SIEMENS FINANCIAL SERVICES LIMITED
Annual report and financial statements
Registered number 00646166
For the year ended September 30, 2024

SIEMENS FINANCIAL SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

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The directors of Siemens Financial Services Limited ("the Company") present the annual report containing a strategic report, directors' report and the audited financial statements for the year ended September 30, 2024.

Principal activities

Siemens Financial Services Limited is a leading provider of business finance within the UK economy. It is engaged in the provision of leasing, instalment credit facilities and receivables financing to clearly defined markets within the business-to-business, healthcare and public sectors.

The Company is authorised and regulated by the Financial Conduct Authority (FCA) in relation to consumer credit activities.

Siemens Financial Services Limited is a private limited company, incorporated and domiciled in the United Kingdom. The registered address is Sefton Park, Bells Hill, Stoke Poges, Slough, SL2 4JS and this also the principal place of business. The parent company is Siemens PLC incorporated in the United Kingdom and the ultimate parent company is Siemens AG incorporated in Germany.

Analysis of Financial Key Performance Indicators

Siemens Financial Services Limited measures its performance on several key performance indicators, including revenue, profit from operations and net cash from operations. These are disclosed as:

	2024	2023 (Restated)
Key Performance Indicators – Company (in thousands of £)		
Revenue	**192,973**	175,650
Profit from operations	**20,190**	30,844
Net cash from operations	**(20,673)**	(75,849)

The Company remains capitalised in line with group funding strategy with gearing of 85% (2023: 82%). In addition, new orders received of £641.0m (2023: £736.5m) are considered key performance indicators.

Business Performance and Financial Review

The Company has a robust and established planning and budgeting cycle aligned to that of the ultimate parent company. This cycle is aligned with the senior leadership of the business and informs the objectives of individual staff members.

Although operating profit decreased from £30.8m to £20.2m, the Company continued to deliver in line with the director's profitability expectations as the Company invested significantly in IT infrastructure projects. This investment being the key contributor to operational expenditure increasing, along with higher expected credit losses in the year, operating expenses were £6.1m higher than the prior year, increasing to £57.3m (2023: £51.2m). Revenue increased year-on-year to £193.0m (2023: £175.7m).

Margins continue to be under pressure owing to the rising cost of debt as reflected in the Bank of England interest rate. The impact of this is seen in the interest paid to group undertaking increasing to £66.2m (2023: £47.7m). Where possible, interest rate rises were passed on to customers but noting the challenges for small to medium entities in the Company's customer base, some of this is inevitably absorbed by the Company, leading to a deterioration in margin. Wider pressure on customers is further noted with continued higher levels of bad debt write offs, however this still remains low as a proportion of the portfolio at 0.4% (2023: 0.3%) of loans and advances reflecting strong credit quality of the portfolio.

The Company's growth strategy remains focused on existing channels whilst developing strategically important channels and supporting the broader Siemens ecosystem.

Total new business bookings are suppressed due to market conditions and the rising cost of debt at £639.9m (2023: £735.6m). Despite this the Total assets position has grown to £1,877.8m (2023: £1,843.3m) as early terminations have also not been as high as in previous years.

Management intends to maintain and further develop business in chosen channels with continued financing of opportunities from the wider Siemens AG group where commercially appropriate. The business expects to broaden its served markets by capitalising on the growing technology sector and green assets whilst ensuring portfolio diversity is maintained. The Company will also seek to strengthen competitive advantage and continue to drive customer centric focus and standards across all channels with rigorous benchmarking and monitoring of service levels. In keeping with this focus, management monitors the residual values grouped into industry by using asset type. Management believes this to be an appropriate view of the portfolio for determining concentrations of risk. The Company will continue its planned investment in technology going forward with a continued focus on upgrading IT infrastructure, implementation of digital processes and the roll out of digital products both internal and external. The Company will also continue to focus on the training and development of its employees alongside the inclusive and open culture.

Considering the Court of Appeal judgment on October 25, 2024 regarding discretionary commission arrangements (DCA) in the motor finance sector we have performed an assessment in line with IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets as to whether an IAS 10 post balance sheet adjustment is required for the year ended September 30, 2024.

The Supreme Court has heard the appeal in March 2025 but as yet has not opined on it. The Company has performed a detailed assessment with various scenario variables over the current and historical portfolio. The Company has had minimal exposure to the motor finance sector and as such has determined that any provision, along with any expected recompense, would be immaterial.

Management is continuing to monitor the situation, has sought appropriate legal counsel and is in active discussions with the Finance & Leasing Association (FLA) trade body.

Principal risks and uncertainties

The Company has implemented a co-ordinated set of risk management and control systems, including strategic planning and management reporting, to help anticipate, measure, monitor and manage its exposure to risk. See note 3 for details on risk management.

Interest Rate Risk

Risk in pricing and cost of debt fluctuation continues to apply pressure to margins achieved by the Company. As part of the Group's funding strategy borrowing is managed by the Group's treasury entities alongside the local Performance Controlling function to minimise the impact. The portfolio is match funded wherever possible in line with corporate policy to reduce exposure to volatility.

The Company has a diversified range of customers and revenue streams across a broad spectrum of industry types and business sectors that provides products and services to support central and local government public services including public transportation and healthcare. Whilst there are pipeline pressures, the diversity of the range of customers and revenue streams mitigates long-term concerns as we can shift focus to stronger markets whilst maintaining presence and stability in core markets. In addition, the overall pipeline is strong with the Company offering a significant value proposition for customers. Therefore, material risks to the Company due to the impact of macro-economic and political pressures on interest rates, are mitigated as much as is foreseeable.

Based on the Company's forecasts, the directors consider that the Company will continue to trade profitably and generate positive cash flows from operations for a period of at least 12 months.

Credit Risk

Credit risk is managed at inception of transactions by the Risk function, in particular the Transaction Processing Management Team, to ensure compliance with company policy on assessing the creditworthiness of obligors, recoverability of equipment, appropriate guarantees and collaterals are in place. Credit ratings are determined by a central Risk Controlling Team and local tools ensure parameters for local economic conditions are incorporated. This expertise is used to seek the best possible outcomes for the Company and mitigate exposure to potential losses. The Collections and Legal Recoveries department work closely with external parties where necessary to minimise potential losses, internally manage the arrears and review the ageing of such positions.

Residual Value Risk

The estimation of residual value is set at inception of contract by the Asset Management function using market data. All Risk functions work closely with the dealers and customers to manage the recovery of assets to achieve the most desirable outcome for all parties.

Environmental, Social, and Governance (ESG) Factors

Siemens operates a DEGREE framework, a 360-degree approach to the core sustainability values of Siemens. The Company works closely with the wider Siemens group in the UK through director level representation on the Siemens plc Senior Leadership Team and Siemens plc Finance Leadership Team.

The Company's metrics on sustainability reporting are outlined by this framework which covers:

- *Decarbonisation*: support the 1.5°C target to fight global warming
- *Ethics*: Foster a culture of trust, adhere to ethical standards, and handle data with care
- *Governance*: Apply state of the art systems for effective and responsible business conduct
- *Resource Efficiency*: Achieve circularity and dematerialisation
- *Equity*: Foster diversity, inclusion, and community development to create a sense of belonging
- *Employability*: Enable our people to stay resilient and relevant in a permanently changing environment

Further details are included in the Siemens AG Sustainability Report 2024. In addition, the Company supports and delivers information to the central teams on the EU Taxonomy regulatory framework.

Section 172(1) Statement for Financial Year Ended 30 September 2024

The directors of the Company must act in accordance with a set of general duties. These include a duty under s.172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to:

1) the likely consequences of any decision in the long term;
2) the interests of the Company's employees;
3) the need to foster the Company's business relationships with suppliers, customers and others;
4) the impact of the Company's operations on the community and the environment;
5) the desirability of the company maintaining a reputation for high standards of business conduct; and
6) the need to act fairly as between members of the Company.

The Company is a member of the Siemens AG group of companies ("Group") and organisationally sits within the division of Siemens Financial Services. As such strategic decisions of the wider Group have a major influence on the decisions of the Company. The purpose of the Group is to serve society, create value for all stakeholders and make real what matters. The Company's core purpose is centred around the ethos of "We Finance What Matters".

The board of directors of the Company ("Board") is responsible for developing and promoting the Group's purpose as it applies to commercial finance activities in the UK and ensuring that the following values, strategy, and culture align with that purpose: -

Values – to act responsibly, to strive for excellence, and to be innovative.

Strategy – the Group's four strategic priorities are: customer impact (putting customer impact at the very centre of Siemens); empowered people (driving progress through empowerment); technology with purpose (innovative technology will remain at the core of the future we are building) and growth mindset (continuing to learn and grow through curiosity, resilience, and a willingness to adapt).

Ownership Culture – comprises of five elements: values; behaviours; leadership; people orientation and equity with a guiding principle of 'Always act as if it were your own company'. These elements and the power of our ownership culture are a unifying force within Siemens. The Group strives to further improve in the important aspects of leadership, openness, diversity, and innovation.

Board membership is comprised of the Chief Executive Officer (the Chair) and Chief Financial Officer. The day-to-day management of the Company is undertaken by a Leadership Team ("LT") comprising the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Head of Sales together with the Company's designated Siemens plc HR business partner.

The Siemens Business Conduct Guidelines provide the ethical and legal framework within which Siemens wants to conduct its activities and remain on course for success. They contain the basic principles and rules for conduct within the Company and in relation to its external partners and the public. They are structured into four chapters:

Our motivation and ethical principles; Our behavioural principles; Our responsibility; Our reporting procedures.

The Board recognises that understanding the perspectives of the Company's stakeholders and building good relationships enables their views to be considered in discussions and decision making of the Board, and in the day-to-day management of the business by the LT and operational management. Further information and examples of how the Company engages with its key stakeholders is provided below:

<table>
<tr><td colspan="2">Employees
Striving to be an employer of choice, Siemens places value on creating a culture of learning, promoting diversity and fostering equality.</td></tr>
<tr><td>Engagement</td><td>Key topics, decisions and outcomes influenced by this stakeholder group:</td></tr>
<tr><td>As a Siemens company Siemens Financial Services succeeds through its people. Fostering the health and performance of employees as well as safeguarding their working conditions are core to our social and business commitment.

All our employees including interns, apprentices and graduates are supported in growing and developing in their roles by the availability of comprehensive training programmes to equip them for both current and future roles. In addition to technical training, much development is employee-led under the 'Own Your Career' and 'My Learning World' initiatives through which employees help drive their and the Company's future. In addition, the Company requires 50+ documented hours of learning to be completed by employees through engaging with these platforms and other 3rd party means of learning.

The views of our employees are critical in helping us continually improve ourselves as an organisation, and regular employee engagement surveys enable us to both further understand our employees' perspective and generate ideas which can benefit everyone.

Employees can also make their views known through employee representative bodies, whether at a local level or business wide. These bodies provide a mechanism for ongoing dialogue between Company management and the employees' representatives on all aspects of the Company's operation. Furthermore, a confidential whistle-blowing hotline called 'Tell Us' enables employees to raise concerns about any aspect of Company practices or behaviour.

The Siemens Financial Services Ltd Board is responsible for overseeing the Company's progress in closing the gender pay gap and publishes each year a gender pay gap report. An evidence-based action plan has been implemented in response to the gender pay gap outcomes. The Company participates in the Siemens AG Gender Equity Program and develops its own actions to enable it to achieve the commitments around equitable promotion and recruitment of more women into technical roles. The Siemens Financial Services People and Organisation team cascade this to Company's employees.

Diversity, equity and inclusion initiatives have focused on inclusive culture, LGBT+ inclusion, racial and gender equality and equal opportunities for people with disabilities. The Company has sought to influence these topics externally through collaboration with other Siemens businesses with workshops, hosting webinars and on social media.

The Company has signed up to the Race at Work Charter, an initiative, developed in partnership with Business in the Community (BiTC) and the UK Government, designed to improve outcomes for Black, Asian and Minority Ethnic employees in the UK. The Race at Work Charter embodies the same common values Siemens shares on diversity, inclusion and respect for all its staff members. In these changing times it is apt for responsible organisations to make their commitments more pronounced and public on important issues such as racial equality.</td><td>• The Company commits to supporting the wellbeing of all employees. It works closely with its Occupational Health and Employee Assistance Programme suppliers, together with external partners to ensure that employees feel equipped to cope with the stresses and strains of life. Across the Company, employees have access to services and resources to support their mental and physical wellbeing, such as counselling, workplace assessments, physiotherapy helpline, wellbeing training courses, menopause & neurodiversity awareness and nutrition & physical activity advice. These resources, together with Mental Health First Aiders and Wellbeing Champions, are part of a strategic approach to employee wellbeing, which aims to equip our managers and employees to care for their mental and physical health.

• The Company has always been committed to flexibility in the workplace and has brought together a number of initiatives in line with Siemens AG to promote hybrid working which is built on the aim for employees to work on a hybrid basis 2/3 days a week if practical and feasible to do so.
• The Board recognises that further work needs to be done to ensure diversity, equity and inclusion is truly embedded in everything the Company does and several initiatives, policies and programmes are underway to achieve this. The Board has appointed a dedicated full-time resource to lead on diversity and inclusion.

• In addition, the Company has signed up to the Change the Race Ratio which focusses specifically on achieving ethnic and racial diversity in leadership teams and on the Board. As part of this commitment, Siemens has introduced reverse mentoring between Black, Asian and Minority Ethnic colleagues and leaders, as well as an accelerator development programme for talented employees with potential from racial minority backgrounds. There is a plan to publish an Ethnicity Pay Gap report within the next year.

• The Company is a Disability Confident Employer which focusses attention on providing equal opportunities for disabled talent and ensures our existing employees have all the necessary adjustments in place to support their work, as well as ensuring that Siemens benefits from the talents which disabled employees bring. The Company has invested in further building enhancements this year following an Employee led consultative committee review of the premises.

• We regularly invite external participants (customers, suppliers) to our events during Black History Month, International Day for People with Disabilities and International Women's Day. We join Siemens AG campaigns and contribute to the Empower and EmbRACE networks which support employee communities from Ethnic minorities.</td></tr>
<tr><td colspan="2">Customers, Suppliers and Business Partners
Business relationships with the Company's customers, suppliers, and other business partners are fundamental to Siemens.</td></tr>
<tr><td>Engagement</td><td>Key topics, decisions and outcomes influenced by this stakeholder group:</td></tr>
<tr><td>The Company continues to support over 55,000 UK businesses by developing finance options to support them achieving their goals.</td><td>• We continue to work closely with both end user finance customers and the intermediary supplier/commercial broker</td></tr>
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<tr>
<td>Customers are always at the centre of our decision making with regards to technology, innovation and how to best consult and support them. Our main goal is to establish and maintain ourselves as the partner of choice for our customers by fostering close and trusted partnerships.

Performance and satisfactions are measured through Net Promotor Score Surveys where we collect and understand the voice of the customer with performance metrics subject to comprehensive management reporting. Key decisions, new processes, and products all factor in customer interests and impact. Development of digitalisation continues as we work to improve speed and efficiency of service and deliver scalability which includes collaborative engagement with intermediaries on API initiatives.

To further support a customer centric mindset and raise focus on our customers we actively support a global ‘Customer First’ initiative on an annual basis.</td>
<td>introducers being responsive to specific circumstances. We continue to help customers suffering financial distress and economic and political turmoil. Business continuity and operational plans are reviewed regularly with a view to maintaining operations.

• The Company maintains an approval and review process for all introducers. For onboarding new introducers an assessment process is completed by Sales and Risk teams. Annual reviews are completed on a risk-based criteria, in line with the SFS Risk Management Framework.

• Siemens has continued to keep its customers and suppliers informed of its ongoing supply chain resilience planning. Actions have included resource planning, reviewing, and where necessary, adjusting our systems and processes and working with our supply chain in order to minimise disruption to our operations.

• Our Leadership team contribute to sharing perspectives, best practise and challenging the status quo across our industry, the wider Siemens business units, and the FLA and Leasing Foundation on the topics of Diversity and Inclusion and Mental Health.

• There is company representation on various FLA committees and working groups by LT and operational management.

• Through embedding of the FCA Senior Manager and Certification regime there has been strong focus on alignment of Siemens Business conduct guidelines with core regulatory requirements around conduct of all employees.

• In July 2024 Siemens hosted Transform 2024, a three day technology exhibition and conference in Manchester where over 4,000 visitors had the opportunity to hear from and collaborate with experts, experience transformative technology and work with a vibrant community to solve real-world challenges. The Company’s employees supported the running of the event.</td>
</tr>
<tr>
<td colspan="2">Communities and Environment
Siemens serves society wherever it operates and as a globally active company with innovative and investment capabilities Siemens sha responsibility for sustainable development worldwide.</td>
</tr>
<tr>
<td>Engagement</td>
<td>Key topics, decisions and outcomes influenced by this stakeholder group</td>
</tr>
<tr>
<td>Siemens supports charitable endeavours of its employees and customers.

Our Global Employee Survey collects the voices of our employees, identifying areas of focus that are important to our people.

We are socially accountable through our Corporate Social Responsibility (CSR) policy and initiatives. We have a local CSR agent engaging with Siemens business for best practice sharing and alignment.

Siemens holds memberships with various sustainability member bodies including ICER, IEMA and the Aldersgate Group and regularly participates in forums to promote the business case for sustainability initiatives. Siemens is committed to the Science Based Targets Initiative to reach Net Zero in line with the 1.5-degree pathway. Due to the dynamic nature of the underlying research which supports the targets, the business responds by continuing to change the chosen pathway to met its commitments. The Group has also signed up to EP100, EV100 and RE100 commitments by the Climate Group on a global level which will also be implemented in the UK. The Company publishes its</td>
<td>• Employees are offered two paid volunteering days every year to participate in community initiatives.

• Through our Global Employee Survey, we initiated a charity community who have been fundraising for our local chosen charity – a children’s hospice. Siemens offer a fund matching scheme to encourage charitable community support.

• At a local level we have a real passion for the topic of Sustainability with a grass roots Sustainability group made up of self-nominated individuals who drive activity within our local community. This group is sponsored by a member of our LT.

• The Business Development Team continues to work to expand the Green business channel to significantly grow the portfolio of assets supporting green and clean initiatives.

• Our vision – ‘We finance what matters’ is supported by our strategic drivers, with our goal to be recognised as an ethical and sustainable business.

• Our website now includes a Sustainability area to demonstrate the impact and output being driven by our employees so that our customers, suppliers, and business partners have visibility.</td>
</tr>
</table>

annual carbon report on its website for customers and suppliers to access.	• We support Siemens carbon neutral project as a stakeholder and contributor.
Government, Regulators and Trade Associations *Continuous dialog with policymakers is extremely important for the success of a global company like Siemens plc.*	
Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
Members of the local LT are part of the wider Siemens Senior Leadership Team, and draw from the collaboration with this team to apply the key topics to the local business. Siemens is politically neutral, but we operate in markets which are shaped by UK Government policy, either directly or indirectly. Siemens is a provider of solutions to some of the most pressing issues facing the planet, such as digitisation, climate change and urbanisation. As a result, Siemens are regularly consulted on economic and policy issues by governments, business associations and civil society.	• The Company's leadership team continue to be members of the Finance & Leasing Association (FLA).
Siemens AG Group Companies *The Siemens Group is setting the course for long-term value creation through accelerated growth and stronger profitability with a simplified and leaner company structure.*	
Engagement	Key topics, decisions and outcomes influenced by this stakeholder group
Siemens AG is committed to the Science Based Targets Initiative to reach Net Zero in line with the 1.5°C pathway. The strategic decisions of the Group guide the decisions taken by the Board which in turn adapts the strategy for the UK market, and in line with the duties set out within the Companies Act 2006, taking into account UK customer, employee and other stakeholder interests Siemens has also signed up to EP100, EV100 and RE100 commitments by the Climate Group on a global level which will also be implemented in the UK. Siemens publishes its annual carbon report on its website for customers and suppliers to access.	• The Siemens plc Board and SLT participate in Siemens forums and conferences at a global and UK level. Employees are also able to join regular webinar updates given by Siemens management with regard to the Company's strategy and performance. These take place at a global, country and business level. • Dividend proposals are also a key decision made each year with the Board having regard to the ability of the Company to make a dividend taking into account, amongst other considerations, the needs of the parent company.

Signed by order of the board of directors.

Electronically signed
by: Martin Skitt
Date: May 30, 2025
13:56 GMT+1

M. J. Skitt
Director

Approved by the directors on 30/05/2025
Registered office:
Sefton Park
Bells Hill
Stoke Poges
Buckinghamshire
SL2 4JS

DIRECTORS' REPORT

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

M. Grossmann (Resigned 11 July 2024)

M. J. Skitt

J. M. Hobbs

None of the directors holding office at September 30, 2024 had notified a beneficial interest in any contract to which the Company was a party to during the financial year.

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

The Directors’ Report does not include a strategic review of the business, as this is detailed in the Strategic Report as required under s414c (11) of the Companies Act 2006.

DIVIDENDS

For the year ended September 30, 2024 the directors recommended and paid a dividend of £20m representing £0.39 per share (2023: £20m).

FINANCIAL INSTRUMENTS

The Company’s financial risk management objectives and policies, including the exposure to market risk, credit risk, currency risk and liquidity risk are set out in note 3 to the financial statements.

SUBSEQUENT EVENTS

Considering the Court of Appeal judgment on 25th October 2024 regarding discretionary commission arrangements (DCA) in the motor finance sector, we have performed an assessment in line with IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets as to whether an IAS 10 post balance sheet adjustment is required for the year ended September 30, 2024.

The Supreme Court heard the appeal in April 2025 but as yet has not opined on it. The Company has performed a detailed assessment with various scenario variables to current and historical portfolio. The Company has had minimal exposure to the Motor Finance sector and as such has determined that any provision, along with any expected recompense, would be immaterial and no subsequent event has been recorded. Ongoing uncertainty as to the scope of the DCA potential misconduct limits the applicability of further consideration across the wider portfolio at this time.

Management is continuing to monitor the situation, has sought appropriate legal counsel and is in active discussions with the Finance & Leasing Association (FLA) trade body.

GOING CONCERN

The cost of funds rose sharply in 2022 and have remained volatile, compared to the preceding decade, with volatility in FY24. This has seen delays in costs being passed on to customers and margin degradation as a result. The uncertainty in the market and the continued uncertainty from geo-political events will continue to apply pressure on the Company. The wider economic situation is being monitored closely by the business.

The Company has net current liabilities principally due to intercompany funding from Siemens treasury entities being repayable on demand. The Company has received a letter from the Siemens treasury creditors, confirming that they will not require repayment of those funding arrangements for a period of at least 12 months from the date of approval of the annual report and financial statements.

In consideration of the above, as well as the performance of the business, it is the view of the directors that for the foreseeable future, our business will remain resilient and continue to mitigate risks should they arise. The directors have a reasonable expectation that the Company has adequate resources to remain a going concern for a period of at least 12 months from the date of the approval of the financial statements, and therefore, the going concern basis of preparation remains appropriate.

STREAMLINED ENERGY & CARBON REPORTING (SECR)

All the SECR data requirements for unquoted 'large' companies have been met and the energy consumption and emissions are reported below. This includes UK consumption of electricity, gas and transport fuels where the Company is responsible for the fuels. The methodology used to calculate emissions is the WBCSD/WRI Greenhouse Gas Protocol: a corporate accounting standard: revised edition.

UK Government greenhouse gas emissions conversion factors for 2024 have been applied. An operational control approach has been taken.

Scope 2 emissions from purchased electricity have been calculated using the location-based and market-based approaches.

	2024	2023
Energy consumption used to calculate emissions: kWh	**1,342,487**	1,522,073
Emissions from combustion of gas tC02e (Scope 1)	**129**	153
Emissions from combustion of fuel for transport purposes tC02e (Scope 1)	**17**	26
Emissions from business travel in rental cars or employee -owned vehicles where company is responsible for purchasing the fuel tC02e (Scope 3)	**10**	18
Emissions from purchased electricity tC02e (Scope 2, location-based)	**110**	114
Emissions from purchased electricity tC02e (Scope 2, market-based)	**7**	5
Total gross C02e based on above	**273**	316
Intensity ratio: tCO2e gross figure based on mandatory fields above/£1m turnover	**1.34**	1.59

Energy Efficiency Action:

Siemens AG continues its journey to Net Zero in line with its 1.5°C aligned science-based targets and commitments it has made to EV1OO, EP1OO and RE100.

This year Siemens plc raised its Internal Carbon Price to £75/tonne to support further investments in the technologies required to decarbonise operations. In 2024 Siemens Versicharge EV chargers were operational at UK office locations, providing vital charging infrastructure to enable a smooth and rapid transition to a full electric fleet by 2030.
In the period covered by the report the Company has purchased 487 MWh of renewable electricity via a REGO green tariff.

GROUP POLICIES

Employee participation

The directors continue to encourage employee participation within the Company. The Siemens Leadership Framework and Management Development Programmes underpin the various methods for encouraging an open and participative style of management and communication that has been introduced in recent years. These include team briefings, intranet information and notices, staff forums and employee elections to the Siemens Europe Committee and the European Works Council. We encourage suggestions and innovations for improving business performance through the "Top+ Business excellence" programme, business suggestion schemes and the staff dialogue process.

Environmental

As a leading global company, Siemens has a responsibility to comply with the highest ethical and legal standards while protecting the environment and benefiting society as a whole. There are a number of initiatives, such as Siemens "STAR" Awards, which recognises and rewards excellence in Zero Harm as well as the Siemens core values of responsibility, excellence and innovation.

Equal opportunities

The Company is committed to equal opportunities for all, free from discrimination and harassment. Siemens values the contribution of all employees. All job applicants and employees, customers, visitors or contractors will receive equal treatment regardless of sex, race, disability, sexual orientation, religion or belief, age, colour, marital status, trade union membership, nationality or ethnic or national origins. Within Siemens, applicants and employees will be recruited, selected, trained and promoted on objective grounds, i.e. based on their abilities to contribute most effectively to the success of the Company. Wherever possible, we will assist disabled employees to enable them to work for the Company and maximise their contribution and performance.

The Company is committed to providing equal opportunities in employment and ensuring that our workplace is accessible and inclusive for all employees, including those with disabilities. Where required the Company provides reasonable adjustments and support to enable all employees, including those with disabilities to be able to perform their duties effectively.

The Company's recruitment and selection processes are designed to be inclusive. Applications from candidates with disabilities are welcomed and given full and fair consideration. The Company also provides training and development opportunities to help ensure that employees with disabilities can reach their full potential within the organisation.

To further support our disabled employees, the Company has established an employee resource group that provides a platform for sharing experiences, advocating for accessibility, and collaborating on initiatives to enhance the workplace environment. The wider UK Siemens company also maintains partnerships with disability organisations to stay informed of best practices and access specialist advice and guidance. The local Management team are part of the Senior Leadership Team of the Siemens UK organisation with the support of a shared People & Organisation team, and so receive the same advice and guidance.

The Company is committed to continuing the improvement of its policies and practices, provide training development and career progression support for employees with disabilities. Monitoring of progress is done at a UK level on an ongoing basis and reported to Management monthly.

Business Stakeholders

Business relationships with customers, suppliers, and other business partners are fundamental to Siemens. Siemens maintains business relationships only with reputable partners who comply with the law. Siemens protects the interests of its customers through the careful selection of suppliers and other business partners and through the standards set for own actions. The Siemens Code of Conduct is based on the UN Global Compact and the principles of the International Labour Organisation, and it reflects the Siemens Business Conduct Guidelines.

POLITICAL DONATIONS

No political donations were made during the current or preceding year.

DISCLOSURE OF INFORMATION TO THE INDEPENDENT AUDITORS

The directors who held office at the date of approval of this annual report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all steps that ought to have been taken as a director to make themselves aware of any relevant audit information, and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

In accordance with mandatory auditors rotation at parent company Siemens AG, the Company has appointed PricewaterhouseCoopers LLP as auditors, effective for the financial year ending 30 September 2024.

Signed by order of the board of directors.

Electronically signed by: Martin Skitt Date: May 30, 2025 13:56 GMT+1

M. J. Skitt
Director

Approved by the directors on 30/05/2025

Registered office:
Sefton Park
Bells Hill
Stoke Poges
Buckinghamshire
SL2 4JS

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2024

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).
Under company law, 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 and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.
The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Electronically signed
by: Martin Skitt
Date: May 30, 2025
13:56 GMT+1

M. J. Skitt

Director

Approved by the directors on 30/05/2025

STATEMENT OF INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

	Note	2024	2023 Restated
Interest income recognised under effective interest rate method**	4	**122,667**	100,964
Other Revenue**	4	**70,306**	74,686
Cost of sales**	5	**(123,868)**	(109,929)
Gross profit		**69,105**	65,721
Other operating expenses*	6	**(57,250)**	(51,166)
(Increase)/decrease in movement in expected credit loss		**(2,686)**	2,573
Other operating income	9	**11,021**	13,716
Operating profit		**20,190**	30,844
Interest (expense)/income from pension plans and similar commitments, net	10	**(107)**	36
Interest expenses from lease liabilities	10	**(31)**	(32)
Profit before tax		**20,052**	30,848
Income tax expenses	11	**(6,151)**	(6,356)
Profit for the financial year		**13,901**	24,492

The notes on pages 15 to 49 form an integral part of these financial statements. All amounts relate to continuing operations.

**see Note 1 Basis of presentation; Restatements. Prior period comparatives have been restated. There is no impact on previously presented net income for the financial year.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

	Note	2024	2023
Profit for the financial year		**13,901**	24,492
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plan	19	**2,284**	(2,624)
Deferred tax (charge)/credit on remeasurement	11	**(584)**	656
Total other comprehensive income/(expense) net of tax		**1,700**	(1,968)
Total comprehensive income		**15,601**	22,524

The notes on pages 15 to 49 form an integral part of these financial statements. All amounts relate to continuing operations.

STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2024 (in thousands of £)

	Note	2024	2023
ASSETS			
Cash and cash equivalents		**7,934**	522
Trade and other receivables	12	**22,100**	19,733
Inventory	23	**776**	2,746
Loans and advances to customers	13	**1,694,173**	1,632,898
Property, plant and equipment	15	**138,279**	172,204
Post employment benefits	19	**303**	-
Deferred tax assets	11	**14,214**	15,239
Total assets		**1,877,779**	1,843,342
LIABILITIES AND EQUITY			
Trade and other payables	16	**1,643,738**	1,600,020
Post employment benefits	19	**-**	1,874
Current provisions	18	**-**	-
Current income tax liabilities		**5,880**	742
Other current liabilities	17	**12,053**	20,199
Total liabilities		**1,661,671**	1,622,835
Equity			
Share capital	20	**51,945**	51,945
Retained earnings		**164,163**	168,562
Total equity		**216,108**	220,507
Total liabilities and equity		**1,877,779**	1,843,342

The notes on pages 15 to 49 form an integral part of these financial statements. All amounts relate to continuing operations.

The financial statements on pages 11 to 49 were approved by the Board of Directors on 30 May 2025 and signed on its behalf by:

Electronically signed
by: Martin Skitt
Date: May 30, 2025
13:56 GMT+1

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M. J. Skitt
Director

Registered number: 00646166
Siemens Financial Services Limited

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

	Note	**Share capital**	**Retained earnings**	**Total equity**
Brought forward October 1, 2022	20	51,945	166,038	217,983
Profit for the financial year		-	24,492	24,492
Other comprehensive income, net of income taxes		-	(1,968)	(1,968)
Dividends to equity holders		-	(20,000)	(20,000)
Balance at September 30, 2023		51,945	168,562	220,507
Balance as of October 1, 2023		51,945	168,562	220,507
Profit for the financial year		-	13,901	13,901
Other comprehensive income, net of income taxes		-	1,700	1,700
Dividends to equity holders		-	(20,000)	(20,000)
Balance at September 30, 2024		**51,945**	**164,163**	**216,108**

The notes on pages 15 to 49 form an integral part of these financial statements. All amounts relate to continuing operations.

1. Basis of presentation

The accompanying financial statements present the operations of the Company and have been prepared and approved by the directors in accordance with Financial Reporting Standard 101 ("FRS 101"), 'Reduced Disclosure Framework' and applied in accordance with the Companies Act 2006. The financial statements are generally prepared on the historical cost basis, except as stated in note 2.

The Company is a qualifying entity for the purposes of FRS 101.

The following disclosure exemptions under FRS101 have been considered and applied where deemed to be applicable:

- IAS 7 cash flow statements and related notes;
- IAS 8 the listing of or revised standards that have not been adopted (and information of their likely impact) may be omitted;
- IAS 24 related party disclosure for intra-group transactions and disclosure of key management compensation;
- IAS 1 the requirement to present comparatives in roll-forward reconciliations for movements on share capital, property plant and equipment and intangible assets; and
- IFRS 16 requirements for a qualitative and quantitative explanation of the significant changes in the carrying amount of the net investment in finance leases.

The Company is a member of the Finance and Leasing Association (FLA).

Siemens Financial Services Limited has prepared and reported its financial statements in Great British Pounds (GBP or £) and the financial information is disclosed in thousands of £, except where stated otherwise. 'k' denotes thousands of £, 'm' denotes millions of £ and 'bn' denotes billions of £. Siemens Financial Services Limited is a United Kingdom based company incorporated in England and Wales and is engaged in leasing and instalment credit facilities to clearly defined markets in the UK within the business-to-business, healthcare and public sectors. The Company is authorised and regulated by the Financial Conduct Authority (FCA) in relation to consumer credit activities. Siemens Financial Services Limited is a private limited company, incorporated and domiciled in the United Kingdom. The registered address is Sefton Park, Bells Hill, Stoke Poges, Slough, SL2 4JS and this also the principal place of business. The parent company is Siemens PLC incorporated in the United Kingdom and the ultimate parent company is Siemens AG incorporated in Germany.

In these financial statements, the term 'Group' refers to all companies for whom the ultimate parent undertaking is Siemens AG. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company has net current liabilities principally due to intercompany funding from Siemens treasury entities being repayable on demand. The Company has received a letter from the Siemens treasury creditors, confirming that they will not require repayment of those funding arrangements for a period of at least 12 months from the date of approval of the annual report and financial statements.

In consideration of the above, as well as the performance of the business, it is the view of the directors that for the foreseeable future, our business will remain resilient and continue to mitigate risks should they arise. The directors have a reasonable expectation that the Company has adequate resources to remain a going concern for a period of at least 12 months from the date of the approval of the financial statements, and therefore, the going concern basis of preparation remains appropriate.

In preparation of Statement of Comprehensive Income and the Statement of Financial Position, the directors had due regard to the substance of reported transactions or arrangements in accordance with generally accepted accounting principles.

Critical accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

Impairment of financial instruments:

Valuation allowances are set up for expected credit losses £25,386k (2023: £21,665k), representing a forward-looking estimate of future credit losses involving significant judgment. Expected credit loss is the gross carrying amount less collateral, multiplied by the probability of default and a factor reflecting the loss in the event of default. The movement on the valuation allowance is given in note 3. Valuation allowances are not recognised when the gross carrying amount is sufficiently collateralised. Probabilities of default are mainly derived from rating grades. A simplified approach is used to assess expected credit losses from trade receivables and lease receivables by applying their lifetime expected credit losses. The valuation allowance for loans and other long-term debt instruments are measured according to a three-stage impairment approach:

Stage 1: At inception, 12-month expected credit losses are recognised based on a twelve-month probability of default.

Stage 2: If the credit risk of a financial asset increases significantly without being credit-impaired, lifetime expected credit losses are recognised based on a lifetime probability of default. A significant increase in credit risk is determined for each individual financial instrument using credit ratings. A rating deterioration does not trigger a transfer into Stage 2, if the credit rating remains within the investment grade range. Financial Instruments that have more than 30 days past due payments will not be transferred into Stage 2 if the delay is not credit-risk-related.

Stage 3: If the financial asset is credit-impaired, valuation allowances equal lifetime expected credit losses. A financial asset is considered credit-impaired when there is observable information about significant financial difficulties and a high vulnerability to default, however, the definition of default is not yet met. Impairment triggers include liquidity problems, a request for debt restructuring or a breach of contract. A credit-risk driven contractual modification always results in a credit-impaired financial asset.

Multiple Economic Scenarios:

A key source of estimation uncertainty arises from the use of multiple forward-looking economic scenarios to measure expected credit losses (ECL). This involves significant judgement in selecting appropriate macroeconomic variables, constructing plausible scenarios, assigning probability weightings, and assessing their impact on credit risk parameters. Given the inherent unpredictability of future economic conditions, these estimates are highly sensitive to changes in assumptions, and even small variations can materially affect the ECL outcome.

Residual values:

Residual values is an area of critical judgment for the Company, as a balance sheet data the carrying value is £115,451k (2023: £134,534k). Residual value exposure occurs due to the uncertain nature of the value of an asset at the end of an agreement. Throughout the life of an asset its residual value will fluctuate because of the uncertainty of the future market for that asset as well as general economic conditions. Residual values are set at the commencement of the lease based upon management's expectation of future sale proceeds. During the course of the lease, residual values are monitored so as to identify any changes. The monitoring takes account of the Company's past history for residual values and projections of the likely future market for each group of assets. Any variance in the residual value is recognised by the Company and charged or credited as depreciation in the statement of income over the remaining lives of the operating leases of the assets concerned.

Defined benefit plan:

Recognition of Asset Surplus: IAS19 limits the amount of surplus arising from a defined benefit plan that an entity can recognise as an asset. Following consultation with external advisors, the company has made the judgement to show the complete asset surplus due to its unconditional right to a refund assuming gradual settlement of the plan, thus using option 11(b) of IFRIC14.

Valuation of defined benefit obligation: Actuarial valuations rely on key assumptions including discount rates, expected compensation increases, rates of pension progression and mortality rates. Discount rates used are determined by reference to yields on high-quality corporate bonds of appropriate duration and currency at the end of the reporting period. In case such yields are not available discount rates are based on government bonds yields. Due to changing market, economic and social conditions the underlying key assumptions may differ from actual developments. The company based its estimates and assumptions on currently available knowledge and best available information.

Valuation of the pension assets: Defined benefit plan assets are valued by third parties: directly held assets (including government bonds and derivatives) are valued by the custodian; valuations sourced from the fund provider are used for investments in collective investment vehicles and other pooled investments. Therefore, no estimation required. However, for investments where a market quotable price is not available, for example real estate, insurance policies and a special purpose vehicle (SPV) valuations are based on key assumptions and best available information. Valuations are based on advice from independent experts. Key assumptions include future inflation, discount rates and life expectancy. See note 19 for further details, including the assumptions used and sensitivity of the results to key assumptions.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Restatements

Revenue

During the year it was noted that the early termination of finance lease assets via exercise of option had previously been incorrectly classified in the statement of income due to a mapping error. Previously the early termination fee had been recognised as a sale or disposal in other revenue and the write off of the finance lease receivable had been recognised in cost of sales. The correct presentation would have been to present the net impact as Interest income. This has been corrected and restatement in the Statement of comprehensive Income was performed which has impacted the following primary statement accounts in the statement of comprehensive income. There was no impact to Operating Profit, Net Income for the financial year, or Net assets.

	2023 Statement of income pre	Restatement	2023 Statement of income post
Interest income recognised under effective interest rate method	99,328	1,636	100,964
Other Revenue (note 4)	95,565	(20,879)	74,686
Cost of Sales (note 5)	(129,172)	19,243	(109,929)
Gross Profit	65,721	-	65,721

The opening cost and accumulated depreciation were adjusted to reflect the true position of the operating lease book following a review of the historic disposals, this had nil impact on the net book value in the current and prior years. There was no impact to the net book value of operating leases, net income or net assets. The restatement is detailed in the table below and in note 15.

Cost	**2023 Audited**	**2023 Restated**
At 1 October 2022	334,262	334,262
Additions	38,592	38,592
Disposals	(87,873)	(19,142)
At 30 September 2023	284,981	353,712
Accumulated depreciation and impairment		
At 1 October 2022	137,208	137,208
Charge for the year	48,658	48,658
Disposals	(71,672)	(2,941)
At 30 September 2023	114,194	182,925

Income Statement – (increase)/decrease in movement in expected credit loss

This was restated due to a change in accounting policy to clarify the presentation of the Income Statement. In the prior year the movement in expected credit loss was presented in the Income Statement as a sub-component of Other operating expenses. This has been restated to exclude the movement in expected credit loss from Other operating expenses and present it as a separate line item, as below:

	2023 Audited	2023 Restated
Other operating expenses	(48,593)	(51,166)
*(Increase)/decrease in movement in expected credit loss **	2,573	2,573

2. Summary of material accounting policies

Revenue recognition

Income from lease arrangements: Operating lease income for equipment rentals is recognised on a straight-line basis over the lease term. An arrangement that is not in the legal form of a lease is accounted for as a lease if it is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. If lease payments are made in advance, to recognize lease income on a straight-line basis, revenue is deferred as Trade and other payables as soon as the lease payments are made.

Receivables from finance leases, in which Siemens as the lessor transfers substantially all the risks and rewards incidental to ownership to the customer, are recognised at an amount equal to the net investment in the lease. Finance income is subsequently recognised based on a pattern reflecting a constant periodic rate of return on the net investment using the effective interest rate method. Profit from sale and leaseback transactions is recognised immediately if significant risks and rewards of ownership have passed to the buyer, the leaseback results in an operating lease and the transaction is established at fair value.

Sales proceeds received for the for the disposal of assets formerly on finance and operating lease contracts are recognised in the Statement of Income at the point of disposal. Fee revenue that is not directly attributable the origination of loan or lease products is recognised in accordance with contractual agreements or on completion of the related services, in the Statement of Income.

Business originated from introducers incurs initial direct costs for negotiating and arranging an operating lease, these are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Initial direct costs on finance leases are included in the initial measurement of the net investment in the lease, the inclusion of initial direct costs in the finance lease receivable are part of the interest rate implicit in the lease. The amount of income recognised over the lease term is reduced by the impact of the initial direct costs.

Lease incentives and initial costs are amortised against the lease margin over the lease term. Receipts that were not fixed at lease inception are booked as income when earned. Lease termination payments received in the period are included in rental income.

Interest Income is recognised using the effective interest rate method.

Property, plant and equipment

Property, plant and equipment are initially capitalised at cost, which includes all directly attributable costs necessary to bring the asset to working condition for its intended use. Subsequent to initial recognition, assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets, which are as follows:

Furniture & office equipment	5 to 10 years
Equipment leased to others	generally 3 to 15 years

Assets subject to operating leases: Depreciation is charged to allocate the cost of the assets less their residual value over their estimated useful lives, using the straight-line method.

Impairment of property, plant and equipment and other intangible assets: The Company reviews property, plant and equipment and other intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In addition, intangible assets with indefinite useful lives as well as intangible assets not yet available for use are subject to an annual impairment test. Impairment testing of property, plant and equipment and other intangible assets involves the use of estimates in determining the assets' recoverable amount which can have a material impact on the respective values and ultimately the amount of any impairment.

Upon disposal or when no future economic benefits are expected from the use of an asset, the asset is derecognised. The gain or loss on disposal is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss. Assets held for disposal are measured at the lower of their carrying amount and fair value less costs to sell, and depreciation ceases at the point the asset is classified as held for sale.

Income taxes

The Siemens Group operates in various tax jurisdictions and therefore has to determine tax positions under respective local tax laws and tax authorities' views, which can be complex and subject to different interpretations of taxpayers and local tax authorities. Estimates are revised in the period in which there is sufficient evidence to revise the assumption. If management considers it probable that all or a portion of a deferred tax asset cannot be realized, a corresponding valuation allowance is taken into account.

The Company applies IAS 12, Income Taxes. Under the liability method of IAS 12, deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The tax expense for the period comprises current and deferred tax. The effect on deferred tax assets and liabilities of a change in tax laws is recognised in the statement of income, unless related to items directly recognised in equity, in the period the new laws are enacted or substantively enacted. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred 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 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.

International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two incomes taxes. The amendments clarify that IAS12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top up taxes. The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. This temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments. The Company is not expecting any material impact by the amendment on transition.

Provisions

A provision is recognised in the Statement of Financial Position when it is probable that the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are recognised at present value by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money. When a contract becomes onerous, the present obligation under the contract is recognised as a provision.

For further explanation of the movement in provisions in the year see note 18.

Financial instruments

Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Based on their contractual cash flow characteristics and the business model they are held in, financial instruments are classified as financial assets and financial liabilities measured at cost or amortised cost and financial assets and financial liabilities measured at fair value and as receivables. For additional information refer to note 3.

Regular way purchases or sales of financial assets are accounted for at the trade date.

Initially, financial instruments are recognised at their fair value. Transaction costs and fees such as commissions directly attributable to the acquisition or issue of financial instruments are only recognised in determining the carrying amount if the financial instruments are not measured at fair value through profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned to.

The Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a business objective. Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The Company has concluded that all its financial assets are held within this business model.

For financial assets held within such a business model, the nature of their contractual cash flows must also be considered during classification – this is the SPPI (solely payments of principal and interest) criterion. Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a basic lending agreement. The Company has concluded that all financial assets within the business model hold-to-collect satisfy the SPPI criterion.

Financial assets measured at amortised cost: Trade and other receivables, Loans and advances to customers and other debt instruments held in a hold-to-collect business model with contractual cash flows that represent solely payments of principal and interest are measured at amortised cost using the effective interest method.

Financial assets are written off as uncollectible if recovery appears unlikely. Generally, if the limitation period expired, when a debtor's sworn statement of affairs is received, or when the receivable is not pursued due to its minor value. Receivables are written off when bankruptcy proceedings close.

Derivative financial instruments are measured at fair value through profit or loss. The Company does not apply hedge accounting.

In case of modifications to a loan, the accounting depends on whether the modification is substantial or non-substantial

Substantial modifications: Changes to a contract that need explicit consent of the Company and that lead to a change in the present value of the debt instrument are generally classified as substantial modifications. Substantial modifications result in a derecognition of the original debt instrument and a recognition of a new debt instrument. Following a modification to a loan agreement, the carrying value of the loan must be recalculated by discounting future cash flows after the modification including any fees paid or received. In case the recalculation results in a different carrying value, the modification is generally classified as substantial.

Where the modification is substantial, this change triggers a derecognition of the original loan and the recognition of a new loan. Any costs or fees in connection with the original loan incurred are recognized as a gain or loss. Cost or fees incurred in connection with the new loan are adjusting the carrying amount and are amortized using the effective interest rate method.

Non-substantial modifications: Changes to a contract that do not lead to a change of the present value of the debt instrument and/or changes that do not need explicit consent of the Company are classified as non-substantial modifications. Where the modification is not substantial, any difference between the original and adjusted carrying amount discounted with the original effective interest rate triggered by the modification is recognised as a gain or loss at the time of the modification. Any costs or fees incurred are adjusting the carrying amount of the loan and are amortized over the remaining time of the loan.

The exercise of a contractually agreed option (e.g. extension option, prepayment option) does not constitute a modification.

Disclosures for financial assets have been represented in note 3 for current and prior year.

Financial liabilities

The Company shall recognise financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. The Company shall classify all financial liabilities as subsequently measured at amortised cost except for financial liabilities at fair value through Statement of Income. However, the Company does not make any use of the "fair value option for financial liabilities". Financial liabilities measured at amortised cost are non-derivative financial liabilities that are not categorised as financial liabilities at fair value through profit or loss. Common examples are debt, trade payables, and customer deposit accounts.

Initial and subsequent measurement of financial liabilities: The Company measures financial liabilities, except for derivative financial instruments, at amortised cost using the effective interest method. Other financial liabilities must always be recognised at their invoiced amount. Other financial liabilities with a contractual obligation to pay monies on specified or determinable dates should be recognised using the amount of the consideration paid or received. If the redemption amount exceeds the consideration paid or received (discount), the difference should be amortised as an interest expense over the remaining maturity of the liability.

Financial liabilities measured at amortised cost include all trade payables and other non-derivative financial liabilities not carried at fair value through profit or loss and, consequently, are measured at amortised cost using the effective interest method.

De-recognition of financial liabilities: Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires. Gains and losses from extinguishment of debt arise from the difference between the settlement price and the carrying amount of the debt (including premium or discount amounts and debt issuance costs not yet recognised in income). Gains and losses from the early extinguishment of debt must be recognised in net income.

Financial liabilities that related to group undertakings are settled on a gross basis.

Disclosures for financial liabilities have been represented in note 3 for current and prior year.

Cash and cash equivalents

The Company considers all highly liquid investments with maturity three months or less from the date of acquisition to be cash equivalents. Cash and cash equivalents are measured at cost. The Company is part of a cash pooling arrangement across the worldwide Siemens Group. Balances within this facility are classified as *Receivables from Group companies* and *Amounts due to Group companies.* Cash in transit relates to timing differences between invoices being received and payments being made.

Leases

Leases in which the Company is the lessee:

The Company considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets four key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;

- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- The Company has the right to direct the use of the identified asset throughout the period of use; and
- The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a "lessee"

Initial recognition

At the commencement date the Company recognises a right-of-use asset and a lease liability.

At the commencement date the Company measures a right-of-use asset at cost. The cost of the right of use asset includes-

- the initial measurement of the lease liability measured at the present value of the lease payments payable over the lease term, discounted at the implicit rate in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee will use their incremental borrowing rate;
- the lease payments made before or after commencement, less the lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of the costs incurred by the lessee upon disassembling and eliminating the underlying asset, restoring the place where it was located or restoring the underlying asset to the condition required by the terms of the lease.

Subsequent measurement of the right-of-use asset

After the commencement date, the Company measures its right-of-use asset using a cost model and depreciation is recognised on a straight-line basis over the lease period. Adjustments are made to the carrying value of the right-of-use asset where the lease liability is re-measured, as stated in the below. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in Impairment of property, plant and equipment and other intangible assets.

Subsequent measurement of the lease liability

After the commencement date, the Company measures a lease liability:

- increasing the carrying amount to reflect the interest on the lease liability.
- reducing the carrying amount to reflect the lease payments made; and
- measuring the carrying amount again to reflect the new measurements or changes in the lease and to reflect the in-substance fixed lease payments that have been reviewed.

Lease modifications as a lessee

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. In the event of a lease modification, where the modification increases the scope of the lease by adding the right to use one or more underlying assets, or the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope, then the modification will be treated as a new lease. If the modification is not a separate lease, remeasure the lease liability using a revised discount rate at the effective date of the modification and adjust the right-of-use (ROU) asset to reflect the remeasurement of the lease liability. The effective date of a lease modification is the date when both parties agree to the modification.

Leases in which the Company is the lessor:

The Company leases vehicles, medical equipment, reprographic and IT, machinery, and construction equipment. Rental contracts are typically made for fixed periods and lease terms are negotiated on an individual basis.

Initial and subsequent measurement of an Operating Lease.

Leases are classified as either finance or operating leases, determined based on whether substantially all the risks and rewards incidental to ownership of an underlying asset are transferred. If this is the case, the lease is classified as a finance lease; if not, it is an operating lease. Receivables from finance leases are recognised at an amount equal to the net investment in the lease. The assets underlying the operating leases are presented in Property, plant and equipment and depreciated on a straight-line basis over their contractual term, to their useful lives or to their estimated residual value. Operating lease income is recognised on a straight-line basis over the lease term.

Initial direct costs such as commissions are incurred on new business written through our introducer network and are payable in respect of operating leases and finance leases. Initial direct costs are capitalised and amortised against the operating or finance lease margin over the lease term.

Initial and subsequent measurement of a Finance Lease.

On initial recognition of a Finance lease a receivable should be recorded at an amount equal to the net investment in the lease. The net investment in the lease is determined by discounting the lease payments and the unguaranteed residual value with the interest rate implicit in the lease. The difference between the gross investment and the net investment in the lease resulting from the discounting of the gross investment in the lease is the unearned finance income. This is represented as the gross minimum lease payments, plus the unguaranteed residual value and initial direct cost, offset by unearned finance income. In subsequent periods, the amount of minimum lease payments is reduced with the payments from the lessee.

Accounting for lease modifications:

A lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, such as adding or terminating the right to use one or more underlying assets or extending or shortening the contractual lease term. The exercise or non-exercise of an option already existing in the original contract is by contrast not a lease modification.

A modification to an operating lease is accounted for as a new lease from the effective date of the modification, based on the revised terms and conditions as of the date of modification. Prepaid or accrued lease payments relating to the original lease are treated as part of the minimum lease payments for the new lease.

If a restructure of a finance lease is classified as a lease modification constituting a separate lease, the separate lease is classified as either an operating or a finance lease at the date of the lease modification and accounted for separately from the original lease. If the conditions for accounting for a separate lease are not met, the lease classification as at the inception date should be reviewed, based on the revised terms but using the original assumptions.

If the lease is reclassified as an operating lease, the lease is accounted for as an operating lease from the effective date of the modification. The carrying amount of the underlying asset is measured as the net investment in the lease immediately before the effective date of the lease modification. No gain or loss is recognized. In case of lease modifications to a finance lease that do not result in a reclassification of the lease, the accounting depends on whether the lease modification is substantial or non-substantial. Where the modification is substantial, it is accounted for as an extinguishment of the original finance lease and the recognition of a new finance lease. Where the modification is not substantial, the net carrying amount of the net investment in the lease is recalculated as the present value of the modified contractual cash flows that are discounted at the original effective interest rate. The delta between the original carrying amount of the net investment in the lease before the lease modification and the carrying amount after the lease modification is recognised as a gain or loss.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract. The Company complies with impairment requirements mentioned under "Impairment of financial instruments" in the critical accounting judgement and estimation uncertainty section.

Pension costs and other post-retirement benefits

Defined contribution plan — The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the Statement of Income represents the contributions payable to the scheme in respect of the accounting period and represents the full extent of the Company's liability.

Defined benefit plans — The Company measures the entitlements by applying the projected unit credit method. The approach reflects an actuarially calculated net present value of the future benefit entitlement for services already rendered. In determining the net present value of the future benefit entitlement for service already rendered (Defined Benefit Obligation (DBO)), the expected rates of future salary increase and expected rates of future pension progression are considered. The assumptions used for the calculation of the DBO as of the period-end of the preceding financial year are used to determine the calculation of service cost and interest income and expense of the following year. The net interest income or expense for the financial year will be based on the discount rate for the respective year multiplied by the net defined liability (asset) at the preceding financial year's period-end date.

Service cost and past service cost for post-employment benefits and administration costs unrelated to the management of the plan assets are allocated among functional costs. Past service costs and settlement gains and losses are recognised immediately in the Statement of Income. For unfunded plans, the amount of the line-item post-employment benefits equals the DBO. For funded plans, the Company offsets the fair value of the plan assets with the DBO. The Company recognises the net amount, after adjustments for effects relating to any asset ceiling.

Remeasurements comprise of actuarial gains and losses, as well as the difference between the return of plan assets and the amounts included in net interest on the net defined benefits liability or asset. They are recognised by the Company in the Statement of Comprehensive Income, net of income taxes.

Borrowing costs

The Company pays interest on its amounts due to group companies. These are recognised within Cost of sales in the Statement of Income when incurred or payable.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Guarantees

In the ordinary course of business, the Company provides financial guarantees, consisting of letters of credit, guarantees and facility commitments. Financial guarantees are initially recognised in the financial statements (within 'trade and other payables') at fair value, being the premium received. Subsequent to initial recognition, the Company's liability under each guarantee is measured at the higher of the amount initially recognised less, when appropriate, cumulative amortisation recognised in the Statement of Income or recoverable value. The premium received is recognised in the Statement of Income in 'revenue' on a straight-line basis over the life of the guarantee. Financial guarantees are subject to ECL, as disclosed in note 17.

Inventories

Inventories are assets held for sale in the ordinary course of business. On recognition, inventories must be capitalised when the following three criteria are met jointly: transfer of risks and rewards of economic ownership, ability to measure costs reliably, and generation of probable future economic benefits. Assets are derecognized from the inventory when the significant risks and rewards of ownership are transferred to third parties, the carrying amount on derecognition is recognised as an expense through Cost of sale of leased assets sold. Inventories are stated at the lower of costs and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion necessary to sell the assets. Inventories are reviewed monthly by the asset management function, and impaired at each reporting date so any write downs to the net realisable value are recognised as an expense in the period.

Foreign currency transactions

Transactions that are denominated in a currency other than the functional currency of an entity, are recorded at that functional currency applying the spot exchange rate at the date when the underlying transactions are initially recognised. At the end of the reporting period, foreign currency denominated monetary assets and liabilities are re-valued to functional currency applying the spot exchange rate prevailing at that date. Gains and losses arising from these foreign currency revaluations are recognised in the Statement of Income. Those foreign currency-denominated transactions which are classified as non-monetary are remeasured using the historical spot exchange rate.

3. Financial instruments

The following table presents the carrying amounts of each category of financial assets and financial liabilities:

		September 30,
	2024	2023
Financial assets		
Cash and cash equivalents	**7,934**	522
Finance leases and loans and advances to customers		
Finance leases	**1,062,034**	1,067,652
Loans and advances to customers	**632,139**	565,246
	1,702,107	1,633,420
Trade and other receivables		
Amounts due from Group companies	**127**	1
Trade receivables from the sale of goods and services	**18,526**	11,083
Other receivables	**578**	2,077
	19,231	13,161
Total financial assets	**1,721,338**	1,646,581

		September 30,
	2024	2023
Financial liabilities		
Trade and other payables and other current liabilities		
Amounts owed to Group companies	**1,632,834**	1,584,278
Trade payables – non-Group companies	**10,904**	15,695
Other current liabilities	**11,925**	19,724
Total financial liabilities	**1,655,663**	1,619,697

The amount of prepaid expense within other receivables but not included in the above table is £2,866k (2023: £3,021k). The amount of VAT liability within other current liabilities but not included in the above table is £128k (2023: nil).

The fair values of Cash and cash equivalents, Trade Receivables from the sale of goods and services, Other Receivables, Trade Payables – non-Group companies, and Other current liabilities approximate or equate their carrying amount due to the short-term maturities of these instruments or the nature of the instrument.

The fair value of fixed-rate assets and liabilities are evaluated by the Company based on parameters such as interest rates and the risk characteristics of the contracts.

At September 30, 2024, the fair value of finance leases and loans and advances to customers is £1,775m (2023: £1,491m) and the fair value of amounts owed to group companies is £1,622m (2023: £1,587m).

The financial income and expenses for the above financial assets and liabilities are disclosed in notes 4, 5 and 9.

Risk management framework

The following is a summary of the Company's risk management strategies and the effect of these strategies on the financial statements. The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- market risk
- liquidity risk
- operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The policies are aligned with the established Siemens AG framework on which there is regular reporting. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations in relation to risk management policies.

Audit governance and risk issues are formally reported to the Board on a quarterly basis with executive management considering these issues in monthly meetings. The Board recognises it is important to encourage and safeguard the highest standards of integrity, financial reporting, corporate governance, risk management and internal control.

The Company seeks to maintain profitability, a strong Statement of Financial Position in terms of low credit risk and strong collateral and asset positions and liquidity, such that in a severe and exceptional event, capital and retained reserves together with net positive cash flows are more than adequate to meet any losses and repayment of liabilities. Liquidity is provided by the wider Siemens Group with other risks supported locally through operational policies aligned to the strategy of the business, supported by adequate capital resources.

(i) Credit risk

Credit risk is defined as an unexpected loss in financial instruments if the contractual partner is failing to discharge its obligations in full and on time or if the value of collateral declines.

The effective monitoring and controlling of credit risk through credit evaluations and ratings is a core competency of our risk management system. In this context, Siemens has implemented a binding credit policy for which the Company's Risk Department is responsible for implementing and addresses:

- *Implementing credit policies* in consultation with business units, covering collateral requirements, credit assessment, risk rating and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- *Establishing the authorisation structure* for the approval and renewal of credit facilities.
- *Reviewing and assessing credit risk*. The Risk Department assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- *Developing and maintaining the Company's' risk ratings* in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

(i) Credit risk (continued)

- *Providing advice, guidance and specialist skills* to business units to promote best practice throughout the Company in the management of credit risk.
- *Monitoring and management of structured financing* which is monitored on an ongoing basis to ensure that any changes in credit quality are identified in a timely manner and appropriate measures taken.

Measurement of Expected Credit Losses (ECL)

Financial assets, specifically finance leases, loans and advances to customers, are accounted for at amortised cost and are evaluated for impairment on a basis described in the accounting policy (see note 2).

The credit rating considers appropriate forward-looking information relevant to the specific financial instrument like expected changes in the debtor's financial position, ownership, management or operational risks, as well as broader forward-looking information, such as expected macroeconomic, industry-related and competitive developments. The ratings also consider a country-specific risk component derived from external country credit ratings. Ratings and credit limits for customers, are reviewed annually upon anniversary of deal inception when exposure is material by internal risk assessment specialists. Other ratings may be reviewed as the result of event driven changes and back-testing to determine the efficacy of the rating process is carried out.

To analyse and monitor credit risks, the Company applies various systems and processes. A main element is a central IT application that processes data from operating businesses together with rating and default information and calculates an estimate, which may be used as a basis for individual or collective bad debt provisions. Additionally, qualitative information is considered to particularly incorporate the latest developments.

In the current year, the Company considers the Multiple Economic Scenarios (MES) to be a significant factor impacting the sensitivity of the overall ECL calculation, there was a shift from the prior year where the variables were considered and are detailed in the following section. The table below indicates the (decrease)/increase to the £25,386k ECL amount in the event of the scenarios described in the modelled data.

Scenario	**ECL impact**
Base Case	(3,655)
Stagnation	(2,061)
Severe recession	1,040

Multiple Economic Variable (MEV) in the prior year

In the prior year, the Company considered the application of MEV where forecast values for the next 5 years were included, the base case forecast had the following values:

September 30,	Unemployment Rate	GDP growth	Inflation
2024	4.52%	0.43%	3.15%
2025	4.35%	1.47%	1.31%
2026	3.90%	2.26%	1.29%
2027	3.85%	1.54%	1.74%
2028	3.79%	1.65%	1.93%

The Company assessed the sensitivity to each of the below macroeconomic factors. Should the rate of the factor increase/decrease by 10pp the ECL (£19.2m) would (increase)/decrease to the below (£k):

	10pp. increase	10pp. decrease
Unemployment rate	(£150)	£123
Real GDP growth	£10	(£35)
Inflation	(£128)	£102

The Company had identified five scenarios for MES. Base case, Asset price crash, Excess savings run-down, increased Geo-political tensions, tighter credit conditions with the weighting applied of 40%, 10%, 20%, 10% and 20% respectively to each scenario based on management judgement. The values for the individual macro-economic scenarios have been obtained from a third-party provider's data which is publicly available.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Significant increase in credit risk (SICR)

The Company applies a series of quantitative, qualitative and backstop criteria to determine if an account has demonstrated a significant increase in credit risk and should therefore be moved to Stage 2.

- Quantitative criteria: A significant increase in credit risk is determined for each individual financial instrument using credit ratings. A rating deterioration does not trigger a transfer into Stage 2, if the credit rating remains within the investment grade range. Financial Instruments that have more than 30 days past due payments will be transferred into Stage 2, except for financial instruments where the delay is not credit-risk-related.
- Qualitative criteria: Additionally, qualitative information is considered to particularly incorporate the latest developments. This includes regular checks against external credit rating agency ratings to ascertain if a customer has suffered a downgrade but we have not noted any deterioration on their payment behaviour.

Model calculation

The definitions of the ECL calculations are outlined below and the key elements are as follows:

- PD - The Probability of Default ('PD') is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognised and is still in the portfolio.

- EAD - The Exposure at Default ('EAD') is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments in full, continued repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments, and the value of any collateral.

- LGD - The Loss Given Default ('LGD') is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

ECL is the EAD, multiplied by the PD and the LGD.

Management adjustments are made to modelled output to account for situations where known or expected risk factors and information have not been considered in the modelling process. In accordance with IAS 8, a change in in estimate relating to the Company's ECL model utilised for parameterised pricing with discounted cash flows has been applied in the current year financial statements. The change reflects an adjustment in the expected credit loss associated with the calculation of credit risk.

Credit exposure

The following shows the maximum exposure to credit risk, net of expected credit losses (which are determined with reference to collateral held) at September 30, 2024 and September 30, 2023.

		September 30,
	2024	2023
Finance leases and loans and advances to customers		
Finance leases	**1,062,034**	1,067,652
Loans and advances to customers	**632,139**	565,246
	1,694,173	1,632,898
Amounts due from Group companies	**127**	1
Cash and cash equivalents	**7,934**	522
Trade receivables from the sale of goods and services	**18,526**	11,083
Other receivables	**578**	2,077
Financial assets subject to credit risk	**1,721,338**	1,646,581
Guarantees		
Guarantees	-	2,780

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

The credit risk is primarily attributable to the Company's finance leases and loans and advances to customers.

The carrying amount is the maximum exposure to a financial asset's credit risk, without taking account of any collateral. Collateral reduces the valuation allowance to the extent it mitigates credit risk. Collateral needs to be specific, identifiable, and legally enforceable to be taken into account. The value of the collateral held relating to stage 3 assets at the balance sheet date amount to £10,000k of which £6,292k relates to finance leases and £3,708k relates to loans and advances to customers (2023: £8,009k of which £7,823k relates to finance leases and £186k relates to loans and advances to customers).

As per the Siemens credit policy, an exposure is considered defaulted if the debtor is unwilling or unable to pay its credit obligations. A range of internally defined events trigger a default rating, including but not limited to, the opening of bankruptcy proceedings, receivables being more than 90 days past due, or a default rating by an external rating agency.

Credit quality of financial assets and leases

For the purposes of the Company's disclosures regarding credit quality, financial assets and leases subject to credit risk have been analysed as follows:

2024	**Finance leases**	**Loans and advances to customers**	**Trade and other receivables**	**Total**
Financial assets with a collective impairment allowance	**1,079,808**	**630,768**	**19,240**	**1,729,816**
Financial assets with an individual impairment allowance	**4,546**	**4,428**	-	**8,974**
	1,084,354	**635,196**	**19,240**	**1,738,790**
Impairment allowances	**(22,320)**	**(3,057)**	**(9)**	**(25,386)**
Total carrying amount	**1,062,034**	**632,139**	**19,231**	**1,713,404**

2023	Finance leases	Loans and advances to customers	Trade and other receivables	Total
Financial assets with a collective impairment allowance	1,078,002	566,968	13,233	1,658,203
Financial assets with an individual impairment allowance	9,521	-	-	9,521
	1,087,523	566,968	13,233	1,667,724
Impairment allowances	(19,871)	(1,722)	(72)	(21,665)
Total carrying amount	1,067,652	565,246	13,161	1,646,059

Assets where the Company deem there not to be a material credit risk have not been included in the above tables. These are cash and cash equivalents and amounts due from Group companies.

The credit risk is managed by the application of a credit risk rating. This is provided via an IT tool designed by the ultimate parent Company but reviewed and approved by management periodically. There are monthly reviews of large arrears balances which could result in subsequent rating changes to reflect a higher risk of loss.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

(a) Financial assets impairment allowance

The following table sets out the Company's gross lease and other receivables and ECL provision under the simplified approach:

		September 30,
	2024	2023
Investment Grade Ratings	**585,226**	449,499
Non-investment Grade Ratings	**494,582**	628,503
Individually Impaired	**4,546**	9,521
Gross Carrying Amount	**1,084,354**	1,087,523
Trade Receivables	**19,240**	13,233
Gross Exposure	**1,103,594**	1,100,756
ECL	**(22,329)**	(19,943)
Net Exposure	**1,081,265**	1,080,813

The following table sets out the Company's loans to customers and ECL provision under the general approach:

					September 30,
	Stage 1	**Stage 2**	**Stage 3**	**2024**	2023
Investment Grade Ratings	**85,076**	**247,362**	-	**332,438**	313,913
Non-investment Grade Ratings	**268,632**	**29,151**	**547**	**298,330**	253,055
Individually Impaired	-	-	**4,428**	**4,428**	-
Gross Carrying Amount and Gross Exposure	**353,708**	**276,513**	**4,975**	**635,196**	566,968
ECL	**(1,014)**	**(885)**	**(1,158)**	**(3,057)**	(1,722)
Net Exposure	**352,694**	**275,628**	**3,817**	**632,139**	565,246

The following table sets out the reconciliation of movement in loans to customers and related ECL provision under the general approach:

	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross Balance at October 1, 2023	302,711	263,717	540	**566,968**
Stage Transfers	(20,416)	16,771	3,645	-
New Business	191,557	11,319	1,135	**204,011**
Receivables repaid, restructured or written off	(120,144)	(15,294)	(345)	**(135,783)**
Gross Balance at September 30, 2024	353,708	276,513	4,975	**635,196**
ECL Provision	(1,014)	(885)	(1,158)	**(3,057)**
Net carrying value at September 30, 2024	352,694	275,628	3,817	**632,139**

Within stage 3, there is nil (2023: £2,780k) off balance sheet exposure in connection with a commitment for a contract.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Movements in provision for expected credit losses

2024	Loan and other debt instruments under the general approach			Trade receivables and other debt instruments under the simplified approach	Lease receivables	**Total**
	Stage 1	Stage 2	Stage 3			
ECL as of October 1, 2023	1,134	350	238	72	19,871	**21,665**
Change in valuation allowances recorded in the current period	1,165	(9)	179	(63)	2,449	**3,721**
Stage transfers	(1,285)	544	741	-	-	**-**
ECL as of September 30, 2024	1,014	885	1,158	9	22,320	**25,386**

2023	Loan and other debt instruments under the general approach (including covid overlay)			Trade receivables and other debt instruments under the simplified approach	Lease receivables	Total
	Stage 1	Stage 2	Stage 3			
ECL as of October 1, 2022	1,546	(188)	193	249	22,438	24,238
Change in valuation allowances recorded in the current period	(297)	543	(75)	(177)	(2,567)	(2,573)
Stage transfers	(115)	(5)	120	-	-	-
ECL as of September 30, 2023	1,134	350	238	72	19,871	21,665

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

(b) Financial assets that are impaired

The table below shows specific and collective allowances relating to stage 3 loans and advances to customers, and specific allowances relating to finance leases:

2024	**Finance leases**	**Loans and advances to customers**	**Total**
Opening as at October 1, 2023	**2,845**	**238**	**3,083**
Movement	**(680)**	**920**	**240**
Closing as at September 30, 2024	**2,165**	**1,158**	**3,323**

2023	Finance leases	Loans and advances to customers	Total
Opening as at October 1, 2022	2,806	193	2,999
Movement	39	45	84
Closing as at September 30, 2023	2,845	238	3,083

(ii) Market risk

(a) Residual value risk

Residual value risk arises to the extent that the market value of leased assets held falls below the expected recoverable amount of the assets.

A part of the Company's portfolio comprises operating leases, in which the Company retains a residual exposure to the equipment after the lessee's minimum rental payment obligations have expired. The expectation is that the equipment will be re-leased, either to the original lessee or to a new lessee, or that the equipment can be sold to the original supplier or on the open market, all to the effect that the residual exposure will be repaid without loss of principal, interest, or margin to the Company. Additionally, the Company has secured insurances or guarantees for an element of the assumed residual value. Given the diverse range of assets on the Company's portfolio it is challenging to calculate sensitivity under a standard methodology. Historic performance demonstrates that the assumed realisable values are appropriate, and an annual residual value review is conducted to assess if adjustments are required in accordance with significant market changes.

Residual value nominal positions as at September 30, 2024 and September 30, 2023 are disclosed below split by maturity:

2024	**Finance leases**	**Operating leases**	**Total**
Within 1 year	**7,413**	**26,885**	**34,298**
Between 1-2 years	**10,315**	**20,744**	**31,059**
Between 2-5 years	**23,059**	**20,600**	**43,659**
More than 5 years	**5,820**	**615**	**6,435**
Total	**46,607**	**68,844**	**115,451**

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

2023	Finance leases	Operating leases	Total
Within 1 year	7,297	27,374	34,671
Between 1-2 years	7,390	23,276	30,666
Between 2-5 years	25,676	35,203	60,879
More than 5 years	6,844	1,474	8,318
Total	47,207	87,327	134,534

Finance leases include unguaranteed residual values of £46,862k (2023: £40,962k).

(b) Interest rate risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were:

	September 30, 2024	2023
Fixed rate instruments		
Financial assets	**1,694,173**	1,632,898
Financial liabilities	**1,632,834**	1,584,278

The Company does not account for any fixed or variable rate financial assets and liabilities at fair value through profit or loss and the Company does not hold derivatives (interest rate swaps) as hedging instruments under a fair value or cash flow hedge accounting model.

The Company's success in optimally funding the business can be significantly impacted by risk related to changes in global market interest rates. The delivery of reliable returns on the Company's capital is dependent on the prudent management of related exposure to interest rate movements. The Company mitigates the risk of change in interest rates by entering into a corresponding position with matching terms from the parent company on a monthly basis. Where a deal is greater than EUR £10m the Company enters into an individual funding agreement. The cash inflows from our asset portfolio is matched to the cash outflows on our borrowings on a monthly basis. At September 30, 2024 if interest rates had been 100bp higher or lower there would not have been any significant effect on profit or equity on the basis that the assets are match funded.

(c) Investment risk

The Company does not hold investments for trading purposes and has no trading book. It does not hold investments in publicly traded companies or non-publicly traded companies.

(d) Foreign currency exchange rate risk

Foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. Where the Company is conducting business with international counterparties that leads to future cash flows denominated in a currency other than its functional currency, it is exposed to the risk from changes in foreign exchange rates. This risk is mitigated by financing the assets with funding from within the Group in the same currency. The Company does not borrow or invest in foreign currencies on a speculative basis.

The tables below show the net foreign exchange transaction exposure by major currencies as of September 30, 2024 and September 30, 2023:

	US$	**Euro**
2024		
Net Statement of Financial Position exposure	**16**	**(1,654)**
Thereof: Financial assets	**17**	**81,667**
Thereof: Financial liabilities	**(1)**	**(83,321)**
Change in value of financial assets and financial liabilities resulting from 10% appreciation of GBP	**2**	**(165)**

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

	US$	Euro
2023		
Net Statement of Financial Position exposure	25	162
Thereof: Financial assets	1,088	38,437
Thereof: Financial liabilities	(1,063)	(38,275)
Change in value of financial assets and financial liabilities resulting from 10% appreciation of GBP	3	16

It is the directors' view that using 10% sensitivity is appropriate to analyse the sensitivity of currency fluctuations. The amount of foreign exchange recognised in the Statement of Income was a £144k loss (2023: £98k gain). The Company makes no use of derivative financial instruments.

(e) Liquidity risk

Liquidity risk results from the Company's potential inability to meet its financial liabilities, e.g. for the settlement of its financial debt, paying its suppliers and settling finance lease obligations. In addition to having implemented effective working capital and cash management, the Company mitigates liquidity risk by arranged credit facilities with other Siemens companies. Amounts owed to Group companies are presented on their contractual maturity. These are repayable on demand or due to certain triggering events. Historically other Siemens companies have not demanded repayment of these intercompany balances. If those amounts were called upon for payment then this would result in £1,194k (2023: £1,530k) being reclassified from 'Between 1 and 5 years' and 'After 5 years' to 'Less than 1 year' in the table below.

The following table reflects all contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

2024	**Carrying amount**	**Contractual cash flows**	**Less than 1 year**	**Between 1-5 years**	**After 5 years**
Financial liabilities					
Amounts owed to Group companies	**1,632,834**	**1,808,921**	**468,314**	**1,113,817**	**226,790**
Trade and other payables – non-Group companies and other current liabilities	**22,829**	**22,829**	**22,447**	**382**	**-**
Total	**1,655,663**	**1,831,750**	**490,761**	**1,114,199**	**226,790**

2023	Carrying amount	Contractual cash flows	Less than 1 year	Between 1-5 years	After 5 years
Financial liabilities					
Amounts owed to Group companies	1,584,278	2,226,506	696,576	1,298,951	230,979
Trade and other payables – non-Group companies and other current liabilities	35,419	35,419	34,923	496	-
Total	1,619,697	2,261,925	731,499	1,299,447	230,979

Trade payables and amounts owed to Group companies mainly originate from the financing of finance leases and loans and advances to customers.

To monitor existing financial assets and liabilities as well as to enable effective control of future risks, the Company has established comprehensive risk reporting.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

The following table reflects the calculation of the Company's net current liabilities:

	September, 30	
	2024	2023
Cash and cash equivalents	**7,934**	522
Loans and advances to customers – current	**502,273**	477,251
Trade receivables from the sale of goods and services and other receivables	**19,231**	13,161
	529,438	490,934
Amounts owed to Group companies – current (note 16)	**439,749**	553,088
Other amounts owed to Group companies which are repayable on demand	**1,193,085**	1,031,190
Current trade payables – non-Group companies and other current liabilities	**22,447**	35,419
	1,655,281	1,619,697
Net current liabilities	**(1,125,843)**	(1,128,763)

In line with the funding strategy adopted for all wholly owned Siemens AG Group companies, funding is affected through the ultimate parent. Wherever and whenever possible, Siemens AG have granted a Revolving Credit facility for an amount of £100m for an indefinite period subject to certain performance conditions, provision of information and the Company remaining an affiliate of Siemens AG. Each loan under the facility is subject to a perpetual term that can only be withdrawn with 3 years notice. The board considers in the event that the ultimate parent be faced with a liquidity issue of its own, it may not be able to fulfil this commitment. The board is of the view that this is not currently of material concern, since the Siemens AG, at September 30, 2024, is rated A+ with a market capitalisation of €181.34bn (2023: €113.20bn). However, should this change with negative implications, or should any other adverse event or condition materialise, the board would have to immediately review the implications of such an event and act accordingly.

(iii) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations and business lines.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures to meet Siemens Internal Guidelines;
- requirements for the annual assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with Siemens and regulatory standards is supported by a programme of annual reviews undertaken by Group internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Siemens AG audit committee and senior management of the Company.

Collateral

The Company does not hold any collateral that can be sold or re-pledged in the absence of default by the owner on contractual terms. Nor does the Company pledge its financial assets as collateral to third parties.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

4. Interest income recognised under effective interest rate method and Other Revenue

Revenue is the aggregate of operating lease income, earnings from finance leases and earnings from loans and advances to customers. The policy for revenue recognition is set out in note 2 above.

	Year ended September 30,	
	2024	2023 Restated
Interest income recognised- Finance lease income**	**81,351**	66,084
Interest income recognised- Income from other loans and advances to customers	**41,316**	34,880
Interest income recognised under effective interest rate method**	**122,667**	100,964
Operating lease rental income**	**52,395**	56,887
Proceeds from sale of leased assets**	**17,911**	17,799
	192,973	175,650

**see Restatements in Notes to the Financial Statements, prior period comparatives have been restated. There is no impact on previously presented net income for the financial year.

5. Cost of sales

Cost of goods sold and services rendered represents interest payments from finance leases, operating leases and loans and advances to customers, along with similar costs and any commission payable. Transactions with group entities are settled on a gross basis.

Interest payable and similar costs included within the cost of sales rendered is as follows:

	Year ended September 30,	
	2024	2023 Restated
Interest payable to other Group undertakings	**66,184**	47,664
Depreciation on assets leased under operating leases	**42,101**	48,658
Cost of sale of leased assets sold**	**15,583**	13,002
Commissions	-	605
	123,868	109,929

**see Restatements in Notes to the Financial Statements, prior period comparatives have been restated. There is no impact on previously presented net income for the financial year.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

6. Other operating expenses

	Year ended September 30,	
	2024	2023
Administrative expenses	**26,901**	24,080
Operating lease payments	**40**	40
Bad debt write-offs	**4,280**	3,775
Charge / (release) of impairment against residual values	**862**	(150)
Auditors' remuneration for audit services – PwC (Appointed)**	**394**	-
Auditors' remuneration for audit services – EY (Resigned)*	-	270
Auditors' out of pocket expenses – EY (Resigned)	**20**	5
Staff costs (see note 7)	**24,753**	23,146
Total other operating expenses	**57,250**	51,166

Amounts payable to PricewaterhouseCoopers LLP and their associates by the Company in respect of non-audit services were £nil (2023: £nil). During the year, Auditors Ernst & Young resigned as the Group Statutory auditors, and PricewaterhouseCoopers LLP were appointed. The table above discloses renumeration paid to both firms for audit services in the reporting period.

*In 2024 additional renumeration for audit services was paid to EY of £8k that related to the audit of the 2023 financial statements.

**Included in the Auditors' remuneration for audit services - PwC is £25k which relates to statutory audit procedures performed at a group level and subsequently recharged locally.

7. Staff numbers and costs

	Year ended September 30,	
	2024	2023
Wages and salaries	**20,812**	19,370
Social security costs	**2,381**	2,176
Other pensions costs	**1,560**	1,600
	24,753	23,146

Other pension costs include service costs for the period. Expected return on plan assets and interest costs are included in interest income.

The average number of employees (including executive directors) during 2024 and 2023 was 258 and 259, respectively. Part-time employees are counted as full units. The employees were engaged in the following activities:

	Year ended September 30,	
	2024	2023
	Average Number	Average Number
Administration and general services	**182**	183
Sales and marketing	**76**	76
	258	259

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

8. Directors' emoluments

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	Year ended September 30, 2024	2023
Emoluments receivable	**706**	617
Employer contributions to money purchase schemes	**27**	27
	733	644

Certain directors of the Company are also directors of fellow Siemens AG subsidiary companies, none of whom receive emoluments through the Company, the hours incurred by these directors with respect to Siemens Financial Services Limited were incidental to the total hours of this director. The aggregate amounts of emoluments and amounts receivable under long-term incentive schemes for all directors was £733k (2023: £644k), the highest paid director was £477k (2023: £405k).Two (2023: two) of the directors are a member of the defined contributions scheme, the aggregate amount of any pension contributions for all directors was £27k (2023: £27k), the highest paid director was £5k (2023: £8k). None (2023: none) of the directors are members of a defined benefit scheme. One (2023: one) of the directors have qualifying services shares receivable from a long-term incentive scheme, they have received 507 (2023: 214) shares in total; this includes shares receivable by the highest paid director.

9. Other operating income

	Year ended September 30, 2024	2023
Management fees received from other group companies	**4,816**	4,426
Insurance related fees	**6,349**	6,392
Other fee income	**1**	1,836
Foreign exchange (loss)/gain	**(144)**	98
Profit or loss on disposal of PPE	**(1)**	-
Other income	**-**	964
	11,021	13,716

In the year, there was a change in the recognition of fee income. As a result, these balances are now presented within note 4. Interest income recognised under effective interest rate method and Other Revenue

10. Interest income and interest expense

The total amounts of interest income and expense were as follows:

	Year ended September 30, 2024	2023
Interest income from pension plans and similar commitments	**2,082**	2,236
Interest expense from pension plans and similar commitments	**(2,189)**	(2,200)
Interest (expense)/income from pension plans and similar commitments	**(107)**	36

	Year ended September 30, 2024	2023
Interest expense from lease liabilities	**(31)**	(32)

Interest expense relates to the Company's obligation on its right of use asset (see note 15). Interest expense on intercompany funding is disclosed as part of the Cost of sales note, in Interest payable to other Group undertakings (note 5).

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

11. Taxes

The analysis below is in reference to the total tax expense included in the Statement of Income.

	Year ended September 30,	
	2024	2023
Current tax:		
UK corporation tax	**6,869**	8,736
Foreign income taxes charged / (credited)	**24**	(25)
Adjustments for prior years	**(1,183)**	96
	5,710	8,807
Deferred tax:		
Origination and reversal of temporary differences - current year	**(779)**	(2,133)
Origination and reversal of temporary differences - prior years	**1,220**	(318)
	441	(2,451)
Tax expense	**6,151**	6,356

Of the deferred tax expense or (credit) in 2024 £1,505k and 2023 £(2,291k), respectively, relate to the origination and reversal of temporary differences.

For the year ended September 30, 2024 the Company was subject to UK corporation tax at a rate of 25% (for the year ended September 30, 2023: 22.5%).

The total tax expense differs from the amounts computed by applying the statutory UK tax rates as follows:

	Year ended September 30,	
	2024	2023
Net income before tax (continuing operations)	**20,052**	30,848
Tax at 25% (2023: 22.5%)	**5,013**	6,786
Increase / (decrease) in income taxes resulting from:		
Non-deductible losses and expenses	**1,082**	67
Under/ (over) provided in prior years – deferred tax	**1,220**	(318)
(Over) / under provided in prior years – current tax	**(1,183)**	97
Irrecoverable foreign tax	**18**	(20)
Deferred tax rate change adjustment	**1**	(256)
Total income tax expense for the year	**6,151**	6,356

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

The Finance Act 2021 included an increase in the corporate tax rate to 25% effective from April 2023. The deferred tax assets and liabilities shown below have been measured at the enacted rate that is expected to apply when the asset is realised or the liability is settled.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Deferred tax assets and liabilities on a gross basis are summarised as follows:

	Year ended September 30, 2024	2023
Assets:		
Property, plant and equipment	**13,660**	13,971
Pension plan similar commitments	**(89)**	469
Liabilities	**649**	807
Deferred tax assets	**14,220**	15,247
Liabilities		
Pension plans and similar commitments	**-**	-
Intangible assets	**(6)**	(8)
Deferred tax liabilities	**(6)**	(8)
Total deferred tax assets, net	**14,214**	15,239

Deferred tax assets are reviewed at each reporting date. Management considers to what extent it is probable that the deferred tax assets will be realised in a reasonably foreseeable timeframe. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible (including future taxable profit of the wider Siemens UK group to the extent that deferred tax attributes can be surrendered as permitted under tax legislation).
Short term timing differences are generally recognised ahead of losses and other tax attributes as they are likely to reverse more quickly.

Deferred tax balances and (expenses) benefits developed as follows in the current and previous financial year:

	Year ended September 30, 2024	2023
Deferred tax assets balance as at October, 1	**15,239**	12,132
Income tax presented in the Statement of Income	**(441)**	2,451
Changes in items of the Statement of Comprehensive Income	**(584)**	656
Deferred tax assets balance as at September, 30	**14,214**	15,239

In June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing the OECD's Pillar Two model rules and a global minimum effective tax rate of 15% through implementation of a domestic top-up tax and a multinational top-up tax. The Pillar Two legislation will be effective for the Company's financial year beginning 1 October 2024.

Since the Pillar-Two legislation was not effective at the reporting date, the entity has no related current tax exposure. Siemens AG as ultimate parent entity will have to apply the global minimum taxation rules starting in the fiscal year 2025 in Germany. The Company will have to apply the Qualifying Domestic Minimum Top Up Tax of the UK starting with the year ended 30 September 2025.

The entity applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in amendments to IAS 12 issued in May 2023.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

12. Trade and other receivables

		September 30,
	2024	2023
Trade receivables from the sale of goods and services	**18,526**	11,083
Receivables from Group companies	**127**	1
Other receivables	**3,447**	8,649
	22,100	19,733

Trade receivables from the sale of goods and services are all payable within 14 days.

13. Loans and advances to customers

		September 30,
	2024	2023
Finance lease receivables	**1,062,034**	1,067,652
Loans	**632,139**	565,246
Total Loans and advances to customers	**1,694,173**	1,632,898

Loans and advances to customers include the following receivables:

		September 30,
	2024	2023
Less than one year	**502,273**	477,251
Between one and five years	**941,584**	890,499
More than five years	**275,693**	286,741
Total impairment allowance	**(25,377)**	(21,593)
	1,694,173	1,632,898

Finance lease receivables – Minimum lease receivables

The following minimum lease receivables on finance leases:

		September 30,
	2024	2023
Less than one year	**426,844**	382,110
Between one and five years	**743,854**	729,543
More than five years	**52,048**	63,828
	1,222,746	1,175,481

The following table shows a reconciliation of minimum future lease receivables to the gross and net investment in lease payments receivable:

		September 30,
	2024	2023
Minimum future lease receivables	**1,222,746**	1,175,481
Unguaranteed residual value	**46,862**	40,962
Less: Unearned finance income	**(185,254)**	(128,920)
Net investment in finance leases	**1,084,354**	1,087,523

Amounts included in Finance lease receivables include finance leases receivable from related parties to the value of £1,284k (2023: £2,037k).

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

14. Other intangible assets

The gross cost and accumulated amortisation of other intangible assets (all of which relate to software) as at 30 September 2024 is £6.6m and 2023 was £6.6m; there were no additions in the year and the net book value as at these dates was £nil.

15. Property, plant and equipment

	Equipment leased to others (*Restated)	Furniture & office equipment	Right of use asset	Total property, plant & equipment (*Restated)
Cost				
At 1 October 2023*	353,712	145	4,111	357,968
Additions	**20,503**	-	**321**	**20,824**
Disposals	**(48,520)**	**(9)**	**(214)**	**(48,743)**
At 30 September 2024	**325,695**	**136**	**4,218**	**330,049**
Accumulated depreciation and impairment				
At 1 October 2023*	182,925	114	2,725	185,764
Charge for the year	**43,306**	**7**	**895**	**44,208**
Disposals	**(38,057)**	**(9)**	**(136)**	**(38,202)**
At 30 September 2024	**188,174**	**112**	**3,484**	**191,770**
Net book value at 30 September 2023	170,787	31	1,386	172,204
Net book value at 30 September 2024	**137,521**	**24**	**734**	**138,279**

* The opening cost and accumulated depreciation were adjusted to reflect the true position of the operating lease book following a review of the historic disposals, this had nil impact on the net book value in the current and prior years. There was no impact to the net income or net assets. The restatement is detailed in the table below.

Cost	**2023 Audited**	**2023 Restated**
At 1 October 2022	334,262	334,262
Additions	38,592	38,592
Disposals	(87,873)	(19,142)
At 30 September 2023	284,981	353,712
Accumulated depreciation and impairment		
At 1 October 2022	137,208	137,208
Charge for the year	48,658	48,658
Disposals	(71,672)	(2,941)
At 30 September 2023	114,194	182,925

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Furniture & office Equipment includes fully depreciated assets with cost and accumulated depreciation of £101k (2023: £111k).

As of September 30, 2024 and 2023, the undiscounted minimum future lease payments receivable that the Company, as a lessor, is expecting to receive under non-cancellable operating leases as follows:

		September 30,
	2024	2023 (* Restated)
<1 year	**36,396**	43,957
1-2 years	**20,129**	30,531
2-3 years	**11,590**	15,593
3-4 years	**5,674**	8,019
4-5 years	**2,886**	2,785
More than five years	**397**	1,442
	77,072	102,327

* The above table is restated to accurately align with the definition of lease payments as per IFRS 16, whereas previously other inflow types were included. The prior period comparatives have been restated to reflect the same.

See note 16 for discounted lease liabilities with movements during the period and a maturity analysis of contractual undiscounted lease payments.

16. Trade and other payables

		September 30,
	2024	2023
Trade payables	**10,197**	14,330
Amounts due to Group companies	**1,632,834**	1,584,278
Lease Liabilities – Current	**326**	916
Lease Liabilities – Non-Current	**381**	496
	1,643,738	1,600,020

Trade payables are expected to be paid within 12 months.

Of the amounts due to Group companies, £1,193,085k (2023: £1,030,670k) is expected to be due over more than one year but can be repayable on demand. The average term of amounts due to Group companies is 4.1 (2023: 4.7) years and these amounts are interest bearing.

The following table shows the discounted lease liabilities with movements during the period and a maturity analysis of the contractual undiscounted lease payments:

		September 30,
	2024	2023
Balance at the beginning of the year	**1,412**	1,764
Additions	**321**	618
Accretion of interest	**40**	32
Payments	**(990)**	(929)
Disposals	**(76)**	(73)
Balance at the end of the year	**707**	1,412

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Split as:		
Current	**326**	916
Non-Current	**381**	496

Maturity analysis – contractual undiscounted cashflows payable	**2024**	2023
One year	**326**	916
Two years	**201**	274
Three years	**150**	152
Four years	**30**	70
Five years	-	-
Thereafter	-	-

17. Other current liabilities

	September 30,	
	2024	2023
Other current liabilities	**12,053**	19,229
Expected credit loss on credit guarantees	-	970
	12,053	20,199

£5,518k (2023: £5,500k) of which, are employee related accruals for variable pay elements associated with bonus schemes, vacation payments, overtime, and service anniversary awards.

18. Current Provisions

	September 30,	
	2024	2023
Balance at the beginning of year	-	311
Additions	-	-
Unused amounts reversed	-	(311)
	-	-

Provisions in the prior year related to expected tax interest payable.

19. Post employment benefits

Post-employment benefits provided by the Company are organised through a defined benefit plan as well as a defined contribution plan. In the year the Company participated in one defined benefit plan and one defined contribution plan.

Defined benefit plan

Siemens Benefits Scheme

Siemens Benefits Scheme ("Scheme") is a defined benefit scheme with assets held in separate trustee administrated funds. The amount of contributions to be paid is determined jointly by the employer and the trustees of the Scheme based on funding levels. Assets held in trust are governed by UK regulations and practice. The Scheme's investment strategy is decided by the trustees, in consultation with the employer. The board of trustees must be composed of representatives of the employer and Scheme participants in accordance with the Scheme's legal documentation. The Company is one of a number of companies that participate in this Scheme, which provides benefits based on final pensionable pay.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

All members and their respective defined benefit obligations are allocated to individual participating employers, and assets are allocated on a similar basis. These allocations allow net defined benefit costs to be charged to each company. Contributions for ongoing accrual in respect of active members are based on each company's payroll, whilst the distribution of deficit and lump sum payments is the responsibility of the principal and main participating employers.

The Company’s share of the Scheme is analysed below:

Movement in the Company’s share of the net amount recognised of the Scheme recognised In the Statement of Financial Position:

	September 30, **2024**	2023
Company's share of the net amount recognised of the Scheme at beginning of year	**(1,874)**	714
Defined benefit cost recognised in the statement of income:		
Other finance cost	**(107)**	36
Remeasurements included in Statement of Comprehensive Income	**2,284**	(2,624)
Company's share of the net amount recognised of the Scheme at end of year	**303**	(1,874)

The disclosures which follow are for the Siemens Benefits Scheme as a whole, except as where otherwise stated.

The numbers shown in this disclosure have been based on calculations carried out by a qualified independent actuary to take account of the requirements of IAS 19 in order to assess the liabilities of the Scheme at September 30, 2024. The Scheme’s assets are stated at their market values at September 30, 2024.

The Group Scheme covers 27,589 participants, including 580 active employees, 13,381 former employees with vested benefits and 13,628 retirees and surviving dependents. Of these, there are 280 Siemens Financial Service Ltd participants of which 18 are continuing employees, 196 former employees with vested benefits and 66 retirees and surviving dependents.

The valuation used for IAS 19 disclosures has been based on a full assessment of the liabilities of the Siemens Benefits Scheme as at September 30, 2024. The present values of the defined benefit obligation ("DBO"), the related current service cost and any past service costs were measured using the projected unit credit method.

The Scheme is now closed, the salary linkage ceased for continuing members on January 1, 2023 and the last remaining members stopped accruing defined benefits in the scheme on June 30,2023.

Reconciliation of Net Pension Asset to Statement of Financial Position:

	September 30, **2024**	2023
Fair value of Scheme assets	**2,998,974**	2,830,823
Present value of funded defined benefit obligations	**(2,739,777)**	(2,699,458)
Net Pension Asset recognised in the companies’ Statement of Financial Position	**259,197**	131,365

The element of the above Net Pension Asset recognised in the Company Statement of Financial Position is £303k (2023: liability of £1,874k).

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Changes to the present value of the defined benefit obligation during the year:

		September 30,
	2024	2023
Defined benefit obligation at beginning of year	**2,699,458**	2,986,793
Current service cost	-	104
Interest expense	**146,570**	150,413
Remeasurements:		
Remeasurement gains from changes in demographic assumptions	**(44,311)**	(51,701)
Remeasurement losses / (gains) from changes in financial assumptions	**104,014**	(308,519)
Experience (gains) / losses	**(19,164)**	62,718
Scheme participants' contributions	**6,563**	1,164
Benefits paid	**(153,353)**	(141,514)
Defined benefit obligation at end of year	**2,739,777**	2,699,458

The Company's defined benefit obligation at the end of the year was £41,726k (2023: £40,314k).

The total DBO at the end of the year 2024 includes £94,007k for active employees (2023: £136,352k), £939,497k for former employees with vested benefits (2023: £969,560k) and £1,706,273k for retirees and surviving dependents (2023: £1,593,546k).

The weighted average duration of the DBO was 12.2 years (2023: 12.0 years).

Changes to the fair value of Scheme assets during the year:

		September 30,
	2024	2023
Fair value of Scheme assets at beginning of year	**2,830,823**	3,252,128
Interest income	**153,773**	164,666
Remeasurements:		
Return (Losses) on Scheme assets excluding amounts included in interest income and interest expense	**159,857**	(447,112)
Employer contributions	**1,311**	1,491
Scheme participants' contributions	**6,563**	1,164
Benefits paid	**(153,353)**	(141,514)
Fair value of Scheme assets at end of year	**2,998,974**	2,830,823

The Company's scheme assets had a fair value of £42,029k (2023: £38,440k) at the year end date.

Actuarial assumptions:

The main assumptions used by the independent qualified actuaries to calculate the liabilities under IAS 19 are set out below.

The assumptions used for the calculation of the DBO as of the period-end of the preceding year are used to determine the calculation of service cost and interest income and interest expense of the following year. The interest income and interest expense for the year will be based on the discount rate at the beginning of the respective year multiplied by the net of the fair value of Scheme assets and the DBO at the preceding year's period-end date. The fair value of Scheme assets and DBO, and thus the interest income on Scheme assets and the interest expense on DBO, are adjusted for significant events after the year end, such as a supplemental funding, Scheme changes or business combinations and disposals.

Assumed discount rates, compensation increase rates, pension progression rates used in calculating the DBO vary according to the economic conditions.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Main financial assumptions:

	September 30, 2024 % p.a.	2023 % p.a.
Discount rate for Scheme liabilities	5.04	5.48
Inflation (RPI)	3.00	3.20
Inflation (CPI)	2.40	2.50
Rate of increase to pensions in deferment	2.40	2.50
Rate of increase to pensions in payment*	2.80	3.00

*** This refers to inflation capped at 5%, the scheme does have other rates of increase, but this is the most common**

Mortality assumptions:

The post-retirement mortality assumptions used in valuing the liabilities of the scheme are based on 98% (2023: 99%) of the standard SAPS S3 "All lives" table for male members and 98% (2023: 99%) of the standard S3 "Middle lives" table for female members. In addition, there is an allowance for future longevity improvements in line with the core Continuous Mortality Investigation 2023 model (CMI2023 Model) with an 'A' parameter of 0.5% p.a. (2023: 0.5%p.a.) and a long term rate of improvement of 1.25% p.a. (2023: 1.25% p.a.).

The table below provides illustrative life expectancies from age 65 for members aged 45 and 65 at the year end.

Life expectancy from age 65:

	Year ended September 30, 2024	2023
Male aged 45	**23.3**	23.3
Male aged 65	**22.1**	22.0
Female aged 45	**25.5**	25.3
Female aged 65	**24.0**	23.9

Sensitivity analysis:

A one-half-percentage-point change of the established assumptions mentioned before, used for the calculation of the DBO as of September 30, 2024, would result in the following increase (decrease) of the DBO:

	Effect on DBO as of September 30, 2024 due to	
	One-half % Increase	One-half % Decrease
Discount rate	**(153,687)**	**163,552**
Rate of pension progression	**130,556**	**(123,813)**

In order to determine the longevity risk, the mortality rates were reduced by 10% for all beneficiaries. The impact would result in the following increases:

Increase in life expectancy of a male employee aged 55 years	**+0.9 years**
Impact on DBO	**£74,047**

When calculating the sensitivity of the DBO to significant actuarial assumptions the same method (present value of the DBO calculated with the projected unit credit method) has been applied as when calculating the pension obligation recognised in the Statement of Financial Position. Increases and decreases in the discount rate, rate of compensation increase and rate of pension progression which are used in determining the DBO do not have a symmetrical effect on the DBO primarily due to the compound interest effect created when determining the net present value of the future benefit. If more than one of the assumptions were changed simultaneously, the cumulative impact would not necessarily be the same as if only one assumption was changed individually. Furthermore, the sensitivities reflect a change in the DBO only for a change in the assumptions in this exact magnitude, i.e. 0.5%. If the assumptions change at a different level, the effect on the DBO is not necessarily linear.

There were no changes in the methods used in preparing the sensitivity analyses.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

Disaggregation of Scheme assets:

The asset allocation of the Scheme is as follows:

	September 30, 2024			September 30, 2023		
	Quoted market price in active market	**No quoted market price in active market**	**Total**	No quoted market price in active market	Quoted market price in active market	Total
Asset Class						
Equity securities:						
International equities	**223,610**	**-**	**223,610**	-	174,374	174,374
	223,610	**-**	**223,610**	-	174,374	174,374
Fixed income securities:						
Government bonds	**929,703**	**-**	**929,703**	-	765,581	765,581
Corporate bonds	**176,251**	**-**	**176,251**	-	170,446	170,446
Other Special purpose Vehicle	**-**	**239,300**	**239,300**	250,700	-	250,700
	1,105,954	**239,300**	**1,345,254**	250,700	936,027	1,186,727
Alternative investments:						
Real estate	**-**	**22,097**	**22,097**	21,126	-	21,126
	-	**22,097**	**22,097**	21,126	-	21,126
Multi strategy funds	**299,787**	**-**	**299,787**	-	269,020	269,020
Derivatives:						
Interest risk	**-**	**(2,522)**	**(2,522)**	(9,510)	-	(9,510)
Foreign currency risk	**-**	-	**-**	-	-	-
Credit, Inflation and Price risk	**-**	**2,515**	**2,515**	7,254	-	7,254
	-	**(7)**	**(7)**	(2,256)	-	(2,256)
Cash and other assets (including insurance contracts)	**22,504**	**1,085,729**	**1,108,233**	1,125,704	56,128	1,181,832
Total	**1,651,855**	**1,347,119**	**2,998,974**	1,395,274	1,435,549	2,830,823

The Scheme assets do not include any transferable financial instruments of the Company or property occupied by the Company.

The trustee of the Scheme has produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. This statement sets out the trustee's investment objectives and strategy. The trustee sets investment strategy taking into account the Scheme's liabilities, the strength of the funding position and the trustee's appetite to risk, after taking appropriate investment advice. The trustee has allocated the Scheme's assets to a mix of asset classes, primarily bonds (fixed and index-linked gilts and other non-gilt bonds), but also other investments including (but not limited to) a special purpose vehicle investment, qualifying insurance policies, equities, infrastructure and real estate. Derivative contracts are used to manage a portion of the interest rate and inflation exposure of the liabilities and separately to manage exchange rate risk arising from the Scheme's investments outside of the UK.

Where possible, values of plan assets are derived from observable market prices at the relevant date, or the fund price at the relevant date in the case of pooled investment vehicles.

Real estate investments are assessed by suitably qualified experts at the relevant date and valuations are based on their advice.

Insurance contracts are valued in line with the underlying liabilities which have been insured in the contract. Key assumptions and sensitivities are as for the liabilities, as described in the section on “Main financial assumptions” above.

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

The Special Purpose Vehicle is a limited partner investment in a Scottish Limited Partnership ("SLP"), the SBS Pension Funding (Scotland) Limited Partnership. The general partner is Siemens Pension Funding (General) Limited which is a wholly owned subsidiary of Siemens Holdings Plc. Another Siemens Group company, Siemens Pension Funding Limited is the other limited partner. The principal asset of the SLP is a loan to Siemens Finance BV. The loan is governed by German law. The interest payments on the loan are used to make half-yearly payments to the Scheme which will continue until 29 July 2033.

Aon Solutions UK Limited perform a valuation of the partnership interest at the year end for financial statements purposes. The valuation is based on the net present value of the coupon receipts, discounted for UK government gilts, adjusted by a risk premium related to Siemens Plc and an illiquidity premium reflective of the fact that this is not an open market instrument, and uses a stochastic model to estimate the likely final receipt by modelling the probability of relevant scenarios.

Sensitivity to the most important assumption, the risk premium, is illustrated in the following table:

	Valuation
Risk premium	**239,300**
-0.5% p.a.	**+2,400**
+0.5% p.a.	**-2,300**

Future cash flows:

Employer contributions expected to be paid to the Scheme in 2025 are £1,350k of which employer deficit funding contributions are £nil.

Under the Pension Act 2004, every UK defined benefit scheme is subject to a statutory funding objective which requires the scheme to hold sufficient and appropriate assets to cover it's "technical provisions". These provisions are determined at least every three years following agreement between the Company and the trustees of the scheme upon the assumptions to be used in the valuation. Assumptions agreed in this triennial process are not necessarily the same as those used in the annual IAS 19 calculations, where the Directors of the Company select the assumptions to be used.

Any technical provisions' shortfall arising is required to be remedied, and a recovery plan is agreed between the trustees and the Company, which will take into account financial and demographic factors for each scheme, as well as the financial strength (covenant) of participating employers. The timing and length of any recovery plan reflects the circumstances of each scheme, and results in a Schedule of Contributions which is signed by both Company and trustees (the employer contributions expected to be paid for the following year are stated above).

The effective date of the most recent triennial valuation for the Siemens Benefit Scheme was September 30, 2023.

Expected pension benefit payments:

	September 30,
2025	153,206
2026	146,022
2027	153,304
2028	160,498
2029	163,555
2030-2034	880,248

Defined contribution plan

The Company participates in a defined contribution pension plan. The pension cost charge for the period represents contributions payable by the Company to the Scheme and amounted to £1,560k (2023: £1,600k).

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

20. Share capital

	September 30, 2024	2023
Authorised share capital		
75,000,000 (2023: 75,000,000) of £1 each	**75,000**	75,000

Allotted, called up and fully paid:

	September 30, 2024	2023
51,944,523 (2023: 51,944,523) Ordinary Shares of £1 each	**51,945**	51,945

21. Commitments and contingencies

As of September 30, 2024, future payment obligations under non-cancellable operating leases for an office space in the Siemens Manchester office are as follows:

	2024 Total	2023 Total
Within one year	**40**	40
After one year but not more than five years	**-**	-

Total operating rental expense for the years ended September 30, 2024 and 2023 was £40k and £40k respectively.

22. Capital management

The primary objective of the Company's capital management is to ensure that it maintains sufficient capital to support its business and maximise shareholder value.

The Company manages its capital structure and adjusts it, considering changes in economic conditions and strategic objectives. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or seek a capital injection from the parent company. No changes were made in the objectives, policies or processes during the years ended September 30, 2024 and 2023 with the business remaining adequately capitalised.

The Company monitors capital using several metrics including a gearing ratio, which is long term liabilities divided by equity plus long-term liabilities.

	September 30, 2024	2023
Long-term debt	**1,193,085**	1,030,670
Share capital	**51,945**	51,945
Reserves	**164,163**	168,562
Total equity	**216,108**	220,507
Gearing ratio	**85%**	82%

FOR THE YEAR ENDED SEPTEMBER 30, 2024 (in thousands of £)

The Company's policy is to review capital adequacy to ensure it reflects an adequately capitalised business with reference to the following:

- The credit quality of the portfolio;
- Operational risks existing within business channels; and
- Other identified risks including interest rate, foreign currency exchange and tax risk, concentrations, residual positions and sensitivity to changing legal, market and economic conditions.

This analysis is based on internal models utilising current credit metrics and Group policies consistently applied across the Group's financial services Sector. Capital adequacy will also be considered with regard to dividend policy and future growth expectations linked to the Company's annual budgeting exercise to ensure it remains adequately capitalised for the foreseeable future.

23. Inventory

	September 30,	
	2024	2023
Equipment or Assets for resale	**776**	2,746

During the year the Company recognised £15,560k (2023: £8,038k restated) as cost of sale of leased assets (please see note 5).

24. Subsequent events

Considering the recent Court of Appeal judgment on discretionary commission arrangements (DCA) in the motor finance sector, we have performed an assessment in line with IAS 37 - Provisions, Contingent Liabilities, and Contingent Assets and determined that a provision is not appropriate owing to the quantum. The Company has had minimal exposure to the Motor Finance sector and as such has determined that any provision, along with any expected recompense, would be immaterial and no subsequent event has been recorded. Ongoing uncertainty as to the scope of the DCA potential misconduct limits the applicability of further consideration across the wider portfolio at the time of signing the financial statements.

25. Ultimate parent undertaking

The immediate parent company of Siemens Financial Services Limited is Siemens Holdings plc, which is incorporated and registered in the United Kingdom. The ultimate parent undertaking is Siemens AG, incorporated in Germany. Siemens AG is the only Group undertaking of which the Company is a member for which Group financial statements are prepared. Copies of the Group financial statements are available on the internet at http://www.siemens.com/annualreports or obtained from:

Siemens AG
Werner-von-Siemens-Strasse 1
D-80333 Munich
Germany

Independent auditors' report to the members of Siemens Financial Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Siemens Financial Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 September 2024; the Statement of Income, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the annual report and financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority (FCA), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and United Kingdom tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussion with management and those charged with governance to enquire of any known instances of non-compliance with laws and regulations, or fraud;
- reviewing correspondence with the Society's regulators, the FCA, in relation to compliance with financial services regulations;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- incorporating unpredictability into the nature, timing and/or extent of our testing;
- identifying and, where relevant, testing journal entries posted during the audit period by applying a risk-based criteria to find those which may be fraudulent.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Stafford Moran

Stafford Moran (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
30 May 2025