

**Registered number: 05829958**

**GM Speciality Vehicles UK Limited**  
**Directors' report and financial statements**  
**for the year ended 31 December 2021**



## **GM Speciality Vehicles UK Limited**

### **Company information**

<b>Directors</b>	C Freeburg K Boyce V Khare
<b>Company secretary</b>	Abogado Nominees Limited
<b>Registered number</b>	05829958
<b>Registered office</b>	100 New Bridge Street London EC4V 6JA United Kingdom
<b>Independent auditor</b>	Ernst & Young LLP Statutory Auditor 400 Capability Green Luton Bedfordshire LU1 3LU United Kingdom



## **GM Speciality Vehicles UK Limited**

### **Contents**

	<b>Page(s)</b>
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 5</b>
<b>Independent auditor's report</b>	<b>6 - 9</b>
<b>Profit and loss account</b>	<b>10</b>
<b>Statement of financial position</b>	<b>11</b>
<b>Statement of changes in equity</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13 - 24</b>

## **GM Speciality Vehicles UK Limited**

### **Strategic report for the year ended 31 December 2021**

#### **Introduction**

The Directors of GM Speciality Vehicles UK Limited ("the Company") present below their Strategic report, providing a review of the Company's business and a description of the principal risks and uncertainties affecting the Company.

#### **Principal activities**

The Company's principal activities are the letting on hire of machine tooling. In 2021, the principal activities were expanded to include the purchase of finished vehicles for resale in the UK market.

#### **Business review**

At 31 December 2021, GM Speciality Vehicles UK Limited was a subsidiary of General Motors Company (GMC). Operating profit for the year was €7.2 million (2020: €6.3 million), an increase of €0.9 million principally due to increased turnover of €11.4 million and increased administrative expenses of €0.5 million partially offset by increased cost of sales of €10.0 million. Profit after tax for the financial year was €10.0 million (2020: loss of €0.3million).

At the end of the year, the shareholders' deficit was €9.2 million (2020: €19.2 million). The decrease in shareholders' deficit of €10.0 million is due primarily to the profit for the year.

#### **Principal risks and uncertainties**

The Directors believe the main risks to which the Company is exposed, which could adversely affect the business, results of operations, cash flow, financial condition, profits, assets, liquidity and capital resources of the Company are summarised as follows:

- The Company is reliant on funding from a subsidiary of GMC. The most recent funding permits the Company to borrow up to €35 million. This exposes the Company to cash flow and liquidity risk. However, as the Company is an integral part of the GMC business, the Directors do not believe this risk to be significant.
- The Company's customers operate in competitive markets. If those customers do not continue to compete effectively by developing their products and responding to the activities of their competitors they could lose customers, resulting in adverse effects on their ability to pay the Company's letting charges. The risk of doubtful debts for the Company would thereby increase.
- The occurrence of major operational problems at the Company's customers could have an adverse effect on their revenues, which are dependent on the continued operation of their manufacturing and other facilities. Operational risks include equipment and system failures, supply disruptions, work stoppages, events impeding or increasing the cost of transporting products, natural disasters and terrorist attacks. Such problems if they arise would increase the Company's risk of loss from bad debts and reduce revenue.
- Some of the Company's customers are dependent on funding from GMC. If those customers breach the terms of borrowing and the borrowing facilities are withdrawn or not renewed, the Company's activities would be materially adversely affected.

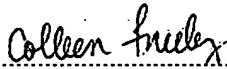
## **GM Speciality Vehicles UK Limited**

### **Strategic report (continued) for the year ended 31 December 2021**

#### **Principal risks and uncertainties (continued)**

As a result of these risks and uncertainties, the availability of profits for distribution to the Company could be reduced or eliminated, and the ability of the Company to repay its inter-company borrowings could be adversely affected.

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



**C Freeburg**  
**Director**  
**29 April 2022**

## **GM Speciality Vehicles UK Limited**

### **Directors' report for the year ended 31 December 2021**

The Directors of Company submit their annual report on the affairs of the Company together with the financial statements for the year ended 31 December 2021.

#### **Financial risk management**

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The Directors' consideration of liquidity risk and the application of the going concern assumption in preparing these financial statements is set out in Note 3.

The most important components of financial risk applicable to the Company are liquidity risk, cash flow risk, interest rate risk and currency risk. These financial risks are managed by the treasury function of GMC which provides the Company's inter-company funding.

#### **Future developments**

The Company started importing and distributing vehicles in the United Kingdom in 2021. The Company will continue to focus on increasing vehicle sales and growing this line of business in the future.

#### **Going concern**

After review, the Directors consider it appropriate to adopt the going concern basis in preparing the financial statements. Please refer to Note 3.3 to the financial statements for further information.

#### **Dividends**

No dividends were paid during 2021 and 2020. No final dividend is proposed for the year ended 31 December 2021 (2020: €Nil).

#### **Directors**

The Directors who held office during the year and up to the date of signing the financial statements are given below:

C Freeburg

K Boyce

V Khare

The Directors had no disclosable interests at any time during the year in the shares of GM Speciality Vehicles UK Limited that are required to be disclosed in accordance with the Companies Act 2006.

#### **Directors' qualifying third party indemnity provisions**

The Group, of which the Company forms a part, 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.

#### **Events after the end of the reporting period**

The Cash Pooling and Revolving Loan Agreement between GM Global Treasury Centre Limited and GM Speciality Vehicles UK Limited was amended on April 22, 2022 to extend the maturity date to August 31, 2023.

## **GM Speciality Vehicles UK Limited**

### **Directors' report (continued) for the year ended 31 December 2021**

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic report, the 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 year. 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 Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 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 the 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 accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 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 United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the 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 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.

#### **Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

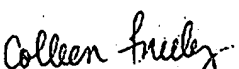
**GM Speciality Vehicles UK Limited**

**Directors' report (continued)  
for the year ended 31 December 2021**

**Independent auditor**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 April 2022 and signed on its behalf.



**C Freeburg  
Director**



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GM SPECIALITY VEHICLES UK LIMITED**

### **Opinion**

We have audited the financial statements of GM Speciality Vehicles UK Limited for the year ended 31 December 2021 which comprise the Profit and loss Account, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 21, 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 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GM SPECIALITY VEHICLES UK LIMITED (CONTINUED)**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GM SPECIALITY VEHICLES UK LIMITED (CONTINUED)**

### ***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.

- 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", The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008-410) (as amended), the Companies Act 2006 and the relevant direct and indirect tax regulations in the United Kingdom. In addition, the company must comply with laws and regulations including Data Protection Act 2018, UK Bribery Act and Anti-Money Laundering Regulations.
- We understood how GM Speciality Vehicles UK Limited is complying with those frameworks by making enquiries of management and those charged with governance to gain an understanding of the entity level controls including how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of meeting minutes and any correspondence received from regulatory bodies.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by holding enquiries of management and those charged with governance as to established policies and procedures that exist in relation to laws and regulations as well as reading internal policies relating to revenue recognition and related party transactions. 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 a risk of management override in relation the improper calculation of revenues and depreciation including estimates of capex accrual.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
  - Enquiry of management and those charged with governance as to any fraud risk framework within the entity.
  - Enquiry of management and those charged with governance around actual and potential litigation and claims.
  - Auditing the risk of management override of controls through testing journal entries using data analytics, and other adjustments for appropriateness.
  - Assessing judgements made by management on the accrual for capital expenditures, fixed assets estimated useful life, investments valuation, and recoverability of foreign VAT receivables. We understood the transactions identified for testing and agreed them to source documentation.
  - Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GM SPECIALITY VEHICLES UK LIMITED (CONTINUED)**

**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  
29 April 2022

## GM Speciality Vehicles UK Limited

### Profit and loss account for the year ended 31 December 2021

	Notes	2021 € 000	2020 € 000
Turnover	5	48,579	37,179
Cost of sales		(41,072)	(31,064)
<b>Gross profit</b>		<b>7,507</b>	<b>6,115</b>
Administrative expenses		(258)	211
<b>Operating profit</b>	6	<b>7,249</b>	<b>6,326</b>
Interest receivable and similar income	8	10	989
Interest payable and similar expenses	9	(251)	(244)
<b>Profit before tax</b>		<b>7,008</b>	<b>7,071</b>
Tax on profit	10	2,999	(7,369)
<b>Total comprehensive income/(loss) for the financial year</b>		<b>10,007</b>	<b>(298)</b>

The Company's results are derived from continuing operations.

There is no other comprehensive income attributable to the shareholder of the Company other than the loss for the year.

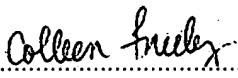
The notes on pages 13 to 24 form part of these financial statements.

## GM Speciality Vehicles UK Limited

### Statement of financial position as at 31 December 2021

	Notes	2021 € 000	2020 € 000
<b>Fixed assets</b>			
Tangible fixed assets	11	53,319	77,037
Investments	12	7,310	7,310
		<u>60,629</u>	<u>84,347</u>
<b>Current assets</b>			
Inventories	13	1,183	-
Debtors	14	5,553	11,357
Cash and cash equivalents		2,700	88
		<u>9,436</u>	<u>11,445</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(39,968)	(63,175)
<b>Net current liabilities</b>		<u>(30,532)</u>	<u>(51,730)</u>
<b>Total assets less current liabilities</b>		<b>30,097</b>	<b>32,617</b>
Creditors: amounts falling due after more than one year	16	(39,280)	(51,807)
<b>Net liabilities</b>		<u>(9,183)</u>	<u>(19,190)</u>
<b>Capital and reserves</b>			
Called up share capital	18	38,584	38,584
Share premium account		3,975	3,975
Profit and loss account		(51,742)	(61,749)
<b>Total deficit</b>		<u>(9,183)</u>	<u>(19,190)</u>

The financial statements of GM Speciality Vehicles UK Limited, registered number 05829958, were approved and authorised for issue by the board and were signed on its behalf on 29 April 2022.

  
 C Freeburg  
 Director

The notes on pages 13 to 24 form part of these financial statements.

## GM Speciality Vehicles UK Limited

### Statement of changes in equity for the year ended 31 December 2021

	<u>Called up share capital</u>	<u>Share premium account</u>	<u>Profit and loss account</u>	<u>Total equity</u>
	€ 000	€ 000	€ 000	€ 000
At 1 January 2021	38,584	3,975	(61,749)	(19,190)
Profit for the year	-	-	10,007	10,007
<b>At 31 December 2021</b>	<b>38,584</b>	<b>3,975</b>	<b>(51,742)</b>	<b>(9,183)</b>

### Statement of changes in equity for the year ended 31 December 2020

	<u>Called up share capital</u>	<u>Share premium account</u>	<u>Profit and loss account</u>	<u>Total equity</u>
	€ 000	€ 000	€ 000	€ 000
At 1 January 2020	38,584	3,975	(61,451)	(18,892)
Loss for the year	-	-	(298)	(298)
<b>At 31 December 2020</b>	<b>38,584</b>	<b>3,975</b>	<b>(61,749)</b>	<b>(19,190)</b>

The notes on pages 13 to 24 form part of these financial statements.

## **GM Speciality Vehicles UK Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2021**

#### **1. General information**

The Company's principal activities are the letting on hire of machine tooling. In 2021, the principal activities were expanded to include the purchase of finished vehicles for resale in the UK market.

The Company is a private company limited by shares and incorporated in the United Kingdom under the Companies Act 2006. It is registered in England and Wales and the address of its registered office is 100 New Bridge Street, London, EC4V 6JA.

The Company changed its name to GM Speciality Vehicles UK Limited (formerly: Global Tooling Service Company Europe Limited) by special resolution on change of name on April 30, 2021.

#### **2. Statement of compliance**

The individual financial statements of GM Speciality Vehicles UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **3.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis and under the historical cost convention.

The preparation of financial statements is in conformity with FRS 102 and requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed in Note 4.

##### **3.2 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- the requirement to prepare a statement of cash flow;
- certain financial instrument disclosures; and
- the non-disclosure of key management personnel compensation.

The Company has taken advantage of these exemptions on the basis that it is a qualifying entity and its ultimate parent Company, General Motors Company, includes the Company's results in the equivalent disclosures in its own consolidated financial statements.



## **GM Speciality Vehicles UK Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.3. Going concern**

The Company's statement of financial position as at 31 December 2021 shows that the Company has net current liabilities of €30.5 million and net liabilities of €9.2 million, including €48.8 million of deferred revenue.

All borrowings of the Company are provided by other companies within the GMC group. The Company's most recent funding permits the Company to borrow up to €35 million. The Company's operations are dependent on funding from its ultimate parent which exposes the Company to cash flow and liquidity risk. However, as the Company is an integral part of the GMC business, the Directors do not believe this risk to be significant. The funding has an expiry date of 31 August 2023 and the Directors believe that this facility will be extended in due course. Nothing has come to the attention of the Directors to suggest that renewal of its facilities at a level to cover the Company's cash flow needs will not be forthcoming.

The ongoing impact of the Covid-19 pandemic and the current global geopolitical environment including specifically the conflict in Ukraine and its micro and macroeconomic impacts have not affected the carrying value of our assets or the turnover from the letting of tooling to our customers. Analysis of our receivables in conjunction with our credit facility indicate that we have sufficient funding to meet our obligations over the next 12 months from the approval of the financial statements. The Directors have a reasonable expectation that the Company will continue to secure adequate resources from its ultimate parent to continue in operational existence for the foreseeable future. In preparing these financial statements, the Directors therefore consider that the operations of the Company will continue on a going concern basis and the financial statements have been prepared accordingly.

##### **3.4 Foreign currencies**

###### **(i) Functional and presentation currency**

The Company's functional currency is Euros because this is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Euros; all values are rounded to the nearest thousand Euros except where otherwise indicated.

###### **(ii) Transactions and balances**

Monetary assets and liabilities denominated in foreign currencies are translated into Euro at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into Euro at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### **3.5 Turnover**

Turnover represents operating lease rental income on fixed assets and the sale of finished vehicles purchased for resale.

## **GM Speciality Vehicles UK Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.5 Turnover (continued)**

Turnover on fixed assets is recognized when, and to the extent that, the Company obtains the right to consideration in exchange for its performance through the letting of tooling to its customers. Turnover on vehicle sales is recognized when the significant risk and rewards of ownership has transferred to the customer, the Company does not retain continuing managerial involvement, the amount of revenue can be reliably measured and its probable that economic benefits will flow to the Company.

##### **3.6 Current and deferred tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns in respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

##### **3.7 Tangible fixed assets**

All tangible fixed assets are held for use in operating leases. Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. The cost, less estimated residual value, of tangible fixed assets is depreciated by equal monthly instalments over the expected useful lives of the assets as follows:

## **GM Speciality Vehicles UK Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.7 Tangible fixed assets (continued)**

Special tools, jigs and dies - The cost of special tools, jigs and dies are written off over the estimated production run of the models of which they relate, typically from five to eight years, starting from the date of regular production. Where assets are acquired after the start of regular production, they are written off over the remaining production run.

##### **3.8 Fixed asset investments**

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

##### **3.9 Inventories**

Inventories are measured at the lower of cost and estimated selling price less costs to complete the sale. The Company measures the cost of inventories using the specific identification of individual costs for each vehicle.

##### **3.10 Debtors**

Short term debtors are measured at transaction price, less any impairment.

##### **3.11 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

##### **3.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **3.13 Financial Instruments**

###### **(i) Financial assets**

Basic financial assets, including other debtors amounts owed by group undertakings, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method and at the end of each reporting period are assessed for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

## **GM Speciality Vehicles UK Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2021**

#### **3. Summary of significant accounting policies (continued)**

##### **3.13 Financial Instruments (continued)**

###### **(ii) Financial liabilities**

Basic financial liabilities, including trade creditors and amounts owed to group undertakings, are initially recognised at transaction price.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

###### **(iii) Offsetting**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **3.14 Called up share capital**

Ordinary shares are classified as equity.

##### **3.15 Related party transactions**

The Company discloses transactions with related parties which are not wholly owned with the same group. The Company leverages the exemption under FRS 102 and does not disclose transactions with members of the same group that are wholly owned.

#### **4. 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 periods.

The areas involving a higher degree of judgement or complexity are described below.

##### **a) Tangible fixed assets**

Tangible fixed assets represent a significant proportion of the asset base of the Company, amounting to €53.3 million at 31 December 2021 (2020: €77.0 million). Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

## GM Speciality Vehicles UK Limited

### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 4. Critical accounting judgements and key sources of estimation uncertainty (continued)

##### b) Estimation of useful economic life

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected useful life or its residual value would result in a reduced depreciation charge in the profit and loss account.

The useful lives and residual values are determined by management at the time the asset is acquired and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events which may impact their life such as changes in technology or changes in the replacement cycle of vehicles for which the tooling is used to manufacture parts.

##### c) Accrual for capital expenditures

Contractually, the Company accepts special tools, jigs and dies from vendors when certain conditions are met. For special tools, jigs and dies where those conditions have been met but vendor invoices have yet to be received, an accrual is established to estimate the cost of such equipment. Determination of the accrual requires estimation due to the quantum of the capital projects and delays from vendors. Such estimates involve the use of historical experience and other factors that are considered to be relevant to determine the quantum of the accrual. The accrual for capital expenditures is based on invoices received at the reporting date but not processed and a sample-based search for unrecorded liabilities. At 31 December 2021, the accrual amounted to €4.0 million (2020: €6.7 million).

##### d) Deferred tax asset recoverability

As at 31 December 2021 the Company had an unrecognized deferred tax asset of €57.1 million (2020: €47.7 million). Estimates of future taxable profits are made in the determination of whether this is recoverable.

#### 5. Turnover

	<u>2021</u>	<u>2020</u>
	<u>€ 000</u>	<u>€ 000</u>
Operating lease rentals	46,461	37,179
Vehicle sales revenue	2,118	-
	<u>48,579</u>	<u>37,179</u>

The Company is engaged in the letting on hire of machine tooling and vehicle distribution. A geographical analysis of the turnover and profit before tax has not been given, as in the opinion of the Directors, this would be prejudicial to the interests of the Company.

## GM Speciality Vehicles UK Limited

### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 6. Operating profit

The profit before tax is stated after charging:

	<u>2021</u>	<u>2020</u>
	€ 000	€ 000
Depreciation of tangible fixed assets	39,016	31,064
Distribution costs	2,055	-
Fees payable to the Company's auditor for the audit of the Company's annual accounts	35	33
Foreign exchange loss/(gain)	<u>85</u>	<u>(186)</u>

#### 7. Employees

The Company has no employees in the financial year (2020: nil).

The Directors received no remuneration from the Company (2020: € nil) in the financial year. During the year, all Directors were either Directors or employees of other GMC group companies. No part of any remuneration they received from other GMC group companies was in respect of duties performed relating to the Company.

#### 8. Interest receivable and similar income

	<u>2021</u>	<u>2020</u>
	€ 000	€ 000
Interest receivable	10	-
Dividends from group companies	-	989
	<u>10</u>	<u>989</u>

#### 9. Interest payable and similar expenses

	<u>2021</u>	<u>2020</u>
	€ 000	€ 000
On amounts owed to group undertakings	<u>251</u>	<u>244</u>

#### 10. Taxation

	<u>2021</u>	<u>2020</u>
	€ 000	€ 000
<b>Corporation tax</b>		
Current tax on profits for the year	(3,021)	7,025
Foreign tax	22	33
Adjustment in respect of prior period	-	311
<b>Total tax (credit)/charge on profit</b>	<u>(2,999)</u>	<u>7,369</u>

## GM Speciality Vehicles UK Limited

### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 10. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	<u>2021</u>	<u>2020</u>
	<u>€ 000</u>	<u>€ 000</u>
Profit before tax	<u>7,009</u>	<u>7,071</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,332	1,344
Effects of:		
Credits not deductible for tax purposes	-	(188)
Depreciation in excess of capital allowances	(4,331)	5,902
Adjustments to tax charge in respect of prior periods	-	311
<b>Total tax (credit)/charge for the year</b>	<u><b>(2,999)</b></u>	<u><b>7,369</b></u>

##### Factors that may affect future tax charges

On 10 June 2021, the Finance Bill 2021 received Royal Assent and became Finance Act 2021. It is announced in the Finance Act 2021 that the corporation tax rate will increase from 19% to 25% on 1st April 2023. Any deferred tax balances have been restated to use the 25% rate.

A deferred tax asset of €57.1 million (2020: €47.7 million) is not recognised in the financial statements as a result of the uncertainty of available future taxable profits.

## GM Speciality Vehicles UK Limited

### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 11. Tangible fixed assets

	<b>Special tools, jigs and dies</b>
	<b>€ 000</b>
<b>Cost</b>	
At 1 January 2021	329,869
Additions	<u>15,298</u>
At 31 December 2021	<u>345,167</u>
<b>Depreciation</b>	
At 1 January 2021	252,832
Charge for the year	<u>39,016</u>
At 31 December 2021	<u>291,848</u>
<b>Net book value</b>	
At 31 December 2021	<u>53,319</u>
At 31 December 2020	<u>77,037</u>

All assets are held for use in operating lease contracts.

#### 12. Fixed asset investments

The Company owns all "Class B units" in a fellow subsidiary, GM Finance Co. Holdings LLC. The ownership of "Class B units" represents an entitlement to distribution of cash and other property and certain voting rights (40%) in GM Finance Co. Holdings LLC.

GM Finance Co. Holdings LLC is an investment Company registered in the USA.

	<b>Investments in associate</b>
	<b>€ 000</b>
<b>Cost</b>	
At 1 January and 31 December	<u>22,244</u>
<b>Provision for impairment</b>	
At 1 January	14,934
At 31 December 2021	<u>14,934</u>
<b>Net book value</b>	
At 31 December 2021	<u>7,310</u>
At 31 December 2020	<u>7,310</u>



## GM Speciality Vehicles UK Limited

### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 13. Inventories

	<u>2021</u>	<u>2020</u>
	<u>€ 000</u>	<u>€ 000</u>
Finished goods and goods for resale	1,132	-
Other finished goods	51	-
	<u>1,183</u>	<u>-</u>

#### 14. Debtors

	<u>2021</u>	<u>2020</u>
	<u>€ 000</u>	<u>€ 000</u>
Trade debtors	651	1,127
Amounts owed by group undertakings	3,744	5,448
Other debtors	1,158	4,782
	<u>5,553</u>	<u>11,357</u>

#### 15. Creditors: amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	<u>€ 000</u>	<u>€ 000</u>
Trade creditors	1,834	8,264
Amounts owed to group undertakings	24,620	33,850
Accruals and deferred income	13,514	21,061
	<u>39,968</u>	<u>63,175</u>

#### 16. Creditors: amounts falling due after more than one year

	<u>2021</u>	<u>2020</u>
	<u>€ 000</u>	<u>€ 000</u>
Deferred income	39,280	51,807

#### 17. Commitments

##### Capital commitments

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

	<u>2021</u>	<u>2020</u>
	<u>€ 000</u>	<u>€ 000</u>
Commitments: special tools, jigs and dies	<u>65,375</u>	<u>52,306</u>

## GM Speciality Vehicles UK Limited

### Notes to the financial statements (continued) for the year ended 31 December 2021

#### 17. Commitments (continued)

The Company has entered into lease agreements to supply special tools, jig and dies. These leases have a duration of one to twelve years. Future minimum rental revenue recognised (including amounts currently recognised in deferred income) under non-cancellable operating leases are as follows:

	2021	2020
	€ 000	€ 000
Not later than one year	27,888	38,818
Later than one year and not later than five years	30,686	45,948
Later than five years	468	40
	<u>59,042</u>	<u>84,806</u>

#### 18. Share capital and reserves

	2021	2020
	€ 000	€ 000
<b>Allotted, called up and fully paid</b>		
32,915,693 (2020: 32,915,693) Ordinary shares of £1 each	<u>38,584</u>	<u>38,584</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.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments. The share premium reserve records the amount above the nominal value of shares sold less transaction costs.

#### 19. Related party transactions

During the year, the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under FRS 102 not to disclose transactions with fellow wholly owned subsidiaries. Transactions entered into, and balances outstanding with fellow subsidiary undertakings which are not wholly owned, are as follows:

	2021	2020
	€ 000	€ 000
Invoiced to related party	1,112	1,482
Amounts owed by related party	<u>183</u>	<u>172</u>

#### 20. Controlling party

At 31 December 2021, the ultimate parent Company and controlling entity of the Company, and parent of the largest group for which consolidated accounts are prepared of which this Company is a part, was General Motors Company, a company registered in the State of Delaware, USA with its registered office at 251 Little Falls Drive, New Castle County, Wilmington DE 19808. The consolidated financial statements of General Motors Company are set forth on its Annual Report on Form 10-K as filed with the United States Securities and Exchange Commission.

## **GM Speciality Vehicles UK Limited**

### **Notes to the financial statements (continued) for the year ended 31 December 2021**

#### **20. Controlling party (continued)**

The Company's immediate parent undertaking was GM Global Holdings GmbH & Co. KG until the Company was sold to General Motors Europe Limited, a company incorporated in England, as part of a group restructure. The share transfer was effective beneficially between the parties on December 18, 2020 and it was formally registered in the Company's register of members on February 1, 2021. The parent of the smallest group for which consolidated accounts are prepared of which this Company is a part is General Motors Holdings LLC, a Company registered in the state of Delaware, USA with its registered office at 251 Little Falls Drive, New Castle County, Wilmington DE 19808. The financial statements of General Motors Holdings LLC are consolidated with the consolidated financial statements of General Motors Company.

#### **21. Events after the end of the reporting period**

The Cash Pooling and Revolving Loan Agreement between GM Global Treasury Centre Limited and GM Speciality Vehicles UK Limited was amended on April 22, 2022 to extend the maturity date to August 31, 2023.