

L I M I T E D

# FINANCIAL

G E N E R A L M O T O R S - H O L D E N ' S A U T O M O T I V E

*S U M M A R Y 1 9 9 0*



## General Motors-Holden's Automotive Limited

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At 30 June, 1990, General Motors-Holden's Automotive Limited was a majority (70 per cent) owned subsidiary of General Motors Corporation, with the balance (30 per cent) of the company owned by United Australian Automotive Industries Limited, of which General Motors Corporation is a 50 per cent shareholder.

The following information is a summary of the financial results for General Motors-Holden's Automotive Limited for the financial year ending 30 June, 1990.

The companies included in these results are:

- General Motors-Holden's Automotive Limited (incorporated in Victoria);
- General Motors-Holden's Sales Pty Limited (incorporated in Victoria); and
- Holden's Agencies Pty Limited (incorporated in Victoria).

General Motors-Holden's Sales Pty Limited and Holden's Agencies Pty Limited are wholly owned subsidiaries of General Motors-Holden's Automotive Limited.

**General Motors-Holden's Automotive Limited  
and Subsidiary Companies  
Abridged Profit and Loss Account  
For Financial Year Ended 30 June, 1990**

	<b>1990</b> \$000
Operating profit	222,311
Income tax attributable to operating profit	70,791
<i>Operating Profit After Income Tax</i>	151,520
Profit on extraordinary items	-
Income tax attributable to profit on extraordinary items	-
Profit on extraordinary items after income tax	-
<i>Operating Profit and Extraordinary Items After Income Tax</i>	151,520
Retained profits at the beginning of the financial year	88,321
<i>Total Available For Appropriation</i>	239,841
Appropriations	-
<i>Retained Profits At End Of Financial Year</i>	239,841

**General Motors-Holden's Automotive Limited  
and Subsidiary Companies  
Abridged Balance Sheet  
As At 30 June, 1990**

	<b>1990</b>	<b>1989</b>
	\$000	\$000
<b>Current Assets</b>		
Cash	29,466	5,313
Receivables	172,390	95,261
Inventories	275,335	193,351
Other	3,404	3,704
<i>Total Current Assets</i>	<u>480,595</u>	<u>297,629</u>
<b>Non Current Assets</b>		
Investments	9,222	6,879
Property, plant and equipment	270,460	273,148
Other	2,807	12
<i>Total Non Current Assets</i>	<u>282,489</u>	<u>280,039</u>
<i>Total Assets</i>	<u>763,084</u>	<u>577,668</u>
<b>Current Liabilities</b>		
Creditors and borrowings	243,386	282,116
Provisions	158,048	82,869
Other – deferred income	167	–
<i>Total Current Liabilities</i>	<u>401,601</u>	<u>364,985</u>
<b>Non Current Liabilities</b>		
Creditors and borrowings	–	1,317
Provisions	31,642	30,736
Other	–	2,299
<i>Total Non Current Liabilities</i>	<u>31,642</u>	<u>34,352</u>
<i>Total Liabilities</i>	<u>433,243</u>	<u>399,337</u>
<i>Net Assets</i>	<u>329,841</u>	<u>178,331</u>
<b>Shareholders' Equity</b>		
Share Capital	90,000	90,000
Retained profits	239,841	88,321
Discount on acquisition	–	10
<i>Total Shareholders' Equity</i>	<u>329,841</u>	<u>178,331</u>

## Supplementary Financial Information

### Operating Profit

The Operating Profit before income tax includes the following items of revenue and expense:

	<b>1990</b>
	<u>\$000</u>
<b>Revenue</b>	
Sales revenue	2,358,478
Other operating revenue	
Dividends – non related companies	75
– non consolidated subsidiaries	401
Interest – related companies	5,476
– other persons	476
Income from government grants	3,240
Other income – related companies	5,147
– other	250
Proceeds from sales of fixed assets	1,876
<i>Total other operating revenue</i>	<u>16,941</u>
<i>Total Operating Revenue</i>	<u>2,375,419</u>
<b>Expenses</b>	
Interest – other persons	20,048
Bad and doubtful debts	
– Provision for doubtful debts	386
Depreciation, amortisation or diminution in value of:	
Inventories	657
Property, plant and equipment and special tools	57,433
Transfers to provisions:	
Employee entitlements	6,910
Finance leases	
Finance charges	207
Operating lease rental expense	
– Other persons	7,351
Remuneration of auditors of holding company	
Auditing the accounts	240
Other services	34
Exchange loss on foreign currency transactions	18,003

## Supplementary Financial Information (cont'd)

### Income Tax

(a) The prima facie income tax on the pre-tax accounting income reconciles to the income tax expense in the account as follows:

	1990 \$000
Operating profit	222,311
Income tax expense calculated at 39%	86,701
Plus tax effect of permanent differences:	
– Non deductible expenses	492
– Depreciation on fixed assets	394
– Dividend rebate	(167)
Timing differences not brought to account	1,799
Utilisation of carried forward tax loss	(2,448)
Reversal of prior year over-provision	(15,980)
Income tax expense	<u>70,791</u>

(b) The tax effect on future income tax benefit not brought to account relates to:

– Carry forward tax losses	1,825
– Timing differences	
Future income tax benefits	43,005
Deferred income tax	(29,789)
	<u>15,041</u>

Realisation of these benefits will only be obtained if:

- (a) Assessable income is derived of a nature and of amount sufficient to enable the benefit of the deductions to be realised.
- (b) Conditions for deductibility imposed by law are complied with.
- (c) No changes in tax legislation adversely affect the realisation of the benefit of the deductions.

### Current Receivables

	1990 \$000	1989 \$000
Trade debtors	41,184	53,542
Less provision for doubtful debts	(5,593)	(5,515)
	<u>35,591</u>	<u>48,027</u>
Non trade debtors	7,041	9,163
Amounts receivable from		
– Holding company	207	–
– Other related companies	129,551	38,071
	<u>172,390</u>	<u>95,261</u>

## Supplementary Financial Information (cont'd)

	1990 \$000	1989 \$000
<b>Current Inventories</b>		
– At Cost		
Raw materials and stores	109,280	98,884
Work in progress	7,671	10,203
Finished goods (after deducting provision for obsolescence \$1,466,000 1989 – \$809,000)	158,384	84,264
	<u>275,335</u>	<u>193,351</u>
<b>Other Current Assets</b>		
Unamortised foreign exchange premium	2,060	876
Prepaid expenses – other	1,024	2,278
Right of indemnity from property trusts	320	550
	<u>3,404</u>	<u>3,704</u>
<b>Non Current Investments</b>		
Non quoted investments:		
– At cost		
Shares in non consolidated subsidiaries	7,214	6,121
Shares in non related companies	2,003	753
Units in property trusts	5	5
	<u>9,222</u>	<u>6,879</u>
<b>Property, Plant and Equipment</b>		
Freehold land and improvements:		
– At cost	17,833	16,779
Less accumulated depreciation	(289)	(149)
	<u>17,544</u>	<u>16,630</u>
Buildings:		
– At cost	35,003	29,804
Less accumulated depreciation	(2,374)	(1,112)
	<u>32,629</u>	<u>28,692</u>
Plant and equipment:		
– At cost	115,456	81,308
Less accumulated depreciation	(22,163)	(10,894)
	<u>93,293</u>	<u>70,414</u>
Construction work in progress:		
– At cost	6,849	17,864
Special tools:		
– At cost	189,250	165,048
Less amortisation	(69,105)	(25,500)
	<u>120,145</u>	<u>139,548</u>
<b>Total Fixed Assets</b>	<u>270,460</u>	<u>273,148</u>

## Supplementary Financial Information (cont'd)

	1990 \$000	1989 \$000
<b>Other Non Current Assets</b>		
Non trade receivables	2,799	-
Deposits returnable	8	12
	<u>2,807</u>	<u>12</u>
<b>Current Creditors and Borrowings</b>		
Unsecured:		
- Bank overdraft	62,983	65,010
- Bills of exchange	-	60,000
- Trade creditors:		
- Holding company	180	95
- Related companies	49,619	46,282
- Other	106,470	85,740
- Employee pension plans	1,308	1,158
- Incurred in capacity as trustee	320	550
- Accrued expenses	5,410	7,514
- Employee entitlements	15,684	13,328
- Non trade creditors		
- Other	95	-
Secured:		
- Finance lease liability	1,317	2,439
	<u>243,386</u>	<u>282,116</u>
<b>Current Provisions</b>		
Income tax	86,771	19,079
Vehicle related	42,452	34,118
Insurances	10,440	9,720
Employee entitlements	7,283	11,551
Other	11,102	8,401
	<u>158,048</u>	<u>82,869</u>
<b>Non Current Creditors and Borrowings</b>		
Secured:		
Finance lease liabilities	-	1,317
<b>Non Current Provisions</b>		
Employee entitlements	21,394	19,558
Insurance	7,000	7,900
Other	3,248	3,278
	<u>31,642</u>	<u>30,736</u>
<b>Other Non Current Liabilities</b>		
Deferred income	-	2,299



## Supplementary Financial Information (cont'd)

	<b>1990</b> \$000	<b>1990</b> \$000
<b>Summary of Sources and Applications of Funds</b>		
<i>Source of Funds</i>		
Funds from operations:		
Inflow of funds from operations:		
– Sales revenue	2,358,478	
– Other revenue	16,941	
– Sales of fixed assets	1,876	
	<u>2,377,295</u>	
– Outflow of funds	2,088,574	
		288,721
<i>Total Funds From Operations</i>		
Reduction in assets:		
Current assets		
– Prepaid expenses		1,254
Non current assets:		
– Deposits returnable		4
Increase in liabilities:		
Current liabilities:		
– Deferred income		<u>167</u>
		<u>290,146</u>
<i>Total Source of Funds</i>		

## Supplementary Financial Information (cont'd)

	1990 \$000	1990 \$000
<i>Application of Funds</i>		
Increase in assets:		
Current assets		
– Cash	24,153	
– Receivables	77,129	
– Inventories	81,984	
– Unamortised foreign exchange premium on options	937	
	<u>          </u>	184,203
Non current assets		
– Investments	2,925	
– Property, plant and equipment	56,477	
– Receivables	2,799	
	<u>          </u>	62,201
Decrease in liabilities		
Current liabilities		
– Creditors, borrowings and provisions		26,745
Non current liabilities		
– Creditors, borrowings and provisions	2,247	
– Other	2,299	
	<u>          </u>	4,546
Employee entitlements paid		9,342
Income tax paid		3,099
Adjustment to initial asset		
Acquisition cost		10
		<u>          </u>
<i>Total Application of Funds</i>		<u>290,146</u>
Funds from operations are reconciled with operating profits before income tax as follows:		
Operating profit before income tax		222,311
Add:		
Depreciation, amortisation of non current assets		57,433
Book value of non current assets sold		2,314
Increases in provisions		6,910
Less:		
Unamortised foreign exchange premium on contracts		(247)
		<u>288,721</u>

**Auditors Report  
To The Members Of  
General Motors-Holden's Automotive Limited**

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We have audited the Consolidated Balance Sheet, Consolidated Profit and Loss Account and Notes to the Accounts of General Motors-Holden's Automotive Limited and its subsidiaries in accordance with Australian Auditing Standards and in our report dated 12 September 1990 we expressed an unqualified opinion on those accounts.

In our opinion, the accompanying abridged accounts set out on pages 4 to 11 are consistent with the accounts referred to above from which they were derived.

For a better understanding of the Company's financial position and the results of its operations for the period, the abridged accounts should be read in conjunction with the related annual audited accounts.

DELOITTE ROSS TOHMATSU  
*Chartered Accountants*

J B WEST  
*Partner*

Date: November 30, 1990

**Board of Directors and Officers**

William J. Hamel

John E. Barlow

Raymond G. Grigg

Robert J.H. McEniry

Kevin E. Wale

Donald K. Wylie

Michael H.G. Whiteman

John L. Morrison

– Chairman and Managing Director

– Director, Personnel & Industrial Relations

– General Manager, Operations

– Director, Marketing

– Director, Finance & Strategic Planning

– Director, Engineering, Design & Reliability

– Company Secretary

– Public Affairs Manager

**Registered Office**

241 Salmon Street,

Port Melbourne Vic. 3207

**Auditors**

Deloitte Ross Tohmatsu,

461 Bourke Street,

Melbourne Vic. 3000

**Solicitors**

Mallesons Stephen Jaques

525 Collins Street,

Melbourne Vic. 3000

**Bankers**

Commonwealth Bank of Australia

National Australia Bank Limited

ANZ Banking Group Limited

Banque Nationale de Paris

Westpac Banking Corporation

Chase AMP Bank Limited

**Company Facilities**

**Victoria**

*Fishermens Bend*  
Head Office  
241 Salmon Street,  
Fishermens Bend Vic. 3207  
Postal Address:  
Box 1714 G.P.O.  
Melbourne Vic. 3001

*Dandenong*  
Holden Service Parts Operations  
Princes Highway,  
Dandenong Vic. 3175  
Postal Address:  
Box 162 P.O.  
Dandenong Vic. 3175

*Lang Lang*  
Proving Ground

**South Australia**

*Elizabeth*  
Manufacturing and Assembly Operations  
Philip Highway,  
Elizabeth S.A. 5112  
Postal Address:  
Box 221 P.O.  
Elizabeth S.A. 5112

**Zone Sales and Service Offices**

*Victorian Zone Office*  
Princes Highway,  
Dandenong Vic. 3175  
Postal Address:  
Box 161 P.O.  
Dandenong Vic. 3175  
Phone No. (03) 797 7911

*New South Wales Zone Office*  
1 Rosebery Avenue,  
Rosebery N.S.W. 2018  
Postal Address:  
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Rosebery N.S.W. 2018  
Phone No. (02) 697 6333

*South Australia Zone Office*  
Philip Highway,  
Elizabeth S.A. 5112  
Postal Address:  
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Elizabeth S.A. 5112  
Phone No. (08) 282 8111

*Queensland Zone Office*  
1538 Beaudesert Road,  
Acacia Ridge Qld. 4110  
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Brisbane Qld. 4001  
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