

GENERAL MOTORS - HOLDEN'S
AUTOMOTIVE LIMITED
A.C.N. 006 893 232

FINANCIAL

S U M M A R Y
1 9 9 4

Holden



General Motors-Holden's Automotive Limited

At 30 June 1994 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, 1994.

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 (1993 only)
 - Sintona 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, Samida Pty Limited and Sintona 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.

General Motors-Holden's Automotive Limited and Controlled Entities
Profit and Loss Account
For Financial Year Ended 30 June, 1994
Supplementary Financial Information

	1994 \$000	1993 \$000
Operating profit	242,110	98,246
Income tax attributable to operating profit	77,212	34,489
<i>Operating Profit After Income Tax</i>	164,898	63,757
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>	164,898	63,757
Outside Equity interests in operating profit or loss and extraordinary items after income tax	2,333	1,908
<i>Operating Profit and Extraordinary Items After Income Tax Attributable to Members of the Chief Entity</i>	162,565	61,849
Retained profits at the beginning of the financial year	112,790	50,933
Aggregate of amounts transferred from reserves: - Applicable to the Economic Entity	30	63
<i>Total Available for Appropriation</i>	275,385	112,845
Appropriations: - Dividend Paid	20,000	-
Aggregate of amounts transferred to reserves: - Applicable to the Economic Entity	42	55
<i>Retained Profits at End of Financial Year</i>	255,343	112,790

General Motors-Holden's Automotive Limited and Controlled Entities
Balance Sheet
As at 30 June, 1994
Supplementary Financial Information

	1994 \$000	1993 \$000
Current Assets		
Cash	294,647	32,865
Receivables	77,312	62,084
Inventories	223,750	212,182
Other	33,998	32,789
<i>Total Current Assets</i>	<u>629,707</u>	<u>339,920</u>
Non Current Assets		
Investments	773	894
Property, Plant & Equipment	361,701	379,896
Intangibles	99	106
Other	26,888	17,901
<i>Total Non Current Assets</i>	<u>389,461</u>	<u>398,797</u>
<i>Total Assets</i>	<u>1,019,168</u>	<u>738,717</u>
Current Liabilities		
Creditors & borrowings	286,663	224,204
Provisions	206,458	126,507
Other – deferred income	413	312
<i>Total Current Liabilities</i>	<u>493,534</u>	<u>351,023</u>
Non Current Liabilities		
Creditors & borrowings	7,081	7,353
Provisions	56,523	57,399
<i>Total Non Current Liabilities</i>	<u>63,604</u>	<u>64,752</u>
<i>Total Liabilities</i>	<u>557,138</u>	<u>415,775</u>
<i>Net Assets</i>	<u>462,030</u>	<u>322,942</u>
Shareholders' Equity		
Share capital	124,300	124,300
Retained profits	255,343	112,790
Reserves	63,097	63,085
Shareholders' Equity attributable to members of the Chief Entity	<u>442,740</u>	<u>300,175</u>
Outside Equity interests in Controlled Entities	19,290	22,767
<i>Total Shareholders' Equity</i>	<u>462,030</u>	<u>322,942</u>

Supplementary Financial Information

Operating Profit

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

	1994 \$000	1993 \$000
<i>Revenue</i>		
Sales revenue	2,506,213	1,924,355
Other operating revenue:		
Interest:		
– Other persons	6,162	1,746
Income from government grants	–	8
Other income:		
– Related bodies corporate	2,183	2,183
– Other	5,105	3,942
Proceeds from sales of fixed assets	2,760	10,320
Exchange gain on foreign currency transactions	–	4,105
<i>Total Other Operating Revenue</i>	16,210	22,304
<i>Operating Revenue</i>	2,522,423	1,946,659
Expenses		
Interest:		
– Related bodies corporate	319	362
– Other persons	8,622	9,394
Bad and doubtful debts:		
– Bad debts written off	9	41
– Provision for doubtful debts	134	283
Depreciation, amortisation or diminution in value of:		
– Inventories	3,310	1,131
– Property, Plant & Equipment and special tools	64,852	58,460
– Leased assets	118	84
– Intangibles	7	11
Transfers to provisions:		
– Employee entitlements	10,241	10,099
Finance leases:		
– Finance charges	45	50
Operating lease rental expense:		
– Other persons	5,791	5,854
Remuneration of auditors of holding company:		
– Auditing the accounts/group accounts	315	287
– Other services	7	16
Remuneration of other auditors:		
– Auditing the accounts	–	24
– Other services	–	7
Exchange loss on foreign currency transactions	3,883	–

Supplementary Financial Information

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:-

	1994 \$000	1993 \$000
Operating profit	<u>242,110</u>	<u>98,246</u>
Income tax expense calculated at 33% (1993 39%)	79,896	38,316
Plus tax effect of permanent differences:		
– Non deductible expenses	1,887	1,858
– Depreciation on fixed assets	1,059	568
– Capital Gains and other concessions	(1,920)	(2,006)
Amortisation of goodwill and intangible assets	2	4
Timing differences not brought to account	(48)	(327)
Income non-assessable to company	(72)	(340)
Utilisation of carried forward tax loss	(656)	–
Future income tax benefit not previously recognised now brought to account	(74)	(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	<u>(2,862)</u>	<u>(914)</u>
Income tax expense	<u>77,212</u>	<u>34,489</u>
(b) The tax effect of future income tax benefit not brought to account relates to:		
Carry forward tax losses	389	961
Timing differences:		
– Future income tax benefits	2	101
	<u>391</u>	<u>1,062</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	73,390	50,776
Less provision for doubtful debts	<u>(6,628)</u>	<u>(6,913)</u>
	66,762	43,863
Non trade debtors	7,749	16,554
Amounts receivable from:		
– Parent Entity of the company	1,180	950
– Other related bodies corporate	<u>1,621</u>	<u>717</u>
	<u>77,312</u>	<u>62,084</u>

Supplementary Financial Information

	1994 \$000	1993 \$000
Current Inventories		
- At cost:		
Productive material including all in transit	116,921	76,497
Work in progress	1,929	4,072
Finished goods (after deducting provision for obsolescence \$6,958,000; 1993 \$3,751,000)	104,900	131,613
	<u>223,750</u>	<u>212,182</u>
Other Current Assets		
Unamortised foreign exchange premium	503	41
Prepaid expenses - other	6,078	9,019
Other debtors	428	357
Future income tax benefits	26,989	23,372
	<u>33,998</u>	<u>32,789</u>
Non current Investments		
Non quoted investments:		
- Shares in other corporations at cost	773	819
Insurance policy	-	75
	<u>773</u>	<u>894</u>
Property, Plant and Equipment		
Freehold land and improvements:		
- At 1991 independent valuation	-	450
- At 1992 Directors' valuation	4,395	4,395
- At 1993 Directors' valuation	5,577	5,577
- At 1994 Directors' valuation	9,427	-
- At cost	24,545	29,688
	<u>43,944</u>	<u>40,110</u>
Less accumulated depreciation	(1,300)	(1,065)
	<u>42,644</u>	<u>39,045</u>
Buildings:		
- At 1991 independent valuation	-	750
- At 1992 Directors' valuation	2,105	2,105
- At 1993 Directors' valuation	1,685	1,685
- At 1994 Directors' valuation	14,399	-
- At cost	54,926	47,278
	<u>73,115</u>	<u>51,818</u>
Less accumulated depreciation	(6,890)	(7,424)
	<u>66,225</u>	<u>44,394</u>
Leasehold improvements:		
- At cost	-	89
Less accumulated amortisation	-	(83)
	<u>-</u>	<u>6</u>

Supplementary Financial Information

	1994 \$000	1993 \$000
Plant and Equipment:		
– At cost	238,836	152,373
Less accumulated depreciation	(90,417)	(66,872)
	<u>148,419</u>	<u>85,501</u>
Plant and Equipment:		
– Under finance lease	697	659
Less accumulated amortisation	(147)	(64)
	<u>550</u>	<u>595</u>
Construction work in progress:		
– At cost	15,639	99,543
Special tools:		
– At cost	135,467	279,951
Less amortisation	(47,243)	(169,139)
	<u>88,224</u>	<u>110,812</u>
	<u>361,701</u>	<u>379,896</u>
Intangibles		
Goodwill	125	125
Less accumulated amortisation	(27)	(21)
	<u>98</u>	<u>104</u>
Preliminary expenses	3	26
Less accumulated amortisation	(2)	(24)
	<u>1</u>	<u>2</u>
	<u>99</u>	<u>106</u>

Supplementary Financial Information

	1994 \$000	1993 \$000
Other Non Current Assets		
Deposits returnable	6	7
Future income tax benefits	20,882	17,894
Amount receivable from loan to associate	6,000	-
	<u>26,888</u>	<u>17,901</u>
Current Creditors & Borrowings		
Unsecured:-		
- Bank overdraft	80,469	72,819
- Trade creditors:		
- Parent Entity of the company	142	5,336
- Related bodies corporate	3,244	1,720
- Other	164,018	105,375
- Employee pension plans	45	496
- Accrued expenses	8,798	6,119
- Employee entitlements	15,951	15,337
- Non trade creditors:		
- Other	3,579	4,949
- Related bodies corporate	-	1,082
Secured (All Dealer Subsidiaries):-		
- Finance lease liability	201	195
- Trade creditors:		
- Related bodies corporate	3,099	2,303
- Other	5,030	6,789
- Bank overdraft	842	500
- Other borrowings	1,245	1,184
	<u>286,663</u>	<u>224,204</u>
Current Provisions		
Income tax	88,518	43,376
Vehicle related	65,170	41,746
Insurances	11,627	10,571
Employee entitlements	7,229	10,141
Other	25,813	15,348
Deferred income tax	8,101	5,325
	<u>206,458</u>	<u>126,507</u>
Non Current Creditors and Borrowings		
Unsecured:-		
- Other borrowings - Other	3,000	3,000
- Other creditors	8	8
Secured (All Dealer Subsidiaries):-		
- Other borrowings:		
- Related bodies corporate	126	192
- Other persons	3,583	3,673
- Finance lease liabilities	364	480
	<u>7,081</u>	<u>7,353</u>

Supplementary Financial Information

	1994 \$000	1993 \$000
Non Current Provisions		
Employee entitlements	23,876	20,265
Insurance	3,350	4,250
Other	6,981	4,513
Deferred income tax	22,316	28,371
	<u>56,523</u>	<u>57,399</u>
Reserves		
(a) Reserves comprise:		
Capital redemption	63,097	63,055
Asset revaluation	-	30
	<u>63,097</u>	<u>63,085</u>
(b) Movements in reserves:-		
Capital redemption:		
Balance at beginning	63,055	63,000
Transfer from profit & loss account	42	55
Balance at end	<u>63,097</u>	<u>63,055</u>
Asset revaluation:		
Balance at beginning	30	93
Transfer to profit & loss account	(30)	(63)
Balance at end	<u>-</u>	<u>30</u>
Outside Equity Interests		
(i) At year end the following shares were on issue by Controlled Equities to persons not being members of the Economic Entity:		
(a) 1,390,000 ordinary shares of \$1 each fully paid (1993: 1,732,500)	1,390	1,733
(b) 712,500 8% redeemable cumulative non-participating preference shares of \$1 each fully paid (1993: 87,500) - Arrears of dividend - \$36,260 (1993: \$6,978)	712	87
(c) - 9% redeemable cumulative non-participating preference shares of \$1 each fully paid (1993: 175,000) - Arrears of dividend - (1993 \$23,725)	-	175
(d) - 8% non-redeemable cumulative non-participating preference shares of \$1 each fully paid (1993: 75,000) - Arrears of dividend - (1993: \$6,000)	-	75
(e) 16,258,050 Property Trust units of \$1 each fully paid (1993: 20,548,050)	16,258	20,548
	<u>18,360</u>	<u>22,618</u>
(ii) Outside Equity interests in retained profits and other reserves are:		
- Retained profits	63	(584)
- Other reserves	867	733
	<u>19,290</u>	<u>22,767</u>

Supplementary Financial Information

Statement of Cash Flows

	1994 \$000	1993 \$000
Cash flows from operating activities		
Receipts from customers	2,496,489	1,940,219
Payments to suppliers and employees	(2,119,137)	(1,764,057)
Interest received	6,162	1,746
Government grants received	-	8
Interest paid	(8,941)	(9,756)
Income tax paid	(41,611)	(11,415)
Finance Leases Finance Charges	(45)	(50)
Net cash provided by operating activities	<u>332,917</u>	<u>156,695</u>
Cash flows from investing activities		
Payment for Investment Securities	(6,000)	-
Proceeds from sale of Investment Securities	450	-
Payment for Property, Plant and Equipment	(48,880)	(142,723)
Proceeds from sale of Property, Plant and Equipment	851	2,425
Payment of Finance Lease Liability	(103)	(14)
Proceeds from sale of Controlled Entity	(46)	1,640
Payment for business purchased	-	(390)
Net cash used in or from investing activities	<u>(53,728)</u>	<u>(139,062)</u>
Cash flows from financing activities		
Proceeds from borrowings	4,640	29
Repayment of borrowings	(4,772)	(9,683)
Dividends paid	(20,000)	-
Dividends paid to outside equity interests	(977)	(905)
Proceeds from Issue of Units to outside equity interests	50	268
Payment for Purchase of outside equity interests	(4,340)	-
Proceeds from issue of Shares to outside equity interests	-	250
Net Cash used in or from financing activities	<u>(25,399)</u>	<u>(10,041)</u>
Net increase or decrease in cash held	253,790	7,592
Cash at beginning of financial year	<u>(40,454)</u>	<u>(48,046)</u>
Cash at the end of financial year	<u>213,336</u>	<u>(40,454)</u>

Supplementary Financial Information

Statement of Cash Flows (cont'd)

	1994 \$000	1993 \$000
	<u> </u>	<u> </u>
(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	32,865	10,830
– Deposits at call	–	–
– Bank overdraft	(73,319)	(58,876)
	<u> </u>	<u> </u>
	(40,454)	(48,046)
	<u> </u>	<u> </u>
Cash at end of the year:		
– Cash	294,647	32,865
– Deposits at call	–	–
– Bank overdraft	(81,311)	(73,319)
	<u> </u>	<u> </u>
	213,336	(40,454)
	<u> </u>	<u> </u>
(b) Financing Facilities		
Firmly committed long-term financing facilities available at the end of the financial year	4,200	4,200
	<u> </u>	<u> </u>
Facilities in use at that date	3,709	3,865
	<u> </u>	<u> </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.

Supplementary Financial Information

Statement of Cash Flows (cont'd)

	1994 \$000	1993 \$000
	<u> </u>	<u> </u>
(c) Business Acquired During Financial Year		
During the previous financial year, one controlled Body Corporate and one business were acquired. Details of the acquisitions are as follows:-		
Consideration:		
– Cash	–	690
	<u> </u>	<u> </u>
Fair value of Net Assets of entities acquired:-		
Current assets:		
– Cash	–	300
– 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)
	<u> </u>	<u> </u>
<i>Net Assets Acquired</i>	–	690
	<u> </u>	<u> </u>
Outflow of cash to acquire entities		
Net of Cash Acquired:		
– Cash consideration	–	690
Less Balances Acquired:		
– Cash	–	300
	<u> </u>	<u> </u>
Outflow/(Inflow)	–	390
	<u> </u>	<u> </u>

Supplementary Financial Information

Statement of Cash Flows (cont'd)

	1994 \$000	1993 \$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	670	1,551
 Book Value of Assets and Liabilities sold		
Current Assets		
- Cash	716	1
- Receivables	1,743	769
- Inventories	1,898	3,316
- Prepayments	-	24
Non Current Assets		
- Investments	121	-
- Land	450	967
- Buildings	745	862
- Plant & Equipment	234	266
- Plant & Equipment Under Finance Lease	23	-
- Leasehold Improvements	7	-
- Future Income Tax Benefits	83	189
- Intangibles	-	8
Current Liabilities		
- Unsecured		
- Bank Overdraft	-	(90)
- Trade Creditors	(972)	(198)
- Non Trade Creditors	(1,374)	-
- Secured		
- Trade Creditors	-	(2,497)
- Other Borrowings	(909)	-
- Finance Lease Liability	(36)	-
- Accrued Expenses	-	(639)
Current Provisions		
- Income Tax	(298)	-
- Employee entitlements	(5)	(112)
- Vehicle Related	-	(28)
Non Current Creditors & Borrowings		
- Other Borrowings		
- Other	(672)	(700)
- Finance Lease Liability	(67)	-
Non Current Provisions		
- Deferred Income Tax	(128)	(58)
- Employee Entitlements	(15)	(200)
 Net Assets Disposed	1,544	1,880
Less Outside Equity Interest in Controlled Body Corporate	(874)	(329)
	670	1,551

Supplementary Financial Information

Statement of Cash Flows (cont'd)

	1994 \$000	1993 \$000
Inflow of Cash from Disposal of Entity		
Net of Cash Disposed		
Cash Proceeds	670	1,551
Less Balances Disposed		
Cash	(716)	(1)
Bank Overdraft	-	90
Inflow/(Outflow) of cash	<u>(46)</u>	<u>1,640</u>

(e) Non-cash Financing and Investing Activities

- Property, Plant & Equipment

During the financial year controlled entities acquired property, plant and equipment with an aggregate value of \$78,000 by means of finance leases.

These acquisitions are not reflected in the statement of cash flows.

(f) Reconciliation of Net Cash provided by Operating Activities to Operating Profit after Income Tax

Operating Profit after Taxation	164,898	63,757
(Profit) or Loss on disposal of Non-Current Assets	(109)	(2,544)
Discount on Acquisition of Investments	(119)	-
Depreciation and amortisation of Non-Current Assets	64,970	58,544
Amounts written-off Intangibles	7	11
Increase in Income Tax Payable	45,440	30,738
Increase (Decrease) in Deferred Tax Payable	(9,839)	(7,664)
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses		
- Decrease (increase) in Current Receivables	(16,971)	10,203
- Decrease (increase) in Inventories	(13,466)	(20,521)
- Decrease (increase) in Other Current Assets	2,408	(5,958)
- Decrease (increase) in Other Non-Current Assets	1	5
- Increase (Decrease) in Current Creditors	58,364	6,989
- Increase (Decrease) in Current Provisions	32,038	18,649
- Increase (Decrease) in Other Current Liabilities	101	(145)
- Increase (Decrease) in Non-Current Provisions	5,194	4,631
Net cash provided by operating activities	<u>332,917</u>	<u>156,695</u>

Independent Audit Report

To the members of General Motors-Holden's Automotive Limited and its controlled entities.

We have audited the Supplementary Financial Information of General Motors-Holden's Automotive Limited and its controlled entities for the year ended 30 June 1994 as set out on pages 4 to 16 in accordance with Australian Auditing Standards applicable to the audit of Supplementary Financial Information.

In our opinion, the information reported in the Supplementary Financial Information is consistent with the annual statutory financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report to the members dated 6 September 1994. For a better understanding of the economic entity's financial position and the results of its operations and the scope of our audit for the period, the Supplementary Financial Information should be read in conjunction with the annual statutory financial report.

Deloitte Touche Tohmatsu
Chartered Accountants

J B West
Partner

Melbourne, 14 October 1994

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
Noboru Itaya	- President of United Australian Automotive Industries Limited
Kevin E. Wale	- Director, Sales & Marketing
Hennig A. Klages	- Director, Finance & Strategic Planning
Donald K. Wylie	- Director, Planning & Forward Projects
Reinhold Metzger	- Director, Engineering & Design
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

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 Sale and Service Offices

Victorian Zone Office

Princes Highway

Dandenong Vic. 3175

Postal Address:

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Phone No. (03) 797 7911

New South Wales Zone Office

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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

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