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FINANCIAL

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General Motors-Holden's Automotive Limited

At 30 June, 1991, 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, 1991.

The companies included in these results are:

- General Motors-Holden's Automotive Limited;
- General Motors-Holden's Sales Pty Limited; and
- Holden's Agencies Pty Limited
- Dealership Assistance Division
 - DI & DM Hamilton Pty Limited
 - K.A.P. Motors Pty Limited
 - Kumar Motors Pty Limited
 - Kumar Motors (Padstow) Pty Limited
 - Nelliston Pty Limited
 - John Leach Motors Pty Limited
 - Tony Ireland Townsville Pty Limited
 - Samida Pty Limited

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

The group accounts comprise consolidated accounts prepared using the purchase method of all subsidiaries within the meaning of the Corporations Law. During the year the company changed its policy to consolidate Dealership Assistance Division subsidiaries for the first time.

Prior year consolidated figures have been restated to show consolidated results on a comparable basis to the 1990/91 period.

**Profit and Loss Account
For Financial Year Ended 30 June, 1991**

	1991 \$000	1990 \$000
Operating profit	81,647	222,214
Income tax attributable to operating profit	29,860	71,281
<i>Operating Profit After Income Tax</i>	51,787	150,933
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>	51,787	150,933
Minority interests in operating profit or loss and extraordinary items after income tax	(1,492)	(94)
Operating profit and extraordinary items after income tax attributable to members of the holding company	53,279	151,027
Retained profits at the beginning of the financial year	238,075	87,190
<i>Total Available For Appropriation</i>	291,354	238,217
Appropriations	–	–
Aggregate of amounts transferred to reserves		
– Applicable to the Group	–	14
– Applicable to minorities	–	128
<i>Retained Profits at End of Financial Year</i>	291,354	238,075

General Motors-Holden's Automotive Limited
and Subsidiary Companies
Balance Sheet
As at 30 June, 1991

	1991 \$000	1990 \$000
Current Assets		
Cash	64,617	30,914
Receivables	149,784	179,334
Inventories	213,672	288,185
Other	2,955	4,391
<i>Total Current Assets</i>	<u>431,028</u>	<u>502,824</u>
Non Current Assets		
Investments	846	2,032
Property, plant & equipment	286,418	284,256
Intangibles	141	160
Other	523	3151
<i>Total Non Current Assets</i>	<u>287,928</u>	<u>289,599</u>
<i>Total Assets</i>	<u>718,956</u>	<u>792,423</u>
Current Liabilities		
Creditors & borrowings	202,270	265,893
Provisions	93,106	158,013
Other – deferred income	167	172
<i>Total Current Liabilities</i>	<u>295,543</u>	<u>424,078</u>
Non Current Liabilities		
Creditors & borrowings	10,798	5,539
Provisions	29,404	32,242
<i>Total Non Current Liabilities</i>	<u>40,202</u>	<u>37,781</u>
<i>Total Liabilities</i>	<u>335,745</u>	<u>461,859</u>
<i>Net Assets</i>	<u>383,211</u>	<u>330,564</u>
Shareholders' Equity		
Share capital	90,000	90,000
Retained profits	291,354	238,075
Reserves	107	77
Shareholders' Equity Attributable to members of the Holding Company	<u>381,461</u>	<u>328,152</u>
Minority shareholders' interest in subsidiaries	1,750	2,412
<i>Total Shareholders' Equity</i>	<u>383,211</u>	<u>330,564</u>

Operating Profit

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

	1991	1990
	\$000	\$000
Revenue		
Sales revenue	2,016,370	2,436,430
Other operating revenue		
Dividends – Non related companies	151	75
Interest – Related companies	11,827	5,476
– Other persons	7,062	603
Income from government grants	438	3,254
Other income – Related companies	2,880	5,147
– Other	2,668	2,357
Proceeds from sales of fixed assets	1,830	2,061
<i>Total other operating revenue</i>	26,856	18,973
<i>Operating Revenue</i>	2,043,226	2,455,403
Expenses		
Interest – Related corporations	860	1,283
– Other persons	16,325	21,757
Bad and doubtful debts		
– Bad debts written off	98	79
– Provision for doubtful debts	3,607	403
Depreciation, amortisation or diminution in value of:		
Investments		
– Non-related companies	1,250	–
Inventories	1,863	657
Property, plant & equipment and special tools	47,441	58,024
Leased assets	63	71
Intangibles	19	14
Transfers to provisions:		
Employee entitlements	7,200	6,995
Finance leases		
Finance charges	25	219
Operating lease rental expense		
– Other persons	6,885	7,519
Remuneration of auditors of holding company		
Auditing the accounts/group accounts	265	303
Other services	31	40
Remuneration of other auditors		
Auditing the accounts	29	29
Other services	14	7
Exchange loss on foreign currency transactions	6,143	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:-

	1991 \$000	1990 \$000
Operating profit	81,647	222,214
Income tax expense calculated at 39%	31,842	86,663
Plus tax effect of permanent differences:-		
– Non deductible expenses	1,804	638
– Depreciation on fixed assets	730	406
– Dividend rebate	(59)	(20)
Amortisation of goodwill and intangible assets	5	3
Timing differences not brought to account	(2,511)	2,052
Utilisation of carried forward tax loss	(1,825)	(2,449)
Reversal of prior year over-provision	(126)	(15,951)
Future income tax benefits acquired	–	(61)
Income tax expense	<u>29,860</u>	<u>71,281</u>
(b) The tax effect on future income tax benefit not brought to account relates to:		
– Carry forward tax losses	586	1,825
– Timing differences		
Future income tax benefits	43,759	43,020
Deferred income tax	(34,449)	(29,911)
	<u>9,896</u>	<u>14,934</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

Trade debtors	45,663	47,801
Less provision for doubtful debts	(6,700)	(5,651)
	<u>38,963</u>	<u>42,150</u>
Non trade debtors	5,587	7,425
Less provision for doubtful debts	(10)	–
	<u>5,577</u>	<u>7,425</u>
Amounts receivable from		
– Holding company	72	207
– Other related companies	105,172	129,552
	<u>149,784</u>	<u>179,334</u>

	1991 \$000	1990 \$000
Current Inventories		
– At cost		
Raw materials and stores	74,277	109,287
Work in progress	4,038	7,724
Finished goods (after deducting provision for obsolescence \$2,877,000 1990 – \$1,466,000)	135,357	171,174
	<u>213,672</u>	<u>288,185</u>
Other Current Assets		
Unamortised foreign exchange premium	545	2,060
Prepaid expenses – other	1,375	1,024
Right of indemnity from property trusts	106	320
Future income tax benefits	–	171
Other debtors	929	816
	<u>2,955</u>	<u>4,391</u>
Non Current Investments		
Non quoted investments:		
Shares in non related companies at cost	2,032	2,027
Less provision for diminution in value	(1,250)	–
	<u>782</u>	<u>2,027</u>
Insurance policy	59	–
Units in property trusts	5	5
	<u>846</u>	<u>2,032</u>
Property, Plant and Equipment		
Freehold land and improvements:		
– At 1988 Directors' valuation	412	412
– At 1991 independent valuation	450	–
– At cost	31,851	25,786
	<u>32,713</u>	<u>26,198</u>
Less accumulated depreciation	(546)	(289)
	<u>32,167</u>	<u>25,909</u>
Buildings:		
– At 1991 independent valuation	750	–
– At cost	43,674	38,516
	<u>44,424</u>	<u>38,516</u>
Less accumulated depreciation	(4,203)	(2,758)
	<u>40,221</u>	<u>35,758</u>
Leasehold improvements		
– At cost	88	88
Less accumulated amortisation	(68)	(58)
	<u>20</u>	<u>30</u>

Supplementary Financial Information (cont'd)

	1991 \$000	1990 \$000
Plant and equipment:		
– At cost	133,574	118,684
Less accumulated depreciation	(38,293)	(23,364)
	<u>95,281</u>	<u>95,320</u>
Plant and equipment:		
– Under finance lease	339	483
Less accumulated amortisation	(105)	(238)
	<u>234</u>	<u>245</u>
Construction work in progress:		
– At cost	8,763	6,849
Special tools:		
– At cost	209,312	189,250
Less amortisation	(99,580)	(69,105)
	<u>109,732</u>	<u>120,145</u>
<i>Total Fixed Assets</i>	<u>286,418</u>	<u>284,256</u>
Intangibles		
– Goodwill	125	125
Accumulated amortisation	(8)	(2)
	<u>117</u>	<u>123</u>
– Preliminary expenses	54	54
Accumulated amortisation	(30)	(17)
	<u>24</u>	<u>37</u>
	<u>141</u>	<u>160</u>

	1991 \$000	1990 \$000
Other Non Current Assets		
Non trade receivables	–	2,799
Deposits returnable	29	8
Future income tax benefits	494	344
	<u>523</u>	<u>3,151</u>
Current Creditors & Borrowings		
Unsecured		
– Bank overdraft	66,067	63,881
– Trade creditors:		
– Holding company	134	180
– Related companies	23,760	49,669
– Other	75,856	110,923
– Employee pension plans	510	1,308
– Incurred in capacity as trustee	106	320
– Accrued expenses	3,308	3,738
– Employee entitlements	12,443	15,695
– Non trade creditors		
– Other	3,404	4,104
– Related companies	784	1,090
Secured (All Dealer Subsidiaries):–		
– Finance lease liability	140	1,434
– Trade creditors		
– Related companies	442	590
– Other	7,580	5,883
– Bank overdraft	1,962	504
– Bills of exchange	1,200	1,200
– Other borrowings	2,475	2,293
– Other borrowings – related companies	2,099	3,081
	<u>202,270</u>	<u>265,893</u>
Current Provisions		
Income tax	29,882	87,487
Vehicle related	39,934	41,046
Insurances	10,427	10,440
Employee entitlements	4,116	7,886
Other	8,747	11,154
	<u>93,106</u>	<u>158,013</u>
Non Current Creditors and Borrowings		
Unsecured		
Other creditors	8	8
Secured (All Dealer Subsidiaries):		
– Bills of exchange	1,100	1,100
– Other borrowings		
– Related companies	81	95
– Other persons	9,511	4,174
Finance lease liabilities	98	162
	<u>10,798</u>	<u>5,539</u>

Supplementary Financial Information (cont'd)

	1991 \$000	1990 \$000
Non Current Provisions		
Employee entitlements	20,783	21,434
Insurance	7,000	7,000
Other	1,105	3,266
Deferred income tax	516	542
	<u>29,404</u>	<u>32,242</u>
Reserves		
(a) Reserves comprise:-		
Capital redemption	14	14
Asset revaluation	93	63
	<u>107</u>	<u>77</u>
(b) Movements in reserves:-		
Capital redemption		
Balance at beginning	14	-
Transfer from profit & loss account	-	14
Balance at end	<u>14</u>	<u>14</u>
Asset revaluation		
Balance at beginning	63	63
Surplus on revaluation of Freehold land and buildings	30	-
Balance at end	<u>93</u>	<u>63</u>
Minority Interests		
(i) At year end the following shares were on issue by subsidiaries to persons not being members of the group:		
(a) 2,321,998 ordinary shares of \$1 each fully paid (1990 : 1,860,000)	2,322	1,860
(b) 262,501 8% redeemable cumulative non-participating preference shares of \$1 each fully paid (1990 : 262,501) – Arrears of dividend \$26,148 (1990 : \$21,855)	263	263
(c) 216,500 9% redeemable cumulative non-participating preference shares of \$1 each fully paid (1990 : 62,500) – Arrears of dividend \$17,175 (1990 : \$1,896)	216	62
(d) 75,000 8% Non-redeemable cumulative non-participating preference shares of \$1 each fully paid (1990 : 75,000) – Arrears of dividend \$14,975 (1990 : \$8,975)	75	75
	<u>2,876</u>	<u>2,260</u>
(ii) Minority Interests in retained profits and other reserves are:		
– Retained profits	(1,600)	(87)
– Other reserves	474	239
	<u>1,750</u>	<u>2,412</u>

	1991 \$000	1991 \$000
Summary of Sources and Applications of Funds		
<i>Source of Funds</i>		
Funds from operations:		
Inflow of funds from operations:		
– Sales revenue	2,016,370	
– Other revenue	25,026	
– Sales of fixed assets	1,830	
	<u>2,043,226</u>	
– Outflow of funds	1,904,634	
		138,592
<i>Total Funds From Operations</i>		
Reduction in assets:		
Current assets		
– Receivables	29,550	
– Inventories	74,513	
– Unamortised foreign exchange premium on options	799	
		104,862
Non current assets:		
– Receivables		2,799
Increase in liabilities:		
Current liabilities:		
Non Current Liabilities		
– Creditors borrowings & provisions		3,098
Proceeds of share issues to minority interests		616
		<u>249,967</u>
<i>Total Source of Funds</i>		

Supplementary Financial Information (cont'd)

	1991 \$000	1991 \$000
<i>Application of Funds</i>		
Increase in assets:		
Current assets		
– Cash	33,703	
– Other debtors	113	
– Prepaid expenses	351	
		34,167
Non current assets		
– Investments	64	
– Property plant & equipment	49,658	
– Deposits returnable	21	
		49,743
Decrease in liabilities:		
Current liabilities		
– Creditors, borrowings and provisions	66,941	
– Deferred income	5	
		66,946
Non current liabilities		–
Employee entitlements paid		11,621
Income tax paid		87,470
Dividend paid		20
		249,967
<i>Total Application of Funds</i>		
Funds from operations are reconciled with operating profits before income tax as follows:–		
Operating profit before income tax		81,647
Add:		
Depreciation, amortisation of non current assets		48,773
Book value of non current assets sold		256
Increases in provisions		7,200
Unamortised foreign exchange premium on contracts		716
		138,592

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 1st October 1991 we expressed an unqualified opinion on those accounts.

In our opinion, the accompanying abridged accounts set out on pages 4 to 13 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

JB WEST
Partner

General Motors-Holden's Automotive Limited

Board of Directors and Officers

William J. Hamel	– Chairman and Managing Director
John E. Barlow	– Director, Personnel and Industrial Relations
Raymond G. Grigg	– Director and General Manager, Operations
Robert J.H. McEniry	– Director, Marketing
Kevin E. Wale	– Director, Finance & Strategic Planning
Donald K. Wylie	– Director, Engineering, Design & Reliability
John W. Scotton	– Company Secretary
John L. Morrison	– 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 Company Limited
Banque Nationale de Paris
Westpac Banking Corporation
Chase AMP Bank Limited

Company Facilities:

Victoria

Fishermens Bend

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Dandenong

Holden Service Parts Operations
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Postal Address:
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Dandenong Vic. 3175

Lang Lang

Proving Ground

South Australia

Elizabeth

Manufacturing & 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

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New South Wales Zone Office

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