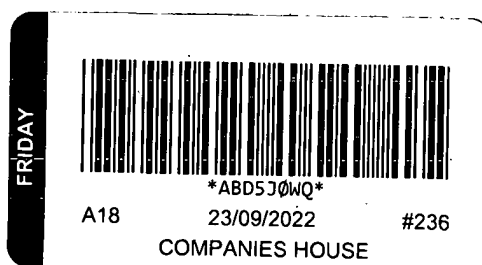


REGISTERED NUMBER: 04171033 (England and Wales)

Fiat Chrysler Automobiles Services UK
Limited

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2021



**Fiat Chrysler Automobiles Services UK
Limited**

**Contents of the Financial Statements
for the Year Ended 31 December 2021**

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**Fiat Chrysler Automobiles Services UK
Limited**

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

T Spinetta
C De Alwis
A Ronzan

REGISTERED OFFICE:

Cranes Farm Road
Basildon
Essex
SS14 3XX

REGISTERED NUMBER:

04171033 (England and Wales)

AUDITORS:

Ernst and Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

BANKERS:

Citibank N.A. London Branch
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Fiat Chrysler Automobiles Services UK Limited

Strategic Report
for the Year Ended 31 December 2021

PRINCIPAL ACTIVITIES

The principal activities of the company are the provision of financial, administrative, taxation, customs and payroll services, aircraft rental and that of a general trading business to its fellow group undertakings.

BUSINESS REVIEW

Fiat Chrysler Automobiles Services UK Limited prepares monthly key performance indicators in order to measure its performance in serving its customers. This is followed up with regular review meetings to ensure that the Company remains in touch with its customers' needs.

The key financial performance indicators during the year were as follows:

	2021	2020
	£'000	£'000
Turnover	9,633	10,747
Operating Profit	1,905	2,644
Profit/(Loss) after taxation	1,004	1,235
Shareholders Equity	11,875	3,841

Revenue decreased year-on-year by £1.1m (2020: £0.4m) as a result of a reduction in the lease rentals on the two aircrafts.

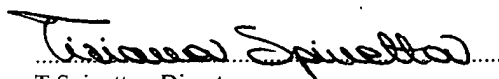
This loss of income is partly offset by a reduction in pension related costs, which results in a lower year-on-year decrease in Operating Profit.

The significant increase in Shareholders Equity is primarily as a result of a net actuarial gain on the valuation of the pension liability of £7.0m (2020: Actuarial Loss of £2.8m). This gain is recognised in Other Comprehensive Income.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company provides administrative services to other companies within the group and will always be subject to the same business risks and uncertainties due to the close working relationship with related companies. Fiat Chrysler Automobiles Services UK Limited does not market itself to Third Parties and is dedicated to serving the companies within the Fiat Chrysler Automobiles and Case New Holland Industrial groups.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:


T Spinetta - Director

Date: 19/09/2022

**Fiat Chrysler Automobiles Services UK
Limited**

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

GOING CONCERN

The directors continue to adopt the going concern basis in preparing the annual report and accounts.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have considered the forecasts, and the uncertainty of the current economic environment and are satisfied that these have been appropriately considered in their assessment of the entity as a going concern.

In consideration of the current COVID-19 outbreak the company adopted all the necessary measures indicated by the UK Government and Public Health England during the year.

The company has received a letter of support from its parent company, FCA Partecipazioni Spa, confirming their full support to the company to meet its liabilities as they fall due for a period of 12 months from the date of approval of the company's financial statements for the year ended 31 December 2021.

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

PRINCIPAL ACTIVITY

The principal activities of the company are the provision of financial, administrative, taxation, customs and payroll services, aircraft rental and that of a general trading business to its fellow group undertakings.

DIVIDENDS

The profit for the year after taxation was £1,004,000 (2020 profit: £1,235,000). The directors did not declare a dividend in 2021 (2020: nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

T Spinetta
C De Alwis
A Ronzan

Other changes in directors holding office are as follows:

D Pistone - resigned 30 April 2021

**Fiat Chrysler Automobiles Services UK
Limited**

**Report of the Directors
for the Year Ended 31 December 2021**

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company mainly transacts with its intra group entities and has limited transactions with third parties outside the group. The company is not significantly exposed to credit risks from its customers. The company, on regular intervals reconciles balances receivable within its books with the counterparty records and the reconciling adjustments are investigated.

In order to manage cash flow risk and maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses the group's centralised treasury arrangements finance.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through regular formal and informal meetings, with the management of the company.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 company 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

**Fiat Chrysler Automobiles Services UK
Limited**

**Report of the Directors
for the Year Ended 31 December 2021**

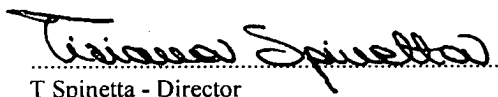
DISCLOSURE OF INFORMATION TO AUDITORS

Each of the person who is a director at the date of approval of this report confirms that:

- So far as they are aware, there is no relevant audit information of which the company's auditor is unaware;
and
- The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:


T Spinetta - Director

Date: 19/09/2022

**Report of the Independent Auditors to the Members of
Fiat Chrysler Automobiles Services UK
Limited**

Opinion

We have audited the financial statements of Fiat Chrysler Automobiles Services UK Limited for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Balance Sheet and the Statement of Changes in Equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice)".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Fiat Chrysler Automobiles Services UK
Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are relating to FRS101, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.
- We understood how the company is complying with those frameworks by making enquiries of management and senior finance personnel and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by obtaining and reading internal policies, making enquiries of management and senior finance personnel.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations.

Our procedures involved:

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management, and those charged with governance to understand where they considered there was susceptibility to fraud. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored.

**Report of the Independent Auditors to the Members of
Fiat Chrysler Automobiles Services UK
Limited**

- Where available, we read minutes of meetings of those charged with governance.
- We read financial statements disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- We audited the risk of management override of controls, including through testing non- standard manual journal entries in respect of revenue and other adjustments for appropriateness.
- We evaluated the business rationale of significant transactions outside the normal course of business; and
- We challenged judgements made by management. This included corroborating the inputs and considering contradictory evidence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

Ernst & Young LLP

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Farzin Radfar (Senior Statutory Auditor)
for and on behalf of Ernst and Young LLP, Statutory Auditor
Luton

Date: 21 September 2022

Fiat Chrysler Automobiles Services UK Limited

Income Statement
for the Year Ended 31 December 2021

	Notes	2021 £'000	2020 £'000
TURNOVER	4	9,633	10,747
Cost of sales		<u>(3,287)</u>	<u>(3,863)</u>
GROSS PROFIT		6,346	6,884
Other Operating Expenses		<u>(4,441)</u>	<u>(4,251)</u>
		1,905	2,633
Other operating income		<u>-</u>	<u>11</u>
OPERATING PROFIT		1,905	2,644
Interest payable and similar expenses	6	<u>(732)</u>	<u>(1,142)</u>
PROFIT BEFORE TAXATION	7	1,173	1,502
Tax on profit	8	<u>(169)</u>	<u>(267)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,004</u>	<u>1,235</u>

The notes form part of these financial statements

**Fiat Chrysler Automobiles Services UK
Limited**

**Other Comprehensive Income
for the Year Ended 31 December 2021**

	Notes	2021 £'000	2020 £'000
PROFIT FOR THE YEAR		1,004	1,235
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Actuarial Gain/(Loss) on DB Scheme	17	<u>7,030</u>	<u>(2,753)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>7,030</u>	<u>(2,753)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>8,034</u>	<u>(1,518)</u>


The notes form part of these financial statements

**Fiat Chrysler Automobiles Services UK
Limited (Registered number: 04171033)**

**Balance Sheet
31 December 2021**

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Intangible assets	9	3	7
Tangible assets	10	31,556	35,165
Investments	11	-	-
		<u>31,559</u>	<u>35,172</u>
CURRENT ASSETS			
Debtors	12	1,272	2,013
CREDITORS			
Amounts falling due within one year	13	(11,701)	(15,629)
NET CURRENT LIABILITIES		<u>(10,429)</u>	<u>(13,616)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,130	21,556
CREDITORS			
Amounts falling due after more than one year	14	-	(5)
Pension Deficit	17	(9,255)	(17,710)
NET ASSETS		<u>11,875</u>	<u>3,841</u>
CAPITAL AND RESERVES			
Called up share Capital	16	18,750	18,750
Retained earnings		<u>(6,875)</u>	<u>(14,909)</u>
SHAREHOLDERS' FUNDS		<u>11,875</u>	<u>3,841</u>

The financial statements of FCA Services Limited were approved by the Board of Directors and authorised for issue on 19/09/2022 and were signed on its behalf by:


T Spinetta - Director

The notes form part of these financial statements

Fiat Chrysler Automobiles Services UK Limited

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share Capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020	18,750	(13,391)	5,359
Changes in equity			
Profit for the Year	-	1,235	1,235
Other Comprehensive Income	-	(2,753)	(2,753)
Balance at 31 December 2020	<u>18,750</u>	<u>(14,909)</u>	<u>3,841</u>
Changes in equity			
Profit for the Year	-	1,004	1,004
Other Comprehensive Income	-	7,030	7,030
Balance at 31 December 2021	<u>18,750</u>	<u>(6,875)</u>	<u>11,875</u>

The notes form part of these financial statements

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE

Fiat Chrysler Automobiles Services UK Limited is a private company incorporated and domiciled in England and Wales.

2. STATUTORY INFORMATION

Fiat Chrysler Automobiles Services UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements were prepared on a historical cost basis in accordance with Financial Reporting Standards 101 Reduced Disclosures Framework (FRS 101) and the companies Act 2006 (The Act). FRS 101 sets out a reduced disclosure framework for a "qualifying entity" as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of the qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 19 gives details of the Companies ultimate parent and from where it's consolidated financial statements prepared in accordance with IFRS may be obtained.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirement to prepare consolidated financial statements.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

GOING CONCERN

The directors continue to adopt the going concern basis in preparing the annual report and accounts.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The Directors have considered the forecasts, and the uncertainty of the current economic environment and are satisfied that these have been appropriately considered in their assessment of the entity as a going concern.

In consideration of the current COVID-19 outbreak the company adopted all the necessary measures indicated by the UK Government and Public Health England during the year.

**Fiat Chrysler Automobiles Services UK
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

3. ACCOUNTING POLICIES - continued

The company has received a letter of support from its parent company, FCA Partecipazioni Spa, confirming their full support to the company to meet its liabilities as they fall due for a period of 12 months from the date of approval of the company's financial statements for the year ended 31 December 2021.

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Revenue is recognised to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue mainly relates to inter group services which are predefined for the year and agreed formally by contract. The revenue is recognised evenly over the term which the service is provided. Turnover is measured net of trade discounts, VAT and other sales related taxes.

Intangible assets

Intangible Assets are stated at cost less accumulated amortisation and any recognised impairment loss. The applicable amortisation rate is calculated to write off the cost or valuation, less estimated residual value, of the asset on a straight line basis over its expected useful life, as follows:

Computer Software	5 years
-------------------	---------

The carrying values of the intangible asset is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Residual values, useful lives and methods of amortisation are reviewed at each financial year end and adjusted prospectively if appropriate.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Plant and machinery	10 years
Aircraft	20 years
Vehicles	2-4 Years

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

Investments

The investment in subsidiaries are all stated at cost less accumulated impairment losses.

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. ACCOUNTING POLICIES - continued

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where the transactions or events result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

Pension

The company belongs to the Fiat Group Pension Scheme, which is operated by another group company, Fiat Chrysler Automobiles UK Limited.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in income.

The company also runs a defined contribution plan. Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into a legally separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employee benefits relating to employee service in the current and prior periods. The company's contributions to defined contribution pension plans are charged to the income statement in the year to which they relate.

Leases

The Company adopted IFRS 16 Leases as of the 1 January 2019 using the modified retrospective approach. The Company recognises a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying IAS 17. The Company measured the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. Prior period has not been restated. In applying IFRS 16 consideration has to be given to the terms and condition of contracts and all relevant facts and circumstances, so that the standard can be applied consistently to contracts with similar characteristics and in similar circumstances. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the company has applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. ACCOUNTING POLICIES - continued

i) Right-of-use assets

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the adoption date. Right-of-use assets are subsequently depreciated on a straight-line basis from the adoption date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows;

Vehicles	2-4 Years
----------	-----------

The estimated useful life of right-of-use assets are determined under the depreciation requirements of IAS16 Property, Plant and Equipment. Right-of-use assets are periodically tested for impairment, and are also adjusted for any re-measurements of the lease liability.

Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in its leases, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

ii) Lease liabilities

Lease liabilities are recognised at the commencement date of a lease. Lease liabilities are initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease liabilities are measured at amortised cost using the effective interest method. The lease liability is re-measured when there is a change in the future lease payments. Any re-measurement is also adjusted in the carrying amount of the right-of-use asset, or is recorded in the Income Statement if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for short term lease of 12 months or less and leases of low-value assets, including IT equipment. The payments of such leases are expensed on a straight-line basis over the term of the lease, even if the payments are not made on such a basis.

iii) Lease term

The lease term is a significant component in the measurement of both the right of use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include:

- the importance of the asset to the company's operations;
- comparison of terms and conditions to prevailing market rates;
- incurrence of significant penalties;
- existence of significant leasehold improvements; and,
- the cost and distribution to replace the asset.

The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. ACCOUNTING POLICIES - continued

Judgements and estimations

The preparation of financial statements under FRS 101 requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimated. The most significant judgements and estimates are those used in the calculation of the present value of the pension obligation, these are determined by the actuary based on current market conditions.

4. TURNOVER

The company turnover related exclusively to activities in the UK.

Revenue is recognised to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue mainly relates to inter group services which are predefined for the year and agreed formally by contract. The revenue from operating leases is recognised evenly over the term which the service is provided. Turnover is measured net of trade discounts, VAT and other sales related taxes.

To better depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors, below we disaggregated our revenue from contracts with customers by type of services provided:

Type of Services	2021 £'000	2020 £'000
Accounting Services	4,283	4,267
Aircraft Rentals	5,350	6,480
	<u>9,633</u>	<u>10,747</u>

Payments are received from our customers based on a billing schedule, updated annually and communicated in our budget letters. Accounts receivable are recognised when the right to consideration becomes unconditional.

All performance obligations relating to the year ending 31 December 2021 are satisfied within the year.

5. EMPLOYEES AND DIRECTORS

	2021 £'000	2020 £'000
Wages and salaries	1,684	1,685
Social security costs	181	172
Other pension costs	128	694
	<u>1,993</u>	<u>2,551</u>

The average number of employees during the year was as follows:

	2021	2020
Administrators	<u>43</u>	<u>46</u>

No directors received any form of remuneration in lieu of their qualifying services to the company.

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Finance expenses		
Bank Charges	(2)	(3)
Net Interest cost on pension	(236)	(303)
Net Interest cost on lease liabilities	(1)	(1)
Group interest payable	<u>(493)</u>	<u>(835)</u>
	<u>(732)</u>	<u>(1,142)</u>

7. PROFIT BEFORE TAXATION

	2021	2020
	£'000	£'000
Profit on ordinary activities is stated after charging/(crediting)		
Depreciation and amounts written off tangible fixed assets - owned	3,605	3,612
Amortisation and amounts written off intangible fixed assets - licences	4	3
Auditor's remuneration:		
- Fee payable for the audit of the Company's annual accounts	38	27
Short term/low value leases	52	50
Government Job Retention Scheme	<u>-</u>	<u>(11)</u>

8. TAXATION

Tax on profit on continuing operations

a) Current tax

The tax charge comprises:

	2021	2020
	£'000	£'000
Current tax: Current year 19% (2020: 19%)	136	271
Prior year adjustment	<u>33</u>	<u>(4)</u>
Total current tax	<u>169</u>	<u>267</u>
Total tax on profit on continuing operations	<u>169</u>	<u>267</u>

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. TAXATION - continued

Deferred Tax

Origination and reversal of timing difference	115	14
Valuation allowance	(56)	(6)
Prior year adjustment	(30)	-
Impact of change in tax laws and rates	(29)	(8)
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Total tax on profit on continuing operations	169	267
	<hr/>	<hr/>

The differences between the total tax shown above and amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	<hr/> 1,173	<hr/> 1,502
Loss on ordinary activities multiplied by standard rate of corporation tax 19% (2020: 19%)	223	285
Effects of:		
Expenses not deductible for tax purposes	-	-
Change in tax laws and rate	(29)	(8)
Valuation allowance/Temporary timing difference	(58)	(6)
Adjustments in respect of prior periods	<hr/> 33	<hr/> (4)
	<hr/>	<hr/>
Total tax charge	169	267
	<hr/>	<hr/>

Unrecognised Deferred tax assets

A deferred tax assets of £4.1m (2020: £4.4m) has not been recognised in respect of timing differences relating to depreciation in excess of capital allowances claimed of £1.8m (2020: £1.0m) and pension deficit £2.3m (2020: £3.4m) as, in the opinion of the directors, it cannot be regarded as more likely than not that there will be suitable taxable profits against which these assets can be recovered.

Change in corporation tax rate

The Finance Act 2021 provides for the main rate of Corporation Tax to be increased from 19% to 25% from 1 April 2023.

The 25% rate had been substantively enacted at the Balance Sheet date and accordingly this rate has been applied in the measurement of the Company's deferred tax assets and liabilities at 31 December 2021.

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. TAXATION - continued.

DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	2021 £'000	2020 £'000
Deferred tax assets	-	-
Other timing differences	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	2021 £'000	2020 £'000
Deferred tax in the income statement	(202)	(135)
Other timing differences	(58)	(6)
Valuation allowances	289	149
Pension deficit	(29)	(8)
Change in tax laws and rate	-	-
Losses not utilised	-	-
Prior year adjustment	-	-
	<u>-</u>	<u>-</u>
Deferred tax (credit)/expense	<u>-</u>	<u>-</u>

9. INTANGIBLE FIXED ASSETS

	Computer software £'000
COST	
At 1 January 2021	17
and 31 December 2021	<u>17</u>
AMORTISATION	
At 1 January 2021	10
Amortisation for year	<u>4</u>
At 31 December 2021	<u>14</u>
NET BOOK VALUE	
At 31 December 2021	<u>3</u>
At 31 December 2020	<u>7</u>

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

10. TANGIBLE FIXED ASSETS

	Plant and machinery £'000	Motor vehicles £'000	Aircrafts £'000	Totals £'000
COST				
At 1 January 2021	227	72	50,763	51,062
Additions	-	13	-	13
Disposals	-	(72)	-	(72)
At 31 December 2021	<u>227</u>	<u>13</u>	<u>50,763</u>	<u>51,003</u>
DEPRECIATION				
At 1 January 2021	225	44	15,628	15,897
Charge for year	2	20	3,583	3,605
Eliminated on disposal	-	(55)	-	(55)
At 31 December 2021	<u>227</u>	<u>9</u>	<u>19,211</u>	<u>19,447</u>
NET BOOK VALUE				
At 31 December 2021	<u>-</u>	<u>4</u>	<u>31,552</u>	<u>31,556</u>
At 31 December 2020	<u>2</u>	<u>28</u>	<u>35,135</u>	<u>35,165</u>

The net book value of £4,102 (2020: £27,935) on Motor Vehicles relates to the Right-of-use assets in respect of assets held under leasing agreements.

11. INVESTMENTS

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Fiat Common Investment Fund Limited

Registered office: Pinley House, 2 Sunbeam Way, Coventry, CV3 1ND

Nature of business: Financial Intermediation

	% holding	2021 £
Class of shares:		
Ordinary	100.00	
Cost		
At 1 January 2021		2
Additions/(Disposals)		-
		<u>2</u>
Allowances for Impairment		
At 1 January 2021		-
(Written Off)/Written back		-
At 31 December 2021		<u>-</u>
Net Book Value at 1 January and 31 December 2021		<u>2</u>

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Amounts owed by parent undertakings	158	188
Amounts owed by fellow group undertakings	695	1,141
Other debtors	215	672
Prepayments and accrued income	<u>204</u>	<u>12</u>
	<u>1,272</u>	<u>2,013</u>

Amounts owed by parent undertakings and fellow group undertakings relates to trading activities and are unsecured and interest free. Amounts owed by fellow group undertakings includes Tax receivable of £7,290 (2020: payable of £1,218,976 to the parent undertaking). This relates to group relief.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Trade creditors	50	102
Amounts owed to fellow group undertakings	10,908	13,753
Tax	3	1,219
VAT	155	280
Other creditors	236	96
Accruals and deferred income	<u>349</u>	<u>179</u>
	<u>11,701</u>	<u>15,629</u>

The amounts due to fellow group undertakings includes £Nil (2020: £6,600,000) of loan that was fully repaid in November 2021 with an interest rate of 5.30%, interest accrued on the loan of £Nil (2020: £42,080), £394,081 (2020: £150,276) which relates to trading activities and are unsecured, interest free and have no fixed repayment date, a Cash pooling balance of £10,510,286 (2020: £6,938,070) owed to the group's centralised treasury Fiat Chrysler Finance Europe S.A. (The interest earned is the monthly average of the daily Euribor 1M), and £4,000 (2020: £22,592) relates to the lease liability based on the application of IFRS16.

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

	2021	2020
	£'000	£'000
Amounts owed to fellow group undertakings	<u>-</u>	<u>5</u>

The amounts due to fellow group undertakings £Nil (2020 £4,828) relates to the lease liability based on the application of IFRS16.

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

15. LEASING AGREEMENTS

The Company has lease contracts for motor vehicles and IT equipment used in its operations. Leases of vehicles have lease terms between 2 and 4 years. The IT equipment has lease terms of less than 12 months and are of low value. The company applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these assets.

Right-of-use assets

Refer to Note 10.

Lease Liabilities included in:

	2021 £'000	2020 £'000
Creditors: Amounts falling due within one year	4	23
Creditors: Amounts falling due after more than one year	-	5

Maturity Analysis

	Lease Liability		Other Leases	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Leases which expire:				
Within one year	4	23	26	15
Between two and five years	-	5	15	9
	<u>4</u>	<u>28</u>	<u>41</u>	<u>24</u>

Other leases relates to short term leases and leases of low value assets which have been exempted under IFRS16.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
18,750,000	Ordinary	1	<u>18,750</u>	<u>18,750</u>

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

17. PENSION OBLIGATIONS

The company belongs to the Fiat Group Pension scheme, operated by Fiat Chrysler Automobiles Services UK Limited for Fiat Chrysler group companies. This is a defined benefit scheme covering the obligations to provide pensions to its retired and present employees. The scheme is closed to new entrants. The assets of the defined benefit scheme are held in a separate trustee administration fund. There are two managing Employers defined within the Deed and Rules relating to the scheme. Fiat Chrysler Automobiles Services UK Limited and Fiat Chrysler Automobiles NV.

The scheme exposes the Company to actuarial risks such as longevity risk, interest rate risk and market (investment) risk. The Trustees of the plan are cognisant of these risks and work with the Employers to manage these risks appropriately. Actions implemented or being implemented includes diversification of investments and the introduction of Liability Driven Investment strategies to remove interest rate and inflation risks at the appropriate time.

Pension Liability

	2021 £'000	2020 £'000
Fair value of plan assets at year end	46,690	43,164
Defined benefit obligation at year end	(55,945)	(60,874)
	<hr/>	<hr/>
Closing Liability	<u>(9,255)</u>	<u>(17,710)</u>

Changes in the present value of the defined benefit obligation are as follow

	2021 £'000	2020 £'000
Opening position	60,874	54,150
Past Service Costs	-	504
Interest Cost	843	1,068
Actuarial Losses/(gains)	(4,402)	7,128
Benefits Paid	<u>(1,370)</u>	<u>(1,976)</u>
Closing Defined Benefit Obligation	<u>55,945</u>	<u>60,874</u>

Changes in the Fair Value of Plan Assets are as follows:

	2021 £'000	2020 £'000
Opening Position	43,164	38,408
Expected return on plan assets	606	765
Actuarial (losses) gains arising on the plan assets	2,628	4,375
Employer Contributions	1,666	1,666
Benefits Paid	(1,370)	(1,976)
Administrative expenses	<u>(4)</u>	<u>(74)</u>
Fair value of plan assets at end of year	<u>46,690</u>	<u>43,164</u>

Fiat Chrysler Automobiles Services UK Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

17. PENSION OBLIGATIONS - continued

Amount recognised in the Income statement

	2021	2020
	£'000	£'000
Service costs	-	504
Net interest costs	236	303
Administrative Expenses	4	74
	<u>240</u>	<u>881</u>

Amount recognised in the statement of Comprehensive Income

	2021	2020
	£'000	£'000
Actuarial losses/(gains) arising from changes in financial assumptions	<u>(7,030)</u>	<u>2,753</u>
	<u>(7,030)</u>	<u>2,753</u>

Financial assumptions

	2021	2020
Discount Rate	1.82% pa	1.40% pa
Expected return on plan assets at start of year	1.40% pa	2.00% pa
Expected return on plan assets at end of year	1.82% pa	1.40% pa
Future Inflation - RPI	3.40% pa	3.20% pa
Future Inflation - CPI	2.50% pa	2.50% pa
Future pensionable salary increases	2.90% pa	2.70% pa
Future pension increase RPI (max 5%)	3.30% pa	3.10% pa
Future pension increase CPI (max 3%)	2.15% pa	2.15% pa
In Deferment - RPI	3.40% pa	3.20% pa
In Deferment - CPI	2.50% pa	2.50% pa

Life expectancy

	2021	2020
Life expectancy of male age 65 - active	23.6	23.5
Life expectancy of female age 65 - active	25.6	25.5
Life expectancy of male age 65 - pensioner	22.1	22.1
Life expectancy of female age 65 - pensioner	24.1	24.0

Asset composition

	2021	2020
Equities	4%	4%
Bonds	22%	23%
Interest rate Contracts	38%	33%
Property/Other	35%	39%
Cash	<u>1%</u>	<u>1%</u>
Total	<u>100%</u>	<u>100%</u>

**Fiat Chrysler Automobiles Services UK
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

17. PENSION OBLIGATIONS - continued

Sensitivity

The table below shows the impact on the defined benefit obligation of a small change in the significant assumptions. Unless otherwise indicated where one assumption has been changed all the other assumptions are kept the same.

	£'000
0.1% increase in discount rate	(951)
0.1% decrease in discount rate	976

The above sensitivity analysis has been calculated by approximate methods which take into account the expected cash flows of the members, the normal retirement age and pension increase provisions and the maximum and minimum pension increase for each significant tranche of pension, both in payment and in deferment.

Under the Schedule of Contributions and Recovery Plan dated 27 July 2017 the Company made deficit contributions at the rate of £1.7m per annum in 2021 (2020: £1.7m) with the cost of benefits being accrued by active members of the scheme in addition. The contribution expected to be paid in 2022 amounts to £1.7m.

The duration of the defined benefit obligation for the whole scheme is approximately 16 years.

Expected contributions and benefit payments

	£'000
Expected Employer contributions: current year +1	1,666
Expected benefit payments: current year +1	1,834
Expected benefit payments: current year +2	1,941
Expected benefit payments: current year +3	1,943
Expected benefit payments: current year +4	2,077
Expected benefit payments: current year +5	2,117
Expected benefit payments: current year +6 to +10	10,998
Total	22,576

18. CONTINGENT LIABILITIES

The company has entered into a cross guarantee arrangement with other United Kingdom Fiat Group companies within the Fiat Chrysler Automobiles central cash management system whereby each company guarantees all financial obligations of the companies to their bankers

19. ULTIMATE PARENT COMPANY

Stellantis N.V. is the ultimate parent company and controlling party.

The company is included within the consolidated accounts of Stellantis N.V. Copies of this company's financial statements are available from 25 St James Street, London, SW1A 1HA.

20. TRANSACTIONS WITH RELATED PARTIES

The company is a wholly owned by FCA Partecipazioni Spa, a company registered in Italy, and a qualifying entity for the purpose of FRS101 and takes advantage of disclosure exemptions of IAS 24 Related Party disclosures.