



GENERAL MOTORS-HOLDEN'S LIMITED

ANNUAL REPORT 1983

Directors

Charles S. Chapman Managing Director

John F. Bremner

James M. Butler

Ivan A. Deveson

Edwin A. Ellison

Elwood E. Leathley

John S. Loveridge

Keith G. Moss

J. W. Morris Watson

Joseph E. Whitesell

Bankers

Commonwealth Trading Bank of Australia

Westpac Banking Corporation

National Commercial Banking Corporation
of Australia Ltd

Banque Nationale de Paris

A.N.Z. Banking Group Ltd

Solicitors

Mallesons, 121 William Street, Melbourne, 3000

Auditors

Deloitte Haskins & Sells

461 Bourke Street, Melbourne, 3000

Secretary

B. R. Ford

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
- Sales Department
- Dealership Service

Dandenong

- Assembly Camira Vehicles
- Assembly Isuzu Trucks
- Computer Centre
- Head Office Parts and Accessories Operation
- Components Division
- Head Office Detroit Diesel Allison International
- Parts Manufacturing
- Zone Sales Office

Lang Lang

- Automotive Proving Ground for Passenger Vehicles and Trucks
- Safety Test Centre
- Emissions Test Facility

South Australia

Elizabeth

- Assembly Holden Range, Commodore and Statesman
- Body Tool Design
- Production of Metal Stampings
- Body Hardware Manufacture
- Trim Fabrication
- Plastics Production
- Zone Sales Office

Woodville

- Automatic Transmission Manufacture
- Body Tool Manufacture
- Stampings
- Electroplating
- Die-Casting

New South Wales

Edgecliff

- Zone Sales Office

Queensland

Acacia Ridge

- Assembly Commodore, Camira and Gemini
- Zone Sales Office

Western Australia

West Perth

- Zone Sales Office

1983 — The year in review



C. S. Chapman
Managing
Director

The Market

While 1983 was difficult for GM-H, brighter economic conditions began to emerge towards the end of the year. However, the overall relatively depressed vehicle sales coupled with the substantial costs related to debt financing and voluntary retirement programs, resulted in GM-H incurring a loss of \$124.9 million.

The market for new vehicles fell 7.8 percent from 1982 while passenger vehicle sales dropped 9.3 percent. The continued growth of passenger vehicle substitutes held the decline in the commercial market to just 3.8 percent.

Wholesale vehicle sales for the Company of 114,103 units were almost 20 percent below the 1982 level and the sales value of GM-H products in 1983 was \$1,200 million, compared with \$1,278 million in the previous year. This placed GM-H second in terms of total market registrations.

Although a loss was sustained, improvements in operating efficiency more than offset the reduced volume. These results provide a clear indication our recovery program will be effective. This is the ongoing structure we are striving for under our recovery program.

Passenger Vehicles

The decline in passenger vehicle activity was primarily centred in the fleet area and this had an impact on Commodore sales with a reduction in this model from 56,715 units in 1982 to 38,425 in 1983.

However, the introduction of a new Commodore fleet model, the "Executive", and the most successful Commodore "Vacationer" contributed to an upswing in sales in the last quarter.

Camira continued its market leadership following its release in mid-1982 and maintained that record in 1983 despite several competitive new model releases. Camira led its nearest rival, the Sigma, by some 5,500 units and the Datsun Bluebird and Corona range by almost 7,000 units each.

Perhaps the outstanding success towards the end of the year was the new Statesman Series II. The high level of demand easily outstripped supply.

A bold development was the establishment of a new Company called Holden National Leasing Limited. This is a concerted move to capture a growing share of opportunities arising in the fleet vehicle leasing area. The new Company reflects an innovative

approach and recognizes the need for a vigorous marketing effort.

Under the plan, GM-H and 200 members of its 420 strong national dealer network, who subscribed to the prospectus, will co-ordinate to provide delivery and distribution of fleet vehicles, including passenger derivatives and trucks.

New offices in Sydney and Melbourne help structure a national leasing arrangement in which highly competitive rates apply even in remote parts of Australia.

Every one of GM-H's 420 dealers have become delivery, return and service points for the new Company. It is now the largest, and with computerised fleet management capability, the most efficient fleet resource facility in Australia.

Commercial Vehicles

Industry sales of commercial vehicles declined in 1983 in an extremely competitive market. The commercial segment of the market is now almost exclusively made up of imported vehicles.

However, Holden utility sales improved significantly following the rural sector recovery in the second half of the year.

Sales of GM-H/Isuzu trucks were also encouraging with a 15.6 per cent improvement in sales over the previous 12 months.

Exports

GM-H was Australia's top exporter of manufactured goods with export sales of more than \$189 million in 1983.

In recognition of this achievement, GM-H was presented with the 1983 Australian Outstanding Export Achievement Award — an award sponsored by the Confederation of Australian Industry and the Department of Trade.

Our exports in 1983 accounted for 15.7 percent of total sales — the highest ratio ever — which came from the export of vehicles, engines, components and accessories.

In 1983 we exported 149,172 engines from our Family II Camtech engine plant at Port Melbourne. These were shipped to West Germany, the United Kingdom, South Africa and New Zealand.

During the year we shipped 15,000 car sets, mostly sheet metal to Korea, and Camira wagon packs to Vauxhall Motors in the U.K. GM-H remains the sole world source for the Camira wagon.

Product Quality

As part of GM-H's recovery program and the continuing need to ensure product quality, Total Quality Control (TQC) has been introduced.

TQC is aimed at improving the procedures, processes and systems throughout the company to integrate quality improvement.

We have turned our attention to improved customer satisfaction information so that our design, engineering, manufacturing quality and service departments can give priority to quality problems. Those areas of customer concern are being addressed on current models and will be further enhanced in future designs. As a means of achieving higher quality standards, we continue to work very closely with our suppliers who recognise the importance of this program.

Employee involvement is contributing to the program's success and it is expected this contribution will increase with further training. The TQC training plan will reach more than 2,000 employees in the next two years and provide our people with the skills needed to do a better job more easily and in this way create higher quality standards.

As part of the TQC drive, the Company's quality policy has been re-written to reflect our desire for greater employee participation in the quality process.

Restructuring

1983 was a year of vitally important decisions for GM-H. As a result, plans were prepared that will substantially alter the shape and the performance of the Company. Essentially, the plans will help us to become trimmer and more competitive.

They involve the consolidation of certain operations and phasing out a number of components at present manufactured by GM-H.

We will concentrate on those high volume, high technology and high investment manufacturing activities which the Company can carry out most efficiently. All future investment in modern plant depends on our ability to achieve high plant utilization.

Our plans to restructure are being progressively implemented during the next few years.

Significant changes will include phasing out of production of electricals, transmissions, many suspension and steering components, differential and axle assemblies.

Engine manufacturing activities will centre mainly on the \$300 million high volume Family II Camtech engine plant. Plans also involve the consolidation of South Australian activities at the Elizabeth Plant. As a result, the Woodville Plant will be sold and activities will be progressively phased out in that facility through to 1988.

Improved assembly plant capacity utilization will be achieved with the closure of the Acacia Ridge Plant in Queensland in October 1984. Acacia Ridge production will be absorbed into the remaining two assembly plants at Dandenong in Victoria and Elizabeth in South Australia.

Employment levels have been reduced substantially as a result of market and efficiency related impacts. These new levels were mainly achieved by separation packages encouraging employees to take early retirement. These incentive programs involved a payment of \$27.5 million in 1983.

Throughout the Company, new methods are being introduced to reduce inventories. The introduction of a Just-In-Time inventory management program was introduced in 1982 and since then inventories have been dramatically reduced. In 1983 inventories were reduced by \$60 million to \$279 million. In 1984 our inventory program is aimed at further reducing the value of the level of finished product and material in process.

GM-H People

As noted previously, we have plans to restructure and rationalize GM-H to achieve a more efficient operation. These plans were announced to all employees by the Board of Directors in May 1983.

The importance of training or re-training employees in new skills has been given priority. Employee development programs accelerated during the year to provide new skills and techniques throughout the workforce.

Special emphasis is being directed to problem solving, quality control, negotiation skills and inventory management training.

GM-H is continuing apprentice "host" training through its Management and Technical Education centre at Port Melbourne. These apprentices from dealers, suppliers and local business join 650 GM-H apprentices in training throughout Australia.

Our safety performance for the year of only one disabling injury for every 1,932,537 hours worked,

was an improvement over 1982 and compares very favourably with manufacturing industry in Australia

The suggestion program stimulated many changes and innovations during the year. The new scheme was introduced in July and gives employees the opportunity to receive a greater share of the savings which come from their suggestions. Individual awards of up to \$25,000 were made for the 1,467 ideas adopted on improved safety and production methods.

The Company's "Quality of Work Life" activities emphasised effective employee participation on the shop floor. A series of problem solving workshops were conducted with highly encouraging results. Real progress has been made based on a "Statement of Principles" with our largest union (Vehicle Builders' Employees Federation) to guide management and employee participation activities.

The Outlook

In 1984 and beyond we will be greatly influenced by three critical factors:—

- The local motor vehicle industry's ability to further improve its performance, efficiency and competitiveness;
- The effects of the Federal Government's recently announced Car Industry Plan; and
- The general movement of the economy and its effect on consumers, local suppliers and manufacturers.

All of GM-H's major investments in recent years, including the \$300 million 4-cylinder engine plant have been made with international competitiveness as the major goal.

The Company's ongoing restructuring is also geared to these same objectives.

These investments are based on the potential of the export facilitation scheme. It is a formula which achieves the two objectives of encouraging the investments which will bring about the much needed structural change. At the same time the investments will ensure an internationally competitive automotive industry contributing to Australia's economy.

I believe the Federal Government car plan acknowledges the vital role of a strong and efficient local vehicle manufacturing industry.

Supporting this concept, GM-H will commit whatever resources and energy is necessary to ensure a vigorous market growth program for its vehicles.

The prospects are looking much better for 1984. It should be a year of recovery and resurgence. With the commitment and support I know exists within the GM-H employee group, I look forward to the opportunities before us.



C.S. CHAPMAN,
Managing Director.
April 16th 1984.

DOMESTIC Wholesale Units	1983	1982
Statesman	2,293	2,444
Commodore	38,415	56,715
Holden	—	5
Torana	—	8
Camira	32,537	25,489
Sunbird	11	2
Gemini	17,339	24,669
TOTAL PASSENGER	90,595	109,332
Holden	6,042	8,896
Rodeo	3,426	2,524
Jackaroo	1,990	3,274
Shuttle	1,989	1,736
Bedford	10	21
Isuzu	3,137	2,655
TOTAL COMMERCIAL	16,594	19,106
TOTAL DOMESTIC	107,189	128,438

As in 1982, wholesale unit sales in 1983 were further impacted by Dealer de-stocking in the face of depressed market conditions, although interest rate pressure on Dealer's floor plan capacity eased throughout the year.

WORLDWIDE

GM-H is a wholly owned subsidiary of General Motors Corporation (GMC). During 1983, GMC accounted for 21 percent of worldwide retail sales of approximately 35.4 million vehicles by all manufacturers, excluding the Soviet Union, some eastern European countries and the Peoples' Republic of China.

1983 was an important year on at least two counts — it was a year of recovery and it was the Corporation's 75th anniversary.

GMC earned a record net income of US\$3.7 billion on record sales of US\$74.6 billion. The previous records were net income of US\$3.5 billion in 1978 and sales of US\$66.3 billion in 1979.

Consolidated Balance Sheet

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

December 31, 1983 and 1982		1983	1982
ASSETS	NOTES	\$000	\$000
<i>CURRENT ASSETS</i>			
Cash and Marketable Securities	4	20,597	1,816
Accounts and Notes Receivable	5	68,001	80,538
Inventories	6	279,853	339,898
Prepaid Expenses		10,314	15,161
<i>Total Current Assets</i>		<u>378,765</u>	<u>437,413</u>
<i>EQUITY IN NON-CONSOLIDATED SUBSIDIARIES</i>	7	<u>6,664</u>	<u>5,431</u>
<i>DEFERRED ASSETS</i>	8	<u>70,843</u>	<u>66,319</u>
<i>REAL ESTATE, PLANT AND EQUIPMENT</i>	9	<u>303,985</u>	<u>331,347</u>
<i>TOTAL ASSETS</i>		<u>760,257</u>	<u>840,510</u>
<i>LIABILITIES AND STOCKHOLDERS' EQUITY</i>			
<i>CURRENT LIABILITIES</i>			
Bank and Other Short Term Borrowings	10	40,724	105,080
Accounts Payable	11	145,099	172,960
Accrued Liabilities and Provisions	12	48,968	37,379
<i>Total Current liabilities</i>		<u>234,791</u>	<u>315,419</u>
<i>LONG TERM DEBT</i>	13	<u>275,384</u>	<u>233,326</u>
<i>OTHER LIABILITIES AND DEFERRED CREDITS</i>	14	<u>59,522</u>	<u>51,344</u>
<i>STOCKHOLDERS' EQUITY</i>			
Issued and Paid Up Capital	15	290,150	290,000
Share Premium Reserve		74,850	-
Capital Surplus - Revaluation		2,864	2,864
Unappropriated Profits (Accumulated Losses)		(177,304)	(52,443)
<i>Total Stockholders' Equity</i>		<u>190,560</u>	<u>240,421</u>
<i>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</i>		<u>760,257</u>	<u>840,510</u>

The accompanying notes form an integral part of these accounts

Rounding off to the nearest thousand dollars has been adopted

Consolidated Profit and Loss Account

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

Year ended December 31, 1983 and 1982	1983		1982	
	\$000	\$000	\$000	\$000
Net (Loss) before Income Tax and Extraordinary Items (Note 2)		(125,445)		(135,390)
LESS: Income Tax Expense (Credit) applicable to Operating Profit for the year of the Subsidiary Company (Note 18)	-		505	
LESS: Abnormal Credit being utilisation of prior years' tax benefits	-		(505)	
Tax Benefit of Investment Allowance Amortization	(584)		(654)	
		(584)		(654)
Net (Loss) Before Extraordinary Item		(124,861)		(134,736)
Extraordinary Item—				
Profit on Sale of Fixed Assets (No Income Tax Applicable)		-		8,110
Net (Loss) and Extraordinary Item		(124,861)		(126,626)
ADD: Unappropriated Profits (Accumulated Losses) at January 1		(52,443)		74,183
(Accumulated Losses) at December 31		(177,304)		(52,443)

The accompanying notes form an integral part of these accounts.

Rounding off to the nearest thousand dollars has been adopted.

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF ACCOUNTING METHODS

The following summary of significant accounting methods adopted in the preparation of the 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

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. The financial statements exclude consolidation of the Dealership Assistance Division Subsidiaries because the related investment is temporary to assist the owners to commence or operate their business.

TRANSACTIONS IN FOREIGN CURRENCIES

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, 1983, 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 except to the extent of adjustments related to transactions covered by forward buying contracts. Premiums or discounts on forward buying contracts are amortized over the term of the contract.

INVENTORIES

Inventories are stated at the lower of cost or 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 physical inventory and statistical sampling.

INCOME TAXES

To accord with accounting standards, future taxation benefits in respect of tax losses and timing differences have not been brought to account.

Investment Allowance, deducted in determining tax estimated to be payable, is normally deferred for amortization over the lives of the related assets. No such deferral was made in the years 1980 to 1983 inclusive.

FIXED ASSETS

All Fixed Assets in the accounts were revalued at December 31, 1983 by the Directors. Maintenance, repairs, re-arrangement 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 charge for fixed assets depreciation and amortization is provided on asset cost, or in the case of revalued assets, on the revalued amounts at variable rates depending on the age of the asset and its expected economic life.

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

NOTE 1. (Cont'd)

DEFERRED ASSETS

Expenditures for special tools are amortized over short periods of time because the utility value of the tools is 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.

PROVISION FOR EMPLOYEE BENEFITS

Provision has been made for the estimated employee benefits that may become payable in respect to benefits accruing from past service.

	<u>1983</u>	<u>1982</u>
	\$000	\$000
NOTE 2: NET LOSS		
(a) The Net (Loss) is arrived at		
<i>After Crediting</i>		
Premiums on Non Consolidated Subsidiary Companies		
Share Redemptions	246	21
Dividends from Non Consolidated Subsidiary Companies as detailed in Note 7 (b)	74	186
Interest Received or Receivable from		
- other Related Companies	63	63
- other Persons (Note 20)	1,432	5,483
Abnormal Item - Prior years adjustment due to renegotiation of a lease.	11,394	-
<i>After Charging</i>		
Depreciation & Amortization of Fixed Assets	21,158	17,610
Amortization of Special Tools	16,162	23,590
Provision for Employee Benefits	6,000	-
Provision for Marketing Programs, Warranty and Policy	3,167	1,628
Provision for Stock Obsolescence	584	-
Provision for Doubtful Debts (Note 5)	24	435
Provision for Outstanding Workers' Compensation Claims	-	438
Write Down of Investment in Non Consolidated Subsidiary Companies	131	160
Interest Paid or Payable to		
- Holding Company	5,015	4,942
- Other Related Companies	1,960	2,357
- Other Persons	24,618	21,751
Loss on Non Consolidated Subsidiary Companies Share Redemptions	23	-

Rounding off to the nearest thousand dollars has been adopted

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	1983	1982
	\$000	\$000
NOTE 2: (Cont'd)		
(b) Auditors' Remuneration –		
For Auditing the Accounts and Consolidated Accounts	121	123
Other Services	11	3
The Auditors of the Company also received fees from Non Consolidated Subsidiaries which were paid by those Subsidiaries –		
– For Audit of Accounts	103	112
– For other Services	9	19
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 Net (Loss)		
– Land Improvements and Buildings	(49)	387
– Machinery, General Tools, Furniture & Fixtures	(386)	(248)
NOTE 3: DIRECTORS' EMOLUMENTS		
Emoluments received or receivable by Directors engaged in the full time employment of the Company and its related Corporations, other than fixed salaries. All emoluments were contributed by the Company and its related Corporations.	<u>302</u>	<u>226</u>
NOTE 4: CASH AND MARKETABLE SECURITIES		
– Cash on Hand and in Bank	597	1,816
– Marketable Securities	<u>20,000</u>	<u>–</u>
Total Cash and Marketable Securities:	<u>20,597</u>	<u>1,816</u>
NOTE 5: ACCOUNTS AND NOTES RECEIVABLE.		
– Trade Receivables	48,151	41,203
LESS Provision for Doubtful Debts	<u>5,550</u>	<u>5,664</u>
	42,601	35,539
– Amount Receivable from Holding Company	1,032	2,360
– Amount Receivable from Related Companies	19,631	38,726
– Amount Receivable from Non Consolidated Subsidiary Companies	4	121
– Other Receivables	<u>4,733</u>	<u>3,792</u>
Total Accounts and Notes Receivable	<u>68,001</u>	<u>80,538</u>
Bad Debts Written off and debited to the Provision for Doubtful Debts.	<u>138</u>	<u>4</u>
NOTE 6: INVENTORIES (Note 1)		
– Finished Goods	87,881	118,322
LESS Provision for Stock Obsolescence	<u>1,177</u>	<u>593</u>
	86,704	117,729
– Raw Materials	177,988	205,575
– Work in Progress	<u>15,161</u>	<u>16,594</u>
Total Inventories:	<u>279,853</u>	<u>339,898</u>

Rounding off to the nearest thousand dollars has been adopted.

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	1983	1982
	\$000	\$000

NOTE 7 EQUITY IN NON CONSOLIDATED SUBSIDIARIES (Note 1)

(a) Investments

Shares in Non Consolidated Subsidiary Companies at Cost (Note 7 (b))	8,322	6,979
LESS: Amounts Written-Down	<u>1,658</u>	<u>1,548</u>
	<u>6,664</u>	<u>5,431</u>

(b) Amount of Holding Company's Investment

Name of Company	Place of Incorporation	Investment At Cost	% Holding of Total Issued Shares	Dividends Received/Receivable	
				1983	1982
		\$000		\$000	\$000
General Motors-Holden's Sales Pty Limited	Vic	<u>10</u>	100.0		
<i>Non Consolidated Dealership Assistance Division Subsidiaries</i>					
John Mitchell Motors Pty Ltd	Vic	143	82.7		
Donlee Motors Pty Ltd	Vic	100	89.6		
Ian Hebiton Pty Ltd (In Vol. Liq.)	Vic	71	100.0		
A & E. Taylor Pty Ltd	Vic	147	67.0		
R.B. Nash Pty Ltd	Vic	550	84.6	5	29
Max Aubert Pty Ltd	Vic	516	100.0		
Mellis Motors Pty Ltd	Vic	500	78.9		
North East Plaza Pty Ltd	Vic	449	88.2		
Geoff Brady Motors Pty Ltd	Vic	—*	—	41	76
John Martin Motors Pty Ltd	Vic	1,039	95.4		
N.F. & J.E. Dight Pty Ltd	Vic	555	90.7	2	
Greg Colton Motors Pty Ltd	Vic	—*	—	26	58
Davies Dwyer Pty Ltd	Vic	629	86.3		23
Hillyer Motors Pty Ltd	Vic	619	82.1		
Noel Gould - Townsville Pty Ltd	Q'ld	385	49.0		
Leach Motors Pty Ltd	Q'ld	1,345	90.0		
Torrak Pty Ltd	NSW	<u>1,274</u>	90.9		
Total Non Consolidated		<u>8,322</u>		<u>74</u>	<u>186</u>
TOTAL GROUP		<u><u>8,332</u></u>		<u><u>74</u></u>	<u><u>186</u></u>

* Non Consolidated Subsidiaries disposed of during year ended December 31, 1983

Rounding off to the nearest thousand dollars has been adopted

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty, Limited

	1983	1982
	\$000	\$000
NOTE 8 DEFERRED ASSETS		
Special Tools at Cost less amounts written off	23,059	21,219
Other Receivables	45,268	40,545
Prepayments	2,516	4,555
Total Deferred Assets	<u>70,843</u>	<u>66,319</u>
NOTE 9 REAL ESTATE, PLANT AND EQUIPMENT		
Freehold Land		
At 1980 Independent Valuation plus additions at Cost	-	25,239
At 1983 Directors' Valuation	32,763	-
At Cost	-	164
Total Freehold Land	<u>32,763</u>	<u>25,403</u>
Land Improvements and Buildings		
At 1962 Directors' Valuation plus additions at Cost	-	108
At 1980 Independent Valuation plus additions at Cost	-	221,059
At 1983 Directors' Valuation	140,997	-
At Cost	-	72
	<u>140,997</u>	<u>221,239</u>
LESS Provision for Depreciation	-	16,393
Total Land Improvements and Buildings	<u>140,997</u>	<u>204,846</u>
Leasehold Improvements		
At 1975 Independent Valuation plus additions at Cost	-	24,397
At 1980 Independent Valuation plus additions at Cost	-	10,402
At 1983 Directors' Valuation	34,532	-
At Cost	-	10,099
	<u>34,532</u>	<u>44,898</u>
LESS Provision for Amortization	-	12,995
Total Leasehold Improvements	<u>34,532</u>	<u>31,903</u>
Machinery, General Tools, Furniture and Fixtures		
At 1962 Directors' Valuation plus additions at Cost	-	276,429
At 1983 Directors' Valuation	95,693	-
	<u>95,693</u>	<u>276,429</u>
LESS Provision for Depreciation	-	207,234
Total Machinery, General Tools, Furniture and Fixtures	<u>95,693</u>	<u>69,195</u>
TOTAL REAL ESTATE, PLANT AND EQUIPMENT	<u>303,985</u>	<u>331,347</u>

Rounding off to the nearest thousand dollars has been adopted

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	1983	1982
	\$000	\$000
NOTE 9 (cont'd)		
All Fixed Assets were revalued as at December 31, 1983 by the Directors and this had no impact on the Asset Revaluation Reserve nor the Net Loss for the year ended 31st December 1983. The valuation reflects consideration of the net realisable values for assets to be redundant following cessation of production at certain plants.		
Freehold Land Includes the following amounts in respect of Property held for resale		
– Cost of Acquisition	162	162
– Rates and Taxes Capitalised	<u>2</u>	<u>2</u>
	<u>164</u>	<u>164</u>
Land Improvements includes the following amounts in respect of Property held for resale		
– Cost of Surveys, Roads and Drainage	<u>–</u>	<u>72</u>
NOTE 10 BANK AND OTHER SHORT TERM BORROWINGS		
– Bank Overdrafts	40,724	39,430
– Bank Loans	–	7,500
– Other Short Term Loans	<u>–</u>	<u>58,150</u>
Total Bank and Other Short Term Borrowings	<u>40,724</u>	<u>105,080</u>
NOTE 11 ACCOUNTS PAYABLE		
– Trade Creditors	103,519	146,431
– Creditors in respect of Fixed Assets	1,873	4,238
– Amount Payable to Holding Company	16,172	13,311
– Amount Payable to Other Related Companies	21,191	7,198
– Amount Payable to Non Consolidated Subsidiary Companies	363	414
– Other Creditors	<u>1,981</u>	<u>1,368</u>
Total Accounts Payable	<u>145,099</u>	<u>172,960</u>
NOTE 12 ACCRUED LIABILITIES AND PROVISIONS		
– Provision for Marketing Programs, Warranty and Policy	20,473	15,550
– Deferred Investment Allowance Credits	579	584
– Provision for Outstanding Workers' Compensation Claims	2,500	2,600
– Provision for Employee Benefits	<u>25,416</u>	<u>18,645</u>
Total Accrued Liabilities and Provisions	<u>48,968</u>	<u>37,379</u>

Rounding off to the nearest thousand dollars has been adopted

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	1983	1982
	\$000	\$000
NOTE 13: LONG TERM DEBT		
- Long Term Bank Loans	97,000	35,000
- Loan from Holding Company	55,723	51,005
- Loan from Related Company	22,321	22,321
- Other Long Term Loans	<u>100,340</u>	<u>125,000</u>
Total Long Term Debt:	<u>275,384</u>	<u>233,326</u>

Other Long Term Loans:-

Represents other short term loans which are intended to be renewed or refinanced under existing long term bank credit agreements.

NOTE 14 OTHER LIABILITIES AND DEFERRED CREDITS

- Trade Creditors	6,121	3,309
- Provision for Marketing Programs, Warranty and Policy	3,237	4,993
- Deferred Investment Allowance Credits	2,267	2,846
- Provision for Outstanding Workers' Compensation Claims	3,723	3,678
- Provision for Employee Benefits	23,193	23,964
- Amount Payable to Related Company	12,043	1,635
- Other Creditors	<u>8,938</u>	<u>10,919</u>
Total Other Liabilities and Deferred Credits:	<u>59,522</u>	<u>51,344</u>

NOTE 15: CAPITAL

(a) Authorised		
- 146,000,000 (1982 - 145,000,000) Ordinary Shares of \$2 each	292,000	290,000
- 250,000 (1982 - Nil) Cumulative Redeemable Non Participating Preference Shares of \$2 each	<u>500</u>	<u>-</u>
Total Authorised Capital	<u>292,500</u>	<u>290,000</u>
(b) Issued and Paid Up		
- 145,000,000 Ordinary Shares of \$2 each	290,000	290,000
- 75,000 (1982 - Nil) Cumulative Redeemable Non Participating Preference Shares of \$2 each	<u>150</u>	<u>-</u>
Total Issued and Paid Up Capital:	<u>290,150</u>	<u>290,000</u>

(c) Shares Issued During 1983.

General Motors-Holden's Limited issued 75,000 Cumulative Redeemable Non-Participating Preference Shares of \$2 each. The dividends and return of the premium on share issue of \$998 per share are repayable on redemption. The purpose of the issue was to provide operating funds.

Rounding off to the nearest thousand dollars has been adopted

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	1983	1982
	\$000	\$000

NOTE 15: CAPITAL (Cont'd)

(d) Detail of Issued and Paid Up Preference Shares

Class of Share	No of Shares	DIVIDENDS			Redemption Date December 31	
		Rate %	Accruing Payable on Redemption \$000			
Fixed Rate	3,000	10.50	2	1986	6	
Floating Rate	6,000	7.61	3	1986	12	
Fixed Rate	9,000	10.75	5	1987	18	
Floating Rate	24,000	7.61	10	1987	48	
Fixed Rate	11,000	10.75	6	1988	22	
Floating Rate	<u>22,000</u>	7.61	<u>9</u>	1988	44	
	<u>75,000</u>		<u>35</u>		150	
Premium Payable on Redemption of Preference Shares					74,850	

(e) General Motors Corporation, incorporated in U.S.A. is the ultimate holding company of General Motors-Holden's Limited.

NOTE 16: CAPITAL COMMITMENTS

Capital commitments not provided for in the accounts:

- Freehold Land, Improvements and Buildings	-	370
- Machinery, General Tools, Furniture and Fixtures	548	7,851
- Leasehold Improvements	-	2,371
- Investment in Shares of another company	750	-
Total Capital Commitments:	1,298	10,592

NOTE 17: CONTINGENT LIABILITIES

(a) (i) Unsecured Contingent Liabilities - Guarantees in respect of Assisted Dealerships and various Dealers' wholesale finance and other loans.	1,461	2,016
(ii) Other claims.	636	377
	2,097	2,393
(b) There are guarantees existing with General Motors Acceptance Corporation, Australia, relating to various financing transactions.		
(c) There is a guarantee in respect to repayment of preference shares issued by another company.	75,035	-

Rounding off to the nearest thousand dollars has been adopted

Notes to, and Forming Part of, The Accounts

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	1983	1982
	\$000	\$000
NOTE 18: INCOME TAXES		
(a) Total tax expense (credit) for the year is represented by:		
Income tax expense applicable to operating profit for the year of the Subsidiary Company	-	505
Abnormal Credit being utilization of prior years' tax benefits	-	(505)
Tax benefit of investment allowance amortization	<u>(584)</u>	<u>(654)</u>
Total Tax Expense (Credit):	<u><u>(584)</u></u>	<u><u>(654)</u></u>
(b) Future income tax benefits arising from:		
Carry forward tax losses	<u>120,269</u>	65,246
Timing differences	<u>65,843</u>	<u>63,561</u>
Total Future Tax Benefits	<u><u>186,112</u></u>	<u><u>128,807</u></u>

were not recorded in the accounts. These benefits will only be obtained if -

- (i) The Companies derive future assessable income of a nature and of sufficient amount to enable the benefit of the deductions to be realised.
- (ii) the Companies continue to comply with the conditions for deductibility imposed by the Law, and
- (iii) Legislation does not change in a manner which would adversely affect the Companies in realising the benefit of the deductions.

NOTE 19: LEASE COMMITMENTS

(a) Aggregate Commitment		
Land and Buildings	<u>7,120</u>	7,587
Machinery, Equipment and Special Tools	<u>367,889</u>	<u>338,145</u>
	<u><u>375,009</u></u>	<u><u>345,732</u></u>
(b) That Part of Aggregate Commitment which is payable within 12 months		
Land and Buildings	<u>511</u>	523
Machinery, Equipment and Special Tools	<u>30,718</u>	<u>31,870</u>
	<u><u>31,229</u></u>	<u><u>32,393</u></u>

NOTE 20: INTEREST DUE FROM OTHER PERSONS

Interest due from other persons totalling \$721,000 (1982: \$317,000) on a trade receivable of \$5,000,000 (1982: \$5,000,000) has not been brought to account in the profit and loss account. This receivable is fully provided for as doubtful and consequently it is not considered prudent to accrue the interest.

NOTE 21: ROUNDING OFF OF AMOUNTS TO THE NEAREST THOUSAND DOLLARS

The Company is a Company of the kind referred to in Regulation 58(6) of the Companies (Victoria) Regulations and pursuant to Section 271 of the Companies (Victoria) Code amounts have been rounded-off in accordance with that Regulation 58.

Rounding off to the nearest thousand dollars has been adopted.

Statement of Changes in Consolidated Financial Position for Years ended December 31, 1983, and 1982.

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	1983	1982
	\$000	\$000
<i>SOURCE OF FUNDS</i>		
- Net (Loss) before extraordinary items	(124,861)	(134,736)
- Depreciation of Real Estate, Plant and Equipment	21,158	17,610
- Amortization of Special Tools	16,162	23,590
- Disposals and Retirements of Real Estate, Plant and Equipment and Special Tools	13,274	86,102
- Long Term Debt	42,058	159,171
- Other Non Current Liabilities	8,178	-
- Share Capital and Premium on Issue	75,000	-
Total:	<u>50,969</u>	<u>151,737</u>
<i>APPLICATION OF FUNDS</i>		
- Expenditures for Real Estate, Plant and Equipment	7,071	29,318
- Expenditures for Special Tools	18,001	31,372
- Other - Non Current Assets	3,917	30,035
- Non Current Liabilities	-	18,861
	<u>28,989</u>	109,586
- Increase (Decrease) in Working Capital	<u>21,980</u>	<u>42,151</u>
Total:	<u>50,969</u>	<u>151,737</u>
<i>INCREASE (DECREASE) IN WORKING CAPITAL BY ELEMENT</i>		
- Cash and Marketable Securities	24,987	(22,989)
- Other Borrowings	58,150	(58,150)
- Accounts Receivable and Prepayments	(17,384)	28,146
- Inventories	(60,045)	88,909
- Accounts Payable, Accruals and Provisions	16,272	6,235
Total Increase in Working Capital by Element:	<u>21,980</u>	<u>42,151</u>

Rounding off to the nearest thousand dollars has been adopted

Statement by Directors

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

We, Charles Sherman Chapman and Elwood Eugene Leathley, being two of the Directors of General Motors-Holden's Limited and General Motors-Holden's Sales Pty. Limited, do hereby state that, in our opinion,

(a) the attached consolidated Profit and Loss Statement is drawn up so as to give a true and fair view of the results of the business of General Motors-Holden's Limited and General Motors-Holden's Sales Pty. Limited for the year ended December 31, 1983, and that the consolidated Balance Sheet is so drawn up as to exhibit a true and fair view of the consolidated state of affairs of those Companies at December 31, 1983

(b) there are reasonable grounds to believe that these companies will be able to pay their debts as and when they fall due

Signed on behalf of the Directors

C S. Chapman – Director

E. E. Leathley – Director

Dated at Melbourne, Victoria
April 16th 1984

Auditors' Report to the Directors

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

In our opinion, the accompanying accounts being:-

- (i) the consolidated balance sheet, consolidated profit and loss account, the accompanying notes thereto and the consolidated funds statement, of General Motors-Holden's Limited and General Motors-Holden's Sales Pty. Ltd. set out on pages 6 to 17, and
- (ii) the directors' statement

are properly drawn up so as to give a true and fair view of the consolidated state of affairs of the Companies at 31st December, 1983 and of the consolidated results of the Companies for the year ended on that date.

DELOITTE HASKINS & SELLS

J.R. COLLYER
Partner
Chartered Accountants

Signed at Melbourne, Vic.
April 16th 1984

Ten years' statistics

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

	Year									
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Wholesale Vehicle Sales										
Units										
Domestic	157,860	157,415	150,063	132,575	150,162	162,582	131,222	133,903	128,437	107,189
Export	32,587	7,540	7,593	7,694	7,171	11,670	6,685	12,258	12,862	6,914
Total	190,447	164,955	157,656	140,269	157,333	174,252	137,907	146,161	141,299	114,103
Sales Revenue										
Domestic \$000's	513,755	624,561	700,771	696,314	866,420	1,038,458	952,358	1,101,634	1,128,277	1,011,178
Export \$000's	74,131	32,388	30,915	30,073	28,943	50,919	38,829	76,617	150,204	189,161
Total \$000's	587,886	656,949	731,686	726,387	895,363	1,089,377	991,187	1,178,251	1,278,481	1,200,339
Expenditures for Land Buildings and Equipment (excludes Special Tools) \$000's	6,616	12,235	11,230	17,222	14,515	30,444	114,062	151,509	29,318	7,071
Amounts Paid to Suppliers for Expenditures for Special Tools \$000's	11,797	9,765	21,288	35,764	38,092	37,246	48,566	16,258	31,372	18,001
Materials, Components and Services \$000's	331,147	396,546	425,158	460,662	524,456	696,227	727,367	752,344	914,006	923,989
Average Number of Employees	26,515	23,390	22,579	21,255	21,239	22,740	19,838	17,982	18,913	14,992
Total Payrolls \$000's	202,132	181,717	216,132	213,420	248,289	291,454	266,911	293,062	361,687	270,653
Net Profit \$000's	14,012	17,828	16,309	(8,411)	(8,435)	4,617	(129,810)	6,069	(126,626)	(124,861)
Dividends \$000's	8,500	5,500	7,000	8,050	NIL	NIL	NIL	NIL	NIL	NIL
Government Charges for Customs Duties and Taxes Including Tax on Dividends \$000's	25,640	36,427	46,875	26,844	27,730	32,700	31,625	41,395	49,114	43,611
Net Income (Loss) of General Motors Corporation USA, the Holding Company of General Motors Holden's Limited US\$millions	950.1	1253.1	2902.8	3337.5	3508.0	2892.7	(762.5)	333.4	962.7	3730.2

Products

General Motors-Holden's Limited and
General Motors-Holden's Sales Pty. Limited

PASSENGER VEHICLES

Holden Gemini sedan
Gemini SL sedan
Gemini SL/X sedan
Gemini SL/X diesel sedan
Gemini station wagon
Gemini panel van

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

Holden Camira SL sedan
Camira SL station wagon
Camira SJ sedan
Camira SL/X sedan
Camira SL/X station wagon
Camira SL/E sedan
Camira SL/E station wagon

Statesman De Ville
Caprice

LIGHT COMMERCIAL VEHICLES

Holden Panel van
Utility
Kingswood utility
One tonner

Holden Rodeo LWB pick up
Rodeo LWB chassis cab
Rodeo LWB crew cab (2 & 4WD)
Rodeo SWB (4WD) pick up
Rodeo SWB (4WD) chassis cab
Available Petrol and Diesel

Holden Jackaroo (4WD) station wagon
Available Petrol and Diesel

Holden Shuttle SWB van
Shuttle LWB van
Shuttle LT coach
Available Petrol and Diesel

HEAVY COMMERCIALS

Isuzu Chassis cab (varying GVM/GCM
and wheelbase) crew cab
KS32 (Isuzu 3 85 four, diesel)
KT26 (Isuzu 3 27 four, diesel)
SBR422 (Isuzu 5 39 six, diesel)
SCR420 (Isuzu 5 78 six, diesel)
JCR500 (Isuzu 5 78 six, diesel)
SHG541S (Isuzu 12 six, diesel,
twin steer)
SHR361 (Isuzu 12 six, diesel)
SHH711S (Isuzu 12 six, diesel,
twinsteer, tandem drive)
TLD24 (Isuzu 2 77 four, diesel)
TLD44 (Isuzu 2 77 four, diesel)
TWD25 (Isuzu 5 78 six, diesel)
TWD25 (Isuzu 5 78 six, diesel 6 x 6)
TSD45 (Isuzu 5 78 six, diesel 4 x 4)
TLD54 (Isuzu 2 77 four, diesel)
TLD56 (Isuzu 3 77 four, diesel)
SCR480 (Isuzu 5 78 six, diesel)
JCR360 (Isuzu 5 78 six, diesel)
JCS420 (Isuzu 5 78 six, diesel 4 x 4)
ECR570 (Isuzu 5 78 six, diesel) bus chassis

OTHER PRODUCTS

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

