

FORD SMART MOBILITY U.K. LIMITED

Annual Report and Financial Statements

For the Year Ended 31 December 2024

Registered Number : 11099683

FORD SMART MOBILITY U.K. LIMITED
Table of Contents

	Page
Strategic Report	1
Directors' Report	3
Independent Auditors' Report	5
Income Statement	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

FORD SMART MOBILITY U.K. LIMITED STRATEGIC REPORT

Strategic Report for the year ended 31 December 2024

The directors present their strategic report for the year ended 31 December 2024 for Ford Smart Mobility U.K. Limited ("the Company").

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom.

Principal activities

The principal activities in which the Company is engaged are Integrated subscription services and charging solutions for retail and fleet customers. We bring to market fleet services that maximise vehicle uptime, optimise productivity and improve driver safety and behaviour, and retail products that enhance customers in vehicle experience and enables access to Ford's Charging Network.

Review of the business

In 2024 the Company has been focusing on:

- Continuing the set up of an optimal business model in the region;
- Piloting, scaling and rolling out a range of Integrated subscription services across Business to Customer (B2C) and Business to Business (B2B) market channels including BlueCruise, Navigation, Telematics and Charging Solutions.
- Supporting Ford Motor Company's "Always On" strategy with connected feature subscription products for retail and commercial customers.

For a detailed analysis of the company's financial performance and position as at year end, these can be found in the primary financial statements and accompanying notes in the back half of the annual report.

On 23rd October 2024, the Company incorporated FSM Denmark, branch of Ford Smart Mobility U.K. Limited, Storbritannien ("the FSM UK Denmark Branch") and registered it with the Danish Business Authority. The FSM UK Denmark Branch employs Danish based staff who provide services to the Company's affiliates in Europe.

Principal risks and uncertainties

The principal risk that could potentially affect the Company is withdrawal of funding at the parent (Ford Motor Company) and non-acceptance of our products in the market.

The directors have considered the financial position of the Company at 31 December 2024 (net assets of £12,522,386 (2023: £11,820,391) and consider after making appropriate enquiries that the Company has adequate resources. Therefore the company continues to adopt the going concern basis in preparing the financial statements.

Key performance indicators (KPIs)

The Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results

The Company's result for the year is set out in the income statement on page 8.

Employee communication

The Company had not directly contracted employees during the year, although receives services from other Ford related companies.

Building a Diverse and Inclusive Workplace

Ford is committed to diversity and equality of opportunity for all and is opposed to any form of less favourable treatment or harassment on the grounds of gender, marital status, civil partnership status, parental status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion/belief, gender reassignment and gender identity, age and those with caring responsibilities.

We are committed to supporting and sustaining a respectful and inclusive workplace for all employees. We believe this empowers every person to do their best work and ultimately achieve the Ford+ plan. We actively recruit and hire the best talent and are proud that our workforce is made up of people with different backgrounds, perspectives, and experiences so we can deliver the best products and services for our customers around the world.

Ford offers 10 global Employee Resource Groups ("ERGs") that represent various dimensions of our employee population, including, race, ethnicity, gender, religion, LGBTQ+, disability, veterans, and generation with chapters throughout the world. All ERGs are open to all employees and are instrumental in providing a voice to our global workforce, while also providing valuable insights into the employee experience and product and service development.

We work to strengthen collaboration across the organization by embedding inclusion in the leadership behaviours that support the Ford operating system. We also leverage the benefit of diversity by listening to the voices of our employees and stakeholders, which strengthen our workplace, systems, and offerings and ultimately drive value for the business.

FORD SMART MOBILITY U.K. LIMITED STRATEGIC REPORT

Strategic Report for the year ended 31 December 2024 (continued)

Employee's Equal Opportunities

Ford is committed to diversity and equality of opportunity for all and is opposed to any form of less favourable treatment or harassment on the grounds of sex, marital status, civil partnership status, parental status, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion/belief, gender reassignment and gender identity, age and those with caring responsibilities. We support equal opportunity and equal pay.

We are committed to fostering a respectful, inclusive, and safe working environment for all employees. We believe this empowers every person to do their best work and ultimately achieve the Ford+ plan. We actively recruit and hire the best talent, including people with disabilities, and are proud that our workforce is made up of people with different backgrounds, perspectives, and experiences so we can deliver the best products and services for our customers around the world.

Health and safety

Health and Safety of employees remains a priority consideration within the Company. The staffing of the Company operations is primarily through services provided by employees of other related entities, therefore Health and Safety policies are in line with Ford Motor Company Limited.

The Company has leveraged Ford Motor Company Limited's health and safety legal requirements, which has processes in place to minimise health and safety risks throughout the operation. This is achieved by ensuring that the Ford Motor Company limited's health and safety management systems are consistent with UK health and safety executive guidance for managing health and safety.

Corporate social responsibility

"Contributing to a better world has always been a core value at Ford, and our commitment to sustainability is a key part of who we are. Our vision is to create an even more dynamic and vibrant company that improves people's lives around the world and creates value for all of our stakeholders."

William Clay Ford, Jr., Executive Chairman, Ford

The Company has adopted the Ford Corporate Social responsibility mandate, which is demonstrated through a focus on vehicle safety and our commitment to the community. Our corporate safety policy outlines our commitment to design and build vehicles that meet or exceed applicable laws and regulations, while meeting the safety needs and expectations of our customers. In line with our policy letter, Ford is continuously working to enhance the safety of our products.

On behalf of the Board



Adrian Stead
Director
25 June 2025

**FORD SMART MOBILITY U.K. LIMITED
DIRECTORS' REPORT**

Directors' Report for the year ended 31 December 2024

The directors present their annual report and audited financial statements of the Company for the year ended 31 December 2024.

Directors

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

Jane Skerry
Charles Nolan
Jeremy Gould
Richard Balch
Clive Bailey (resigned 31 December 2024)
Adrian Stead (appointed 6 January 2025)

Qualifying indemnity provisions

Qualifying third party indemnity provisions and pension scheme indemnity provisions are in force for the Company's directors as of the date of this report and were in force for the duration of the year.

Future developments

The Company plans to gradually accelerate on its plan to generate sustainable revenues and profits in the long-term by bringing successful Integrated Services and Charging Solutions to market. As the competitive landscape within the Automotive Mobility industry evolves, the Company will continue to adapt its strategy and consider broader strategic opportunities.

Financial Highlights

The Company's profit before tax was £935,819 (2023: profit of £642,719).

Total assets at 31 December 2024 were £17,416,657 (2023: £15,336,497) offset by total liabilities of £4,894,271 (2023: £3,516,106). These include cash and cash equivalents of £3,063,483 (2023: £2,955,862.31).

The company's share capital at the end of 2024 was £101 (2023: £101). All shares are owned by Ford Smart Mobility LLC.

Dividends

The directors recommend that no dividend be paid in respect of 2024 (2023: £nil).

Political donations

There were no contributions to political parties in 2024 (2023: £nil).

Financial risk management

The Company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, interest rate risk and exchange rate risk. The Company has in place a risk management programme that sets out specific guidelines to manage these risks and the circumstances where it would be appropriate to use financial instruments to manage these.

Price Risk

The Company is exposed to commodity price risk as a result of its operations and has entered into arrangements with related parties to manage a portion of this risk. The Company holds no listed or other equity investments as part of its core business and therefore has no operational exposure.

Credit Risk

The amount of exposure to any individual counterparty is subject to a limit, which is specified within individual agreements. There is a limited credit risk, as there has been no lending provided by the Company.

Liquidity risk

The directors can be satisfied that the balance of cash and short term debt is maintained, providing sufficient available funds for operations. The Directors have taken action to ensure appropriate cash resources are available to fund the Company's operations.

Exchange Risk

The Company has only limited exposure to exchange rate risk through the purchased services it incurs.

**FORD SMART MOBILITY U.K. LIMITED
DIRECTORS' REPORT**

Directors' Report for the year ended 31 December 2024 (continued)

Going concern basis

The directors consider, after making appropriate enquiries, that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company remains a key element of the Group's commercial strategy for the future and continues to have access to cash facilities within the wider Group to support its ongoing activities in developing connected services. For this reason, they continue to adopt the going concern basis in preparing the financial statements

Statement of Directors' Responsibilities

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 the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies 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 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 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 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

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.

Independent auditors

PricewaterhouseCoopers LLP have expressed a willingness to remain as independent auditors of the Company.

On behalf of the Board



Adrian Stead
Director
25 June 2025

Registered office:

Business Unit 2, Broadcast Centre, Here East,
Queen Elizabeth Olympic Park,
Stratford, London, England. E20 3BS

Independent auditors' report to the members of Ford Smart Mobility U.K. Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ford Smart Mobility U.K. Limited's financial statements:

- 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 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 31 December 2024; the Income Statement 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 31 December 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 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 the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Held discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and or fraud;

- Evaluated the design of management's control activities designed to prevent and detect irregularities of management's controls designed to prevent and detect irregularities;
- Reviewed board minutes for consideration of known or suspected instances of non-compliance with laws and regulations and/or fraud;
- We evaluated whether there was evidence of management bias that represented a risk of material misstatement due to fraud and assessed the rationale for significant transactions entered;
- Identified and tested journal entries based on our risk assessment;
- Reviewed the disclosures in the Directors' Report and Financial Statements against the specific legal requirements;
- Incorporated elements of unpredictability into our audit procedures; and
- Challenged assumptions and judgements made by management in their significant accounting estimates and material judgements, in particular in relation to the recoverability of trade and other receivables.

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.



James Cadzow (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
25 June 2025

FORD SMART MOBILITY U.K. LIMITED
INCOME STATEMENT
for the year ended 31 December 2024

	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue			
Revenue from contracts with customers	4	£ 7,465,175	£ 8,837,517
Total Revenue		<u>7,465,175</u>	<u>8,837,517</u>
Cost of sales			
Cost of sales		(7,110,425)	(8,416,682)
Total costs and expenses	5	<u>(7,110,425)</u>	<u>(8,416,682)</u>
Finance Income/ (Expense), net	6	<u>581,069</u>	<u>221,884</u>
Profit/ (loss) before income tax		<u>935,819</u>	<u>642,719</u>
Income tax expense	7	<u>(233,823)</u>	<u>(151,171)</u>
Profit for the financial year		<u>£ 701,996</u>	<u>£ 491,548</u>

Profit for the Financial year is equal to total comprehensive profit

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

FORD SMART MOBILITY U.K. LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

	Note	31 December 2024	31 December 2023
ASSETS			
Cash and cash equivalents		£ 3,063,483	£ 2,955,862
Trade and Other Receivables	9	13,959,472	12,138,983
Inventories	10	384,624	230,717
Other assets		—	—
Total current assets		<u>17,407,579</u>	<u>15,325,562</u>
Property, plant, and equipment		9,078	10,935
Deferred income taxes	7	—	—
Total non-current assets		<u>9,078</u>	<u>10,935</u>
Total assets		<u>£ 17,416,657</u>	<u>£ 15,336,497</u>
LIABILITIES			
Accounts payable	11	£ 4,894,271	£ 3,516,106
Deferred revenue and other liabilities		—	—
Income taxes payable		—	—
Total current liabilities		<u>4,894,271</u>	<u>3,516,106</u>
Deferred income taxes		—	—
Total non-current liabilities		<u>—</u>	<u>—</u>
Total liabilities		<u>£ 4,894,271</u>	<u>£ 3,516,106</u>
Equity			
Called up share capital	12	£ 101	£ 101
Capital contribution reserve		40,000,000	40,000,000
Accumulated losses		(27,477,715)	(28,179,710)
Total equity		<u>12,522,386</u>	<u>11,820,391</u>
Total liability and equity		<u>£ 17,416,657</u>	<u>£ 15,336,497</u>

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

The financial statements on pages 8 to 17 were approved by the board of directors and were signed on its behalf by:



Adrian Stead
Director
25 June 2025



Charles Nolan
Director
25 June 2025

Registered Number: 11099683

FORD SMART MOBILITY U.K. LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

	Called up Share Capital	Capital contribution reserve	Accumulated losses	Total
Balance as at 1 January 2023	£ 101	£ 40,000,000	£ (28,671,259)	£ 11,328,842
Additional capital	—	—	—	£ —
Profit and total comprehensive income for the period	—	—	491,548	491,548
Balance as at 31 December 2023	<u>£ 101</u>	<u>£ 40,000,000</u>	<u>£ (28,179,711)</u>	<u>£ 11,820,390</u>
Balance as at 1 January 2024	£ 101	£ 40,000,000	£ (28,179,711)	£ 11,820,390
Additional capital	—	—	—	—
Profit and total comprehensive income for the period	—	—	701,996	701,996
Balance as at 31 December 2024	<u>£ 101</u>	<u>£ 40,000,000</u>	<u>£ (27,477,715)</u>	<u>£ 12,522,386</u>

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

FORD SMART MOBILITY U.K. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND BASIS OF PREPARATION

Background

The principal activities in which the Company is engaged are connected subscription services and charging solutions for retail and fleet customers. We bring to market fleet services that maximise vehicle uptime, optimise productivity and improve driver safety and behaviour, and retail products that enhance customers in vehicle experience and enables access to Ford's Charging Network.

The Company is a private company limited by shares, incorporated and domiciled in the United Kingdom. Registered office: Business Unit 2, Broadcast Centre, Here East, Queen Elizabeth Olympic Park, Stratford, London, England. E20 3BS.

Basis of Preparation

Statement of Compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Copies of the ultimate holding company's financial statements can be obtained from the address outlined in Note 14.

The principal accounting policies applied in the preparation of the financial statements of the Company are set out in Note 2. These policies have been applied consistently to the period presented, unless otherwise stated

Presentation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency. All financial information has been rounded to the nearest million, except where otherwise indicated.

The statement of financial position differentiates between current and non-current assets and liabilities. Assets and liabilities are classified as current if they mature within one year.

FRS 101

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, plant and equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets (reconciling between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information), 111 (cash flow statement information), and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

FORD SMART MOBILITY U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENT

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Going Concern

The directors consider, after making appropriate enquiries, that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company remains a key element of the Group's commercial strategy for the future and continues to have access to cash facilities within the wider Group to support its ongoing activities in developing connected services. For this reason, they continue to adopt the going concern basis in preparing the financial statements..

Revenue Recognition

Revenue is recognized when obligations under the terms of a contract with our customer are satisfied generally, this occurs with the transfer of control of our products and services. Revenue is measured as the amount of consideration we expect to receive in exchange for transferring goods or providing services. The transaction price is allocated to each performance obligation based on the relative standalone selling price at contract inception for each performance obligation. Sales, value add, and other taxes we collect concurrent with revenue-producing activities are excluded from revenue.

Cost of Sales and Selling, Administrative and Other expenses

Cost of Sales and Selling, Administrative and other expenses are recognised in the period to which they relate. Research and Development costs include purchased services, wages and salaries, and contractors' expenses incurred to carry out discovery, research and incubating activities across a number of projects.

Trade and Other Receivables

Trade and other receivables are amounts due from related group undertakings for services provided, tax losses surrendered, or services performed in ordinary course of business.

Financial Assets

With the adoption of IFRS 9 Financial Instruments, provisions for expected credit losses are established using an expected credit loss model (ECL). The provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables including amounts owed by fellow group undertakings over the entire holding period of the trade receivables. These provisions represent the difference between the trade receivable's carrying amount in the Balance Sheet and the estimated collectible amount. Charges for doubtful trade receivables are recorded as administration costs. Management has assessed the impact of the adoption of IFRS 9 on the financial statements and they consider there to be no material impact.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income.

When a debtor is uncollectible, it is written off against the allowance account for debtors. Subsequent recoveries of amounts previously written off are credited against the statement of comprehensive income.

Accounts Payable

Accounts payables are accrued when the counterparty performs its obligations under the contract and are recognised initially at fair value and subsequently are carried at amortised cost using the effective interest method.

Foreign Currency Translation

Income statement transactions in foreign currency are translated into pounds sterling at rates ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the year end date. The effect of this remeasurement process are reported in Administrative and other expenses.

FORD SMART MOBILITY U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENT

NOTE 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, items recognised directly in equity, or items recognised in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from declaration of dividends.

Deferred tax is recognised for temporary differences that exist between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax the company has no uncertain tax positions to take into considerations.

A deferred tax asset is recognised for unused tax losses, tax credits, and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The company has adopted 'International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12' for the first time in 2023.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in local bank account available upon demand and are recognised at fair value.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined by methods approximating the first-in first-out ("FIFO") principle, and includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of finished products and work in progress, cost includes an appropriate share of production overhead based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

NOTE 3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of financial statements in conformity with FRS 101 requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

We consider an accounting estimate to be significant if: 1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and 2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are other items within our financial statements that require estimation, but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements.

FORD SMART MOBILITY U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENT

NOTE 4. REVENUE

Amounts included in *Revenue* on our income statement were as follows:

	For the period ended 31 December,	
	2024	2023
Operating income relating to mobility products and services	£ 7,465,175	£ 8,837,517
Total Revenues	£ 7,465,175	£ 8,837,517

Operating income includes the fee paid by Ford Motor Company for all software development, service development and associated administrative costs incurred, plus a markup of £2.3m (2023: £1.1m) as disclosed in note 2 to the financial statements.

Total Company Revenue split by market segments for the years ended December 31 were as follows:

	For the period ended 31 December,	
	2024	2023
Commercial Vehicles	£ 3,767,607	£ 7,263,567
Passenger Vehicles	3,697,568	1,573,950
	£ 7,465,175	£ 8,837,517

Revenue is disaggregated by market segment as it is aligned with the overall company policy to disclose company financial performance at segment level.

NOTE 5. COST OF SALES

Amounts included in *Cost of Sales* on our income statement were as follows:

	For the period ended 31 December,	
	2024	2023
Services from related companies	11,538	517,536
Other expenses	7,098,887	7,899,146
Total administrative and other expenses	£ 7,110,425	£ 8,416,682

Auditors Fees

Auditors' remuneration for the statutory audit of the company's annual financial statements was £29,010 (2023: £25,900). Non-audit services amounted to £nil (2023: £nil).

Note 6. FINANCE INCOME

Amounts included in *finance income* on our income statement were as follows :

	For the period ended 31 December,	
	2024	2023
Interest, net - group undertakings	£ (581,069)	£ (221,884)
Total Interest Income	£ (581,069)	£ (221,884)

FORD SMART MOBILITY U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENT

NOTE 7. INCOME TAX EXPENSE/(BENEFIT)

The *Income tax expense/(benefit)* on our income statement was estimated as follows:

	For the period ended 31 December,	
	2024	2023
Current		
UK corporation tax at 25.00% (2023: 23.50%)	£ —	£ 151,165
Group relief payable/(receivable)	234,021	—
Adjustment in respect of prior periods	(132)	—
Total current	<u>233,889</u>	<u>151,165</u>
Deferred		
Recognition of net deferred tax assets		
Origination and reversal of temporary differences	£ (66)	£ 6
Effect of tax rate change on opening balance	—	—
Total deferred	<u>(66)</u>	<u>6</u>
Income Tax Expense/(Benefit)	<u>£ 233,823</u>	<u>£ 151,171</u>

The Income tax charge is lower (2023: higher) than the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%) for the year ended 31 December 2024. The differences are explained below :

	For the years ended 31 December,	
	2024	2023
Profit before taxation	£ 935,819	£ 642,719
Tax on profit before taxation at standard Corporate Tax rate of 25% (2023: 23.5%)	233,955	151,039
Tax effects of :		
Group relief surrendered	—	—
Receipt for group relief	—	—
Tax rate differences	(132)	132
Income tax expense/ (benefit) for the period	<u>£ 233,823</u>	<u>£ 151,171</u>
Effective tax rate	25.0 %	23.5 %

The company is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted to implement a domestic top-up tax in the UK for accounting periods commencing on or after 31 December 2023.

In accordance with UK tax legislation, companies are liable to pay a top-up tax from 2024 onwards for the difference between their GloBE effective tax rate in the UK and the minimum 15% rate. However, an assessment of the company's position for 2024, when combined with other UK companies in the wider Ford group, shows that together those UK companies meet the Safe Harbour tests provided for within the legislation. As a result, no UK top-up taxes are required for the year ended 31 December 2024.

In accordance with the amendments to IAS 12 issued in May 2023, the company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

NOTE 8. EMPLOYEE BENEFITS

The Company had 4 Directors at the year end (2023: 4)

The Directors of the Company are remunerated by other Ford Motor Company Group Companies.

There were no employees directly contracted during the year.

FORD SMART MOBILITY U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENT

Note 9. TRADE AND OTHER RECEIVABLES

Trade and other receivables are analysed as follows :

	As at 31 December,	
	2024	2023
Amounts owed by group undertakings	£ 11,938,618	£ 9,752,375
Other receivables	2,020,854	2,272,253
Prepayments	£ —	£ 114,356
	£ 13,959,472	£ 12,138,984

Amounts owed by group undertakings are unsecured, bear interest at a variable rate (arm's length basis, higher of lender's or borrower's cost of funds), which is capitalised monthly and are repayable on demand.

Note 10. INVENTORIES

Inventories on our statement of financial position were as follows:

	As at 31 December,	
	2024	2023
Raw materials and supplies	£ 384,624	£ 230,717
Work-in-progress	—	—
	£ 384,624	£ 230,717

The write-down of *Inventories* to net realisable value as an expense was £nil and £2.9m for the years ended December 31, 2024 and 2023, respectively.

NOTE 11. ACCOUNTS PAYABLE

Accounts Payable on our *statement of financial position* were as follows :

	As at 31 December,	
	2024	2023
Trade Payables	£ 2,877,009	£ 1,456,715
Amounts owed to group undertakings	859,170	888,958
Corporation tax	479,865	245,415
Taxation and social security	259,548	447,033
Accruals and deferred income	418,679	477,982
Total	£ 4,894,271	£ 3,516,103

The amounts owed to group undertakings are unsecured and repayable on demand. £859,170 (2023: £888,958) of the balance incurs interest at a variable rate which is capitalised monthly. The remaining balance is non-interest bearing.

NOTE 12. CALLED UP SHARE CAPITAL

The number of ordinary shares outstanding at 31 December were as follows:

	As at 31 December,	
	2024	2023
Shares authorised, issued and fully paid	£ 101	£ 101
101 (2023: 101) Ordinary shares of £1 each	£ 101	£ 101

All shares rank pari passu in all aspects.

**FORD SMART MOBILITY U.K. LIMITED
NOTES TO THE FINANCIAL STATEMENT**

NOTE 13. EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no post balance sheet events requiring disclosure in the financial statements.

NOTE 14. CONTROLLING PARTIES

The Company's immediate holding company is Ford Motor Company, a company incorporated in the State of Delaware in the USA. The ultimate holding company and controlling party is Ford Motor Company, a company incorporated in the State of Delaware in the USA, which is the holding undertaking of the smallest and largest group to consolidate these financial statements. Copies of the ultimate holding company's financial statements may be obtained from: Ford Motor Company, One American Road, Dearborn, Michigan 48126, USA.