Company Registration No. 00135767

VAUXHALL MOTORS LTD

Annual Report and Financial Statements

For the year ended 31 December 2021

VAUXHALL MOTORS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2021

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ANNUAL REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2021

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J Townsend
M Noble
A Morales Facerias

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M E Page

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First FloorTwo Chamberlain Square
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STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The Company manufactures, markets and services Vauxhall branded passenger cars and light commercial vehicles (LCV) and supplies vehicles to other Stellantis N.V. group companies 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 Chalton House. The after-sales parts warehouse is situated at Luton Road in Luton.

The Company is an integral part of the European operations of Stellantis, 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. The Company has entered into a contract manufacture and supply agreement with a fellow subsidiary of Stellantis, the effect of which is to provide guaranteed manufacturing and selling margins to the Company for the duration of the agreement.

BUSINESS REVIEW

Total UK Passenger Car sales in the year ended 31 December 2021 were 91,452 cars (year ended 31 December 2020: 95,444 cars) with a market share of 5.55%, a decrease of 0.30%. For the year ended 31 December 2021, the total UK passenger car market reported a decrease of 29.4% (year ended 31 December 2020: 29.4% decrease).

Within the UK, Vauxhall's share of the retail car market for the year was 5.4% (year ended 31 December 2020: 4.7%) and retail volume increased by 7,870 units compared to 2020. Fleet car market share was 5.7% (year ended 31 December 2020: 6.8%) with volume decreasing by 11,844 units compared to 2020.

Vauxhall's All-new Mokka was recognised as Top Gear's Design of the Year, a significant award for the brand. Corsa, the UK's best-selling car in 2021, continued to receive plaudits, winning The Sun's 'Value Car of the Year' and Fleet World's 'Best Fleet Supermini'.

Vauxhall's LCV range won 14 awards last year. These included 'Van of the Year' from What Car? for Combo-e and 'Electric Van of the Year' from Auto Express for Vivaro-e.

Vauxhall's total light commercial vehicle market share increased from 10.40% for the year ended 31 December 2020 to 10.77% for the year ended 31 December 2021; sales volume increased by 3,236 units compared to 2020 in a market which reported a 20.7% overall decrease.

Total production volume at Ellesmere Port for the period decreased to 27,429 units (year ended 31 December 2020: 32,122 units) mainly due to a semi-conductor supply problem. Exports amounted to 27,519 units for the period (year ended 31 December 2020: 32,062 units).

FINANCIAL REVIEW

Operating profit Increased from £30.7 million in the year ended 31 December 2020 to £69.5 million in the year ended 31 December 2021.

The Company reported profit before tax in the year ended 31 December 2021 of £49.7 million (year ended 31 December 2020: £105.8 million). The current period includes an exceptional profit on the sale of land and buildings of £5.3 million & £6.2 million of costs associated with the Company's voluntary redundancy programme. (£2.6 million for the year ended 31 December 2020).

Excluding voluntary redundancy costs, distribution costs and administrative expenses decreased to a total of £70.5 million from a total of £79.8 million in the year ended 31 December 2021. Net interest payable reduced to £0.2 million from £0.4 million in the previous year.

During the period the Directors have reviewed the amount of deferred tax asset expected to be recovered based upon the forecast timing and level of future taxable profits. As a result of this review, the Directors have recognised a deferred tax credit of £23.9 million (2020 £1.6 million) in profit and loss, and a deferred tax charge of £8.8 million (2020 £0.9 million credit) relating to the Company's pension scheme recorded through other comprehensive income.

STRATEGIC REPORT continued

FINANCIAL REVIEW continued

Tangible fixed assets decreased by £109.0 million from £148.9 million at 31 December 2020 to £39.9 million at 31 December 2021, principally due to an impairment charge of £23.7 million on machinery & equipment due to the winding down of the Astra, depreciation charged during the year of £79.6 million and disposals of £18.9 million.

Current assets decreased by £67.1 million from £791.7 million at 31 December 2020 to £724.6 million at 31 December 2021, principally attributed by a decrease of £31.5 million in amounts owed by parent and fellow subsidiary undertakings and a decrease in inventory of £41.8 million. Current liabilities decreased by £204.5 million from £1,038.9 million at 31 December 2020 to £834.4 million at 31 December 2021. This principally reflects a decrease in amounts owed to group undertakings of £152.9 million.

Net liabilities excluding net pension liabilities decreased by £42.4 million to £152.4 million (31 December 2020: £194.8 million) resulting from the changes described above. As detailed in note 17, the net pension liability decreased by £61.5 million to £93.0 million, which includes a net liability of £0.2 million for the new Voith pension plan.

FUTURE DEVELOPMENTS

2022 saw the launch of the all-new Astra in both Internal Combustion Engines (ICE) and Plug-in Hybrid Electric Vehicle (PHEV) engines. We also see the face-lifted Grandland and Grandland PHEV arriving in Q2. Later in the year we welcome the Sports Tourer variants of the Astra ICE and PHEV to our line-up.

The final Astra has rolled off the production line on 6th April 2022 at the Ellesmere Port manufacturing plant. Project 'EK9' is now taking shape to transform the plant into the first Stellantis factory to produce solely battery-electric models. Commitments are starting to take place with Vendors, and the plant will be redesigned throughout 2022 and 2023 with an expected launch of the EK9 in Week 13 of 2023. March 2024 will bring the face lift (MCM) to the EK9/K9 family.

The Directors do not anticipate any significant changes in the activity level of the Company in the coming year.

EMPLOYEE CONSULTATION

The Company continues to regularly communicate details of business performance with employees throughout the year. Key issues are consulted with the recognised Trade Union (UNITE the Union) on a regular basis.

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. These financial risks are managed by the treasury function of Opel Automobile GmbH ("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 Opel Automobile GmbH ("Opel"). Current funding agreements between Opel and the Company have no maturity date, but are subject to termination on 30 days' notice. To meet its liquidity needs Opel is itself reliant on a revolving credit facility with no maturity date but which can be terminated on 30 days' notice or immediately in the event of a breach of the agreement, from a subsidiary of Stellantis N.V. To the extent that the 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

STRATEGIC REPORT continued

manage this risk through timely discussions with Stellantis 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 closely monitors the economic environment to ensure it promptly addresses any risks and opportunities linked to external factors.

- 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 Company's defined benefit pension scheme, VML 2017 Pension Plan, is 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.
- The loss of a significant number of key personnel could adversely affect the Company's results of operations, cash flow and financial condition.

COVID-19

- Since the beginning of the (COVID-19) pandemic from mid-March 2020, the trading and activities of the Company have been significantly impacted. COVID-19 had resulted in a decrease in car production and negative financial results due to the halt of production and manufacture of the Vauxhall Astra. The number of export vehicles has also reduced dramatically. For two consecutive years in 2018 and 2019, the automotive industry reeled from shrinking economic activity, rising competition, slowdown in BRIC economies, and tightening lending norms that dampened global demand. Then came the destitutions inflicted by the lockdowns amid COVID-19 in the first half of 2020, plunging automotive sales to historic lows. But aided largely by the consumer shift towards personal mobility over public and shared transport, the auto industry is reviving at a faster than expected rate. Worldwide car sales grew to around 66.7 million automobiles in 2021, up from around 63.8 million units in 2020. The sector experienced a downward trend on the back of a slowing global economy and the advent of the coronavirus pandemic in all key economies.

- The Company responded promptly to this situation by closing facilities in both recognition of reduced demand and to protect employees. Employees have been successfully working from home during the COVID-19 crisis to maintain the Company's operations. Vauxhall Motors Ltd has also taken advantage of the government's Coronavirus Job Retention Scheme (CJRS), paying 80% of employees' salaries for workers placed on furlough leave. The Company has also taken advantage of the VAT and tax deferrals government incentives schemes.

STRATEGIC REPORT continued

- As a priority for the Company, Health and Safety Protocols have been developed with medical experts and in line with Government advice. The Company facilities have now had COVID-19 measures implemented to ensure they are safe for employees and that status has been successfully audited. The Company has developed alternative strategies for on-line selling and safe delivery methods, embracing the necessary "social distancing" protocols, to be able to take maximum advantage trading in this very different and challenging environment.

Section 172 statement - Statement by the directors in performance of their statutory duties in accordance with s172 (1) Companies Act 2006

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties as detailed in Section 172 of the Companies Act 2006. This is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term;
(b) the interests of the company's employees;
(c) the need to foster the company's business relationships with suppliers, customers and others;
(d) the impact of the company's operations on the community and the environment;
(e) the desirability of the company maintaining a reputation for high standards of business conduct; and
(f) the need to act fairly as between members of the company.

The board of directors ("the Board") of Vauxhall Motors Limited consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole in decisions taken during the year-ending 31 December 2021.

In making this assessment, the Board considers the matters on the following page to be of particular relevance:

The directors have identified the following as key stakeholders in the business: employees, suppliers, customers, the community and the environment. These are discussed in more detail in the below table:

STRATEGIC REPORT continued

Section 172 requirement	Examples of how the Board's discussions and decision making have taken this into account
(a) the likely consequences of any decision in the long term;	In light of the ongoing pandemic, significant business planning and regular strategic reviews ensure the Board proactively manages costs and other business risks to protect the Company and employees.
(b) the interests of the Company's employees;	Emphasis of employee personal development and training using on-line courses provided by the Global Learning team; Engaging in regular employee surveys to assess employee engagement and well-being; The implementation of a range of talent development programmes to encourage the realisation of the potential of our workforce. Regular meetings and consultation with the Trade Union and Employee Forum representatives to retain constant two-way flow of communication. Regular performance appraisals with staff to ensure objectives are met. The Company continues to regard the training and development of all its employees as a high priority and in the past year has continued its support of a range of activities to support building capability. It also expanded its Talent & Development strategy as well as the solutions offered. The UK Group continued its recruitment of Industrial Placement students, Graduates and Apprentices. The programmes include placements in various business functions. The industrial placement and graduate trainees follow a structured development programme with a focus on personal development of key skills and behaviours to support their time within the Company and higher education. This includes use of blended learning solutions as well as mentoring by senior managers.
(c) the need to foster the Company's business relationships with suppliers, customers and others;	Vauxhall Franchise Board meetings are held regularly to engage our network with forthcoming product launches and share our medium to long-term plans; New product launches are attended by our customers; Our own Training centre, The Performance Academy, provides continuous support to our dealership network and has expanded the virtual offering to maintain the offer during the pandemic. The Company is also part of the Stellantis supplier management processes, which include awards to recognise and celebrate excellence in our supply chain.
(d) the impact of the Company's operations on the community and the environment;	The Board is aware of its importance in the community as a large employer in the United Kingdom; engaging with local schools and colleges in the promotion of STEM activities and manufacturing

STRATEGIC REPORT continued

	careers, although there have been limited opportunities to undertake these activities due to COVID restrictions. The Company has also promoted the importance of diversity in engineering and specifically focused on women in engineering. The Company's environmental policies recognise the protection of the environment and natural resources as one of the principal business responsibilities. Actions to ensure compliance with relevant legislation and the continuous improvement of environmental performance are an integral part of those policies. The Green Factory programme is driving the move towards a net carbon neutral manufacturing objective.
(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and	The Board is committed to complying with all applicable regulations and requires every employee to agree to the Code of Conduct rules issued by Stellantis. A strong compliance culture is encouraged with annual reviews of Conflict of Interest and Code of Conduct rules. The Company also continues to invest in strengthened GDPR activities to educate and inform the workforce on the importance of this topic.
(f) the need to act fairly as between members of the Company.	The Company is an 100% owned subsidiary of Stellantis at the time of these accounts and regularly engages with its parent company to ensure Company plans are fully aligned with those of the Group. This will include Group approval of annual budgets, medium term plans and new product launches.

SECR Report

In line with the governments streamlined energy and carbon reporting requirements, we are required to report our organisation's carbon emissions for the period 1st January 2021 to 31st December 2021.

We have set 2020 as our baseline year and reported our total emissions using the financial control boundary. Our methodology aligns with Defra's Environmental reporting guidelines (2019) and uses the government's greenhouse gas reporting conversion factors (2021) to quantify emissions.
For the purposes of evaluating performance to date we have compared our emissions on a like for like basis against our baseline. We have restated the baseline year to reflect changes to the emission factors used for gas in 2020, gross cv has now been used rather than net cv. The electricity emission factor has also been updated.
Further information can be found below:

Emissions source	1st January 2020 – 31st December 2020 (Baseline Year)	1st January 2020 – 31st December 2020 (Baseline Restated)	1st January 2021 – 31st December 2021	Change	% Change
Fuel Consumed by Company Vehicles	399	399	399	0	0.1%
Purchased Gas Consumed within buildings	16,233	14,650	10,568	-4,081	-27.9%
Liquid Fuels Consumed within buildings	763	763	779	16	2.1%

STRATEGIC REPORT continued

Total Scope 1 (tCO2e)	**17,394**	**15,811**	**11,746**	**-4,065**	**-25.7%**
Purchased Electricity Consumed within buildings	6,848	7,836	6,983	-853	-10.9%
Total Scope 2 (tCO2e) - Location Based	**6,848**	**7,836**	**6,983**	**-853**	**-10.9%**
Total Scope 1 & 2 (tCO2e) - Location Based	**24,242**	**23,647**	**18,729**	**-4,918**	**-20.8%**
Intensity Metrics					
Turnover (£M)	2,220	2,220	2,291	71	3.2%
Number of Vehicles Produced	61,200	61,200	27,430	-33,770	-55.2%
Scope 1+2 emissions per £M turnover (kgCO2e/£M)	**10.92**	**10.65**	**8.17**	**-2.48**	**-23.3%**
Scope 1+2 emissions per vehicle produced (TCO2e/Vehicle)	**0.40**	**0.39**	**0.68**	**0.30**	**76.7%**

Emissions source	**1st January 2020 – 31st December 2020 (Baseline Year)**	**1st January 2020 – 31st December 2020 (Baseline Restated)**	**1st January 2021 – 31st December 2021**	**Change**	**% Change**
Electricity	33,609,900	33,609,900	32,885,495	-724,405	-2.2%
Gas	79,674,778	79,674,778	57,700,362	-21,974,416	-27.6%
Purchased Fuel	3,256,582	3,256,582	3,321,582	65,000	2.0%
Business Travel	1,787,513	1,787,513	1,787,513	-	0.0%
Total	**118,328,773**	**118,328,773**	**95,694,951**	**-22,633,822**	**-19.1%**

Emissions compared to our baseline have decreased this year mainly due to a decrease in vehicle production levels compared to 2020, this has decreased overall energy consumption by 19%. Overall emissions this year have decreased by 19% compared to the base year. Intensity metrics for carbon produced per vehicle also reflect this decrease as energy consumption is still relatively high compared to production which has halved, carbon per turnover has remained fairly static.

Our largest source of emissions is a direct result of the natural gas combustion, followed by electricity. Our overall strategy to pursue a program of energy efficiency combined with carbon mitigation measures such as the procurement of renewable electricity, this will be bolstered with programs to reduce and decarbonise heat across our estate.

Notable initiatives carried out this year include:

- The company has approved the project for 3 wet paint, which will allow us to switch off the primer oven and save large amounts of gas.
- The replacement of florescent lighting with energy efficient lighting – more than 600 lights have been replaced around the plant with LED lighting. Energy savings have been estimated at a minimum of 2131 MWH/year (considering the current shift numbers)

Further information on our calculations can be found in our GHG Methodology statement.

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

A Morales Facerias
Director
26 September 2022

VAUXHALL MOTORS LTD

DIRECTORS' REPORT

The Directors of Vauxhall Motors Limited ("the Company") present their annual report together with the audited financial statements and independent auditor's report for the year ended 31 December 2021.

GOING CONCERN

After review, the Directors 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 year ended 31 December 2021 (year ended 31 December 2020: £nil). No final dividend is proposed for the year ended 31 December 2021 (year ended 31 December 2020: £nil).

EMPLOYEE POLICIES

The Company operates an Equality Policy that is applied to all employees, contractors and agencies working for the Company. Current human resources policies are available for all employees to view on the Company intranet site. Quarterly consultation meetings, covering hourly and staff employee groups, are held with Unite the Union in order to review operational issues and human resources policies and procedures, as required.

EMPLOYMENT OF DISABLED PERSONS

The Company actively employs disabled persons 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.

STRATEGIC REPORT

Future developments and financial risks are addressed in the Strategic Report on page 3.

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.

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 year and subsequently:

P Willcox	appointed 24 February 2021
X Duchemin	resigned 31 January 2021
S Norman	resigned 9 March 2022
D Connell	resigned 18 October 2021

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.

DIRECTORS' REPORT continued

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.

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

A Morales Facerias
Director
26 September 2022

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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 VAUXHALL MOTORS LIMITED

Opinion

We have audited the financial statements of Vauxhall Motors Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state 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. 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 at least twelve 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.

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 our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VAUXHALL MOTORS LIMITED

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.

Matters on which we are required to report by exception
In 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 the 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 11, 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.

Auditor's 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of Vauxhall Motors Limited and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VAUXHALL MOTORS LIMITED

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, which we pinpointed to the cut-off assertion and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.

Louis Burns (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
First Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 27 September 2022

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2021

	Note	Year ended 31 Dec 21 £m	Year ended 31 Dec 20 £m
TURNOVER	2	2,316.1	2,220.2
Cost of sales		(2,174.9)	(2,119.8)
GROSS PROFIT		141.2	100.4
Distribution costs		(67.7)	(72.2)
Administrative expenses, including voluntary redundancy costs of £6.2m (2020: £2.6m)		(9.0)	(10.2)
Other operating income (Job Retention Scheme)		5.0	12.7
OPERATING PROFIT	3	69.5	30.7
Impairment of Fixed Asset	8	(23.7)	-
Profit on disposal of Fixed Asset	8	5.3	77.7
Net interest payable	4	(0.2)	(0.4)
Other finance charges	17	(1.2)	(2.2)
PROFIT BEFORE TAXATION		49.7	105.8
Tax credit on profit	5	27.9	(3.4)
PROFIT FOR THE FINANCIAL YEAR		77.6	102.4

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

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2021

	Year ended 31 Dec 21 £m	Year ended 31 Dec 20 £m
Profit for the financial year	77.6	102.4
Other comprehensive income:		
Actuarial gain recognised on the pension scheme (note 17)	35.1	(4.7)
Movement on deferred tax relating to pension deficit (note 16)	(8.8)	0.9
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	103.9	98.6

VAUXHALL MOTORS LTD

BALANCE SHEET
Year ended 31 December 2021

	Note	31 Dec 21 £m	31 Dec 20 £m
FIXED ASSETS			
Tangible assets			
- Land, buildings, plant, machinery and equipment	8	32.2	83.0
- Special tools, jigs and dies	9	6.5	64.8
Investments	10	1.2	1.1
		39.9	148.9
CURRENT ASSETS			
Stocks	11	198.0	239.8
Debtors			
-due within one year	12	484.2	517.5
-due after one year	12	33.3	26.1
Cash at bank and in hand		9.1	8.3
		724.6	791.7
CREDITORS:			
Amounts falling due within one year	13	(834.4)	(1038.9)
NET CURRENT LIABILITIES		(109.8)	(247.2)
TOTAL ASSETS LESS CURRENT LIABILITIES		(69.9)	(98.3)
CREDITORS:			
Amounts falling due after more than one year	14	(10.4)	(14.2)
PROVISIONS FOR LIABILITIES	15	(72.1)	(82.3)
NET LIABILITIES EXCLUDING NET PENSION LIABILITY		(152.4)	(194.8)
NET PENSION SCHEME LIABILITY	17	(31.5)	(93.0)
NET LIABILITIES INCLUDING NET PENSION LIABILITY		(183.9)	(287.8)
CAPITAL AND RESERVES	18		
Called up share capital		861.6	861.6
Capital reserve		20.1	20.1
Share-based payments reserve		0.0	0.0
Profit and loss account		(1,065.6)	(1,169.5)
SHAREHOLDERS' DEFICIT		(183.9)	(287.8)

These financial statements were approved by the Board of Directors on 26 September 2022 and are signed on its behalf by:

A Morales Facerias
Director

Company Registration No. 00135767

VAUXHALL MOTORS LTD

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2021

	Called up share capital £m	Capital reserve £m	Share-based payment reserve £m	Profit and loss account £m	Total £m
At 31 December 2019	**861.6**	**20.1**	**0.2**	**(1,268.1)**	**(386.2)**
Profit for the financial year	-	-	-	102.4	102.4
Actuarial gain on defined benefit pension schemes	-	-	-	(4.7)	(4.7)
Movement on deferred tax relating to pension deficit	-	-	-	0.9	0.9
Total comprehensive income	-	-	-	98.6	98.6
Capital contribution - pension transfers (note 17)	-	-	-	-	-
Movement in share-based payments reserve	-	-	(0.2)	-	(0.2)
Transfer from share-based payment reserve	-	-	-	-	-
Share Issue (note 18)	-	-	-	-	-
At 31 December 2020	**861.6**	**20.1**	**0.0**	**(1,169.5)**	**(287.8)**
Profit for the financial year	-	-	-	77.6	77.6
Actuarial gain (loss) on defined benefit pension schemes	-	-	-	35.1	35.1
Movement on deferred tax relating to pension deficit	-	-	-	(8.8)	(8.8)
Total comprehensive income	-	-	-	103.9	103.9
Movement in share-based payments reserve	-	-	-	-	-
Share Issue (note 18)	-	-	-	-	-
At 31 December 2021	**861.6**	**20.1**	**0.0**	**(1,065.6)**	**(183.9)**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and company law. The particular accounting policies adopted are described below and have been applied consistently in the current and preceding year.

General information and basis of accounting

Vauxhall Motors Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England and Wales.

The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements are prepared under the historical cost convention in conformity with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it under Section 1 paragraph 12. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel, and disclosure of intra-group related party transactions. The parent of the group in whose consolidated financial statements the Company's financial statements are included is Peugeot S.A. and its financial statements are readily available as set out in note 20.

Going concern

The Company's balance sheet at 31 December 2021 shows that the Company had net current liabilities of £128.8 million and net liabilities of £202.9 million.

The Company is reliant on funding from the European treasury operations of Opel Automobile GmbH ("Opel"). To meet its liquidity needs Opel is itself reliant on a revolving credit facility from a subsidiary of Stellantis N.V. Current funding agreements between Opel and the Company have no maturity date, but are subject to termination on 30 days' notice. The Directors anticipate that funding will continue to be made available on similar terms and Opel has indicated its willingness to continue to provide financial support to the Company for a period of at least 12 months from the date of these financial statements.

The Directors are satisfied that, as at the date of approval of these financial statements, having made appropriate enquiries of management of Stellantis, the Company 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 that such borrowings will continue to be made available to the Company, 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.

Going concern – COVID-19

Vauxhall Motors Ltd have been running with minimal staff to keep personnel safe and have taken advantage of the government's Coronavirus Job Retention Scheme (CJRS) which ended in September 2021. The government is paying a grant to UK employers to cover up to 80 per cent of the wages of employees whom they continue to pay but who would otherwise have been laid off because of the coronavirus (COVID-19) crisis. This is to safeguard jobs and avoid redundancies.

The directors have assessed the impact and Vauxhall Motors Ltd will continue to operate with continued support from the Group. New safety protocols have been developed in order to return to work and re-start production following government guidance.

Going concern – Semiconductor supply

The automotive industry has been adversely affected by the current global semiconductor shortage. A systematic gap between demand and supply has developed in the market, driven by structural imbalances and a fundamental supply chain mismatch. External shocks such as the Covid-19 pandemic have only exacerbated the situation, leaving manufacturer inventories at their lowest levels in years. Overall semiconductor demand is increasing by about 17% per annum, compared to a roughly 6% p.a. increase in manufacturing capacity between 2020 and 2022. The supply crunch will likely last into 2023 at least.

The directors have assessed the impact and Vauxhall Motors Ltd will continue to operate with continued support from the Group

Consolidated accounts

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

1. **ACCOUNTING POLICIES continued**

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Fixed assets are impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. 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	20 – 40 years
Plant, machinery and equipment	3 – 25 years

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.

Investments

Investments are stated at cost less any provision for impairment.

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.

Leases

Rentals in respect of operating leases are charged to the profit and loss account in equal annual instalments over the lease term.

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 it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are initially recorded at transaction price, including transaction costs, unless the arrangement constitutes a financing transaction. The Company's financial assets and liabilities are payable or receivable within one year and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of any impairment.

Financial assets are derecognised only where the contractual rights to the cash flows from the asset expire or are settled; or if the Company transfers the financial asset and substantially all the risks and rewards of

1. ACCOUNTING POLICIES continued

ownership of the asset to another entity; or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and estimated selling price less costs to sell, which is equivalent to the 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 year 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, restructuring and buybacks.

Termination payments

The Company immediately records termination payments as a liability and an expense on the basis of an irrevocable detailed formal plan. Amounts are measured at the best estimate of the expenditure required to settle the obligation at the reporting date, which for offers made to encourage voluntary redundancy may include expectations of numbers of employees accepting the offer.

Pension costs

The Company paid contributions to the VML 2017 Pension Plan ("VML 2017 Plan") during the year. The VML 2017 Plan is of the "defined benefit" type where pensions are determined by an employee's earnings level at retirement and length of service. The assets of the plan are held in trustee-administered funds and are completely separate from the assets of the Company.

Other companies in the Stellantis group of companies participate in the VML 2017 Plan. The Company is legally responsible for the VML 2017 Plan. There is no contractual agreement or stated policy for charging the costs of the defined benefit plan as a whole to other participating employers.

Defined benefit schemes are funded, with the assets of the schemes held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

1. **ACCOUNTING POLICIES continued**

Pension costs continued

In accordance with FRS 102 the fair value of the pension scheme 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.

The net interest cost on the net defined benefit liability is charged or credited to the profit and loss account as other finance charges or income.

Turnover

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 range from six months to five years 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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving key sources of estimation uncertainty are described below:

Pension obligations
The Company has a commitment to pay pension benefits to the members of the VML 2017 Plan over the long-term. The accounting cost of these benefits and the present value of the pension liabilities depend on such factors as the life expectancy of the members, price inflation and the discount rate used to calculate the net present value of the future pension payments. The Company uses estimates for these factors in determining the pension costs and liabilities incorporated into the financial statements. The assumptions reflect historical experience and the Company's judgement regarding future expectations.

The value of the net pension obligation at 31 December 2021 and the key financial assumptions used to measure the obligation are disclosed in note 17.

Deferred tax
Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits with an assessment of the effect of future tax planning strategies.

The deferred tax asset is based on future forecasts however the current COVID-19 crisis this has additional uncertainty to the future taxable profits and future projections.

2. TURNOVER

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

	Year ended 31 Dec 21 £m	**Year ended 31 Dec 20 £m**
Geographical analysis of turnover by destination:		
United Kingdom	1,786.1	1,648.5
Rest of Europe	530.0	571.7
	2,316.1	2,220.2

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

An analysis of the Company's revenue is as follows:	**Year ended 31 Dec 21 £m**	**Year ended 31 Dec 20 £m**
Sale of goods	2,316.1	2,220.2
Interest income	0.1	0.3
Revenue	2,316.2	2,220.5

3. OPERATING PROFIT

	Year ended 31 Dec 21 £m	Year ended 31 Dec 20 £m
Operating profit is arrived at after charging/(crediting)		
Depreciation of land, building, plant machinery and equipment	23.1	16.0
Impairment of land, building, plant machinery and equipment	22.8	-
Depreciation of special tools, jigs and dies	56.5	52.3
Impairment of special tools	0.9	-
Cost of inventory recognised as an expense	1,782.2	1,870.0
Impairment loss on inventory	0.1	-
Foreign exchange gain	(4.7)	4.2
Rentals under operating leases		
- hire of plant and machinery	0.2	0.7
- other operating leases	2.9	3.1
Sub lease rental income	(3.0)	(3.6)
Loss on disposal of Plant & Machinery	0.1	1.2
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's accounts for the year	0.4	0.4

Impairment losses on inventory are included in cost of sales.

As part of Stellantis N.V. Group's PACE! Plan, further voluntary separations programmes were implemented during the year relating to employees at the corporate headquarters in Luton & the manufacturing plant at Ellesmere Port. In 2021 the total amount charged to the profit and loss account within administrative expenses was £6.2 million (2020: £2.6 million).

4. NET INTEREST PAYABLE

	Year ended 31 Dec 21 £m	Year ended 31 Dec 20 £m
Interest payable		
- loans from group undertakings	(0.4)	(0.7)
Total interest payable	(0.4)	(0.7)
Interest receivable		
- loans to group undertakings	0.1	0.2
- other	0.1	0.1
Total interest receivable	0.2	0.3
Net interest payable	(0.2)	(0.4)

5. TAX CREDIT/(CHARGE)

	Year ended 31 Dec 21 £m	Year ended 31 Dec 20 £m
Current tax:		
UK corporation tax at 19% (year ended 31 December 2020 19%)	(3.6)	(4.9)
Adjustment in respect of prior periods	7.6	(0.1)
	4.0	(5.0)
Deferred tax (note 16)	23.9	1.6
Total tax	27.9	(3.4)

The tax assessed for the year differs to that resulting from applying the standard rate of corporation tax in the UK of 19% (year ended 31 December 2020: 19%).

The differences are explained below:

	Year ended 31 Dec 21 £m	Year ended 31 Dec 20 £m
Profit before tax	49.7	105.8
Tax at UK rate of 19% (year ended 31 December 2020: 19%) thereon	(9.5)	(20.1)
Effects of:		
Permanent expenses deductible for tax purposes	(0.6)	2.7
Prior period adjustments	7.6	(0.1)
Current year impact of rate change	8.7	3.7
Movement on DT previously not recognised	21.7	10.4
Total tax credit/(charge)	27.9	(3.4)

On 3 March 2021 it was announced that the UK corporation tax rate would increase to 25% with effect from 1 April 2023. The new rate of 25% was enacted on 10 June 2021. It has been applied in the measurement of the Company's deferred tax assets and liabilities at 31 December 2021.

There is no expiry date on timing differences or unused tax losses.

6. EMPLOYEES

	Year ended 31 Dec 21 No.	Year ended 31 Dec 20 No.
a. Average monthly number including executive directors:		
Salaried	598	593
Hourly	1,064	1,113
	1,662	1,706
	£m	£m
b. Costs		
Wages and salaries	72.0	72.7
Social security costs	6.8	6.5
Pension costs (note 17)	6.5	24.7
	85.3	103.9

The above costs do not include the termination benefits disclosed in note 3 arising from the voluntary separation programme of £6.2 million.

Share Based Payments to Directors:
Vauxhall Motors Limited's incentive scheme awards outstanding at 31 December 2021 consists of performance shares granted in the ordinary shares of the ultimate parent company (Stellantis), to certain beneficiaries. The amounts outstanding at 31 December 2021 consist of those shares awarded under the 2021 Performance Share Award Plans . The Plans are administered by the management Board of Stellantis and under this Plan, awards were granted on the basis of the performance of Stellantis over the years 2021 – 2024, with the plan vesting in 2024.
At 31 December 2021 there were 2 directors (2020: five) who participated in this Plan and the number of shares granted at that date, was 17,962 (2020: 19,320).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

7. EMOLUMENTS OF DIRECTORS

	Year ended 31 Dec 21 £'000	Year ended 31 Dec 20 £'000
Directors' emoluments	1,689.5	1,425.0
Gains made by directors on the exercise of share options	-	-
Aggregate of contributions paid in respect of money purchase pension schemes	0.5	11.3
Number of Directors who received, or became eligible to receive, shares during the year (*includes highest paid Director)	2*	5*
	No.	**No.**
Number of Directors who are members of a money purchase pension scheme	1	3
Number of Directors who are members of a defined benefit pension scheme	3	3
	£'000	**£'000**
In respect of the highest paid Director:		
Aggregate emoluments	441.6	272.4
Contributions paid in respect of a money purchase pension scheme	-	-
Annual pension accrued under a defined benefit pension scheme	-	-

The emoluments of certain Directors, including those of the highest paid Director, have been apportioned between the Stellantis group companies of which they are Directors. Also included within the above no directors exercised share options in the year (year ended 31 December 2020: Nil).

8. 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 January 2021	411.4	6.1	487.0	2.0	906.5
Additions	0.2	-	0.6	2.1	2.9
Transfers	-	-	0.8	(0.8)	-
Disposals	(10.5)	(0.6)	(2.6)	-	(13.7)
Impairment*	-	-	(22.8)	-	(22.8)
At 31 December 2021	401.1	5.5	463.0	3.3	872.9
Accumulated depreciation					
At 1 January 2021	382.1	5.4	435.5	0.5	823.5
Charge for the year	6.3	0.6	16.2	-	23.1
Transfers	-	-	-	-	-
Disposals	(2.7)	(0.6)	(2.6)	-	(5.9)
At 31 December 2021	385.7	5.4	449.1	0.5	840.7
Net book value					
At 31 December 2021	15.4	0.1	13.9	2.8	32.2
At 31 December 2020	29.3	0.7	51.5	1.5	83.0

In January 2021, freehold land & buildings were disposed of for £18m, realising a profit of £5.3m.

*An impairment charge of £22.8m was booked in December 2021, which consists of machinery and equipment at the Ellesmere Port plant relating to the production of the Astra, which has been made redundant as at 31st May 2022 with a zero net realisable value.

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

	£m
Cost	
At 1 January 2021	377.2
Additions	4.3
Disposals	(5.2)
Transfer	-
Impairment*	(0.9)
At 31 December 2021	375.4
Accumulated depreciation	
At 1 January 2021	312.4
Charge for the year	56.5
Disposals	-
Transfer	-
At 31 December 2021	368.9
Net book value	
At 31 December 2021	6.5
At 31 December 2020	64.8

*An impairment charge of £0.9m was booked in December 2021, which consists of special tools at the Ellesmere Port plant relating to the production of the Astra, which has been made redundant as at 31st May 2022 with a zero net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

10. INVESTMENTS

	31 Dec 21 £m Cost	31 Dec 20 £m Cost
Investments in dealership and other subsidiaries	-	-
Loans to dealership and other subsidiaries	0.9	0.9
Other investments	0.3	0.2
	1.2	1.1

Information in respect of movements during the year:

	Investments in Dealership & Other Subsidiaries £m	Loans to Dealership & Other Subsidiaries £m	Other Investments £m	Total £m
Balance at 31 December 2020	-	0.9	0.2	1.1
Additions	-	-	0.1	0.1
Disposals	-	-	-	-
Balance at 31 December 2021	-	0.9	0.3	1.2

Information in respect of subsidiary companies:

Subsidiary Company (incorporated within the United Kingdom)	**Motors Properties (Trading) Limited**	**Vauxhall Trade Parts Limited**
Ordinary shares held	100%	100%
Principal activities	Purchasing, selling and repairing of motor vehicles and other ancillary services	Wholesaling of automotive parts to the motor trade
Registered Address	Citypoint,16th Floor, One Ropemaker Street London EC2Y 9AW	Chalton House UK1-101-135 Luton Road Chalton Luton Bedfordshire LU4 9TT

Motors Properties (Trading) Limited was dissolved on 10 August 2021.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

11. STOCKS

	31 Dec 21 £m	31 Dec 21 £m	31 Dec 20 £m	31 Dec 20 £m
Raw materials and work in progress		29.1		28.4
Finished product:				
Motor vehicles	19.1		58.6	
Parts and accessories	10.3		9.3	
Total finished goods		29.4		67.9
Motor vehicles sold under sale and repurchase agreements		139.5		143.5
		198.0		239.8

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

12. DEBTORS

	31 Dec 21 £m	31 Dec 20 £m
Amounts falling due within one year:		
Trade debtors	0.6	5.7
Amounts owed by parent and fellow subsidiary undertakings*	453.1	484.6
Corporation tax	3.6	-
Other debtors	5.2	8.1
Prepayments and accrued income	6.1	11.3
Deferred tax (see note 16)	15.6	7.8
	484.2	517.5
Amounts falling due after one year:		
Deferred tax (see note 16)	33.3	26.1
	517.5	543.6

*The average terms for group debtors is 48 days.

The movement in deferred tax expected to occur next year is £15.6 million (2020: £7.8 million), relating to the movement of existing timing differences on fixed assets, tax losses and pensions. The remaining £33.3 million (2020: £26.1 million) will reverse after more than one year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 21 £m	31 Dec 20 £m
Trade creditors	87.5	125.6
Amounts owed to parent and fellow subsidiary undertakings*	295.1	448.0
Taxation and social security	95.2	84.1
Corporation tax	-	2.8
Group relief payable	-	1.2
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	166.7	155.3
Accruals and deferred income	184.1	221.4
Other creditors	5.8	0.5
	834.4	1,038.9

* The average terms for group creditors is 65 days.

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

	31 Dec 21 £m	31 Dec 20 £m
Deferred income	-	0.3
Accruals *	4.8	7.3
Other creditors	-	-
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	5.6	6.6
	10.4	14.2

* There is a lump sum payment recognised for members of the DB Pension scheme that have been transferred to the DC Pension scheme of £3.9 million, of which £2.0 million will be paid after more than one year.

15. PROVISIONS FOR LIABILITIES

	£m P&W	£m Restructuring
At 31 December 2020	79.8	2.5
Charged in the year	53.7	6.4
Utilised	(44.6)	(4.5)
Released	(20.0)	(1.2)
At 31 December 2021	**68.9**	**3.2**

The policy and warranty provision is expected to crystallise within three years, and the restructuring provision within 12 months.

16. DEFERRED TAXATION

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 expected to be realised over the period for which taxable profits can be reasonably forecast.

Deferred taxation provided for at 25% (2020: 19%) in the financial statements is set out below:

	Pensions deficit £m	Losses £m	Capital allowances in excess of depreciation £m	Total £m
At 1 January 2021	12.4	6.0	15.5	33.9
Movement in the year:				
Profit and loss account	4.1	3.4	12.3	19.8
Profit and loss account – Rate change	1.5	0.7	1.8	4.0
Other comprehensive income	(8.8)	-	-	(8.8)
At 31 December 2021	9.2	10.1	29.6	48.9

£48.9 million of the total deferred tax asset has been recognised as at 31 December 2021 (2020: £33.9 million) based on likely timing and level of future taxable profits.

As at 31 December 2021 the amount of unused tax losses is £407.9 million (2020: £432.1 million). There is no expiry date on timing differences or unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

17. PENSIONS

The company has paid contributions to the VML 2017 Pension Plan ("VML 2017 Plan"). The plan is a "defined benefit" type where pensions are determined by an employee's earnings level at retirement and length of service. The assets of the plan are held in trustee-administered funds and are completely separate from the assets of the Company.

The company also makes contributions to a "defined contributions" type scheme. The former scheme was named the Vauxhall Defined Contribution Pension Plan ("VDCPP") and was closed in February 2020 where all the funds were transferred to the new plan, named "PSA Retirement Savings Account", which is a Master Trust administered by Fidelity on behalf of the Plan Trustee and its assets are held by independent managers.

As at 31st January 2021, the company decided to close the VML 2017 pension plan to future accrual.

NEW VOITH PENSION PLAN

In 2020, the Company insourced its cleaning activity at Ellesmere Port with a defined benefit pension plan, known as the VOITH pension plan. As at 31st December 2021, the value of plan assets is £2.4M and plan obligations £2.6M with a net liability of £0.2M.

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.

Date of the most recent comprehensive actuarial valuation

Actuarial valuations for funding purposes are carried out at least every three years. The first such actuarial valuation of VML 2017 Plan was carried out and agreed on 31st March 2022. For accounting purposes, the Company has employed an independent actuary to carry out an annual valuation to determine the DBO and pension cost. The most recent annual accounting disclosure valuations were based on census data collected as at 31 December 2021.

Pension cost

The Company's total charge to operating profit for the year ended 31 December 2021 was £11.4 million (year ended 31 December 2020: £22.5 million) and relates to VML 2017 Plan and PSA Retirements Savings plan.

The total charge relating to the PSA Retirements Savings Plan alone amounted to £10.1 million (year ended 31 December 2020: £14.6 million).

Contributions to the Pension Plans

The Company made contributions to the plans in the year ended 31 December 2020 of £29.1 million (year ended 31 December 2020: £49.5 million). A further £0.1 million was contributed by another group company (2019: £1.0 million).

From 29 March 2019 the Company will pay additional contributions under a Schedule agreed with the Trustees of the VML 2017 Plan as follows:

For the period from:	to:	£'000
1 January 2022	31 December 2022	9,638.0
1 January 2023	31 December 2023	938.0
1 January 2024	31 December 2024	2,000.0
1 January 2025	31 December 2025	2,000.0
1 January 2026	31 December 2026	2,500.0
1 January 2027	31 December 2027	2,500.0

17. PENSIONS continued

Financial Reporting Standard 102 "Post-employment Benefits"

Vauxhall Motors Limited is required to account for VML 2017 Plan on a defined benefit basis

The VML 2017 Plan into which the Company contributed thereafter were multi-employer schemes. In the opinion of the Directors, sufficient information was not available to use defined benefit accounting to separate out the assets and liabilities of the scheme between different group companies which contribute to it. IBC Vehicles Limited, a participating employer in both plans, was not required under either plan's Schedule of Contributions to pay contributions to fund any deficit in either scheme. Accordingly its participation in the VML 2017 Plan is accounted for on a defined contribution basis in the financial statements of IBC Vehicles Limited.

Employee benefit obligations
The amounts recognised in profit or loss are as follows:

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Service cost in the current period	1.6	19.9
Plan introductions, changes, curtailments and settlements	-	(10.5)
Net interest on net defined benefit liability	1.2	2.2
Defined benefit cost recognised in the profit and loss account	2.8	11.6
Administration costs incurred during the period	-	-
Cost of termination benefits (note 6)	-	1.4
Cost recognised in the profit and loss account	2.8	13.0

The actual return on plan assets was £5.9 million (31 December 2020: £4.6 million).

The amounts recognised in Other Comprehensive Income in respect of the defined benefit schemes are as follows:

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Actuarial (profit)/loss arising during the period	(44.0)	(22.6)
Return on plan assets greater than discount rate	(4.7)	(3.2)
Changes in assumption	13.6	30.5
Remeasurement effects recognised in Other Comprehensive Income	(35.1)	4.7

17. PENSIONS continued

The total costs relating to the schemes are as follows:

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Cost recognised in the profit and loss account	2.8	13.0
Remeasurement effects recognised in Other Comprehensive Income	(35.1)	4.7
Total cost/(credit) relating to the defined benefit schemes	(32.3)	17.7

The amounts recognised in the balance sheet are as follows:

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Present value of defined benefit obligations	(153.3)	(183.8)
Fair value of scheme assets	122.0	91.0
Net defined benefit liability *	(31.3)	(92.8)

* In addition to the £31.3 million liability for the VML 2017 Plan, there is a net liability of £0.2m for the VOITH pension plan (2020, £0.2m), which is made up of the value of plan assets of £2.4m and plan obligations of £2.6m. This then totals £31.5m as a net defined pension liability, (£93.0m for year ended 2020)

Made up of:

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Opening net defined benefit liability	(92.8)	(125.7)
Net interest cost	(1.2)	(2.2)
Changes in assumption	(13.6)	(30.5)
Remeasurement effects	48.7	25.8
Effect of employee service in the current period	(1.6)	(19.9)
Termination benefits	-	(1.3)
Employer contributions	29.2	50.5
Expenses	-	-
Plan introductions, changes, curtailments and settlements	-	10.5
Divestitures	-	-
Net defined benefit liability	(31.3)	(92.8)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

17. PENSIONS continued

Changes in the defined benefit obligation are as follows:

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Opening defined benefit obligation	183.8	166.1
Effect of employee service in the current period	1.6	19.9
Changes in assumption	13.6	30.5
Interest cost	2.4	3.6
Remeasurement effects recognised in Other Comprehensive Income	(44.0)	(22.6)
Plan participants' contributions	-	-
Benefits paid from plan assets	(4.1)	(4.5)
Cost of termination benefits (note 6)	-	1.3
Plan introductions, changes, curtailments and settlements	-	(10.5)
Divestitures	-	-
Closing defined benefit obligation	153.3	183.8

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

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Opening fair value of plan assets	91.0	40.4
Interest income on plan assets	1.2	1.4
Return on plan assets greater than discount rate	4.7	3.2
Employer contributions	29.2	50.5
Plan participants' contributions	-	-
Benefits paid	(4.1)	(4.5)
Administration costs paid	-	-
Reversal of irrecoverable surplus	-	-
Divestitures	-	-
Closing fair value of plan assets	122.0	91.0

17. PENSIONS continued

The major category of plan asset is as follows:

	VML 2017 Plan 31 Dec 21 £m	VML 2017 Plan 31 Dec 20 £m
Cash and cash equivalents	12.2	17.2
Equity Instruments	59.1	38.2
Debt Instruments	45.6	28.6
Other	5.1	7.0
Total fair value of assets	122.0	91.0

The principal actuarial assumptions at the balance sheet date were as follows:

VML 2017			
Date for actuarial assumptions		**31 Dec 2021**	**31 Dec 2020**
Plan participant census date		31 Dec 2021	31 Dec 2020
Discount rate for scheme liabilities	% pa	1.82	1.30
RPI inflation	% pa	3.40	2.95

Assumptions at 31 December 2021

	2021	**2020**
Assumed retirement age	65 for main benefit and top up pension 65 for SAP benefit	62 for main benefit and top up pension 65 for SAP benefit
Mortality assumptions:		
Base mortality table: SAPS 'S2'	110% for males 105% for females	110% for males 105% for females
Future improvements in longevity	CMI 19 projections with a 1.25% p.a. long term rate of improvement	CMI 19 projections with a 1.25% p.a. long term rate of improvement

18. CAPITAL AND RESERVES

	31 Dec 21 £m	31 Dec 20 £m
Called up, allotted and fully paid:		
Ordinary Shares of £1 Each		
861,608,917 (31 December 2019: 861,608,917) ordinary shares of £1 each	861.6	861.6

Called-up share capital represents the nominal value of shares that have been issued. The Company has one class of ordinary shares which carry no right to fixed income.

Where Stellantis grants rights or share options over its shares to employees of the Company, the Company records a credit directly to the share-based payment reserve in equity equal to the charge recorded in the profit and loss account as determined in accordance with the requirements of section 26 of FRS 102.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

19. COMMITMENTS

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

	31 Dec 21 £m	31 Dec 20 £m
Committed	3.4	7.7

(b) At 31 December 2021 the total future minimum lease payments under non-cancellable operating leases are as follows:

Operating leases – lessee	31 Dec 21 £m	31 Dec 20 £m
Payments for periods		
not later than one year	2.7	3.2
later than one year and not later than five years	10.7	11.8
later than five years	6.0	10.6
	19.4	25.6

(c) At 31 December 2021 the total future minimum rent receivables under non-cancellable operating leases are as follows:

Operating leases – lessor	31 Dec 21 £m	31 Dec 20 £m
Payments for periods		
not later than one year	0.8	1.6
later than one year and not later than five years	1.4	1.9
later than five years	0.6	0.4
	2.8	3.9

20. ULTIMATE PARENT COMPANY

At 31 December 2021, 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 Stellantis N.V. The financial statements of Stellantis N.V. are available from its registered office at Taurusavenue 1, 2132 LS Hoofddorp, The Netherlands

The immediate parent company and controlling entity of the Company and the parent of the smallest group for which consolidated accounts are prepared of which this Company is a part, is Opel Automobile GmbH, a company registered in Germany. The financial statements of Opel Automobile GmbH are available from its registered office Bahnhofsplatz, 65423 Rüsselsheim am Main, Germany.

21. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption granted by paragraph 33.1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with Stellantis group companies or interests of the Stellantis group who are related parties.

The company has related transactions with Vauxhall Finance & GEFCO Group, in which the parent company Stellantis, owns a shareholding of 50% & 25% respectively.

100% of the interest in GEFCO Group was disposed of in April 2022.

The company owned shareholdings of 46.34% with Faurecia Group and has disposed of their interest as at 31st December 2021.

The following table summarises related party transactions in the ordinary course of business.

	Sales to related parties £m	Purchases from related parties £m
Vauxhall Finance		
2021	0.8	34.4
2020	2.8	8.9
Gefco		
2021	-	4.6
2020	-	3.2

As detailed in note 17, the Company made contributions to the VML 2017 Pension Plan ("VML 2017 Plan"). Pension's administration costs were previously incurred by the Company and recharged to two plans within its group thereafter. From April 2019 each company has borne its own cost and these costs will not be recharged to the two plans. The cost incurred by the company for the VML 2017 Pension Plan for the year ended 31 December 2021 was £0.4m. (2020: £0.4m)

Up to 31 July 2017, the Company incurred pension investment costs which were charged to the Common Investment Fund into which the two pension plans within its group were invested. In due course the Company may incur pension investment costs which will also be charged to VML 2017 Plan, however there are no amounts to be disclosed in the current year (year ended 31 December 2020 £nil).

22. SUBSEQUENT EVENTS

There is nothing to report in regards to subsequent events.