

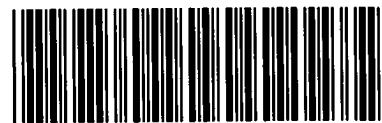
Company Registration No. 00135767

VAUXHALL MOTORS LTD

Annual Report and Financial Statements

For the year ended 31 December 2022

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VAUXHALL MOTORS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2022

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VAUXHALL MOTORS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS 31 DECEMBER 2022

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M G Davino
A Morales Facerias

SECRETARY

M E Page

REGISTERED OFFICE

Pinley House
2 Sunbeam Way
Coventry
West Midlands
CV3 1ND

BANKERS

Barclays Bank PLC
London

ACTUARY

Deloitte Total Reward and Benefits Limited
Hill House
1 Little New Street
London
EC4A 3TR

ACTUARY ADVISOR

Mercer Health & Benefits LLC
155 North Wacker Drive, Suite 1500
Chicago, IL 60606

AUDITOR

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

VAUXHALL MOTORS LTD

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The Company manufactures, markets and services Vauxhall branded passenger cars and light commercial vehicles and supplies vehicles to other Stellantis N.V. group companies in Europe (Stellantis N.V is the Ultimate Parent Company) 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 production of the Astra ceased in April 2022 and the Ellesmere Port plant is undergoing transformation to produce battery electric vehicles. Since the end of March 2022, Warehouse activities have been transferred to a fellow subsidiary, Peugeot Motor Company (PMC), and all Parts inventory is managed within PMC. Since 2019, the company has received its share of the profit on the sale of parts and accessories (P&A) based on a pre-determined profit share agreement. Vauxhall allocation was 53.41% until end of 2022.

The Company's sales and marketing activities, as well as corporate headquarters' functions are located in Coventry at Pinley House, a change of location from Chalton House in Luton on 18 November 2022.

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.

Ellesmere Port will produce fully battery electric vehicles safeguarding the future of its supply chain for the next decade.

BUSINESS REVIEW

Total UK Passenger Car sales in the year ended 31 December 2022 were 83,691 cars (year ended 31 December 2021: 91,452 cars) with a market share of 5.19%, a decrease of 0.36%. For the year ended 31 December 2022, the total UK Passenger car market reported a decrease of 0.99% (year ended 31 December 2021: 29.4% decrease).

Within the UK, Vauxhall's share of the retail car market for the year was 4.9% (year ended 31 December 2021: 5.4%) and retail volume decreased by 3,146 units, 7.3% compared to 2021. Fleet car market share was 5.5% (year ended 31 December 2021: 5.7%) with volume decreasing by 4,615 units, 10.6% compared to 2021.

Success with Corsa continued from the start of 2022, winning 'Small Car of the Year' at the Company Car & Van Awards. Vivaro and Vivaro-e were also winners in their respective 'Medium Van of the Year' categories at the same awards. Corsa also retained its crown of 'Best Fleet Supermini' from Fleet World, with Vivaro-e once more winning at the same awards – the title of 'Best EV Van'. The Combo Life Electric was named 'Best Electric MPV' at the What Car? Electric Awards and the All-New Astra was deemed 'Best Family Car' at the Business Car Awards. The Combo Electric was awarded 'Best Small Electric Van' by DrivingElectric, but arguably the highlight of 2022 came in the form of All-New Astra being recognised as 'Best Family Hatch' by Top Gear, making it two years in a row for the Vauxhall brand at the Top Gear Awards.

Vauxhall's total light commercial vehicle market share decreased from 10.77% for the year ended 31 December 2021 to 9.45% for the year ended 31 December 2022; sales volume decreased by 6,617 units, 19.3% compared to 2021 in a market which reported a 20.6% overall decrease.

Total production volume at Ellesmere Port for the period decreased to 9,504 units (year ended 31 December 2021: 27,429 units) mainly due to the production of the Astra ceasing in April 2022, since then the plant has been non-operational due to the refurbishments taking place for the production of the all-electric EK9 model. There were zero exported units for the period (year ended 31 December 2021: 27,519 units).

FINANCIAL REVIEW

Operating profit decreased from £69.5 million in the year ended 31 December 2021 to £47.8 million in the year ended 31 December 2022.

The Company reported profit before tax in the year ended 31 December 2022 of £67.3 million (year ended 31 December 2021: £49.7 million). The current period includes an exceptional profit on the sale of land and buildings of £15.0 million (£5.3 million for the year ended 31 December 2021), and costs associated with the Company's voluntary redundancy programme of £8.8 million (£6.2 million for the year ended 31 December 2021).

Excluding voluntary redundancy costs, distribution costs and administrative expenses decreased to a total of £64.2 million from a total of £70.5 million in the year ended 31 December 2022. Net interest received increased to £3.5 million from a payable position of £0.2 million in the previous year.

STRATEGIC REPORT continued

FINANCIAL REVIEW CONTINUED

During the year ending 31 December 2022, 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 charge of £2.2 million (2021 £23.9 million credit) in profit and loss, and a deferred tax credit of £0.6 million (2021 £8.8 million charge) relating to the Company's pension scheme recorded through other comprehensive income.

Tangible fixed assets increased by £71.9 million from £39.9 million at 31 December 2021 to £111.8 million at 31 December 2022, principally due to the additional assets required for the transformation of the Ellesmere Port plant to produce the all-electric EK9 model.

Current assets decreased by £188.3 million from £724.6 million at 31 December 2021 to £536.3 million at 31 December 2022, principally attributed by a decrease of £111.7 million in amounts owed by parent and fellow subsidiary undertakings and a decrease in inventory of £66.1 million.

Current liabilities decreased by £217.8 million from £834.4 million at 31 December 2021 to £616.6 million at 31 December 2022. This principally reflects a decrease in amounts owed to group undertakings of £128.7 million and a decrease in the liability for vehicles sold under sale and repurchase agreements of £106.7 million.

Net liabilities excluding net pension liabilities decreased by £60.9 million to £91.5 million (31 December 2021: £152.4 million) resulting from the changes described above. As detailed in note 17, the net pension liability decreased by £9.9 million to £21.6 million, which includes a net liability of £0.2 million for the Voith pension plan.

FUTURE DEVELOPMENTS

2023 has seen the launch of GSe, our electric performance sub-brand with new plug-in hybrid engines on the All-new Astra hatch & Grandland. The all-new Astra electric hatch will go on sale in Q2, making all-new Astra fully electric for the first time. Sports Tourer electric will launch towards the end of the year.

The final Astra has rolled off the production line on 6 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 have taken place with Vendors, and the plant is being redesigned throughout 2022 and 2023 with an expected launch of the EK9 in quarter 4 of 2023. March 2024 will bring the face lift Mid Cycle Minor/Major (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 and their representatives throughout the year. Key issues are consulted with the recognised Trade Union (UNITE the Union) and a directly represented Employee Forum (for non-Trade Union represented employees) on a regular basis. Additionally the Company complies with legal requirements for collective consultation with appropriate Trade Union and directly nominated Employee Representatives when required to do so under law.

GOING CONCERN

The Company's balance sheet at 31 December 2022 shows that the Company had net current liabilities of £80.3 million and net liabilities of £113.1 million.

The Company is reliant on funding from the European treasury operations of Stellantis International to which surplus cash is swept under the intercompany treasury services agreement. To meet its liquidity needs, Stellantis International is itself reliant on a revolving credit facility from a subsidiary of Stellantis N.V. Current funding agreements between Stellantis International 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. The Company has also received confirmation from Enlarged Europe management of Stellantis N.V. which indicates its willingness to continue to provide financial support to the Company for a period of 12 months from the date these financial statements were approved.

STRATEGIC REPORT continued

GOING CONCERN CONTINUED

The Directors are satisfied that, as at the date of approval of these financial statements, having made appropriate enquiries of management of Enlarged Europe region of Stellantis N.V., the region will have liquidity and the ability to continue to support the company such that the Company will continue to meet its liabilities as they fall due for a period of 12 months from the date of approval of these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

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 above.

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 Stellantis International (Stelli.Int.), 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 Stellantis International, another subsidiary of Stellantis N.V. Current funding agreements between 'Stelli.Int.' and the Company have no maturity date, but are subject to termination on 30 days' notice. To meet its liquidity needs 'Stelli.Int.' 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 'Stelli.Int.', including the Company, does not remain within its borrowing limits, or generate sufficient funds to enable repayment of the revolving credit facility over this period, it will require additional financing to continue in operations. This exposes the Company to liquidity risk, as there is no certainty that such additional financing will be forthcoming. The directors continue to monitor and manage this risk through timely discussions with 'Stelli.Int.' 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.
- With current forecast market conditions in the motor industry, there are additional risks that will be inherent in trading; these include the recoverability of trade receivables and net realisable values of stocks, which are monitored closely by the Company's risk committee and finance department.
- The scale and speed of the automotive market transition to the hybrid and electric vehicles, now required to meet the identified climate change objectives, will need further public incentives and investments to encourage more private buyers to purchase electric vehicles and the network of electric charging points remains an obstacle. Although the supply chains are starting to stabilize and semiconductor shortages continue to ease, there is still a level of unpredictability that could potentially still affect production in 2023.
- The outbreak of war in Ukraine in the first half of 2022 is still unpredictable in terms of future developments and it is still representing a major threat to the control of the inflation and the related consequences on the economy not the least the demand on vehicles.
- The Company is rapidly upgrading its engine technologies and continuously moving towards increasing available range of hybrid and electric products within the required time frame.

STRATEGIC REPORT continued

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

- 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 the company's 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.
- 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. 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 until the end of 2023 at least.

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 2022.

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;	<p>In light of the rapid pace of change within our industry and the wider economic context in 2022, significant business planning and regular strategic reviews ensure the Board proactively manages costs and other business risks to protect the Company and stakeholders.</p> <p>In 2022, work commenced on the redevelopment of our Ellesmere Port Manufacturing site to establish a modern and sustainable facility to manufacture electric vehicles in response to the UK's Zero emission vehicle mandate and increasing demand from consumers.</p>
(b) the interests of the Company's employees;	<p>There is an emphasis on employee personal development and training, with annual performance appraisals conducted and future development opportunities discussed. Individuals have access to a wide range of on-line courses provided by the Global Learning team, and employees are able to participate in talent initiatives to encourage the realisation of the potential of our workforce.</p> <p>The Company holds regular meetings and consultation with the Trade Union and Employee Forum representatives to retain constant two-way flow of communication.</p> <p>The UK Group continued its recruitment of Industrial Placement students, Graduates and Degree 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.</p>
(c) the need to foster the Company's business relationships with suppliers, customers and others;	<p>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;</p> <p>Our own Training Centre, The Performance Academy, provides continuous support to our dealership network. The Company is also part of the Stellantis supplier management processes, which include awards to recognise and celebrate excellence in our supply chain.</p>
(d) the impact of the Company's operations on the community and the environment;	<p>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 careers, which have now been re-established on a face-to-face basis for the first time since COVID restrictions. The Company has also promoted the</p>

STRATEGIC REPORT continued

	<p>importance of diversity in engineering and specifically focused on women in engineering, recently welcoming female students from seven local schools to our Ellesmere Port plant to celebrate International Women in Engineering Day.</p> <p>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.</p> <p>The Green Factory programme is driving the move towards a net carbon neutral manufacturing objective.</p>
(e) the desirability of the Company maintaining a reputation for high standards of business conduct; and	<p>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 and the availability of an anonymous Integrity Helpline to allow the anonymous reporting of concerns. The Company also continues to invest in strengthened GDPR activities to educate and inform the workforce on the importance of this topic.</p>
(f) the need to act fairly as between members of the Company.	<p>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 includes Group approval of annual budgets, medium term plans and new product launches.</p>

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 2022 to 31st December 2022.

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 (2022) 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 and against last year. Further information can be found below:

VAUXHALL MOTORS LTD

STRATEGIC REPORT continued

Emissions source	2020 Baseline Year	2021	2022	Change against previous year	% Change against previous year	Change against baseline year	% Change against baseline year
Direct Fugitive Emissions from Refrigeration, Air Conditioning etc - Refrigerant Gas	-	-	-	-	0%	-	0%
Direct Emissions from Mobile Combustion Sources - Vehicle Fuel Consumption	399	399	468	69	17%	69	17%
Direct Emissions from Stationary Combustion - Natural Gas Consumption	14,650	10,568	8,332	-2,236	-21%	-6,318	-43%
Direct Emissions from Stationary Combustion - Onsite Fuel Consumption	763	1,186	94	-1,092	-92%	-669	-88%
Total Scope 1 (tCO₂e)	15,812	12,153	8,894	-3,259	-27%	-6,918	-44%
Indirect Emissions from Purchased Electricity	7,836	6,983	4,321	-2,662	-38%	-3,515	-45%
Total Scope 2 (tCO₂e) - Location Based	7,836	6,983	4,321	-2,662	-38%	-3,515	-45%
Total Scope 1 & 2 (tCO₂e) - Location Based	23,648	19,136	13,215	-5,921	-31%	-10,433	-44%
Intensity Metrics							
Vehicles Produced (No)	61,200	27,430	9,505	-17,925	-65%	-51,695	-84%
Scope 1+2 emissions per unit (tCO ₂ e/Vehicle)	0.39	0.70	1.39	0.69	99%	1	256%
Turnover (£M)	2,220	2,291	2,298	7	0%	78	4%
Scope 1+2 emissions per unit (tCO ₂ e/£M Turnover)	10.65	8.35	5.75	-2.60	-31%	-4.90	-46%

Energy Consumption by source	2020 Baseline Year	2021	2022	Change against previous year	% Change against previous year	Change against baseline year	% Change against baseline year
Electricity	33,609,900	32,885,495	22,342,950	-10,542,545	-32.1%	-11,266,950	-33.5%
Gas	79,674,778	57,700,362	45,645,807	-12,054,555	-20.9%	-34,028,971	-42.7%
Purchased Fuel	3,256,582	3,317,678	426,179	-2,891,499	-87.2%	-2,830,403	-86.9%
Business Travel	1,787,513	1,779,628	2,038,793	259,165	14.6%	251,280	14.1%
Total	118,328,773	95,683,163	70,453,729	-25,229,434	-26.4%	-47,875,044	-40.5%

STRATEGIC REPORT continued

2022 emissions compared to our baseline (and last year) have decreased primarily due to Ellesmere Port shutting down production at the end of March 2022 (enabling us to restructure and rebuild our processes to the produce electric vehicles in 2023). Compared to last year, our scope 1 and 2 emissions drastically decreased (-38%), with the largest decrease being in onsite fuel consumption (-92% decrease), followed by purchased electricity (-38%) and then natural gas (-21%) with vehicle fuel consumption showing the only increase in emissions (17%). A similar pattern is found when comparing the overall decrease in emissions in 2022 to the baseline; as scope 1 and 2 emissions decreased by 44%, with the largest decrease being in onsite fuel emissions (-88%), followed by electricity (-45%), then natural gas (-43%), and lastly a small increase in vehicle fuel used (17%).

This emphasises that our fuel mix is similar to previous years, however the amount we typically use has decreased. When looking at consumption, our fuel mix is largely comprised of natural gas (65%), followed by electricity (32%) then business travel (3%) and onsite fuel (>1%).

Whilst this transformation process was underway and stalled the production of vehicles, our turnover slightly increased in 2022 compared to both the baseline and last year, leading to a decrease in our tCO₂e/turnover energy intensity ratio (-31% compared to last year, and -46% compared to the baseline); further demonstrating how improvements in energy efficiency continues to positively impact our business.

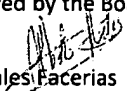
Notable initiatives carried out this year include:

- Ellesmere Port plant stopped production of Astra Sports Tourer at the end of March 2022, and transitioned its production to the production of 100% Electric Light Commercial Van, the production of which has started in September 2023.
- Production process shrunk leading to the closure of one building of approximately 100,000ft² (where we previously housed our bodyshop). Our bodyshop will now be incorporated into one building with our Press Shop and General Assembly to improve production flow.
- Removed numerous fixed production lines and removed any energy intensive extraction equipment due to the fact that our new vehicle is 100% electric.
- The paint process has also undergone major process changes moving to a 4 wet process which due to shorter flash off times enables us to reduce our production lines from two top coat paint lines and one primer line to just one top coat line giving both electrical and gas savings.

Future plans for installation of 4MW solar panels on the roof and ground mount and the installation of 2 x 2MW Combined Heat and Power (CHP) units to replace our aging 4 x 20MW boilers, although initially they will burn gas with small modifications they can be converted to burn Hydrogen and take advantage of the Hynet Hydrogen Production facility under construction approx. 6km away from the plant helping us to become CO₂ free by the end of the decade.

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 Facerías
Director
26 January 2024

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 2022.

GOING CONCERN

After review, the Directors continue to adopt the going concern basis in preparing the financial statements. Please refer to the strategic report.

DIVIDENDS

No dividends were paid during the year ended 31 December 2022 (year ended 31 December 2021: £nil). No final dividend is proposed for the year ended 31 December 2022 (year ended 31 December 2021: £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. Regular 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 is proud to be an equal opportunity Employer, committed to providing equal employment opportunity regardless of race, colour, religion, sex, national origin, sexual orientation, disability, or gender identity. In relation to the employment of disabled persons. The Company makes reasonable adjustments to the workplace where necessary to enable the recruitment of disabled persons. In situations where Employees become disabled during the course of their employment they will be given opportunities and support to continue to undertake their current job role or, where this is not possible, to support them to be trained to undertake other suitable positions within the business.

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 subsequent changes in Directors :

P Willcox	resigned 31 August 2023
J Townsend	resigned 31 August 2023
M Noble	resigned 31 August 2023
M G Davino	appointed 31 August 2023

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.

VAUXHALL MOTORS LTD

DIRECTORS' REPORT continued

AUDITOR

For the year ended 31 December 2022, Ernst & Young LLP have been appointed as auditors of the Company. .

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 January 2024

VAUXHALL MOTORS LTD

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 in accordance with section 10 of FRS 102 and then apply them consistently;
- make judgements and 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 102 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 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 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.

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

VAUXHALL MOTORS LTD

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

Opinion

We have audited the financial statements of Vauxhall Motors Limited for the year ended 31 December 2022 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 23, 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 company's affairs as at 31 December 2022 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 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.

VAUXHALL MOTORS LTD

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 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 12, 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 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.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, environmental and data protection.
- We understood how Vauxhall Motors Limited is complying with those frameworks by making enquiries of management and those responsible for legal and regulatory matters and compliance. We corroborated these enquiries through our review of policies and board meeting minutes. We reviewed management's entity level controls to understand the company's culture of honest and ethical behaviour, including the emphasis on fraud prevention.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by performing inquiries of management and those charged with governance as to established policies and procedures that exist. 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. We determined there to be risk on revenue recognition including management override of controls through top-side journal entries and cut off. To address the fraud risk, we have obtained the entire population of journals posted during the year and used data analytics to identify specific transactions for further investigation based on certain criteria. We understood the transactions identified for testing and agreed them to source documentation. Further, to address the risk on cut off, we have selected transactions near the period end and agreed them with underlying evidence and contracts.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance laws and regulations, enquiries of local and group internal legal counsel, reading of litigation summaries, reading board minutes and obtaining confirmation from external legal counsel.

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.

Ernst & Young LLP

Lauren Houghton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

Date: 26 January 2024

VAUXHALL MOTORS LTD

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2022

	Note	Year ended 31 Dec 22 £m	Year ended 31 Dec 21 £m
TURNOVER	2	2,297.9	2,316.1
Cost of sales		(2,198.6)	(2,174.9)
GROSS PROFIT		99.3	141.2
Distribution costs		(63.6)	(67.7)
Administrative expenses, including voluntary redundancy costs of £8.8m (2021: £6.2m)		(9.4)	(9.0)
Other operating income (Job Retention Scheme)		-	5.0
Other operating income (Aftersales profit share)	20	21.5	-
OPERATING PROFIT	3	47.8	69.5
Impairment of fixed asset credit/(charge)	8	1.5	(23.7)
Profit on disposal of fixed asset	8	15.0	5.3
Net interest receivable/(payable)	4	3.5	(0.2)
Other finance charges	17	(0.5)	(1.2)
PROFIT BEFORE TAXATION		67.3	49.7
Tax credit on profit	5	5.3	27.9
PROFIT FOR THE FINANCIAL YEAR		72.6	77.6

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

VAUXHALL MOTORS LTD

STATEMENT OF COMPREHENSIVE INCOME

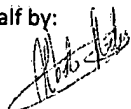
Year ended 31 December 2022

	Note	Year ended 31 Dec 22 £m	Year ended 31 Dec 21 £m
Profit for the financial year		72.6	77.6
Other comprehensive income:			
Actuarial gain recognised on the pension scheme	17	(2.4)	35.1
Movement on deferred tax relating to pension deficit	16	0.6	(8.8)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		70.8	103.9

VAUXHALL MOTORS LTD**BALANCE SHEET****Year ended 31 December 2022**

	Note	31 Dec 22 £m	31 Dec 21 £m
FIXED ASSETS			
Tangible assets			
- Land, buildings, plant, machinery and equipment	8	91.5	32.2
- Special tools, jigs and dies	9	19.1	6.5
Investments	10	1.2	1.2
		<u>111.8</u>	<u>39.9</u>
CURRENT ASSETS			
Stocks	11	131.9	198.0
Debtors			
- due within one year	12	371.3	484.2
- due after one year	12	32.6	33.3
Cash at bank and in hand		0.5	9.1
		<u>536.3</u>	<u>724.6</u>
CREDITORS:			
Amounts falling due within one year	13	(616.6)	(834.4)
NET CURRENT LIABILITIES		<u>(80.3)</u>	<u>(109.8)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31.5	(69.9)
CREDITORS:			
Amounts falling due after more than one year	14	(6.2)	(10.4)
PROVISIONS FOR LIABILITIES	15	<u>(116.8)</u>	<u>(72.1)</u>
NET LIABILITIES EXCLUDING NET PENSION LIABILITY		<u>(91.5)</u>	<u>(152.4)</u>
NET PENSION SCHEME LIABILITY	17	<u>(21.6)</u>	<u>(31.5)</u>
NET LIABILITIES INCLUDING NET PENSION LIABILITY		<u>(113.1)</u>	<u>(183.9)</u>
CAPITAL AND RESERVES			
Called up share capital	18	861.6	861.6
Capital reserve		20.1	20.1
Share-based payments reserve		0.0	0.0
Profit and loss account		<u>(994.8)</u>	<u>(1,065.6)</u>
SHAREHOLDERS' DEFICIT		<u>(113.1)</u>	<u>(183.9)</u>

These financial statements were approved by the Board of Directors on 26 January 2024 and are signed on its behalf by:



A Morales Facerias
Director

VAUXHALL MOTORS LTD

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Called up share capital £m	Capital reserve £m	Share- based payment reserve £m	Profit and loss account £m	Total £m
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 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
Capital contribution - pension transfers (note 17)	-	-	-	-	-
Movement in share-based payments reserve	-	-	-	-	-
Transfer from share-based payment reserve	-	-	-	-	-
Share Issue (note 18)	-	-	-	-	-
At 31 December 2021	861.6	20.1	0.0	(1,065.6)	(183.9)
Profit for the financial year	-	-	-	72.6	72.6
Actuarial gain (loss) on defined benefit pension schemes	-	-	-	(2.4)	(2.4)
Movement on deferred tax relating to pension deficit	-	-	-	0.6	0.6
Total comprehensive income	-	-	-	70.8	70.8
Movement in share-based payments reserve	-	-	-	-	-
Share Issue (note 18)	-	-	-	-	-
At 31 December 2022	861.6	20.1	0.0	(994.8)	(113.1)

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 and the Companies Act 2006.

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 Stellantis N.V. and its financial statements are readily available as set out in note 21.

Going concern

The Company's balance sheet at 31 December 2022 shows that the Company had net current liabilities of £80.3 million and net liabilities of £113.1 million.

The Company is reliant on funding from the European treasury operations of Stellantis International to which surplus cash is swept under the intercompany treasury services agreement. To meet its liquidity needs, Stellantis International is itself reliant on a revolving credit facility from a subsidiary of Stellantis N.V. Current funding agreements between Stellantis International 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. The Company has also received confirmation from Enlarged Europe management of Stellantis N.V. which indicates its willingness to continue to provide financial support to the Company for a period of 12 months from the date these financial statements were approved.

The Directors are satisfied that, as at the date of approval of these financial statements, having made appropriate enquiries of management of Enlarged Europe region of Stellantis N.V., the region will have liquidity and the ability to continue to support the company such that the Company will continue to meet its liabilities as they fall due for a period of 12 months from the date of approval of these financial statements.

Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Consolidated accounts

Under section 401 of the Companies Act 2006 the Company is not required to prepare consolidated accounts because the Company's results are consolidated in the publicly available accounts of Stellantis N.V., 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.

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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	2 – 27 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 17.

The value of the net pension obligation at 31 December 2022 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.

Accruals for commercial programmes and costs

Bonuses, commissions, and incentive payments are payable to Vauxhall franchisees after the sale of vehicles to them. The level of these payments depends on the subsequent sales channel and overall volume achievement of the franchisee, under the terms of sales programmes in force when the franchisee sells the vehicle to the end customer. There are also significant promotion and advertising costs for the Company's products, which must be estimated.

Vehicle future forecast residual values

The reported profitability of vehicles sold with an expected future buy-back commitment depends upon the accurate forecasting of the future resale value of these vehicles. This is forecast and regularly reviewed by the Company's Residual Value Committee, using data from a third-party industry expert who monitors current resale values and forecasts future market conditions and resale values.

Warranty

The provision calculated to cover the estimated cost of vehicle and parts warranties at the time of sale is based on historical information regarding actual costs incurred.

Contingent Liabilities

Emissions

Class action claims have been filed in the High Court of England against members of the Stellantis group, including Vauxhall Motors Limited, seeking damages on behalf of a number of claimants in connection with alleged emissions non-compliance in certain Vauxhall branded diesel engine vehicles. Given the early stage of these claims no financial liability has been recorded in the financial statements. The Company denies the claims and will defend its position against any alleged wrongdoing.

Other legal matters

In March 2022, the Competition Markets Authority (CMA) launched an investigation into suspected breaches by vehicle manufacturers / importers (including Vauxhall Motors Limited), of UK competition law relating to end of life vehicles for both passenger cars and vans. Vauxhall Motors Limited is co-operating with the CMA investigation which is at an early stage.

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 22 £m	Year ended 31 Dec 21 £m
Geographical analysis of turnover by destination:		
United Kingdom	2,080.2	1,786.1
Rest of Europe *	217.7	530.0
	<u>2,297.9</u>	<u>2,316.1</u>

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

* The production of the Astra ceased in April 2022 which resulted in a reduction in the export of manufactured vehicles at Ellesmere Port

	Year ended 31 Dec 22 £m	Year ended 31 Dec 21 £m
An analysis of the Company's revenue is as follows:		
Sale of goods	<u>2,297.9</u>	<u>2,316.1</u>
Revenue	<u>2,297.9</u>	<u>2,316.1</u>

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

3. OPERATING PROFIT

	Year ended 31 Dec 22 £m	Year ended 31 Dec 21 £m
Operating profit is arrived at after charging/(crediting)		
Depreciation of land, building, plant machinery and equipment *	1.4	23.1
Impairment of land, building, plant machinery and equipment *	(1.5)	22.8
Depreciation of special tools, jigs and dies *	4.4	56.5
Impairment of special tools	-	0.9
Cost of inventory recognised as an expense	1,014.7	1,782.2
Impairment loss on inventory	-	0.1
Foreign exchange loss/(gain)	1.9	(4.7)
<u>Rentals under operating leases</u>		
- hire of plant and machinery	0.2	0.2
- other operating leases	2.7	2.9
Sub lease rental income	(2.3)	(3.0)
Loss on disposal of Plant & Machinery	0.2	0.1
<u>Auditor's remuneration:</u>		
Fees payable to the Company's auditor for the audit of the Company's accounts for the year	0.5	0.4

Impairment losses on inventory are included in cost of sales.

Further voluntary separations programmes were implemented during the year relating to employees at the corporate headquarters in Luton, the aftersales warehouse in Luton, and the manufacturing plant at Ellesmere Port. In 2022 the total amount charged to the profit and loss account within administrative expenses was £8.8 million (2021: £6.2 million).

*Depreciation of land, buildings, plant, machinery, equipment and special tools is significantly lower due to the impairment of assets relating to the Ellesmere Port plant which occurred in 2021. A reversal of impairment of £1.5 million was released to the profit and loss account, for assets that were deemed to have a partial recoverable amount over the impaired value.

4. NET INTEREST RECEIVABLE

	Year ended 31 Dec 22 £m	Year ended 31 Dec 21 £m
Interest payable		
- loans from group undertakings	(0.2)	(0.4)
Total interest payable	(0.2)	(0.4)
Interest receivable		
- loans to group undertakings	3.6	0.1
- other	0.1	0.1
Total interest receivable	3.7	0.2
Net interest receivable/(payable)	3.5	(0.2)

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2022

5. TAX CREDIT/(CHARGE)

	Year ended 31 Dec 22 £m	Year ended 31 Dec 21 £m
Current tax:		
UK corporation tax at 19% (year ended 31 December 2021 19%)	6.3	(3.6)
Adjustment in respect of prior periods	1.2	7.6
Total current tax	7.5	4.0
Deferred tax (note 16):		
Origination and reversal of temporary differences	(2.4)	22.9
Adjustment in respect of previous periods	0.2	1.0
Total deferred tax	(2.2)	23.9
Total tax	5.3	27.9

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 2021: 19%).

The differences are explained below:

	Year ended 31 Dec 22 £m	Year ended 31 Dec 21 £m
Profit before tax	67.3	49.7
Tax at UK rate of 19% (year ended 31 December 2021: 19%) thereon	(12.7)	(9.5)
Effects of:		
Expenses not deductible	(0.3)	(1.6)
Income not taxable and tax allowances	4.4	1.0
Chargeable gains	(2.0)	-
Prior period adjustments	1.5	7.6
Current year impact of rate change	(0.6)	8.7
Movement on DT previously not recognised	15.0	21.7
Total tax credit/(charge)	5.3	27.9

In the Budget 2020, the government announced that the Corporation tax main rate (for all profits except ring fenced profits) for the years starting 1 April 2020 and 2021 would remain at 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from 1 April 2023."

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

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

6. EMPLOYEES

	Year ended 31 Dec 22 No.	Year ended 31 Dec 21 No.
a. Average monthly number including executive directors:		
Salaried	493	598
Hourly	995	1,064
	<u>1,488</u>	<u>1,662</u>
	£m	£m
b. Costs		
Wages and salaries	69.8	72.0
Social security costs	7.3	6.8
Pension costs (note 17)	7.5	6.5
	<u>84.6</u>	<u>85.3</u>

Included in pension costs are £2.1m (2021: £1.3m) in respect of the defined benefit schemes and £5.4m (2021: £5.2m) in respect of the defined contribution scheme. See Note 17 to the financial statements.

The above costs do not include the termination benefits disclosed in note 3 arising from the voluntary separation programme of £8.8 million (year ended 31 December 2021: £6.2 million).

Share Based Payments to Directors:

Vauxhall Motors Limited's incentive scheme awards outstanding at 31 December 2022 consists of performance shares granted in the ordinary shares of the ultimate parent company (Stellantis N.V), to certain beneficiaries. The amounts outstanding at 31 December 2022 consist of those shares awarded under the 2021 and 2022 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 a three year period, with the plans vesting in 2024 and 2025 respectively.

At 31 December 2022, there were two directors (2021: two) who participated in this Plan and the number of shares granted at that date, was 6,420 (2021: 17,962). Expenses relating to these awards are borne by the parent company, Stellantis N.V.

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

7. EMOLUMENTS OF DIRECTORS

	Year ended 31 Dec 22 £'000	Year ended 31 Dec 21 £'000
Aggregate remuneration in respect of qualifying services	1,315.9	1,689.5
Gains made by directors on the exercise of share options	-	-
Aggregate of contributions paid in respect of money purchase pension schemes	-	0.5
	<u> </u>	<u> </u>
Number of Directors who received, or became eligible to receive, shares during the year (*includes highest paid Director)	2*	2*
	<u> </u>	<u> </u>
	No.	No.
Number of Directors who are members of a money purchase pension scheme	-	1
Number of Directors who are members of a defined benefit pension scheme	-	3
	<u> </u>	<u> </u>
	£'000	£'000
In respect of the highest paid Director:		
Aggregate emoluments	598.6	441.6
Contributions paid in respect of a money purchase pension scheme	-	-
Annual pension accrued under a defined benefit pension scheme	-	-
	<u> </u>	<u> </u>

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 2021: Nil).

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 2022	401.1	5.5	463.0	3.3	872.9
Additions*	0.1	-	3.7	65.5	69.3
Transfers	-	-	0.1	(0.1)	-
Disposals**	(189.3)	(5.0)	(329.4)	(0.5)	(524.2)
Impairment reversal***	-	-	1.5	-	1.5
At 31 December 2022	211.9	0.5	138.9	68.2	419.5
Accumulated depreciation					
At 1 January 2022	385.7	5.4	449.1	0.5	840.7
Charge for the year	-	-	0.9	-	0.9
Transfers	-	-	-	-	-
Disposals**	(178.8)	(4.9)	(329.4)	(0.5)	(513.6)
At 31 December 2022	206.9	0.5	120.6	-	328.0
Net book value					
At 31 December 2022	5.0	-	18.3	68.2	91.5
At 31 December 2021	15.4	0.1	13.9	2.8	32.2

*The factory is undergoing a transformation and has capitalised £65.5m assets under construction as at 31 December 2022.

** During the period, freehold and leasehold land & buildings were disposed of for £8.1m, realising a profit of £15.0m. Included within disposals is £178.8m of fully depreciated freehold land & buildings that are no longer in use.

**Fully depreciated Plant & Machinery of £329.4m were disposed of during the year, these assets relate to the machinery used in the production of the Astra model at Ellesmere port, where production has ended as at April 2022.

***A reversal of impairment of £1.5m was released to the profit and loss account, for assets that were deemed to have a partial recoverable amount over the impaired value.

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2022

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

	£m
Cost	
At 1 January 2022	375.4
Additions*	17.1
Disposals**	(138.1)
Transfer	-
	<hr/>
At 31 December 2022	254.4
	<hr/>
Accumulated depreciation	
At 1 January 2022	368.9
Charge for the year	4.5
Disposals	(138.1)
Transfer	-
	<hr/>
At 31 December 2022	235.3
	<hr/>
Net book value	
At 31 December 2022	19.1
	<hr/>
At 31 December 2021	6.5
	<hr/>

*The factory is undergoing a transformation and has capitalised £17.1m of new special tools as at 31 December 2022.

** Included within disposals is £138.1m of fully depreciated assets that are no longer in use, some of these assets relate to the tools used in the production of the Astra model at Ellesmere port, where production has ended as at April 2022

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

10. INVESTMENTS

	31 Dec 22	31 Dec 21
	£m	£m
	Cost	Cost
Investments in dealership and other subsidiaries	-	-
Loans to dealership and other subsidiaries	0.9	0.9
Other investments	0.3	0.3
	<u>1.2</u>	<u>1.2</u>

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 2021	-	0.9	0.3	1.2
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>-</u>	<u>0.9</u>	<u>0.3</u>	<u>1.2</u>
Balance at 31 December 2022	-	0.9	0.3	1.2

Information in respect of subsidiary companies:

Subsidiary Company (incorporated within the United Kingdom)	Vauxhall Trade Parts Limited
Ordinary shares held	100%
Principal activities	Wholesaling of automotive parts to the motor trade
Registered Address	Pinley House 2 Sunbeam Way Coventry West Midlands CV3 1ND

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

11. STOCKS

	31 Dec 22 £m	31 Dec 22 £m	31 Dec 21 £m	31 Dec 21 £m
Raw materials and work in progress		3.8		29.1
Finished product:				
Motor vehicles	61.5		19.1	
Parts and accessories	-		10.3	
Total finished goods		61.5		29.4
Motor vehicles sold under sale and repurchase agreements		66.6		139.5
		131.9		198.0

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

Due to the end of the production of the Astra in April 2022, raw material stock is being kept at a minimum until production of the EK9 model begins in 2023.

At 31 December 2022, there were over 2,000 motor vehicles in transit, more than the prior year, which had not met the requirement for revenue recognition.

Vauxhall Motors Ltd is no longer in the supply chain for the sale of parts and accessories, this activity has been transferred to a fellow subsidiary in March 2022.

Motor vehicles sold under the sale and re-purchase scheme has more than halved compared to 2021, mainly due to fleet and rental customers retaining existing vehicles for longer due to the production constraints for new vehicles.

12. DEBTORS

	31 Dec 22 £m	31 Dec 21 £m
Amounts falling due within one year:		
Trade debtors	6.2	0.6
Amounts owed by parent and fellow subsidiary undertakings*	341.4	453.1
Group relief receivable	6.0	-
Corporation tax	-	3.6
Other debtors	2.5	5.2
Prepayments and accrued income	0.4	6.1
Deferred tax (see note 16)	14.8	15.6
	371.3	484.2
Amounts falling due after one year:		
Deferred tax (see note 16)	32.6	33.3
	403.9	517.5

*The average terms for group debtors is 48 days (year ended 31 December 2021: 48 days).

The amount of the net reversal of deferred tax expected to occur next year is £14.8m (2021: £15.6m), relating to the reversal of existing timing differences on fixed assets, tax losses and pensions. The remaining £32.6m (2021: £33.3 million) will reverse after more than one year.

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2022

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 22 £m	31 Dec 21 £m
Trade creditors	116.3	87.5
Amounts owed to parent and fellow subsidiary undertakings*	166.4	295.1
Taxation and social security	64.8	95.2
Corporation tax	2.2	-
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	60.0	166.7
Accruals and deferred income	204.3	184.1
Other creditors	2.6	5.8
	<u>616.6</u>	<u>834.4</u>

* The average terms for group creditors is 65 days (year ended 31 December 2021: 65 days).

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

	31 Dec 22 £m	31 Dec 21 £m
Accruals *	3.5	4.8
Liability for repurchase of specific vehicles sold under sale and repurchase agreements	2.7	5.6
	<u>6.2</u>	<u>10.4</u>

* Included within accruals fall due after more than one year is a lump sum payment recognised for members of the DB Pension scheme that have been transferred to the DC Pension scheme of £2.7 million, of which £1.4 million will be paid after more than one year.

15. PROVISIONS FOR LIABILITIES

	£m Policy & Warranty	£m Restructuring	£m Total
At 31 December 2021	68.9	3.2	72.1
Charged in the year	87.3	10.1	97.4
Utilised	(45.6)	(5.8)	(51.4)
Released	-	(1.3)	(1.3)
At 31 December 2022	<u>110.6</u>	<u>6.2</u>	<u>116.8</u>

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

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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% (2021: 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 2022	9.2	10.1	29.6	48.9
Movement in the year:				
Profit and loss account	(6.5)	0.8	4.2	(1.5)
Profit and loss account – Rate change	(2.1)	(0.3)	1.8	(0.6)
Other comprehensive income	0.6	-	-	0.6
At 31 December 2022	<u>1.2</u>	<u>10.6</u>	<u>35.6</u>	<u>47.4</u>

£47.4 million of the total deferred tax asset has been recognised as at 31 December 2022 (2021: £48.9 million) based on likely timing and level of future taxable profits.

As at 31 December 2022 the amount of unused tax losses is £436.1 million (2021: £407.9 million) and the amount of unused research and development expenditure credit is nil. There is no expiry date on timing differences, unused tax losses or tax credits.

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 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.

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 2022, the value of plan assets is £2.1m and plan obligations £1.9m with a net asset 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 2020.

Pension cost

The Company's total charge to operating profit for the year ended 31 December 2022 was £12.6m (year ended 31 December 2021: £11.4m) and relates to VML 2017 Plan and PSA Retirements Savings plan.

The total charge relating to the PSA Retirements Savings Plan alone amounted to £10.7m (year ended 31 December 2021: £10.1m).

Contributions to the Pension Plans

The Company made contributions to the plans in the year ended 31 December 2022 of £14.8m (year ended 31 December 2021: £29.1m).

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 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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 22 £m	VML 2017 Plan 31 Dec 21 £m
Service cost in the current period	-	1.6
Service cost in past periods	2.0	-
Plan introductions, changes, curtailments and settlements	-	-
Net interest on net defined benefit liability	0.5	1.2
	<hr/>	<hr/>
Defined benefit cost recognised in the profit and loss account	2.5	2.8
Administration costs incurred during the period	-	-
Cost of termination benefits (note 6)	-	-
	<hr/>	<hr/>
Cost recognised in the profit and loss account	<u>2.5</u>	<u>2.8</u>

The actual loss on plan assets during the year is £58.8 million , compared to a return on plan assets of £5.9 million for the year ending 31 December 2021.

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

	VML 2017 Plan 31 Dec 22 £m	VML 2017 Plan 31 Dec 21 £m
Actuarial (profit)/loss arising during the period	5.4	(44.0)
Return on plan assets greater than discount rate	61.1	(4.7)
Changes in assumption	(63.7)	13.6
	<hr/>	<hr/>
Remeasurement effects recognised in Other Comprehensive Income*	<u>2.8</u>	<u>(35.1)</u>

*Remeasurement effects recognised in other comprehensive income relating to the Voith pension plan amounted to a credit of £0.4 million, netting to a total charge of £2.4 million for both plans at 31 December 2022.

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

17. PENSIONS continued

The total costs relating to the schemes are as follows:

	VML 2017 Plan 31 Dec 22 £m	VML 2017 Plan 31 Dec 21 £m
Cost recognised in the profit and loss account	2.5	2.8
Remeasurement effects recognised in Other Comprehensive Income	2.8	(35.1)
Total cost/(credit) relating to the defined benefit schemes	<u>5.3</u>	<u>(32.3)</u>

The amounts recognised in the balance sheet are as follows:

	VML 2017 Plan 31 Dec 22 £m	VML 2017 Plan 31 Dec 21 £m
Present value of defined benefit obligations	(95.8)	(153.3)
Fair value of scheme assets	<u>74.0</u>	<u>122.0</u>
Net defined benefit liability *	<u>(21.8)</u>	<u>(31.3)</u>

* In addition to the £21.8 million liability for the VML 2017 Plan, there is a net asset of £0.2m for the VOITH pension plan (2021, £0.2m net liability), which is made up of the value of plan assets of £2.1m and plan obligations of £1.9m. This then totals £21.6m as a net defined pension liability, (£31.5m for year ended 2021)

Made up of:

	VML 2017 Plan 31 Dec 22 £m	VML 2017 Plan 31 Dec 21 £m
Opening net defined benefit liability	(31.3)	(92.8)
Net interest cost	(0.5)	(1.2)
Changes in assumption	63.7	(13.6)
Remeasurement effects	(66.5)	48.7
Effect of employee service in the current period	-	(1.6)
Effect of employee service in past periods	(2.0)	-
Employer contributions	14.8	29.2
Expenses	-	-
Plan introductions, changes, curtailments and settlements	-	-
Divestitures	-	-
Net defined benefit liability	<u>(21.8)</u>	<u>(31.3)</u>

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

17. PENSIONS continued

Changes in the defined benefit obligation are as follows:

	VML 2017 Plan 31 Dec 22 £m	VML 2017 Plan 31 Dec 21 £m
Opening defined benefit obligation	153.3	183.8
Effect of employee service in the current period	-	1.6
Effect of employee service in past periods	2.0	-
Changes in assumption	(63.7)	13.6
Interest cost	2.8	2.4
Remeasurement effects recognised in Other Comprehensive Income	5.4	(44.0)
Plan participants' contributions	-	-
Benefits paid from plan assets	(4.0)	(4.1)
Cost of termination benefits (note 6)	-	-
Plan introductions, changes, curtailments and settlements	-	-
Divestitures	-	-
Closing defined benefit obligation	<u>95.8</u>	<u>153.3</u>

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

	VML 2017 Plan 31 Dec 22 £m	VML 2017 Plan 31 Dec 21 £m
Opening fair value of plan assets	122.0	91.0
Interest income on plan assets	2.3	1.2
Return on plan assets greater than discount rate	(61.1)	4.7
Employer contributions	14.8	29.2
Plan participants' contributions	-	-
Benefits paid	(4.0)	(4.1)
Administration costs paid	-	-
Reversal of irrecoverable surplus	-	-
Divestitures	-	-
Closing fair value of plan assets	<u>74.0</u>	<u>122.0</u>

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2022

17. PENSIONS continued

The major category of plan asset is as follows:

	VML 2017 Plan 31 Dec 22 £m	VML 2017 Plan 31 Dec 21 £m
Cash and cash equivalents	9.9	12.2
Equity Instruments	29.8	59.1
Debt Instruments	34.3	45.6
Other	-	5.1
Total fair value of assets	<u>74.0</u>	<u>122.0</u>

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

VML 2017

Date for actuarial assumptions	31 Dec 2022	31 Dec 2021
Plan participant census date	31 Dec 2022	31 Dec 2021
Discount rate for scheme liabilities	% pa 4.52	1.82
RPI inflation	% pa 3.05	3.40

Assumptions at 31 December 2022

	2022	2021
Assumed retirement age	65 for main benefit and top up pension 65 for SAP benefit	65 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 22 £m	31 Dec 21 £m
Called up, allotted and fully paid:		
Ordinary Shares of £1 Each		
861,608,917 (31 December 2021: 861,608,917) ordinary shares of £1 each	<u>861.6</u>	<u>861.6</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

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 22 £m	31 Dec 21 £m
Committed *	56.5	3.4

*A commitment to purchase machinery and tooling required for the Ellesmere port plant to manufacture the new all-electric EK9 model.

(b) At 31 December 2022 the total future minimum lease payments under non-cancellable operating leases are as follows:

	31 Dec 22 £m	31 Dec 21 £m
Operating leases – lessee		
Payments for periods		
not later than one year	2.5	2.7
later than one year and not later than five years	9.0	10.7
later than five years	4.4	6.0
	<u>15.9</u>	<u>19.4</u>

(c) At 31 December 2022 the total future minimum rent receivables under non-cancellable operating leases are as follows:

	31 Dec 22 £m	31 Dec 21 £m
Operating leases – lessor		
Payments for periods		
not later than one year	0.6	0.8
later than one year and not later than five years	1.3	1.4
later than five years	-	0.6
	<u>1.9</u>	<u>2.8</u>

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

20. OTHER OPERATING INCOME

Other operating income relates to the profit on the company's share in sale of parts and accessories ('P&A') in the UK.

For the three-month period to March 2022, £17.8m was reported in revenue relating to P&A sales (2021: £148.1m reported in revenue). From March 2022, the P&A business was transferred to a fellow subsidiary, Peugeot Motor Company (PMC), and all P&A activity including inventory handling is managed by PMC.

On account of a change in contractual obligation from March 2022, the company receives profit on its share of P&A business in the UK from PMC based on pre-determined business share agreement. The Company's allocation of the P&A business in the territory of the UK was 53.41% until end of 2022. Further, as per the transfer pricing arrangement between the Company and its parent, Opel Automobiles GmbH ('Opel Automobiles'), the Company is expected to earn arm's length margin on the sale of P&A for the 53.41% allocation of the overall P&A revenue in the UK.

For the year ended 31 December 2022, an amount of £21.5m received by the company from PMC towards the profit element of its share of P&A business in the UK, to earn margin at arm's length was disclosed as other operating income due to the change in contractual arrangements from March 2022 where the company no longer sells P&A directly.

21. ULTIMATE PARENT COMPANY

At 31 December 2022, 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 Bahnhofspatz, 65423 Rüsselsheim am Main, Germany.

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

* Sales to Vauxhall Finance in the period ending 31 December 2021 has been restated from £0.8 million to £2,532.6 million which predominately consist of the sale of new vehicles which were not reported as a trading partner, but have since been corrected.

	Sales to related parties £m	Purchases from related parties £m
Vauxhall Finance		
2022	2,532.6	38.6
2021 *	2,284.8	34.4
Gefco		
2022	-	-
2021	-	4.6

VAUXHALL MOTORS LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

As detailed in note 17, the Company made contributions to the VML 2017 Pension Plan ("VML 2017 Plan"). The cost incurred by the company for the VML 2017 Pension Plan for the year ended 31 December 2022 was £0.5m. (2021: £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 2021 £nil).

23. SUBSEQUENT EVENTS

There is nothing to report in regards to subsequent events.