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FINANCIAL

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General Motors-Holden's Automotive Limited

At 30 June, 1993, General Motors-Holden's Automotive Limited is an entity controlled by United Australian Automotive Industries Limited.

The following information is a summary of the consolidated financial results for General Motors-Holden's Automotive Limited for the financial year ending 30 June, 1993.

The entities included in these results are:

- General Motors-Holden's Automotive Limited
- General Motors-Holden's Sales Pty Limited
- Holden's Agencies Pty Limited
- Dealership Assistance Division
 - D'Silva (Preston) Pty Limited
 - DI & DM Hamilton Pty Limited
 - K.A.P. Motors Pty Limited
 - Kumar Motors Pty Limited
 - Kumar Motors (Padstow) Pty Limited
 - Nelliston Pty Limited
 - Leach Motors Pty Limited
 - Tony Ireland Townsville Pty Limited
 - Samida Pty Limited
 - Syntex Pty Limited
- A Property Trust
- APS Property Trust

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

The accounts comprise consolidated accounts prepared using the purchase method of all Controlled Entities within the meaning of the Corporations Law.

	1993 \$000	1992 \$000
Operating profit	98,246	45,171
Income tax attributable to operating profit	34,489	7,755
<i>Operating Profit After Income Tax</i>	<u>63,757</u>	<u>37,416</u>
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>	<u>63,757</u>	<u>37,416</u>
Outside Equity interests in operating profit or loss and extraordinary items after income tax	1,908	566
<i>Operating Profit and Extraordinary Items After Income Tax Attributable to Members of the Chief Entity</i>	<u>61,849</u>	<u>36,850</u>
Retained profits at the beginning of the financial year	50,933	291,354
Aggregate of amounts transferred from reserves: – Applicable to the Economic Entity	63	14
<i>Total Available For Appropriation</i>	<u>112,845</u>	<u>328,218</u>
Appropriations: – Dividend Paid	—	214,285
Aggregate of amounts transferred to reserves: – Applicable to the Economic Entity	55	63,000
<i>Retained Profits at End of Financial Year</i>	<u>112,790</u>	<u>50,933</u>

**General Motors-Holden's Automotive Limited
and Controlled Entities
Balance Sheet
As at 30 June, 1993**

	1993 \$000	1992 \$000
Current Assets		
Cash	32,865	10,830
Receivables	62,084	67,256
Inventories	212,182	194,485
Other	32,789	3,479
<i>Total Current Assets</i>	<u>339,920</u>	<u>276,050</u>
Non Current Assets		
Investments	894	888
Property, Plant & Equipment	379,896	303,029
Intangibles	106	125
Other	17,901	370
<i>Total Non Current Assets</i>	<u>398,797</u>	<u>304,412</u>
<i>Total Assets</i>	<u>738,717</u>	<u>580,462</u>
Current Liabilities		
Creditors & borrowings	224,204	210,317
Provisions	126,507	71,864
Other – deferred income	312	457
<i>Total Current Liabilities</i>	<u>351,023</u>	<u>282,638</u>
Non Current Liabilities		
Creditors & borrowings	7,353	13,002
Provisions	57,399	24,927
<i>Total Non Current Liabilities</i>	<u>64,752</u>	<u>37,929</u>
<i>Total Liabilities</i>	<u>415,775</u>	<u>320,567</u>
<i>Net Assets</i>	<u>322,942</u>	<u>259,895</u>
Shareholders' Equity		
Share capital	124,300	124,300
Retained profits	112,790	50,933
Reserves	63,085	63,093
Shareholders' Equity attributable to members of the Chief Entity	<u>300,175</u>	<u>238,326</u>
Outside Equity interests in Controlled Entities	22,767	21,569
<i>Total Shareholders' Equity</i>	<u>322,942</u>	<u>259,895</u>

Operating Profit

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

	1993	1992
	\$000	\$000
Revenue		
Sales revenue	1,924,355	1,748,273
Other operating revenue:-		
Interest:		
– Other persons	1,746	5,674
Income from government grants	8	349
Other income:		
– Related bodies corporate	2,183	2,274
– Other	3,942	4,481
Proceeds from sales of fixed assets	10,320	7,117
Exchange gain on foreign currency transactions	4,105	–
<i>Total Other Operating Revenue</i>	22,304	19,895
<i>Operating Revenue</i>	1,946,659	1,768,168
Expenses		
Interest:		
– Related bodies corporate	362	397
– Other persons	9,394	13,593
Bad and doubtful debts:		
– Bad debts written off	41	148
– Provision for doubtful debts	283	94
Depreciation, amortisation or diminution in value of:		
– Inventories	1,131	–
– Property, Plant & Equipment and special tools	58,460	47,931
– Leased assets	84	76
– Intangibles	11	19
Transfers to provisions:		
– Employee entitlements	10,099	10,704
Finance leases:		
– Finance charges	50	37
Operating lease rental expense:		
– Other persons	5,854	6,165
Remuneration of auditors of holding company:		
– Auditing the accounts/group accounts	287	317
– Other services	16	92
Remuneration of other auditors:		
– Auditing the accounts	24	29
– Other services	7	11
Exchange loss on foreign currency transactions	–	2,737

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 accounts as follows:-

	1993 \$000	1992 \$000
Operating profit	98,246	45,171
Income tax expense calculated at 39%	38,316	17,617
Plus tax effect of permanent differences:		
– Non deductible expenses	1,858	1,885
– Depreciation on fixed assets	568	546
– Dividend rebate	–	(6)
– Capital Gains and other concessions	(2,006)	(1,756)
Amortisation of goodwill and intangible assets	4	5
Timing differences not brought to account	(327)	(4,295)
Income non-assessable to company	(340)	(292)
Utilisation of carried forward tax loss	–	(63)
Future income tax benefit not previously recognised now brought to account	(4,060)	–
Effect on future income tax benefit and provision for deferred income tax due to the change in rate of income tax from 39% to 33%	1,390	–
Reversal of prior year over-provision	(914)	(5,886)
Income tax expense	<u>34,489</u>	<u>7,755</u>
(b) The tax effect on future income tax benefit not brought to account relates to:-		
Carry forward tax losses	961	1,408
Timing differences:		
– Future income tax benefits	101	36,110
– Deferred income tax	–	(30,924)
	<u>1,062</u>	<u>6,594</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	50,776	60,883
Less provision for doubtful debts	(6,913)	(6,682)
	<u>43,863</u>	<u>54,201</u>
Non trade debtors	16,554	10,449
Less provision for doubtful debts	–	(10)
	<u>16,554</u>	<u>10,439</u>
Amounts receivable from:		
– Parent Entity of the company	950	85
– Other related bodies corporate	717	2,531

	1993 \$000	1992 \$000
Current Inventories		
– At cost:		
Raw materials and stores	76,497	73,256
Work in progress	4,072	5,809
Finished goods (after deducting provision for obsolescence \$3,751,000 1992: \$2,620,000)	131,613	115,420
	<u>212,182</u>	<u>194,485</u>
Other Current Assets		
Unamortised foreign exchange premium	41	358
Prepaid expenses – other	9,019	2,737
Other debtors	357	384
Future income tax benefits	23,372	–
	<u>32,789</u>	<u>3,479</u>
Non Current Investments		
Non quoted investments:		
– Shares in other corporations at cost	2,069	2,069
Less provision for diminution in value	(1,250)	(1,250)
	<u>819</u>	<u>819</u>
Insurance policy	75	69
	<u>894</u>	<u>888</u>
Property, Plant and Equipment		
Freehold land and improvements:		
– At 1988 Directors' valuation	–	412
– At 1991 independent valuation	450	450
– At 1992 Directors' valuation	4,395	4,395
– At 1993 Trustees' valuation	5,577	–
– At cost	29,688	41,823
	<u>40,110</u>	<u>47,080</u>
Less accumulated depreciation	(1,065)	(799)
	<u>39,045</u>	<u>46,281</u>
Buildings:		
– At 1991 independent valuation	750	750
– At 1992 Directors' valuation	2,105	2,105
– At 1993 Trustees' valuation	1,685	–
– At cost	47,278	49,687
	<u>51,818</u>	<u>52,542</u>
Less accumulated depreciation	(7,424)	(5,885)
	<u>44,394</u>	<u>46,657</u>
Leasehold improvements:		
– At cost	89	89
Less accumulated amortisation	(83)	(77)
	<u>6</u>	<u>12</u>

Supplementary Financial Information (cont'd)

	1993 \$000	1992 \$000
Plant and Equipment:		
– At cost	152,373	143,063
Less accumulated depreciation	(66,872)	(53,103)
	<u>85,501</u>	<u>89,960</u>
Plant and Equipment:		
– Under finance lease	659	312
Less accumulated amortisation	(64)	(97)
	<u>595</u>	<u>215</u>
Construction work in progress:		
– At cost	99,543	16,940
Special tools:		
– At cost	279,951	231,790
Less amortisation	(169,139)	(128,826)
	<u>110,812</u>	<u>102,964</u>
<i>Total Fixed Assets</i>	<u>379,896</u>	<u>303,029</u>
Intangibles		
Goodwill	125	125
Less accumulated amortisation	(21)	(15)
	<u>104</u>	<u>110</u>
Preliminary expenses	26	57
Less accumulated amortisation	(24)	(42)
	<u>2</u>	<u>15</u>
	<u>106</u>	<u>125</u>

	1993 \$000	1992 \$000
Other Non Current Assets		
Deposits returnable	7	12
Future income tax benefits	17,894	358
	<u>17,901</u>	<u>370</u>
Current Creditors & Borrowings		
Unsecured:-		
– Bank overdraft	72,819	57,741
– Trade creditors:		
– Parent Entity of the company	5,336	3,036
– Related bodies corporate	1,720	1,175
– Other	105,375	112,842
– Employee pension plans	496	515
– Accrued expenses	6,119	3,676
– Employee entitlements	15,337	13,384
– Non trade creditors:		
– Other	4,949	3,952
– Related bodies corporate	1,082	1,084
Secured (All Dealer Subsidiaries):-		
– Finance lease liability	195	155
– Trade creditors:		
– Related bodies corporate	2,303	1,195
– Other	6,789	4,248
– Bank overdraft	500	1,135
– Bills of exchange	–	700
– Other borrowings	1,184	3,206
– Other borrowings – related	–	2,273
	<u>224,204</u>	<u>210,317</u>
Current Provisions		
Income tax	43,376	12,638
Vehicle related	41,746	35,229
Insurances	10,571	12,461
Employee entitlements	10,141	5,883
Other	15,348	5,653
Deferred income tax	5,325	–
	<u>126,507</u>	<u>71,864</u>
Non Current Creditors and Borrowings		
Unsecured:-		
– Other borrowings – Other	3,000	3,000
– Other creditors	8	8
Secured (All Dealer Subsidiaries):-		
– Bills of exchange	–	1,100
– Other borrowings:		
– Related bodies corporate	192	163
– Other persons	3,673	8,661
– Finance lease liabilities	480	70
	<u>7,353</u>	<u>13,002</u>

Supplementary Financial Information (cont'd)

	1993 \$000	1992 \$000
Non Current Provisions		
Employee entitlements	20,265	20,869
Insurance	4,250	2,500
Other	4,513	1,197
Deferred income tax	28,371	361
	<u>57,399</u>	<u>24,927</u>
Reserves		
(a) Reserves comprise:		
Capital redemption	63,055	63,000
Asset revaluation	30	93
	<u>63,085</u>	<u>63,093</u>
(b) Movements in reserves:-		
Capital redemption:		
Balance at beginning	63,000	14
Transfer from profit & loss account	55	63,000
Transfer to profit & loss account	-	(14)
Balance at end	<u>63,055</u>	<u>63,000</u>
Asset revaluation:		
Balance at beginning	93	93
Transfer to profit & loss account	(63)	-
Balance at end	<u>30</u>	<u>93</u>
Outside Equity Interests		
(i) At year end the following shares were on issue by Controlled Entities to persons not being members of the Economic Entity:		
(a) 1,732,500 ordinary shares of \$1 each fully paid (1992: 1,672,500)	1,733	1,673
(b) 50,000 8% redeemable cumulative non-participating preference shares of \$1 each fully paid (1992: 50,001) – Arrears of dividend \$4,989 (1992: \$4,000)	50	50
(c) 212,500 9% redeemable cumulative non-participating preference shares of \$1 each fully paid (1992: \$212,500) – Arrears of dividend \$25,714 (1992: \$26,747)	212	212
(d) 75,000 8% non-redeemable cumulative non-participating preference shares of \$1 each fully paid (1992: 75,000) – Arrears of dividend \$6,000 (1992: \$16,488)	75	75
(e) 20,548,050 Property Trust units of \$1 each fully paid (1992: 20,280,050)	20,548	20,280
	<u>22,618</u>	<u>22,290</u>
(ii) Outside Equity interests in retained profits and other reserves are:		
– Retained profits	(584)	(1,000)
– Other reserves	733	279
	<u>22,767</u>	<u>21,569</u>

Statement of Cash Flows

	1993 \$000	1992 \$000
Cash flows from operating activities		
Receipts from customers	1,940,219	1,751,075
Payments to suppliers and employees	(1,764,057)	(1,626,153)
Interest received	1,746	5,674
Government Grants Received	8	624
Interest Paid	(9,756)	(13,990)
Income Tax paid	(11,415)	(24,917)
Finance Leases Finance Charges	(50)	(37)
Net cash provided by operating activities	<u>156,695</u>	<u>92,276</u>
Cash flows from investing activities		
Payment for Investment Securities	-	(47)
Proceeds from sale of Investment Securities	-	85,950
Payment for Property, Plant and Equipment	(142,723)	(51,126)
Proceeds from sale of Property, Plant and Equipment	2,425	1,845
Payment for Intangible Assets	-	(3)
Payment of Finance Lease Liability	(14)	(13)
Proceeds from sale of Controlled Entity	1,640	986
Payment for business purchased	(390)	-
Net cash used in or from investing activities	<u>(139,062)</u>	<u>37,592</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	97,300
Payments for redemption of shares	-	(63,000)
Proceeds from borrowings	29	6,300
Repayment of borrowings	(9,683)	(500)
Dividends paid	-	(214,285)
Dividends paid to outside equity interests	(905)	(818)
Proceeds from Issue of Units to outside equity interests	268	165
Payment for Purchase of outside equity interests	-	(174)
Proceeds from issue of Shares to outside equity interests	250	450
Net Cash used in or from financing activities	<u>(10,041)</u>	<u>(174,562)</u>
Net increase or decrease in cash held	7,592	(44,694)
Cash at beginning of financial year	(48,046)	(3,352)
Cash at the end of financial year	<u>(40,454)</u>	<u>(48,046)</u>

Statement of Cash Flows (cont'd)

	1993 \$000	1992 \$000
(a) Reconciliation of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at beginning of the year:		
– Cash	10,830	64,677
– Deposits at call	–	–
– Bank overdraft	(58,876)	(68,029)
	<u>(48,046)</u>	<u>(3,352)</u>
Cash at end of the year:		
– Cash	32,865	10,830
– Deposits at call	–	–
– Bank overdraft	(73,319)	(58,876)
	<u>(40,454)</u>	<u>(48,046)</u>
(b) Financing Facilities		
Firmly committed long-term financing facilities available at the end of the financial year	<u>4,200</u>	<u>10,000</u>
Facilities in use at that date	<u>3,903</u>	<u>9,924</u>

Loan facilities available to the economic entity are provided by various financial institutions. The loans generally relate to mortgages over the property of controlled entities.

	1993 \$000	1992 \$000
(c) Businesses Acquired During Financial Year		
One controlled Body Corporate and one business were acquired. Details of the acquisitions are as follows:- Consideration:		
– Cash	690	1,350
	<hr/>	<hr/>
Fair value of Net Assets of entities acquired:-		
Current Assets:		
– Cash	300	1,800
– Inventories	492	–
– Prepayments	4	–
Non current assets:		
– Future income tax benefits	39	–
Current liabilities:		
– Trade creditors	(43)	–
– Provisions: Employee Entitlements	(71)	–
Non current liabilities:		
– Provisions: Employee Entitlements	(31)	–
	<hr/>	<hr/>
<i>Net Assets Acquired</i>	690	1,800
	<hr/>	<hr/>
Outflow of cash to acquire entities		
Net of Cash Acquired:		
– Cash consideration	690	1,350
Less Balances Acquired:		
– Cash	300	1,800
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Outflow/(Inflow)	390	(450)
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Statement of Cash Flows (cont'd)

	1993 \$000	1992 \$000
(d) Business Disposed		
During the Financial Year the economic entity disposed of one controlled Body Corporate. Details of the disposal are as follows:		
Proceeds of Sale – Cash	1,551	1,177
Book Value of Assets and Liabilities sold:-		
Current Assets:		
– Cash	1	191
– Receivables	769	355
– Inventories	3,316	1,777
– Prepayments	24	23
Non Current Assets:		
– Land	967	5,027
– Buildings	862	47
– Plant & Equipment	266	198
– Other – Future Income Tax Benefits	189	111
– Intangibles	8	–
Current Liabilities:		
– Unsecured Bank Overdraft	(90)	–
– Unsecured Trade Creditors	(198)	(358)
– Secured Trade Creditors	(2,497)	(2,179)
– Accrued Expenses	(639)	(41)
– Current Provisions:		
– Employee entitlements	(112)	(72)
– Vehicle Related	(28)	(28)
Non Current Liabilities:-		
– Non Current Creditors & Borrowings:		
– Other Borrowings – Other	(700)	(3,163)
– Non Current Provisions:		
– Deferred Income Tax	(58)	(212)
– Employee Entitlements	(200)	–
Net Assets Disposed	1,880	1,676
Less Outside Equity Interest in controlled Body Corporate	(329)	(485)
Loss on Disposal	1,551	1,191
	–	(14)
	1,551	1,177

	1993 \$000	1992 \$000
Inflow of cash from disposal of entity		
Net of cash disposed		
– Cash proceeds	1,551	–
Less balances disposed		
– Cash	(1)	–
– Bank overdraft	90	–
Inflow of cash	<u>1,640</u>	<u>–</u>
(e) Non-cash Financing and Investing Activities		
– Property, plant and equipment		
<p>During the financial year a controlled entity acquired property, plant and equipment with an aggregate value of \$358,000 by means of finance leases. These acquisitions are not reflected in the statement of cash flows.</p>		
(f) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax		
Operating profit after taxation	63,757	37,416
(Profit) or Loss on disposal of Non-Current Assets	(2,544)	(593)
Depreciation and amortisation of Non-Current Assets	58,544	48,007
Amounts written-off Intangibles	11	19
Increase in Income Tax Payable	30,738	(17,244)
Increase (Decrease) in Deferred Tax Payable	(7,664)	82
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
– Decrease (increase) in Current Receivables	10,203	(3,743)
– Decrease (increase) in Inventories	(20,521)	17,410
– Decrease (increase) in other Current Assets	(5,958)	(612)
– Decrease (increase) in other Non-Current Assets	5	17
– Increase (decrease) in Current Creditors	6,989	19,447
– Increase (decrease) in Current Provisions	18,649	(3,898)
– Increase (decrease) in other Current Liabilities	(145)	290
– Increase (decrease) in Non-Current Provisions	4,631	(4,322)
Net cash provided by operating activities	<u>156,695</u>	<u>92,276</u>

**Auditors Report
to the Members of
General Motors-Holden's Automotive Ltd**

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 Controlled Entities in accordance with Australian Auditing Standards and in our report dated 29 September, 1993 we expressed an unqualified opinion on those accounts.

In our opinion, the accompanying abridged accounts set out on pages 4 to 16 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 Touche Tohmatsu
Chartered Accountants

JB WEST
Partner

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
Noboru Itaya	– President of United Australian Automotive Industries Limited
Robert J.H. McEniry	– Director, Marketing
Kevin E. Wale	– Director, Finance & Strategic Planning
Donald K. Wylie	– Director, Engineering, Design & Reliability
David R. Lee-Guard	– Company Secretary
John L. Morrison	– Public Affairs Manager

Registered Office

241 Salmon Street,
Port Melbourne, Vic. 3207

Auditors

Deloitte Touche 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

General Motors-Holden's Automotive Limited

Company Facilities:

Victoria

Fishermens Bend

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

Rosebery Avenue,
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Postal Address:
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Rosebery N.S.W. 2018
Phone No. (02) 697 6333

South Australia Zone Office

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Queensland Zone Office

1538 Beaudesert Road
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