

Company Registration No. 00135767

GENERAL MOTORS UK LIMITED

Report and Financial Statements

30 December 2014

THURSDAY

COMPANIES HOUSE



LD3 *L4C8B49V* 23/07/2015 #5

GENERAL MOTORS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 30 DECEMBER 2014

CONTENTS

Page

Officers and professional advisers	1
Strategic report	2
Directors' report	4
Statement of Directors' responsibilities	6
Independent auditor's report	7
Profit and loss account	8
Statement of total recognised gains and losses	9
Reconciliation of movement in shareholders' deficit	9
Balance sheet	10
Notes to the financial statements	11

GENERAL MOTORS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 30 DECEMBER 2014

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J R Fulcher
D Borland
M Wright
S Fesser
T Tozer
P Hope
S Oldfield
C Thexton

SECRETARY

R S Nagi

REGISTERED OFFICE

Griffin House UK1-101-135
Osborne Road
Luton
Bedfordshire LU1 3YT

BANKERS

Barclays Bank PLC
London

ACTUARIES

Towers Watson Limited
MidCity Place
71 High Holborn
London
WC1V 6TP

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

GENERAL MOTORS UK LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The Company manufactures, markets and services Vauxhall branded passenger cars and light vans and supplies vehicles to other General Motors companies, principally in Europe, which are sold under the Opel brand. The Company's vehicle and component manufacturing activities are located at Ellesmere Port, Cheshire where the Astra is produced. The Company's sales and marketing activities, as well as corporate headquarters' functions are located in Luton at Griffin House. The after-sales parts warehouse is situated at Toddington Road in Luton.

The Company is an integral part of the European operations of the General Motors Company ("GMC"), with all aspects of vehicle design and production co-ordinated across Europe, providing each market with a full model range for sale whilst providing economies of scale in manufacturing.

BUSINESS REVIEW

The Company reported a profit before tax in the six month period ended 30 December 2014 of £41.0 million (six months ended 30 June 2014: loss of £53.8 million). Of this profit, £28.6 million arose from the Company reaching agreement with the trustees of one of the Company's pension schemes that in return for certain pension benefit augmentations for members amounting to £9.8 million, the remaining surplus in the scheme, net of future ongoing expenses, would be available to the Company to assist in it meeting other pension obligations. Of the £28.6 million, £22.2 million is recorded in other finance income and £6.4 million within operating profit as a credit against past service costs. In addition, in December 2014 an exceptional profit of £16.6m was realised from the disposal of freehold land, and a reversal of impairment on tangible fixed assets of £13.7m was recorded in the period.

The Company's activities and results are significantly affected by the European automotive market as a result of the integrated nature of General Motors' European operations, as described in the principal activities section above. The European vehicle market remained weak in 2014, but GMC continues to demonstrate its commitment to its European operations including the UK. From 1 July 2014, a new company established in Europe by GMC took on the entrepreneurial risk in both manufacturing and selling vehicles for GMC's European business. The Company has entered into a contract manufacture and supply agreement with this new entity, the effect of which is to provide guaranteed manufacturing and selling margins to the Company from 1 July 2014 for the duration of the agreement.

Vauxhall completed the second half of 2014 with sales up by 0.8% over the equivalent period in 2013. For the six months ended 30 December 2014, the Total UK Passenger Car Market reported an increase of 8.1% (six months ended 30 June 2014: 10.6% increase). Vauxhall achieved sales of 125,840 cars in this period (six months ended 30 June 2014: 141,609 cars) with a market share of 10.7% (six months ended 30 June 2014: 11.0%). The UK is now GMC's fourth largest market globally, and the largest in Europe.

Within the UK, Vauxhall's share of the retail car market for the six months was 9.9% (six months ended 30 June 2014: 9.6%) but retail volume decreased by 5,623 units compared to the preceding six month period. Fleet car market share was 11.5% (six months ended 30 June 2014: 12.6%) with volume decreasing by 10,146 units compared to the preceding six months.

New models for the second half of 2014 and into 2015 included the arrival of the New Corsa in October and the Viva in 2015. 2014 also said goodbye to the Zafira Family and the Eu5 engines as new Eu6 engines were introduced.

The Company achieved Gold Accreditation for Investors in People which puts Vauxhall in a distinguished group of the very best companies to work for. Vauxhall was also among Britain's Top Employers in 2014.

Fleet World chose the Insignia as its Best Upper Medium Car while Vauxhall's industry benchmark fleet website Vauxhall Fleet Toolbox was also recognised.

Vauxhall's Total Light Commercial Vehicle market share decreased from 10.2% for the six months ended 30 June 2014 to 9.7%; sales volume increased by 19 units over the preceding six months in a market which reported a 5.6% overall increase.

Total production volume at Ellesmere Port decreased by 9.6% with 36,968 units being produced in the period (six months ended 30 June 2014: 40,902 units), reflecting the seasonality of production due to factory shut-down periods falling in the second half of the year. This was also reflected in export volumes, reaching 26,050 units for the period (six months ended 30 June 2014: 34,083 units).

GENERAL MOTORS UK LIMITED

STRATEGIC REPORT continued

FUTURE DEVELOPMENTS

2015 will see the arrival of the new City car Viva, new customer leading telematics OnStar and towards the end of the year the new Astra, built at the Company's manufacturing plant at Ellesmere Port.

FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The Directors' consideration of liquidity risk and the application of the going concern assumption in preparing these financial statements is set out in Note 1 to the financial statements.

The most important components of financial risk are liquidity risk, cash flow risk, interest rate risk, currency risk and price risk. During 2014, these financial risks were managed by the treasury function of Adam Opel AG ("Adam Opel") which provides the Company's inter-company funding. A risk management control system is utilised to monitor the strategies, risks and any related hedge positions, in accordance with approved policies and procedures.

PRINCIPAL RISKS AND UNCERTAINTIES

The following comprises a summary of what the Directors believe are the main risks to which the Company is exposed, which could adversely affect the business, results of operations, cash flow, financial condition, turnover, profits, assets, liquidity and capital resources of the Company.

- The Company is reliant on funding from the European treasury operations of Adam Opel. To meet its liquidity needs Adam Opel is itself reliant on a revolving credit facility from a subsidiary of GMC. The revolving credit facility expires on 3 January 2018. To the extent that the Adam Opel group, including the Company, does not remain within its borrowing limits, or generate sufficient funds to enable repayment of the revolving credit facility over this period, it will require additional financing to continue in operations. This exposes the Company to liquidity risk as there is no certainty that such additional financing will be forthcoming. The Directors continue to monitor and manage this risk through timely discussions with GMC with respect to the Company's liquidity position and borrowing requirements.
- The Company operates in a competitive industry with relatively high fixed costs and where demand for vehicles has remained subdued. To offset fixed costs, competitors could attempt to sell more vehicles by, for instance, reducing vehicle prices or adding enhancements. If the Company does not continue to compete effectively by developing its products and responding to the activities of its competitors, it could lose customers.
- The Company's suppliers provide systems, components and parts needed to manufacture automotive products and operate the business. Any failure of suppliers due to current economic or other conditions could result in operational disruptions and have a material adverse effect on its business, results of operations, cash flow and financial condition. Attempts by suppliers to increase their prices, pass through increased costs, alter payment terms or seek other relief may result in increases in the Company's costs, create challenges to meeting quality objectives and in some cases make it difficult for the Company to continue production. To the extent the Company takes steps in such cases to help key suppliers remain in business, liquidity would be adversely affected. It may also be difficult to find a replacement for certain suppliers without significant delay.
- Breaches of environmental, health and safety and other laws and regulations could restrict the Company's activities, expose it to liability, increase costs and have an adverse effect on results of operations, cash flow and its financial condition.
- The Vauxhall Motors Limited Pension Plan and the Vauxhall and Associated Companies Pension Fund are currently in deficit and current economic conditions which affect the returns earned on plan assets remain uncertain. Increases in funding from the Company required to make good the deficit could adversely affect cash flow and the financial condition of the Company.

Approved by the Board of Directors and signed on behalf of the Board.



J R Fulcher

Director

23 July 2015

GENERAL MOTORS UK LIMITED

DIRECTORS' REPORT

The Directors of General Motors UK Limited ("the Company") present their report together with the audited financial statements and independent auditor's report for the six month period ended 30 December 2014. The Directors have elected to prepare financial statements for a shortened accounting period in order for the new accounting period to more closely align to the accounting reference date of the Company's ultimate parent undertaking, GMC.

GOING CONCERN

After review, the Directors consider they should continue to adopt the going concern basis in preparing the financial statements. Please refer to note 1 to the financial statements.

DIVIDENDS

No dividends were paid during the six months ended 30 December 2014 (six months ended 30 June 2014: £nil). No final dividend is proposed for the six months ended 30 December 2014 (six months ended 30 June 2014: £nil).

EMPLOYEE POLICIES

The Company operates an Equal Opportunities policy that is applied to all employees, contractors and agencies working for the Company.

The Company's business operations involve it in many partnerships and relationships with employees, unions, government (both local and national), NGOs (Non-Governmental Organisations), communities, customers, suppliers and its parent company and sister businesses in their roles as investors in the Company. Throughout the period stakeholder consultations were continued in all areas of the business, including internal communications through weekly, monthly and annual publications; quarterly financial and state of the business reviews, along with an executive conference for all senior managers. Quarterly information and consultation meetings were also held with the hourly and staff negotiating committees of Unite the Union and extraordinary meetings were held with the groups as required. Regular meetings were also held with key stakeholders outside the organisation including government, suppliers and NGOs. The Company continues to explore how it can participate in further initiatives across the community in support of a sustainable business.

EMPLOYMENT OF DISABLED PERSONS

The Company gives full consideration to employing disabled persons and making reasonable adjustments where necessary. Employees who become disabled are given every opportunity and assistance to continue in their employment or to be trained for other suitable positions.

FIXED ASSETS

The Directors consider the aggregate carrying value of land is not materially different from the market value.

INVESTMENTS IN DEALERSHIPS

The Company operates a Dealer Investment Plan. The primary objective is to provide financial assistance to suitably qualified candidates to set up dealerships, with the object of buying down the Company's interests in the shortest period possible. This financial support is provided by the Company investing in redeemable preference shares, debentures and loan stock of dealership companies. The Company retains control over major operational decisions until the operator has redeemed an agreed percentage of the preference shares. The Company also maintains a minority stake after buydown which enables it to retain control over strategic decisions, including, for example, use and location of the dealer's sites.

DIRECTORS' INDEMNITIES

The Company maintains insurance in respect of the Directors and officers against any such liabilities as are referred to in Section 232 of the Companies Act 2006.

GENERAL MOTORS UK LIMITED

DIRECTORS' REPORT continued

DIRECTORS AND THEIR INTERESTS

The present members of the Board of Directors are shown on page 1. There were the following changes in Directors during the period and since the period end.

A Gilson	resigned 25 September 2014
P Hope	appointed 25 September 2014
S Oldfield	appointed 9 March 2015
C Thexton	appointed 15 June 2015
P Millward	resigned 30 June 2015

The Directors had no interests at any time during the period in the shares of the Company, or any other company within the United Kingdom group.

AUDITOR

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the persons who is a Director at the date of approval of this report confirms that:

(1) so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution proposing their reappointment will be put to the Annual General Meeting. In addition, a further resolution will be put to the Meeting authorising the Directors to determine the auditor's remuneration.

Approved by the Board of Directors and signed on behalf of the Board.



J R Fulcher

Director
23 July 2015

GENERAL MOTORS UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL MOTORS UK LIMITED

We have audited the financial statements (the "financial statements") of General Motors UK Limited for the six month period ended 30 December 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movement in shareholders' deficit, the balance sheet and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether: the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2014 and of the Company's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches visited by us; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of Director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Hadleigh Shekle FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

23 July 2015

GENERAL MOTORS UK LIMITED

PROFIT AND LOSS ACCOUNT

Six month period ended 30 December 2014

	Note	Six month period ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
TURNOVER	2	1,869.5	1,967.5
Cost of sales (including an exceptional credit of £13.7m for reversal of past impairment losses on tangible fixed assets)		(1,796.9)	(1,923.3)
GROSS PROFIT		72.6	44.2
Distribution costs		(61.4)	(84.8)
Administrative expenses		(7.1)	(12.2)
OPERATING PROFIT / (LOSS)	3	4.1	(52.8)
Exceptional profit on disposal of fixed assets	9	16.6	-
Net interest payable	4	(2.4)	(1.3)
Other finance income	18	22.7	0.3
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		41.0	(53.8)
Tax credit on profit/(loss) on ordinary activities	5	18.0	4.0
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD	20	59.0	(49.8)

All amounts in both the current and preceding financial period derive from continuing operations.

GENERAL MOTORS UK LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Six month period ended 30 December 2014

	Six month period ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
Profit/(loss) for the financial period	59.0	(49.8)
Share of actuarial profit/(loss) recognised in the pension scheme (note 18)	7.4	(0.2)
TOTAL RECOGNISED GAINS AND LOSSES	66.4	(50.0)

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

Six month period ended 30 December 2014


	Six month period ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
Profit/(loss) for the financial period	59.0	(49.8)
Other gains and losses relating to the period	7.4	(0.2)
Capital contribution (note 20)	20.0	-
Movement in share-based payments reserve (note 20)	-	0.2
NET DECREASE/(INCREASE) IN SHAREHOLDERS' DEFICIT	86.4	(49.8)
Opening shareholders' deficit	(683.9)	(634.1)
CLOSING SHAREHOLDERS' DEFICIT	(597.5)	(683.9)

GENERAL MOTORS UK LIMITED

BALANCE SHEET 30 December 2014

	Note	30 Dec 14 £m	30 June 14 £m
FIXED ASSETS			
Tangible assets			
- Land, buildings, plant, machinery and equipment	9	75.6	33.9
- Special tools, jigs and dies	10	26.2	1.9
Investments			
- Other investments	11	22.9	21.4
		<u>124.7</u>	<u>57.2</u>
CURRENT ASSETS			
Stocks	12	608.4	609.5
Debtors	13	162.7	323.3
Cash at bank and in hand		0.8	5.6
		<u>771.9</u>	<u>938.4</u>
CREDITORS:			
Amounts falling due within one year	14	(1,311.6)	(1,477.5)
NET CURRENT LIABILITIES		<u>(539.7)</u>	<u>(539.1)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(415.0)</u>	<u>(481.9)</u>
CREDITORS:			
Amounts falling due after more than one year	15	(6.9)	(1.1)
PROVISIONS FOR LIABILITIES	16	<u>(195.8)</u>	<u>(193.8)</u>
NET LIABILITIES EXCLUDING NET PENSION ASSETS		<u>(617.7)</u>	<u>(676.8)</u>
PENSION SCHEME ASSET		28.6	-
PENSION SCHEME LIABILITY		<u>(8.4)</u>	<u>(7.1)</u>
NET PENSION SCHEME ASSET	18	<u>20.2</u>	<u>(7.1)</u>
NET LIABILITIES INCLUDING NET PENSION ASSETS		<u>(597.5)</u>	<u>(683.9)</u>
CAPITAL AND RESERVES			
Called up share capital	19	848.5	848.5
Capital reserve	20	20.1	0.1
Share-based payments reserve	20	1.2	1.2
Profit and loss account	20	(1,467.3)	(1,533.7)
SHAREHOLDERS' DEFICIT		<u>(597.5)</u>	<u>(683.9)</u>

These financial statements were approved by the Board of Directors on 23 July 2015 and are signed on its behalf by:


J R Fulcher
Director

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and company law. The particular accounting policies adopted, which are consistent with those applied in the prior period, are described below.

Accounting basis

The financial statements are prepared under the historical cost convention in conformity with applicable United Kingdom accounting standards.

Going concern

The Company's balance sheet at 30 December 2014 shows that the Company had net current liabilities of £539.7 million and net liabilities of £597.5 million.

In July 2014 a subsidiary of General Motors Company ("GMC") renewed and extended the Adam Opel group's revolving loan agreement. This new agreement extended the repayment date on borrowings under the facility to 3 January 2018 and removed financial covenants. The Directors are satisfied that, as at the date of approval of these financial statements, having made appropriate enquires of management of the Adam Opel group, the group will remain within its borrowing limits for a period of not less than 12 months from the date of approval of these financial statements, and thus that the Company will continue to meet its liabilities as they fall due. Accordingly the Directors continue to adopt the going concern basis in preparing the financial statements.

Consolidated accounts

Consolidated accounts have not been prepared because the Company's results are consolidated in the publicly available accounts of General Motors Company, a company registered in the State of Delaware, USA, which prepares consolidated financial statements. Accordingly, these financial statements represent information about the Company as an individual undertaking and not about its group.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard 1 "Cash Flow Statements" from the requirement to produce a cash flow statement because General Motors UK Limited is a wholly-owned subsidiary of General Motors Company, a company registered in the State of Delaware, USA, which prepares consolidated financial statements that include a cash flow statement, including those of the Company, and which are publicly available.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Freehold land and assets in the course of construction are not depreciated. The cost, less estimated residual value, of other fixed assets is depreciated by equal monthly instalments over the expected useful lives of the assets as follows:

Freehold improvements and buildings	31 - 40 years
Plant, machinery and equipment	5 - 27 years

Residual value is calculated on prices prevailing at the date of acquisition. Leasehold property is written off at rates appropriate to the period of the lease or at 4 per cent per annum, whichever is the greater.

Special tools, jigs and dies

The cost of special tools, jigs and dies is written off over the estimated production run of the models to which they relate or a maximum of six years.

Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment.

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

1. ACCOUNTING POLICIES continued

Fixed asset and special tool leasing

For operating leases, the annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease even if the payments are not made on such a basis. Benefits receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full using the liability method for all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that, in accordance with United Kingdom Generally Accepted Accounting Practice, it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Regional development and assistance grants

Regional development and assistance grants are credited to income over the estimated lives of the assets to which the grants relate at the date of grant. Where the underlying asset is impaired, all amounts deferred in respect of grants for such assets are credited to income.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Cost is based either on the 'first in - first out' basis, or on a weighted average basis, and includes material, labour and appropriate overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Provision is made for any anticipated obsolescence of stocks.

Foreign currencies

Foreign currency transactions during the period are recorded using the rates of exchange ruling at the dates of the transactions or, if hedged, at the forward contract rates. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the balance sheet date or the hedged rate and the gains or losses on translation are included in the profit and loss account.

Warranty liability on Company products

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Provision is made for the estimated liability on all products under warranty.

Pension costs

The Company makes contributions to three pension plans, each of which is of the "defined benefit" type where pensions are determined by an employee's earnings level and length of service. The three plans are the Vauxhall Motors Limited Pension Plan ("VMLPP"), the General Motors Retirees Pension Plan ("GMRPP") and the Vauxhall and Associated Companies Pension Fund ("VACPF").

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

1. ACCOUNTING POLICIES continued

Pension costs continued

The VMLPP into which the Company contributes is a multi-employer scheme. In the opinion of the Directors, it is not possible to separate out on a reasonable and consistent basis the assets and liabilities of the scheme between the different group companies that contribute to it. Accordingly, the VMLPP is accounted for on a defined contribution basis in the financial statements of General Motors UK Limited. The pension cost charged in the financial statements in respect of the VMLPP represents the contributions payable by the Company during the period. The GMRPP and VACPF are accounted for on a defined benefit basis.

In accordance with FRS 17 the fair value of the pension schemes is reported in the balance sheet of the Company. The movements in the fair value of the scheme are reflected in the performance statements. The current service cost, being the costs of benefits accrued in the reporting period and variations to past service benefits, being the cost or gain of any benefit improvements or reductions that affect past service are recognised within operating costs.

Net interest accrued on pension liabilities and the expected return on the assets held by the scheme are charged or credited as other finance charges or income in the profit and loss account.

Actuarial gains and losses arising from differences between actual and expected returns on the scheme assets, experience changes affecting scheme liabilities and the effects of any changes to actuarial assumptions are charged or credited to the statement of total recognised gains and losses.

Where a pension surplus exists on a pension scheme, the asset recognised is restricted to the amount that the Company can use to generate future economic benefits for itself in the form of reduced contributions or refunds from the scheme. To the extent that a refund is agreed from a surplus that was not previously recognised due to the capping rules, the credit is recognised in the profit and loss account as other finance income adjacent to interest. If a refund is agreed from a surplus that was regarded as recoverable, and hence recognised on the balance sheet, a gain does not arise. Any further unrecognised surplus is offset against any past service costs or losses on settlements or curtailments that would have been charged in the profit and loss account in the period.

In addition to the contributions to the “defined benefit” type pension plans the company makes contributions to a “defined contributions” type scheme named the Vauxhall Defined Contribution Pension Plan (“VDCPP”). The VDCPP is administered by Fidelity on behalf of the Plan Trustee and its assets are held by independent managers.

Turnover

In accordance with Application Note G to Financial Reporting Standard 5 “Reporting the Substance of Transactions”, turnover is recognised under an exchange contract with a customer, when, and to the extent that, the Company obtains the right to consideration in exchange for its performance.

Turnover represents the sales of motor vehicles, components, parts and accessories net of trade discounts, VAT and other sales related taxes. Provisions for dealer and customer incentives, allowances and rebates are made at the time of vehicle sales and are recorded against revenue.

Certain vehicles are sold under agreements containing residual value or repurchase commitments. Such agreements are less than one year in duration. If the substance of the transaction indicates that the company has not transferred the principal risks and rewards of vehicle ownership to the purchaser, the transaction is accounted for as a grant of an operating lease until an economic sale of the vehicle has been made. In such cases the company does not recognise turnover on the initial sale and the vehicles are retained within stock, with a creditor being recognised for the contracted buyback price. Income under such agreements, measured as the difference between the initial sale price and the buyback price, is credited on a straight-line basis over the term of the agreement, with a corresponding cost recognised over the term of the agreement based on the difference between vehicle cost, including estimated costs of resale, and the expected net realisable value.

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

1. ACCOUNTING POLICIES continued

Share-based payment

The General Motors Company group, of which General Motors UK Limited is part, issued equity-settled share-based payments to certain employees.

Equity-settled share-based payments were measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments was expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that would eventually vest. At each balance sheet date, the Company revises its estimate of the number of shares expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve within shareholders' funds.

2. TURNOVER

The operations of the Company are based exclusively in the United Kingdom. All turnover relates to the sale of automotive products.

	Six month period ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
Geographical analysis of turnover by destination:		
United Kingdom	1,581.1	1,571.8
Rest of Europe	288.4	395.7
	<u>1,869.5</u>	<u>1,967.5</u>

A geographical analysis of profit / (loss) before tax has not been given as in the opinion of the Directors this would be prejudicial to the interests of the Company.

3. OPERATING PROFIT / (LOSS)

	Six month period Ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
Operating profit / (loss) is arrived at after charging/(crediting)		
Depreciation of land, building, plant machinery and equipment	1.6	1.2
Depreciation of special tools, jigs and dies	-	0.1
Reversal of past impairment losses on tangible fixed assets	(13.7)	-
Foreign exchange gain	(3.9)	(2.7)
Rentals under operating leases		
- hire of plant and machinery	0.7	0.8
- other operating leases	4.1	4.2
Loss on disposal of tangible fixed assets	1.3	-
Pension scheme surplus recognised in the period	(6.4)	-
Auditor's remuneration		
- Audit fees		
Fee payable to the Company's auditor for the audit of the Company's accounts for the period	0.4	0.4
- Non-audit fees		
Other services supplied under section 404 of the US Sarbanes-Oxley Act 2002	0.1	0.2
	<u></u>	<u></u>

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

4. NET INTEREST PAYABLE

	Six month period ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
Interest payable		
- loans from group undertakings	(2.8)	(1.7)
Total interest payable	<u>(2.8)</u>	<u>(1.7)</u>
Interest receivable		
- loans to group undertakings	0.1	0.2
- other	0.3	0.2
Total interest receivable	<u>0.4</u>	<u>0.4</u>
Net interest payable	<u>(2.4)</u>	<u>(1.3)</u>

5. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES

	Six month period ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
Current tax:		
UK corporation tax at 21% (six month period ended 30 June 2014: 22%)	4.1	5.0
Adjustment in respect of prior periods	-	(1.0)
Current tax	<u>4.1</u>	<u>4.0</u>
Deferred tax (note 17)	13.9	-
	<u>18.0</u>	<u>4.0</u>

The tax assessed for the period differs to that resulting from applying the standard rate of corporation tax in the UK of 21% (six months ended 30 June 2014: 22%). The differences are explained below:

	Six month period ended 30 Dec 14 £m	Six month period ended 30 June 14 £m
Profit/(loss) on ordinary activities before tax	<u>41.0</u>	<u>(53.8)</u>
Tax at UK rate of 21% (six months ended 30 June 2014: 22%) thereon	<u>(8.6)</u>	<u>11.8</u>
Effects of:		
Non-taxable income and expenses not deductible for tax purposes	2.6	0.1
Capital allowances in excess of/(less than) depreciation	5.5	(0.2)
Other timing differences	4.6	0.9
Losses carried forward	-	(7.6)
Prior period adjustments	-	(1.0)
Current tax credit for the period	<u>4.1</u>	<u>4.0</u>

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

6. EMPLOYEES

	Six month period ended 30 Dec 14 No.	Six month period ended 30 June 14 No.
a. Average monthly number including executive directors:		
Salaried	824	770
Hourly	1,634	1,646
	<u>2,458</u>	<u>2,416</u>
	£m	£m
b. Costs		
Wages and salaries	43.8	45.3
Social security costs	3.6	3.8
Pension costs (note 18)	49.0	42.1
	<u>96.4</u>	<u>91.2</u>

7. EMOLUMENTS OF DIRECTORS

	Six month period ended 30 Dec 14 £'000	Six month period ended 30 June 14 £'000
Directors' emoluments	622.6	1,342.3
Aggregate of contributions paid in respect of money purchase pension schemes	<u>3.6</u>	<u>3.8</u>
	No.	No.
Number of Directors who received, or became eligible to receive, shares during the period	<u>-</u>	<u>7</u>
	No.	No.
Number of Directors who are members of a money purchase pension scheme	3	3
Number of Directors who are members of a defined benefit pension scheme	6	8
	<u>£'000</u>	<u>£'000</u>
In respect of the highest paid Director:		
Aggregate emoluments	176.0	346.9
Contributions paid in respect of a money purchase pension scheme	-	-
Annual pension accrued under a defined benefit pension scheme	<u>-</u>	<u>43.6</u>

The emoluments of certain Directors, including those of the highest paid Director, have been apportioned between the General Motors Company group companies of which they are Directors. A significant portion of incentive compensation of Directors is based on the annual as well as longer term financial results of General Motors Europe and General Motors Company. Also included within the above emoluments, where applicable, are certain benefits in kind, principally housing and living allowance costs. The highest paid director received shares in respect of qualifying services under a long term incentive scheme.

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

8. SHARE-BASED PAYMENTS

General Motors UK Limited's incentive scheme awards outstanding at 30 December 2014 consists of awards granted under the 2014 Long-Term Incentive Plan and the 2009 Long-Term Incentive Plan. The 2014 Long-Term Incentive Plan ("2014 GMLTIP") which awards Restricted Stock Units ("RSU"s) and Performance Stock Units ("PSU"s) replaced the 2009 Long-Term Incentive Plan ("2009 GMLTIP"). The 2014 GMLTIP is administered by the Executive Compensation Committee of the board of directors of General Motors Company ("GM").

Awards granted under the 2014 GMLTIP become non-forfeitable following a three year service period from the date of grant. New shares are issued one for one upon settlement of RSUs and PSUs. The cost of new grants of RSUs and PSUs will be based on the fair US dollar value of GM common stock on the date of grant.

Details of the RSUs and PSUs outstanding during the period are as follows:

	Six month period ended 30 December 2014		Six month period ended 30 June 2014	
	Number (‘000)	Weighted average price (£)	Number (‘000)	Weighted average price (£)
Outstanding at beginning of the period	18.3	19.69	35.9	16.41
Vested	-		(3.9)	17.95
Transfers out	-		(43.0)	18.77
Granted during the period	-		29.3	21.09
Outstanding at the end of the period	18.3	21.57	18.3	19.69

The awards outstanding at 30 December 2014 had a weighted average remaining contractual life of 2.0 years (30 June 2014: 2.5 years). No RSUs were granted in the six month period to 30 December 2014 (six month period ended 30 June 2014: between 13 February and 11 June 2014) and the aggregate of the estimated fair values of the RSUs granted is £nil (six month period ended 30 June 2014: £0.4m), all of which in both period relates to the Directors. The Company recognises these amounts as total expenses related to equity-settled share-based payment transactions.

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

9. TANGIBLE FIXED ASSETS - LAND, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT

	Freehold land and buildings	Long leasehold land and buildings	Plant, machinery and equipment	Assets in the course of construction	Total
	£m	£m	£m	£m	£m
Cost					
At 1 July 2014	410.3	8.7	399.0	1.8	819.8
Additions	-	-	4.6	26.4	31.0
Disposals	(1.2)	-	(6.8)	-	(8.0)
At 30 December 2014	409.1	8.7	396.8	28.2	842.8
Accumulated depreciation					
At 1 July 2014	389.0	8.5	387.9	0.5	785.9
Charge for the period	0.4	-	1.2	-	1.6
Disposals	(0.1)	-	(6.5)	-	(6.6)
Reversal of impairment	(12.0)	(1.1)	(0.6)	-	(13.7)
At 30 December 2014	377.3	7.4	382.0	0.5	767.2
Net book value					
At 30 December 2014	31.8	1.3	14.8	27.7	75.6
At 30 June 2014	21.3	0.2	11.1	1.3	33.9

In December 2014 freehold land was disposed of for £17.7m, realising an exceptional profit of £16.6m after tax. No tax was due on the transaction. In addition, following the signing of a new contract manufacture and supply agreement effective from 1 July 2014 which provides the Company with guaranteed manufacturing and selling margins, the Directors have re-assessed the recoverable amount of previously impaired tangible fixed assets, and recorded an exceptional credit of £13.7m.

10. TANGIBLE FIXED ASSETS – SPECIAL TOOLS, JIGS AND DIES

	£m
Cost	
At 1 July 2014	164.7
Additions	24.3
Disposals	(40.1)
At 30 December 2014	148.9
Amortisation	
At 1 July 2014	162.8
Charge for the period	-
Disposals	(40.1)
At 30 December 2014	122.7
Net book value	
At 30 December 2014	26.2
At 30 June 2014	1.9

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

11. FIXED ASSET INVESTMENTS

Other investments

	30 Dec 14 £m Cost	30 Dec 14 £m Provision	30 Dec 14 £m Net	30 June 14 £m Net
Investments in dealership subsidiaries	13.6	(0.8)	12.8	13.1
Loans to dealership subsidiaries	7.3	-	7.3	5.5
Investments in other dealerships	2.3	-	2.3	2.3
Loans to other dealerships	0.2	-	0.2	0.2
Other investments	0.3	-	0.3	0.3
	<u>23.7</u>	<u>(0.8)</u>	<u>22.9</u>	<u>21.4</u>

Investments in dealerships arise as a result of the Company's Dealer Investment Plan. The primary objective of this plan is to provide financial assistance to suitably qualified candidates to set up dealerships, with the objective of buying down the Company's interests in the shortest period possible. This financial support is provided by the Company investing in redeemable preference shares, debentures and loan stock of dealership companies. The Company retains control over major operational decisions until the operator has redeemed an agreed percentage of the preference shares. The Company also maintains a minority stake after buydown which enables it to retain control over strategic decisions, including, for example, use and location of the dealer's sites. At 30 December 2014, General Motors UK Limited's share of investments in dealerships ranged between 1% and 100%.

Information in respect of movements during the period:

	Dealership Subsidiaries		Dealership Investments		Other	Total
	Inv'ts £m	Loans £m	Inv'ts £m	Loans £m	Inv'ts £m	£m
Balance at 1 July 2014	13.1	5.5	2.3	0.2	0.3	21.4
Additions	-	1.9	-	-	-	1.9
Redemptions, sales and repayments	(0.3)	(0.1)	-	-	-	(0.4)
Balance at 30 December 2014	<u>12.8</u>	<u>7.3</u>	<u>2.3</u>	<u>0.2</u>	<u>0.3</u>	<u>22.9</u>

Dealership subsidiaries are detailed below. All companies shown are incorporated within the United Kingdom, and the principal activities in all cases are purchasing, selling and repairing of motor vehicles and other ancillary services, except for Motors Properties Ltd which is a holding company.

Company	Class of share	Holding
Go Motor Retailing Ltd	Preference	100%
	Ordinary	100%
Motors Properties (Trading) Ltd	Ordinary	100%
Baylis (Gloucester) Ltd	Preference	100%
	Ordinary 'A' shares	100%
Bridge Motors (Banbury) Ltd	Preference	100%
Skurrays Ltd	Preference	100%
Vision Motors Ltd	Preference	100%
Sherwoods (Darlington) Ltd	Preference	100%
Vickers (Lakeside) Ltd	Ordinary 'C' shares	100%

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

12. STOCKS

	30 Dec 14 £m	30 Dec 14 £m	30 June 14 £m	30 June 14 £m
Raw materials and work in progress		37.5		46.1
Finished product:				
Motor vehicles	364.2		302.4	
Parts and accessories	26.8		29.4	
Total finished goods		391.0		331.8
Motor vehicles sold under sale and repurchase agreements		179.9		231.6
		608.4		609.5

There is no material difference between the balance sheet value of stocks and their replacement cost.

13. DEBTORS

	30 Dec 14 £m	30 June 14 £m
Amounts falling due within one year:		
Trade debtors	36.7	29.0
Amounts owed by General Motors Company and fellow subsidiary undertakings	75.5	255.4
Corporation tax	9.8	12.2
Deferred tax (see note 17)	13.9	-
Other debtors	23.1	20.6
Prepayments and accrued income	3.7	6.1
	162.7	323.3

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 Dec 14 £m	30 June 14 £m
Trade creditors	150.4	193.2
Amounts owed to General Motors Company and fellow subsidiary undertakings	731.1	773.2
Taxation and social security	14.3	39.6
Other creditors due within one year	1.1	1.1
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	210.4	285.9
Accruals and deferred income	204.3	184.5
	1,311.6	1,477.5

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 Dec 14 £m	30 June 14 £m
Amounts owed to General Motors Company and fellow subsidiary undertakings	3.2	-
Deferred income	0.7	0.1
Other creditors	3.0	1.0
	<u>6.9</u>	<u>1.1</u>

16. PROVISIONS FOR LIABILITIES

	£m
At 1 July 2014	(193.8)
Utilised in period	38.1
Released in the period	0.4
Charged in the period	(40.5)
At 30 December 2014	<u>(195.8)</u>

This provision relates to estimated warranty claims on products sold, the bulk of which are expected to crystallise within three years.

17. DEFERRED TAXATION

The amount of recognised deferred tax asset is as follows:

	30 Dec 14 £m	30 June 14 £m
Capital allowances in excess of depreciation	<u>13.9</u>	<u>-</u>

The amounts of unrecognised deferred tax assets/(liabilities) are as follows:

	30 Dec 14 £m	30 June 14 £m
Accelerated capital allowances	91.0	110.0
Short term timing differences	(4.0)	1.5
Tax losses	<u>98.6</u>	<u>99.2</u>
Total unrecognised deferred tax asset related to trading activities	185.6	210.7
Taxes on:		
Capital gains arising on disposal of property that has been deferred under the roll-over provisions	<u>(0.4)</u>	<u>(0.4)</u>
Total unrecognised deferred tax asset	<u>185.2</u>	<u>210.3</u>

With effect from 1 July 2014, the Company has entered into a contract manufacture and supply agreement with another group company, the effect of which is to provide guaranteed manufacturing and selling margins to the Company for the duration of the agreement. As a result, the directors have assessed that it is more likely than not that taxable profits will arise in the future and in accordance with United Kingdom Generally Accepted Accounting Practice have recognised a deferred tax asset equal to the value of accumulated capital allowances expected to be utilised over the period for which taxable profits can be reasonably forecast.

In the 2013 Finance Act it was enacted that the UK corporation tax rate would reduce to 21% which became effective from 1 April 2014, with a further 1% reduction to 20% effective from 1 April 2015.

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

18. PENSIONS

The Company makes contributions to three pension plans, each of which is of the "defined benefit" type where pensions are determined by an employee's earnings level and length of service. The three plans are the Vauxhall Motors Limited Pension Plan ("VMLPP"), the General Motors Retirees Pension Plan ("GMRPP") and the Vauxhall and Associated Companies Pension Fund ("VACPF"). The assets of the plans are held in trustee-administered funds and are completely separate from the assets of the Company.

Funding

Funding is provided at a level determined after taking independent professional actuarial advice, with the Company meeting the balance of the cost not covered by members' contributions.

Pension cost

The Company's total charge to operating profit for the six month period ended 30 December 2014 was £49.0 million (six months ended 30 June 2014: £42.1 million) and relates to the VMLPP, GMRPP and VACPF pension schemes and the VDCPP scheme. Of this total £39.2 million (six months ended 30 June 2014: £38.3 million) related to current service costs and £9.8 million related to past service costs (six months ended 30 June 2014: £nil). Over the period no payments were made in relation to separation costs (six months ended 30 June 2014: £3.8 million).

Contributions to the Pension Plans

The Company made contributions to the plans in the six month period ended 30 December 2014 of £39.8 million (six months ended 30 June 2014: £37.9 million). During the period no special contributions were made by the Company to cover the cost of separation programs (six months ended 30 June 2014: £3.8 million).

Effective from 1 October 2006 an annual fixed sum of £33.0 million of regular contributions was agreed between the Company and the VMLPP Trustee. In May 2009, following completion of the triennial valuation of the plan, payment of an annual fixed sum of £33.0 million of regular contributions continued to be paid on a monthly basis, but with the sum increasing annually by twice the increase in RPI, subject to a maximum annual increase of 10%. Following the triennial valuation of the plan and effective 1 April 2012, the contributions continue as previously with an additional regular payment of £15.0 million per annum. This increases annually effective 1 April 2013 by twice the increase in RPI, subject to a maximum annual increase of 10%. Both payments are scheduled to cease by 31 December 2025.

Financial Reporting Standard 17 "Retirement Benefits"

The VMLPP into which the Company contributes is a multi-employer scheme. In the opinion of the Directors, it is not possible to separate out on a reasonable and consistent basis the assets and liabilities of the scheme between the different group companies which contribute to it. Accordingly, the VMLPP is accounted for on a defined contribution basis within the Company.

The VACPF and GMRPP into which the Company contributes are single-employer schemes. The Directors believe that it is appropriate to account for the whole of these schemes on a defined benefit basis in General Motors UK Limited.

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	VACPF and GMRPP	
	30 Dec 14	30 June 14
	£m	£m
Present value of scheme liabilities	(251.1)	(233.3)
Fair value of plan assets	276.6	266.5
	<hr/>	<hr/>
	25.5	33.2
Adjustment for irrecoverable surplus	(43.7)	(40.3)
Adjustment for past service cost	9.8	-
Pension scheme surplus recognised in the period	28.6	-
	<hr/>	<hr/>
Net asset/(liability) recognised in the balance sheet	20.2	(7.1)
	<hr/>	<hr/>

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

18. PENSIONS continued

The amounts recognised in profit or loss are as follows:

	VACPF and GMRPP	
	Six month period ended	Six month period ended
	30 Dec 14	30 June 14
	£m	£m
Employer service cost	(0.5)	(0.4)
Past service cost	(9.8)	-
Offset to past service cost from previously unrecognised pension surplus	6.4	-
Expected return on plan assets	4.9	5.1
Interest on pension scheme liabilities	(4.4)	(4.6)
Adjustment due to restriction on pension surplus	-	(0.2)
Other finance income: pension scheme surplus recognised in the period	22.2	-
	<u>18.8</u>	<u>(0.1)</u>

	VACPF and GMRPP	
	Six month period ended	Six month period ended
	30 Dec 14	30 June 14
	£m	£m
Expected return on plan assets	4.9	5.1
Actuarial gain on plan assets	15.2	4.9
	<u>20.1</u>	<u>10.0</u>

Changes in the present value of the defined benefit obligation are as follows:

	VACPF and GMRPP	
	30 Dec 14	30 June 14
	£m	£m
Opening defined benefit obligation	233.3	235.3
Interest cost	4.4	4.6
Net benefits paid out	(10.6)	(10.6)
Actuarial loss on plan liabilities	14.2	4.0
Past service cost	9.8	-
	<u>251.1</u>	<u>233.3</u>

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

18. PENSIONS continued

Changes in the fair value of plan assets are as follows:

	VACPF and GMRPP	
	30 Dec 14	30 June 14
	£m	£m
Opening fair value of plan assets	266.5	267.5
Expected return on assets	4.9	5.1
Contributions by the employer	1.1	-
Employer service cost	(0.5)	(0.4)
Net benefits paid out	(10.6)	(10.6)
Actuarial gain on assets	15.2	4.9
	<hr/>	<hr/>
Closing fair value of plan assets	276.6	266.5
	<hr/>	<hr/>

The major categories of plan assets are as follows:

	VACPF and GMRPP	
	30 Dec 14	30 June 14
	£m	£m
Equities	3.4	3.1
Property	1.6	1.5
Government and non-government bonds	54.5	65.8
Other	217.1	196.1
	<hr/>	<hr/>
Total fair value of assets	276.6	266.5
	<hr/>	<hr/>

The Company expects to contribute £1.3 million to the VACPF and GMRPP pension plans in the year ending 31 December 2015 for which it accounts on a defined benefit basis.

The principal actuarial assumptions at the balance sheet date were:

	VACPF and GMRPP	
	30 Dec 14	30 June 14
	% pa	% pa
RPI Inflation	3.20	3.50
CPI Inflation	2.40	2.80
Rates of increase to pensions in payment		
- ½ RPI to maximum of 3% - Retirees Plan	nil	nil
- Post 88 GMP	2.00	2.20
Discount rate for scheme liabilities		
Discount rate for scheme liabilities - Retirees Plan	3.05	3.74
Discount rate for scheme liabilities – VACPF	3.42	4.10
Expected return on plan assets		
Expected return on plan assets - Retirees Plan	2.95	3.55
Expected return on plan assets – VACPF	5.30	4.95

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

18. PENSIONS continued

Financial Reporting Standard 17 "Retirement Benefits" continued

Life expectancies used in the mortality assumptions:

	VACPF and GMRPP	
	Life expectancy of a member currently aged 65	Life expectancy at age 65 of a member currently aged 45
Retirees Plan		
Retirees Plan – Male	22.2	24.0
Retirees Plan – Female	24.1	26.0
VACPF		
VACPF – Male	20.8	23.1
VACPF – Female	23.3	25.6

Amounts for the current and previous six month periods and previous three years are as follows:

	VACPF and GMRPP				
	30 Dec 14 £m	30 June 14 £m	31 Dec 13 £m	31 Dec 12 £m	31 Dec 11 £m
Defined benefit obligation	(251.1)	(233.3)	(235.3)	(255.8)	(262.9)
Plan assets	276.6	266.5	267.5	290.2	287.2
	25.5	33.2	32.2	34.4	24.3
Adjustment for irrecoverable surplus	(43.7)	(40.3)	(39.0)	(42.2)	(31.3)
Adjustment for past service cost	9.8	-	-	-	-
Pension scheme surplus recognised in the period	28.6	-	-	-	-
Asset/(deficit)	20.2	(7.1)	(6.8)	(7.8)	(7.0)
Experience adjustments on plan liabilities	0.5	-	1.2	(2.4)	(1.9)
Experience adjustments on plan assets	15.2	5.1	(10.8)	13.5	20.1
Changes in assumptions underlying the present value of the scheme liabilities	(14.7)	(4.0)	6.7	(2.1)	(37.9)
Decrease/(increase) in irrecoverable surplus	6.4	(1.3)	3.2	(10.9)	16.3
Actuarial gain/(loss) recognised in the Statement of Total Recognised Gains and Losses	7.4	(0.2)	0.3	(1.9)	(3.4)
Cumulative amount of actuarial loss recognised in the Statement of Total Recognised Gains and Losses brought forward	(10.8)	(10.6)	(10.9)	(9.0)	(5.6)
Cumulative amount of actuarial loss recognised in the Statement of Total Recognised Gains and Losses carried forward	(3.4)	(10.8)	(10.6)	(10.9)	(9.0)

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

18. PENSIONS continued

For the VMLPP, the whole assets and liabilities (not just those relating to General Motors UK Limited) updated to 30 December 2014 on the same actuarial assumptions as set out above were as follows:

	VMLPP	
	30 Dec 14	30 June 14
	£m	£m
Assets	1,536.2	1,470.9
Liabilities	(2,376.5)	(2,233.8)
Deficit in scheme	<u>(840.3)</u>	<u>(762.9)</u>

19. CALLED UP SHARE CAPITAL

	30 Dec 14	30 June 14
	£m	£m
Called up, allotted and fully paid:		
848,508,917 (30 June 2014: 848,508,917) ordinary shares of £1 each	<u>848.5</u>	<u>848.5</u>

20. RESERVES

	Capital reserve £m	Share-based payment reserve £m	Profit and loss account £m
At 1 July 2014	0.1	1.2	(1,533.7)
Profit for the financial period	-	-	59.0
Actuarial gain for the financial period	-	-	7.4
VHC Sub-Holdings (UK) capital contribution	20.0	-	-
Total for the financial period	<u>20.0</u>	<u>-</u>	<u>66.4</u>
At 30 December 2014	<u>20.1</u>	<u>1.2</u>	<u>(1,467.3)</u>

During the year the Company's parent undertaking made a capital contribution to the Company of £20.0 million in cash.

GENERAL MOTORS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Six month period ended 30 December 2014

21. COMMITMENTS

(a) Capital expenditure authorised and commitments not provided in these accounts are:

	30 Dec 14 £m	30 June 14 £m
Committed	237.7	263.3

(b) At 30 December 2014 the Company was committed to make the following payments during the next year in respect of operating leases:

	Land and buildings 30 Dec 14 £m	30 June 14 £m
Leases which expire:		
Within one year	0.7	0.7
Within two to five years	0.9	0.7
After five years	3.6	3.7
	5.2	5.1

22. ULTIMATE PARENT COMPANY

At 30 December 2014, the ultimate parent company and controlling entity of the Company, and parent of the largest group for which consolidated accounts are prepared of which this Company is a part, was General Motors Company, a company registered in the State of Delaware USA. The financial statements of General Motors Company are available from Global Headquarters, 300 Renaissance Centre, PO Box 300, Detroit, Michigan, 48265 - 3000 USA.

The immediate parent company and controlling entity of the Company is VHC Sub-Holdings (UK), a company incorporated in Great Britain and registered in England and Wales.

The parent of the smallest group for which consolidated accounts are prepared of which this Company is a part is General Motors Automotive Holdings S.L., a company registered in Spain. The financial statements of General Motors Automotive Holdings S.L. have been deposited at the commercial register of the City of Zaragoza, Book 2887, page Z-32723.

23. RELATED PARTY DISCLOSURES

The Company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with General Motors Company group companies or interests of the General Motors Company group who are related parties.

All pensions administration costs are incurred by General Motors UK Limited and then recharged to five plans within the group. The total cost for the six month period to 30 December 2014 was £0.4 million (six months ended 30 June 2014: £0.3 million) and of this £0.2 million (30 June 2014: £nil million) was outstanding from other group companies at the period end and is included in current debtors.

As detailed in note 18, the Company makes contributions to three of the five pension plans within the group, the Vauxhall Motors Limited Pension Plan ("VMLPP"), the General Motors Retirees Pension Plan ("GMRPP") and the Vauxhall and Associated Companies Pension Fund ("VACPF"). The total pensions administration costs charged to these three plans and included in the figures disclosed above are £0.5 million (six months ended 30 June 2014: £0.3 million) and of this £0.3 million (30 June 2014: £nil million) was outstanding from other group companies at the period end and is included in current debtors.

In addition, General Motors UK Limited incurs pension investment costs which are charged to the Common Investment Fund into which the five pension plans are invested. The total cost for the six months to 30 December 2014 was £0.3 million (six months ended 30 June 2014: £0.3 million) and of this £0.3 million (30 June 2014: £0.2 million) was outstanding from other group companies at the period end and is included in current debtors.