# Cheltenham & Gloucester plc

# Annual Report and Accounts

# 2024

Registered number: 02299428

## Member of Lloyds Banking Group

The Directors present their Strategic report and audited financial statements for Cheltenham & Gloucester plc (“the Company”) for the year ended 31 December 2024.

## Principal activities

The principal activity of the Company was to arrange and administer mortgages and savings accounts on behalf of Lloyds Bank plc, the immediate parent company. This activity ended in 2018, following which the Company's principal activities have been that of managing its remaining assets and liabilities. This includes the lease and sub lease of one remaining property, due to expire in 2027. The Company forms part of Lloyds Banking Group ("the Group"). The Company is funded entirely by other entities within the Group.

## Business Overview

The results for the year are set out in the Statement of comprehensive income. The Company’s profit before tax for the financial year was £8,481k (2023: £6,374k) due to an increase in interest income earned on cash balances following successive Bank of England base rate rises.

The Company maintained its net asset position of £175,156k (2023: £168,795k) which primarily comprises cash reserves.

## Key Performance Indicators ("KPIs")

The Company's Directors are of the opinion that using KPIs is not necessary for an understanding of the development, performance and position of the Company.

## Future Outlook

The Company no longer writes any new business, but will continue to manage its existing portfolio of assets to achieve the best return for the Company. The Company is in a net asset position and holds adequate reserves of cash and near cash equivalents to repay its liabilities as they fall due.

## Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are managed within the framework established for the Group and are not managed separately for the Company. Further details of the Company’s and Group's risk management policy are contained in note 16 to the financial statements.

The Company's approach to Environmental, social and governance risks ("ESG") is aligned to that of the Group. Further information in respect of the ESG risks in Lloyds Banking Group plc ("LBG") are included within the Strategic report within the LBG Annual Report and Accounts for 2024.

Credit risk, liquidity risk, market risk and interest rate risk are managed and monitored by risk teams internal to the Group. Further details of these risks and the risk management policy are contained in note 16 of the financial statements.

Credit risk

Credit risk arises on the individual customer balances, both on the loans and advances to customers and also any undrawn balances for an existing customer. These loans are continually monitored by the Group's Internal Risk teams for credit performance and to ensure compliance with current regulations and that customers are being treated fairly. Further information can be found included in note 16.

Liquidity risk

Liquidity risk is the risk of the Company being unable to meet its financial obligations. Liquidity risk is subject to independent oversight by internal risk teams. The Company's ability to meet its funding obligations is closely monitored by the Group's Corporate Treasury team. Further information can be found in note 16.

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis, or are reset at different times. Interest rate risk for the Company includes customer lending and intragroup funding obligations. Further information can be found in note 16.

### Principal risks and uncertainties (continued)

Economic environment

The current financial year has been a year of change and economic uncertainty, with the cost of living crisis, rising geopolitical tensions and an ongoing climate emergency. These factors have all contributed to increasing the cost of living which impacts the Group and customers of its subsidiaries. In line with the Group's purpose of Helping Britain Prosper and its clear customer focus, the Group continues to provide support to those most affected by changes to the economic environment. The Company will continue to monitor the situation and risks to the business.

### Employees

The Company has 370 employees (2023: 412). All persons whose salaries were recognised within the Company, had their staff costs transferred to Lloyds Bank plc from the 1st September 2019.

### Section 172(1) Statement

In accordance with the Companies Act 2006 ("the Act"), for the year ended 31 December 2024, the Directors provide the following statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company under section 172.

### Statement of engagement with employees and other stakeholders

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the following statement also provides details of how the Directors have engaged with and had regard to the interests of key stakeholders. The Company is a subsidiary of LBG, and as such follows many of the processes and practices of LBG, which are further referred to in this statement where relevant.

The Directors' acknowledge that one of the primary responsibilities of the Board is to ensure the strategy of the Company, as aligned to that of LBG, achieves long-term success and generates sustainable returns, central to which is ensuring engagement with stakeholders, and considering in all instances the long-term implications of decisions made, acting at all times to maintain the highest possible standards of conduct. This approach has during the course of the year been central to the activities of the Directors, as discussed below.

### Shareholders

The Company is a wholly owned subsidiary of LBG, forming part of LBG's Consumer Lending Business Unit. As a wholly owned subsidiary, the Directors ensure that the strategy, priorities, processes and practices of the Company are fully aligned where required to those of LBG, ensuring that the interests of LBG as the Company's ultimate parent company are duly acknowledged. Further information in respect of the relationship of LBG with its shareholders is included within the Strategic report within the LBG Annual Report and Financial Statements for 2024, which does not form part of this report, available on the LBG website.

### Colleagues

LBG's Board agreed in 2019 its approach to workforce engagement, which has remained unchanged during the year. The definition of workforce agreed by LBG's Board is our permanent colleagues, contingent workers and third-party suppliers that work on the premises delivering services to our customers and supporting key business operations.

During the year, LBG's Board gained further understanding of colleague views through a number of surveys completed by colleagues. These included the annual colleague survey, ad hoc 'Pulse' surveys, and participation by colleagues in the survey of the Banking Standards Board.

### Communities and the Environment

Due to its limited physical presence, the Company has a minimal direct impact on the community and the environment. Further information in respect of the Group's overall approach to engaging with and contributing to the communities in which it operates is included within LBG's Annual Report and Accounts for 2024, which does not form part of this report. Additional information on the Group's Helping Britain Prosper Plan is available on the LBG website.

**Section 172(1) Statement (continued)**

**Emerging risks**

The Directors consider the following to be risks that have the potential to increase in significance and affect the performance of the Company.

The key risks are financial, derived from both physical risks (climate and weather-related events) and transition risks resulting from the process of adjustment towards a low carbon economy. Climate change extends across multiple risk types e.g. credit, market, conduct and operational. For example physical and transition risks could result in the impairment of asset values, which may impact the creditworthiness of our clients, and the products and services our customers require.

The focus on these risks by key stakeholders including businesses, clients, shareholders, governments and regulators is increasing, aligned to the evolving societal, regulatory and political landscape. There also remains a risk that the level and pace of responses taken by the Group are insufficient to mitigate these risks. This could lead to campaign groups or other bodies seeking to take action against the Group or the financial services industry for funding organisations that they deem to be contributing to climate change.

The Company has taken an exemption from Streamlined Energy and Carbon Reporting (SECR), in its own Directors' Report as it is included within LBG's SECR report given in the LBG 2024 Annual Report and Accounts, available on the LBG website.

**General**

The Directors do not consider there to be any further material issues which need to be included in the Strategic report. Approved by the Board of Directors and signed on its behalf by:

R J Clark
**Director**

22 May 2025

**Directors' report**
**For the year ended 31 December 2024**

The Directors present their Annual Report and Accounts for the year ended 31 December 2024.

**General information**

The Company is a public limited company incorporated, registered and domiciled in England and Wales, United Kingdom (registered number: 02299428).

**Registered office**

The Company's registered office is Barnett Way, Gloucester, GL4 3RL.

**Company Secretary**

The Company Secretary is S Haladner.

The following changes have taken place between the beginning of the reporting period and the approval of the Annual Report and Accounts:

| | |
|---|---|
| S Haladner | (Appointed 31 July 2024) |
| P Gittins | (Resigned 31 July 2024) |

**Dividends**

No dividends were paid or proposed during the year ended 31 December 2024 (2023: £nil).

**Post balance sheet events**

There were no material post balance sheet events.

**Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the accounts. Thus they continue to adopt the going concern basis of accounting in preparing the Annual Report and Accounts. Further details regarding the adoption of the going concern basis can be found in the note 1 to the financial statements.

**Information included in the Strategic report**

The disclosures for company performance, future outlook, principal risks and uncertainties, and key performance indicators that would otherwise be required to be disclosed in the Directors' Report can be found in the Strategic Report.

**Streamlined Energy and Carbon Reporting**

The Company is out of scope of the SECR, as it does not have to report on SECR in its own Director's Report where included in the Group's SECR statement of a UK Group report. Further information in respect of SECR is included within the LBG Annual Report and Accounts for 31 December 2024 which does not form part of this report, available on the LBG website.

**Directors**

The current Directors of the Company are shown below:

R J Clark
C D Tozer

The following changes have taken place between the beginning of the reporting period and the approval of the Annual Report and Accounts:

| | |
|---|---|
| R J Clark | (Appointed 1 February 2024) |
| M D Goodship | (Resigned 2 February 2024) |

**Directors' indemnities**

LBG has granted to the Directors of the Company a deed of indemnity which constitutes 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements or from the date of appointment in respect of the Directors who joined the board of the Company during the financial year. Directors no longer in office but who served on the board of the Company at any time in the financial year had the benefit of this deed of indemnity during that period of service. The deed for existing Directors is available for inspection at the registered office of LBG. In addition, the Group has in place appropriate Directors and officers liability insurance cover which was in place throughout the financial year.

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' and Strategic Reports and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements comply with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Directors' confirmations

Each of the Directors, as listed in the Directors' Report, confirm to the best of their knowledge that:

- the Company financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic report and Directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risk and uncertainties that it faces.

## Auditor and disclosure of information to auditor

In accordance with Section 418 of the Companies Act 2006, 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 auditor is unaware; and
- The Director has taken all the steps that they ought to have taken as a Director in order to make themself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The auditor, Deloitte LLP, was the auditor of the Company during the period under review and are to remain in office until the conclusion of the Company's annual general meeting. Having expressed their willingness to continue in office, and pursuant to section 489 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP will be proposed at the forthcoming annual general meeting.

Approved by the board of Directors and signed on its behalf by:

R J Clark
**Director**

22 May 2025

**Statement of comprehensive income**
**For the year ended 31 December 2024**

| | Note | 2024<br>£'000 | 2023<br>£'000 |
|---|---|---|---|
| Interest income | | **8,403** | 6,299 |
| Interest expense | | **(9)** | (12) |
| **Net interest income** | 2 | **8,394** | 6,287 |
| Fees and commission income | 3 | **110** | 69 |
| **Net Income** | | **8,504** | 6,356 |
| Other operating (expense) / income | 4 | **(23)** | 18 |
| **Profit before tax** | | **8,481** | 6,374 |
| Taxation | 7 | **(2,093)** | (1,472) |
| **Profit for the year, being total comprehensive income** | | **6,388** | 4,902 |

All profit for the year being total comprehensive income is attributable to continuing operations.

The accompanying notes to the financial statements are an integral part of these financial statements.


Registered in England & Wales No. 02299428

## Balance sheet
## As at 31 December 2024

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | **£'000** | £'000 |
| **ASSETS** | | | |
| Cash and cash equivalents | | **177,027** | 170,179 |
| Receivables / amounts due from group undertakings | 8 | **213** | 100 |
| Loans and advances to customers | 9 | **210** | 283 |
| Right of use asset | 10 | **119** | 142 |
| **Total assets** | | **177,569** | 170,704 |
| **LIABILITIES** | | | |
| Borrowed funds | 11 | **3** | 47 |
| Other liabilities | 12 | **290** | 390 |
| Current tax liability | | **2,093** | 1,472 |
| **Total liabilities** | | **2,386** | 1,909 |
| **EQUITY** | | | |
| Share capital | 14 | **70,000** | 70,000 |
| Retained earnings | | **105,183** | 98,795 |
| **Total equity** | | **175,183** | 168,795 |
| **Total equity and liabilities** | | **177,569** | 170,704 |

The accompanying notes to the financial statements are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf by

R J Clark
**Director**

22 May 2025

**Statement of changes in equity**
**For the year ended 31 December 2024**

| | Share Capital | Retained earnings | Total equity |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| **At 1 January 2023** | 70,000 | 93,893 | 163,893 |
| Profit for the year being total comprehensive income | - | 4,902 | 4,902 |
| **At 31 December 2023** | 70,000 | 98,795 | 168,795 |
| Profit for the year being total comprehensive income | - | 6,388 | 6,388 |
| **At 31 December 2024** | **70,000** | **105,183** | **175,183** |

The accompanying notes to the financial statements are an integral part of these financial statements.

**Cash flow statement**

**For the year ended 31 December 2024**

| | Note | 2024 | 2023 |
|---|---|---|---|
| | | **£'000** | £'000 |
| **Cash flows generated from operating activities** | | | |
| Profit before tax | | **8,481** | 6,374 |
| Adjustments for: | | | |
| - Depreciation of right to use asset | **10** | **23** | 24 |
| - Decrease in provision for liabilities and charges | **13** | **-** | (42) |
| - Interest on loans and advances to customers | | **(7)** | (8) |
| - Interest expense on operating lease | **2** | **9** | 12 |
| - Net (increase) / decrease in receivables / amounts due from group undertakings | **8** | **(113)** | 684 |
| Cash generated from operating activities | | **8,393** | 7,044 |
| Corporation tax paid | | **(1,472)** | (236) |
| Net cash generated from operating activities | | **6,921** | 6,808 |
| **Cash flows generated from investing activities** | | | |
| - Receipt of sub-lease rental | | **81** | 66 |
| Net cash generated from investing activities | | **81** | 66 |
| **Cash flows used in financing activities** | | | |
| - Repayment of borrowings | **11** | **(44)** | (58) |
| - Repayment of lease liability | | **(110)** | (110) |
| Net cash used in financing activities | | **(154)** | (168) |
| **Change in Cash and cash equivalents** | | **6,848** | 6,706 |
| Cash and cash equivalents at beginning of year | | **170,179** | 163,473 |
| **Cash and cash equivalents at end of year** | | **177,027** | 170,179 |

The accompanying notes to the financial statements are an integral part of these financial statements.

## 1. Accounting policies

### 1.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial information has been prepared under the historical cost convention.

In the preparation of these financial statements the Balance sheet has been arranged in order of liquidity.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in pounds sterling, which is the Company's functional and presentational currency.

No new IFRS pronouncements which have been adopted resulted in a material impact within these financial statements.

Details of those pronouncements which will be relevant to the Company but which were not effective at 31 December 2024 and which have not been applied in preparing these financial statements are given in note 21.

The Directors are satisfied that it is the intention of LBG that its subsidiaries, including the Company, will continue to have access to adequate liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis, taking into account:

- the Company is not actively trading and has adequate liquid resources to cover its liabilities.

The Company, as a subsidiary of Lloyds Bank plc, has the benefit of a letter of support dated 19th February 2025, which confirms that it is the intention of Lloyds Bank plc to support its subsidiaries in meeting its financial obligations as they fall due. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in both years presented, unless otherwise stated.

### 1.2 Revenue recognition

**Net interest income**

Interest income and expense are recognised in the Statement of comprehensive income for all interest-bearing financial instruments using the effective interest rate method, except for those classified at fair value through profit or loss. The effective interest rate method is used to calculate the interest income or interest expense recognised over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset (before adjusting for expected credit losses) or to the amortised cost of the financial liability.

**Fees and commission income and expense**

Fees and commissions receivable which are not an integral part of the effective interest rate are recognised as income as the Company fulfils its performance obligations. Fees and commission income and expense primarily relate to operating expenses recharged to Lloyds Bank plc.

### 1.3 Financial assets and liabilities

Financial assets comprise cash and cash equivalents, amounts due from group undertakings and loans and advances to customers. Financial liabilities comprise borrowed funds and other liabilities.

On initial recognition, financial assets are classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, depending on the Company’s business model for managing the financial assets and whether the cash flows represent solely payments of principal and interest. The Company assesses its business models at a portfolio level based on its objectives for the relevant portfolio, how the performance of the portfolio is managed and reported, and the frequency of asset sales. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

All financial liabilities are measured at amortised cost.

## 1. Accounting policies (continued)

### 1.3 Financial assets and liabilities (continued)

Financial assets are derecognised when the contractual right to receive cash flows from those assets has expired or when the Company has transferred its contractual right to receive the cash flows from the assets and either: substantially all of the risks and rewards of ownership have been transferred; or the Company has neither retained nor transferred substantially all of the risks and rewards, but has transferred control.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

### 1.4 Taxation

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the Statement of Comprehensive Income except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the Statement of Comprehensive Income (either in other comprehensive income, directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by His Majesty's Revenue and Customs (HMRC) or other relevant tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred tax is calculated using tax rates and laws that have been enacted or substantively enacted at the balance sheet date, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences but not recognised for taxable temporary differences arising on investments in subsidiaries where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax liabilities are not recognised on temporary differences that arise from goodwill which is not deductible for tax purposes.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised, and are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. In certain cases where forecast profits are not expected to be sufficient to support the recognition of a deferred tax asset on a standalone entity basis, further consideration has been given to the availability of UK group relief with connected companies to support the recognition.

Deferred tax assets and liabilities are not recognised in respect of temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination. Deferred tax is not discounted.

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes currently required by IAS12 Income Taxes.

### 1.5 Employee Benefit Obligations

**Pension schemes**

The Company participates in various defined benefit and defined contribution pension schemes operated by Companies within the Group.

A defined benefit scheme is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, dependent on one or more factors such as age, years of service and salary.  A defined contribution plan is a pension plan into which the Group pays fixed contributions; there is no legal or constructive obligation to pay further contributions.

## 1. Accounting policies (continued)

### 1.5 Employee Benefit Obligations (continued)

With effect from 1 January 2019, the Group revised its methodology for the intra-group re-charge relating to defined benefit scheme costs. Under this revised approach, the Company is charged the cash contributions paid to the various schemes during the year relating to its employees' current service. The Company accounts for its pension arrangements in accordance with IAS 19. As the amount charged to the company is based on the cash contributions of Lloyds Bank plc, no asset or liability or movements in other comprehensive income are recognised by the Company.

### 1.6 Leases

Under IFRS 16, a lessor is required to determine whether a lease is a finance or operating lease. A lessee is not required to make this determination.

**As lessor**

Assets leased to customers are classified as finance leases if the lease agreements transfer substantially all the risks and rewards of ownership to the lessee but not necessarily legal title. All other leases are classified as operating leases. When assets are subject to finance leases, the present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable, net of allowances for expected credit losses, within loans and advances to banks and customers. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance lease income. Finance lease income is recognised in interest income over the term of the lease using the net investment method (before tax) so as to give a constant rate of return on the net investment in the leases. Unguaranteed residual values are reviewed regularly to identify any impairment.

Operating lease assets are included within property, plant and equipment at cost and depreciated over their estimated useful lives, which equates to the lives of the leases, after taking into account anticipated residual values. Operating lease rental income is recognised on a straight-line basis over the life of the lease.

The Group evaluates non-lease arrangements such as outsourcing and similar contracts to determine if they contain a lease which is then accounted for separately.

**As lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise IT equipment and small items of office furniture.

### 1.7 Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

### 1.8 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of critical accounting judgements and key sources of estimation uncertainty that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

## 1. Accounting policies (continued)

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

In the course of preparing these financial statements, no critical accounting judgements or key sources of estimation uncertainty have been made in the process of applying the company's accounting policies.

### 1.9 Cash and cash equivalents

For the purposes of the Balance sheet and Cash flow statement, Cash and cash equivalents comprises balances with less than three months' original maturity.

## 2. Net interest income

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Interest receivable on financial assets (see note 15) | **8,396** | 6,291 |
| Interest on loans and advances to customers | **7** | 8 |
| Interest expense on lease liability | **(9)** | (12) |
| | **8,394** | 6,287 |

Interest on loans and advances to customers relates to interest income on finance leases. All income that the Company generates is from UK only.

## 3. Fee and commission income

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Fees and commission income (see note 15) | **110** | 69 |

Fee and commission income comprises operating expenses recovered by the Company through its service charge agreement.

## 4. Other operating expense / (income)

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Depreciation (see note 10) | **23** | 24 |
| PPI provision charge (see note 13) | **-** | (42) |
| | **23** | (18) |

## 5. Staff costs

The monthly average number of persons employed by the Company during the year was as follows:

| | **2024** | 2023 |
|---|---|---|
| | **No.** | No. |
| Persons employed and charged to other group companies - all UK | **370** | 412 |

The data for employee numbers is based on headcount of employees, rather than Full Time Equivalents. Employees include persons on a historic Cheltenham & Gloucester plc contract. All persons whose salaries were previously recognised within the Company, had their staff costs transferred to Lloyds Bank plc from the 1st September 2019.

## 6. Directors' emoluments

No Director received any fees or emoluments from the Company during the year (2023: £nil). The Directors are employed by other companies within the Group and consider that their services to the Company are incidental to their other responsibilities.

## 7. Taxation

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| **a) Analysis of tax expense for the year** | | |
| UK corporation tax: | | |
| - Current tax on taxable profit for the year | **2,093** | 1,472 |
| Current tax expense | **2,093** | 1,472 |

Corporation tax is calculated at a rate of 25.0% (2023: 23.5%) of the taxable profit for the year.

**b) Factors affecting the tax expense for the year**

A reconciliation of the expense that would result from applying the standard UK corporation tax rate to the profit before tax to the actual tax expense for the year is given below:

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Profit before tax | **8,481** | 6,374 |
| Tax expense thereon at UK corporation tax rate of 25.0% (2023: 23.5%) | **2,120** | 1,498 |
| Factors affecting expense: | | |
| - Timing differences not recognised | **(27)** | (26) |
| Tax expense | **2,093** | 1,472 |
| Effective rate | **24.7%** | 23.1% |

The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes currently required by IAS12 Income Taxes. No provision for Pillar 2 current tax is required in respect of this period.

A deferred tax asset of £1,033k (2023: £1,061k) relating to miscellaneous losses has not been recognised on the basis that the Company has insufficient forecast taxable profits to recover the asset in future periods. Subject to some conditions the losses can be carried forward indefinitely and offset against future taxable profits.

## 8. Receivables / amounts due from group undertakings

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Amounts due from group undertakings (see note 15) | **213** | 100 |

All Amounts due from group undertakings are unsecured, non-interest bearing and repayable on demand. All Amounts due from group undertakings are included within Stage 1 for IFRS 9 purposes. The expected credit loss is £nil (2023: £nil).

**9. Loans and advances to customers**

From 28 April 2022, the Company subleased its Queen Street property for an initial annual amount of £40k (thereafter £80k per annum). The Company's finance lease receivables are classified as loans and advances to customers and accounted for at amortised cost. The balance is analysed as follows:

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Not later than 1 year | **80** | 80 |
| Later than 1 year and not later than 2 years | **80** | 80 |
| Later than 2 years and not later than 3 years | **59** | 80 |
| Later than 3 years and not later than 4 years | **-** | 59 |
| **Gross investment in finance leases receivable** | **219** | 299 |
| Unearned future finance income on finance leases | **(9)** | (16) |
| **Net investment in finance leases** | **210** | 283 |

The net investment in finance leases represents amounts recoverable as follows:

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Not later than 1 year | **75** | 73 |
| Later than 1 year and not later than 2 years | **77** | 75 |
| Later than 2 years and not later than 3 years | **58** | 77 |
| Later than 3 years and not later than 4 years | **-** | 58 |
| **Net investment in finance leases** | **210** | 283 |

## 10. Right of use asset

| | Right of use assets £'000 | Total £'000 |
|---|---|---|
| **Cost** | | |
| At 31 December 2023 | 499 | 499 |
| At 31 December 2024 | **499** | **499** |
| **Accumulated depreciation** | | |
| At 1 January 2023 | 333 | 333 |
| Depreciation charge for the year | 95 | 95 |
| Depreciation benefit on right of use asset | (71) | (71) |
| At 31 December 2023 | 357 | 357 |
| Depreciation charge for the year | **95** | **95** |
| Depreciation benefit on right of use asset | **(72)** | **(72)** |
| At 31 December 2024 | **380** | **380** |
| **Balance sheet amount at 31 December 2024** | **119** | **119** |
| Balance sheet amount at 31 December 2023 | 142 | 142 |

As at 31 December 2024 the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Not later than one year | **110** | 110 |
| Later than one year and not later than five years | **192** | 302 |
| | **302** | 412 |

## 11. Borrowed funds

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Amounts due to group undertakings (see note 15) | **3** | 47 |

Amounts due to group undertakings are unsecured and repayable on demand, although there is no expectation that such a demand would be made. All amounts are non-interest bearing.

## 12. Other liabilities

| | 2024 £'000 | 2023 £'000 |
|---|---|---|
| Lease liability | **290** | 390 |

The contractual maturity analysis for the lease liability is shown in note 16.2.

## 13. Provision for liabilities and charges

| | **Total £'000** |
|---|---|
| At 1 January 2023 | 42 |
| Release for the year | (42) |
| At 31 December 2023 | - |
| **At 31 December 2024** | **-** |

## 14. Share capital

| Allotted, issued and fully paid: | **2024 £'000** | 2023 £'000 |
|---|---|---|
| 70,000,000 (2023: 70,000,000) ordinary shares of £1 each | **70,000** | 70,000 |

## 15. Related party transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Company's Directors and members of the LBG Board. Members of the LBG Board are employed by other companies within the Group and consider that their services to the Company are incidental to their other responsibilities within the Group.

Other than set out below there were no transactions between the Company and key management personnel during the current or preceding year.

The auditors remuneration of £nil (2023: £3k) was borne by the parent company.

Banking transactions are entered into by the Company with the Group and its subsidiaries in the normal course of business and on normal commercial terms. No intercompany balances are secured and no provision for doubtful debt is provided in the financial statements for 2024.

Cash and cash equivalents of £177,027k (2023: £170,179k) comprises a bank account and call deposit account held with its parent undertaking Lloyds Bank plc.

Amounts due from group undertakings are unsecured. Interest bearing assets are charged at SONIA and repayable on demand. Balances are included within Stage 1 for IFRS 9 purposes and any expected credit losses are considered to be immaterial.

| | **2024 £'000** | 2023 £'000 |
|---|---|---|
| **Interest Income** | | |
| Interest Income on deposits held with Parent (see note 2) | **8,396** | 6,291 |
| **Fees and commission income** | | |
| Commission receivable from Parent (see note 3) | **110** | 69 |
| **Amounts due from group undertakings** | | |
| Amounts due from Parent (see note 8) | **213** | 100 |
| **Amounts payable to group undertakings** | | |
| Borrowed funds (see note 11) | **3** | 47 |

**16. Financial risk management**

The Company is exposed to credit risk, liquidity risk and interest rate risk; it is not exposed to any significant market, foreign exchange or business risk. Responsibility for the control of overall risk lies with the Board of Directors, operating within a management framework established by the immediate parent company, Lloyds Bank plc, and the ultimate parent, LBG. Interest rate and liquidity risk faced by the Company is in substance managed by other group undertakings.

A description of the Company's financial assets and liabilities and associated accounting is provided in note 1.

**16.1 Credit risk**

**Credit risk management**

Credit risk is the risk that parties with whom the Company has contracted fail to meet their financial obligations (both on and off balance sheet). Credit risk appetite is set at Board level and is described and reported through a suite of metrics devised from a combination of accounting and credit portfolio performance measures, which include the use of various credit risk rating systems as inputs and assess credit risk at a counterparty level.

The maximun credit risk exposure of the company in the event of other parties failing to perform their obligations is detailed below:

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| Cash and cash equivalents | **177,027** | 170,179 |
| Receivables / amounts due from group undertakings | **213** | 100 |
| Loans and advances to customers | **219** | 299 |
| | **177,459** | 170,578 |

Cash and cash equivalents and Amounts due from group undertakings are held with other companies within the Group. The credit risk associated with the above financial assets is considered to be trivial. Balances are included in Stage 1 for IFRS 9 purposes.

**16.2 Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its obligations as they fall due. To manage this risk extensive borrowing facilities are available from within the Group.

Liquidity risks are managed as part of the Group by an intermediate parent company, Lloyds Bank plc, in consultation with the Board of Directors. Monthly reviews of funding positions are undertaken to anticipate any shortfalls.

The Company is funded entirely by companies within the Group. The liquidity table below is a contractual maturity analysis for all liabilities, based on the earliest date the entity could be expected to repay the amounts owed.

**Total liabilities**

| | **2024** | 2023 |
|---|---|---|
| | **£'000** | £'000 |
| **Borrowed funds** | | |
| Up to 1 month maturity | **3** | 47 |
| **Other liabilities** | | |
| Less than 1 year | **109** | 108 |
| Between 1-2 years | **105** | 105 |
| Between 2-5 years | **76** | 177 |
| **Current tax liability** | | |
| Less than 1 year | **2,093** | 1,472 |
| **Total liabilities** | **2,386** | 1,909 |

## 16. Financial risk management (continued)

### 16.3 Interest rate risk

Interest rate risk is the risk of financial loss as a result of adverse movements in interest rates, and arises largely because of timing differences between the repricing of financial assets and liabilities. Interest rate risk is managed at a divisional level.

The Company has interest bearing assets on deposits within the Group and interest earned on these amounts is variable and based on SONIA.

A sensitivity analysis has been performed as at 31 December 2024 to assess the impact of interest rates being 25 base points ("bps") higher or lower with all other variables held constant. The Company has taken a prudent approach to this analysis by assuming that any base point movement would be completely reflected in all interest bearing assets. The net effect on the Company's Statement of comprehensive income would be as shown in the following table:

| | **-25bps £'000** | **Interest income £'000** | **+25 bps £'000** |
|---|---|---|---|
| **2024** | **7,960** | **8,396** | **8,832** |
| 2023 | 5,885 | 6,291 | 6,697 |

| | **-25bps £'000** | **Equity £'000** | **+25 bps £'000** |
|---|---|---|---|
| **2024** | **174,747** | **175,183** | **175,619** |
| 2023 | 168,389 | 168,795 | 169,201 |

In respect of income-earning financial assets and interest expense lease liabilities, the following table indicates the years in which they mature:

| | **Less than 1 year £'000** | **Between 1-2 years £'000** | **Between 2-5 years £'000** | **5 years or more £'000** | **Total £'000** |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Assets** | | | | | |
| Cash and cash equivalents | 177,027 | - | - | - | **177,027** |
| Loans and advances to customers | 80 | 80 | 59 | - | **219** |
| **Total Assets** | 177,107 | 80 | 59 | - | **177,246** |
| **Liabilities** | | | | | |
| Other liabilities | 109 | 105 | 76 | - | **290** |
| **Total Liabilities** | 109 | 105 | 76 | - | **290** |

| | **Less than 1 year £'000** | **Between 1-2 years £'000** | **Between 2-5 years £'000** | **5 years or more £'000** | **Total £'000** |
|---|---|---|---|---|---|
| **2023** | | | | | |
| **Assets** | | | | | |
| Cash and cash equivalents | 170,179 | - | - | - | 170,179 |
| Loans and advances to customers | 80 | 80 | 80 | 59 | 299 |
| **Total Assets** | 170,259 | 80 | 80 | 59 | 170,478 |
| **Liabilities** | | | | | |
| Other liabilities | 108 | 105 | 177 | - | 390 |
| **Total Liabilities** | 108 | 105 | 177 | - | 390 |

**17. Capital disclosures**

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholders through pricing products and services commensurately with the level of risk and, indirectly, to support the Group's regulatory capital requirements.

The Company's parent manages the Company's capital structure and advises the Board of Directors to consider making adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Board of Directors may adjust the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares, or sell assets.

The Company's capital comprises all components of equity, movements in which appear in the Statement of changes in equity. The Company has liquid assets and does not require funding.

**18. Retirement benefit obligations**

The Group operates a number of defined benefit and defined contribution schemes, in which some of the employees of the Company participate.

**Defined contribution schemes**

Employees are members of the Lloyds Bank Pension Scheme No 1.

**Defined benefits schemes**

The remaining employees of the Company are members of the defined benefit sections of the Lloyds Bank Pension Scheme No 1. This is a funded scheme providing retirement benefits calculated as a percentage of final pensionable salary depending upon the length of service. The minimum retirement age under the rules of the scheme at 31 December 2024 is generally 55 although certain categories of member are deemed to have a contractual right to retire at 50. They are operated as separate legal entities under trust law by trustees and the responsibilities for their governance rest with Pension Trustees.

Further information on the Group's defined benefits schemes is included within the consolidated annual report and accounts of LBG, the ultimate parent company.

**19. Contingent liabilities and capital commitments**

Contingent Liabilities

During the ordinary course of business the Company is subject to other complaints as well as legal and regulatory reviews, challenges and investigations. All such material matters are periodically reassessed, with the assistance of external professional advisors where appropriate to determine the likelihood of the Company incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established to management's best estimate of the amount required at the relevant Balance sheet date. In some cases it will not be possible to form a view, for example because the facts are unclear or because further time is needed properly to assess the merits of the case, and no provisions are held in relation to such matters. In these circumstances, specific disclosure in relation to a contingent liability will be made where material. The Company does not currently expect the final outcome of any such case to have a material adverse effect on its financial position, operations or cash flows.

Contingent Tax Liability

The Group has an open matter in relation to a claim for group relief of losses incurred in its former Irish banking subsidiary, which ceased trading on 31 December 2010. In 2020, HMRC concluded its enquiry into the matter and issued a closure notice denying the group relief claim. The Group appealed to the First Tier Tax Tribunal. The hearing took place in May 2023. In January 2025, the First Tier Tribunal concluded in favour of HMRC. The Group believes it has applied the rules correctly and that the claim for group relief is correct. Having reviewed the Tribunal's conclusions and having taken appropriate advice the Group intends to appeal the decision and does not consider this to be a case where an additional tax liability will ultimately fall due. If the final determination of the matter by the judicial process is that HMRC's position is correct, management believes that this would result in an increase in the Company's current tax liabilities of approximately £30,351k (including interest). It is unlikely that any appeal hearing will be held before 2026, and final conclusion of the judicial process may not be for several years.

**20. Post balance sheet events**

There were no material post balance sheet events.

### 21. Future accounting developments

There are a number of new accounting pronouncements issued by the IASB with an effective date of 1 January 2027. This includes IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation of Financial Statements and IFRS 19 Subsidiaries without Public Accountability: Disclosures. The impact of these standards are being assessed and they have not been endorsed for use in the UK.

The IASB has issued its annual improvements and a number of minor amendments to IFRS Accounting Standards effective date on or after 1 January 2025, including IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosure and IAS 21 The Effects of Changes in Foreign Exchange Rates. These improvement and amendments are not expected to have a significant impact on the Company.

### 22. Ultimate parent undertaking and controlling party

The immediate parent company is Lloyds Bank plc (incorporated in England and Wales). The company regarded by the Directors as the ultimate parent company and controlling party is LBG (incorporated in Scotland), which is also the parent undertaking of the largest Group of undertakings for which Group financial statements are drawn up and of which the Company is a member. Lloyds Bank plc is the parent undertaking of the smallest such Group of undertakings.

Copies of the financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group, 33 Old Broad Street, London, EC2N 1HZ. LBG's financial statements may be downloaded via www.lloydsbankinggroup.com/investors/financial-downloads.html.

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Cheltenham & Gloucester PLC (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Responsibilities of directors

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

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

## Auditor’s responsibilities for the audit of the financial statements

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

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 auditor’s report.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## Report on other legal and regulatory requirements

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

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

- the information given in the strategic report and directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors’ report has been prepared in accordance with applicable legal requirements.

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

### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

### Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Nikola Doig CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom
22 May 2025