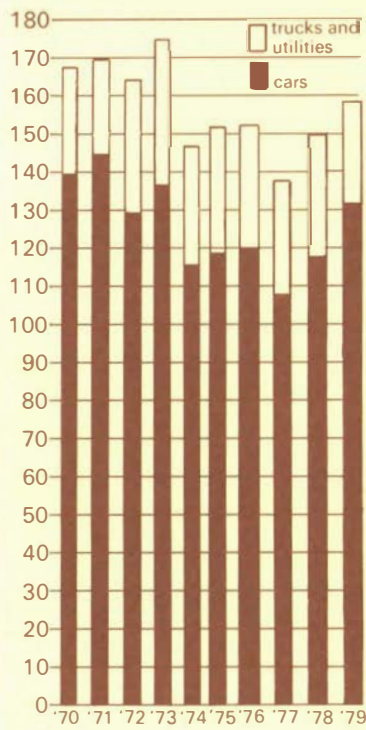
YEARLY NEW VEHICLE REGISTRATIONS

YEARLY NEW VEHICLE REGISTRATIONS
thousands of units



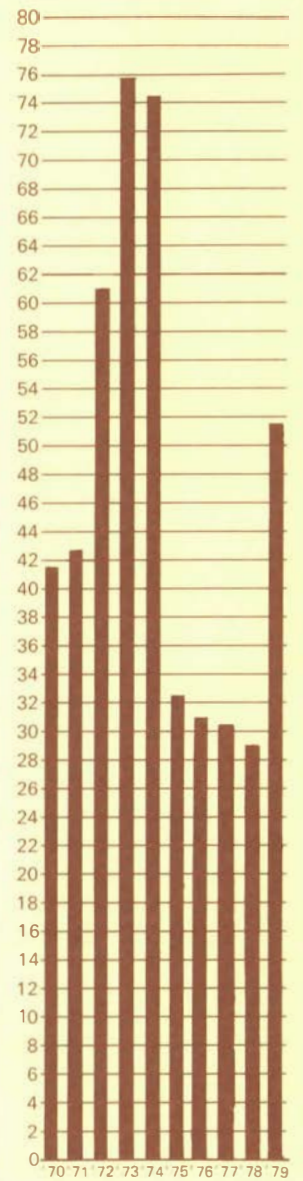
YEARLY REGISTRATION OF GMH VEHICLES

YEARLY REGISTRATIONS OF GMH VEHICLES
thousands of units



EXPORT SALES

GMH EXPORT SALES
millions of dollars



Ten years' statistics

Year	Wholesale Vehicle Sales—Units			Sales Revenue			Expenditures for Land, Buildings and Equipment (excludes Special Tools)
	Domestic	Export	Total	Domestic	Export	Total	
				\$000's	\$000's	\$000's	\$000's
1970	170,455	23,992	194,447	395,746	41,897	437,643	10,340
1971	168,088	24,372	192,460	408,694	42,582	451,276	9,285
1972	160,946	33,488	194,434	400,781	61,420	462,201	5,052
1973	164,343	41,181	205,524	444,815	75,807	520,622	5,361
1974	157,860	32,587	190,447	513,755	74,131	587,886	6,616
1975	157,415	7,540	164,955	624,561	32,388	656,949	12,235
1976	150,063	7,593	157,656	700,771	30,915	731,686	11,230
1977	132,575	7,694	140,269	696,314	30,073	726,387	17,222
1978	150,162	7,171	157,333	866,420	28,943	895,363	14,515
1979	162,582	11,670	174,252	1,038,458	50,919	1,089,377	30,444

Expenditures for Special Tools	Amounts Paid to Suppliers for Materials, Components and Services	Average Number of Employees	Total Payrolls	Net Profit	Dividends	Government Charges for Customs Duties and Taxes Including Tax on Dividends	Year
\$000's	\$000's		\$000's	\$000's	\$000's	\$000's	
25,831	242,959	25,841	108,046	27,766	27,000	26,539	1970
15,641	255,932	25,567	123,130	18,942	23,000	32,006	1971
7,232	283,520	24,357	117,328	15,328	NIL	20,778	1972
10,623	311,627	25,042	150,824	14,253	31,000	27,064	1973
11,797	331,147	26,515	202,132	14,012	8,500	25,640	1974
9,765	396,546	23,390	181,717	17,828	5,500	36,427	1975
21,288	425,158	22,579	216,132	16,309	7,000	46,875	1976
35,764	460,662	21,255	213,420	(8,411)	8,050	26,844	1977
38,092	524,456	21,239	248,289	(8,435)	NIL	27,730	1978
37,246	696,227	22,740	291,454	4,617	NIL	32,700	1979

Products

PASSENGER VEHICLES

Holden Gemini sedan
 Gemini SL sedan
Gemini SL coupe
 Gemini SL/X sedan
 Gemini SL/E sedan
 Gemini SL/E coupe
 Gemini station wagon
 Gemini panel van

Holden Sunbird sedan
 Sunbird hatchback
 Sunbird SL sedan
 Sunbird SL hatchback
 Sunbird SL/E sedan
 Sunbird SL/E hatchback

Holden Torana S sedan
 Torana SL sedan
 Torana SL hatchback

Holden Kingswood SL sedan
 Kingswood SL station wagon
Premier sedan
 Premier station wagon
 Sandman panel van
 Sandman utility

Holden Commodore sedan
 Commodore station wagon
 Commodore SL sedan
 Commodore SL station wagon
 Commodore SL/E

Holden Statesman De Ville
 Statesman Caprice

LIGHT COMMERCIAL VEHICLES

Holden Panel van, utility
 Kingswood panel van
 Kingswood utility
 One tonner

Isuzu KB 20 SWB pick up
 KB 25 LWB pick up
 KB 25 LWB chassis cab
 KB 40 SWB (4WD) pick up
 KB 40 SWB (4WD) chassis cab

HEAVY COMMERCIALS

Bedford—All Holden powered
 CFS chassis cab
 CFS van
 CFL chassis cab
 CFL LWB chassis cab
 CFL van

Bedford—All chassis cab, varying GVM/GCM,
 wheelbase EDL0 (Holden 4.2 litre V8,
 petrol)
 EFM3, EFN3, EFRA, EFR3, (Holden 5.0
 V8, petrol)

Bedford ELR3, ELR4, (Bedford 8.2 six,
 derated diesel)
 EMT2, EMT3 (Bedford 8.2 six, max. rated
 diesel)
 MFR 4 x 4 (Holden 5.0 V8, petrol)
 MJR 4 x 4 (Bedford 5.4 six, diesel)

BEDFORD—BUS CHASSIS

NFM (Bedford 4.9 six, petrol)
 NJM (Bedford 5.4 six, diesel)
 YLQ (mid-engine Bedford 8.2 six, derated diesel)
 BLP (Bedford 8.2 six, derated diesel)
 YMT (mid engine Bedford 8.2 six, max. rated diesel)

Chevrolet

C20 chassis cab, Fleetside pickup (5.7 V8 petrol)
 C30 chassis cab
 K20 chassis cab 4 x 4 (4.8 six petrol)

Isuzu, chassis cab (varying GVM/GCM and
 wheelbase)

KS21 (Isuzu 3.59 four, diesel)
 SBR422 (Isuzu 5.39 six, diesel)
 JCR420 (Isuzu 5.39 six, diesel)
 JCR500 (Isuzu 5.39 six, diesel)
 SPG540 (Isuzu 12 six, diesel, twin steer)
 SPZ440 (Isuzu 12 six, diesel, tandem drive)
 SPH 710 (Isuzu 12 six, diesel twinsteer, tandem
 drive)

OTHER PRODUCTS

TEREX—scrapers, crawler tractors, front end loaders,
 off highway haulers

Detroit Diesel engines
 Allison automatic transmissions and industrial gas
 turbines
 Parts and accessories for passenger/commercial
 products



General Motors-Holden's Limited ANNUAL REPORT 1979