

Company Registration No. 03001989

DL Insurance Services Limited

Annual Report and Financial Statements

31 December 2025

Churchill Court
Westmoreland Road
Bromley
BR1 1DP

DL Insurance Services Limited
Annual Report and Financial Statements

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DL Insurance Services Limited
Directors and officer

03001989

Directors:

The directors of the Company in office at the date of signing of the financial statements were:

J E Adamson
H Grand
R W Lee
O C Morris
G J Potter

Officer – Company Secretary:

Aviva Company Secretarial Services Limited
80 Fenchurch Street
London
EC3M 4AE

Independent Auditors:

Ernst & Young LLP
London
United Kingdom

Registered office:

Churchill Court
Westmoreland Road
Bromley
BR1 1DP

Company number:

03001989

Company registration:

Registered in England and Wales

Other information:

DL Insurance Services Limited (the "**Company**") is a member of Aviva Group ("the "**Group**") whose ultimate parent company is Aviva plc ("**Aviva**"), of which the Company is a subsidiary.

Strategic report

For the year ended 31 December 2025

The Directors present their Strategic report for the year ended 31 December 2025.

Review of the Company's business

Principal activities

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

From 1 July 2025, the Company has been a member of Aviva Group (the "Group") whose ultimate parent company is Aviva plc ("Aviva").

The principal activities of the Company include the provision of services to fellow subsidiary companies and to the Group's partners, including Motability. The services provided to fellow subsidiary companies broadly include data processing, vehicle repair administration, operational support, provision of employees and managerial advisory services.

The Group provides the Company with access to central resources and provides policies in all key areas such as finance, risk, human resources and environmental. Key performance indicators across the Group taken as a whole are referred to in the 2025 Aviva plc Annual Report and Accounts ("Aviva annual report") and accordingly, for an understanding of the development, performance or position of the Company's business, please refer to the Aviva annual report alongside the review of the year section below. Copies can be obtained through the Group's website at www.aviva.com

Business review

The Directors are satisfied with the Company's performance during the year.

Activities and highlights in the year included:

- The Company forms a key part of Aviva Group's partnership with Motability Operations, to support the contract's operation and income flows into the Company and Aviva Group.
- Following the purchase of the Company by Aviva in July 2025, when the Company performed its assessment for indicators of impairment on its capitalised software development costs, due to a significantly lower fair value per the acquisition balance sheet in the Group accounts compared to the carrying amounts of these intangible assets, it was identified that the recoverability of the intangible assets had decreased due to lower management fees recharged to fellow subsidiaries, which resulted in significant impairment losses.
- The Company added further capital and wrote off a loan to one of its subsidiaries, By Miles Group Ltd, resulting in an impairment of £27.4 million to investment in subsidiary undertakings in the income statement .

Key performance indicators

The directors consider that the Company's key performance indicators ("KPIs") that communicate the financial performance are as follows:

KPI	Definition	Aim	2025	2024
Total revenue (£ million)	This primarily relates to management services which are provided to other members of the Group, supply and management of an accident repair network for motor repairs, and salvage income (when a vehicle is disposed of following the settlement of a total loss policy claim).	The Company aims to grow revenues sustainably within the context of its operations within the Group.	1,778.8	1,803.8
Profit before tax (£ million)	The excess of income after all operating costs and expenses, including finance costs and the impairment of investment in subsidiary undertakings, have been taken into account.	The Company aims to be profitable within the context of its operations within the Group.	(421.3)	87.4

Financial position and performance

The financial position of the Company is shown in the statement of financial position on page 20, with its financial performance presented in the income statement on page 18 and statement of comprehensive income on page 19.

At 31 December 2025, total assets were £644.5 million (2024: £1,016.6 million), a reduction of £372.1 million, as intangible assets reduced by £491.5 million, partially offset by increases in current and deferred tax assets and cash and cash equivalents. Total liabilities reduced by £1.5 million, with a £32.3 million increase in trade and other payables being largely offset by current tax liabilities reducing £23.7 million to £nil and a £4.9 million reduction in provisions. Total equity was £362.1 million (2024: £732.7 million), the reduction primarily due to losses after tax and payment of a £70.0 million dividend to the Company's parent.

Total revenue decreased by £25.0 million to £1,778.8 million due, in part, to reductions in software amortisation expenditure feeding through into lower management fee income recharged to fellow subsidiaries. Profit before tax decreased by £508.7 million to a loss of £421.3 million (2024: £87.4 million profit) due, primarily, to material impairments to the Company's software intangible assets.

Each year the Company reviews its intangible assets for indicators of impairment. As part of the 2025 review, the company assessed impairment indicators on its capitalised software development costs as a result of its acquisition by Aviva, due to a significantly lower fair value per the acquisition balance sheet in the Group accounts compared to the carrying amounts of these intangible assets. In this review it was identified that the recoverability of the intangible assets had decreased due to changes in the usage of these assets which results in lower management fees recharged to fellow subsidiaries reflecting lower expected cash flows. Therefore, this has resulted in impairment losses of £461.6 million (2024 impairment loss: £22.3 million).

DL Insurance Services Limited**03001989****Strategic report**

For the year ended 31 December 2025

Future outlook

Strategies for the wider Group as a whole are determined by the Board of Aviva plc and these are shown in the Aviva annual report for the year ended 31 December 2025. The Company will work with the Group to support the implementation of these strategies.

The strategic direction of the Company is set by the directors of the Company. The directors consider that the Company's principal activities will continue unchanged for the foreseeable future.

Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company and the Company's risk management policies are set out in note 26 to the financial statements.

Section 172(1) Statement and engagement with stakeholders

The Company reports here on how its Directors have performed their duty under Section 172(1) of the Companies Act 2006 ("s.172").

S.172 sets out a series of matters to which the Directors must have regard when performing their duty to promote the success of the Company for the benefit of its shareholders, including having regard to other stakeholders.

The Board considers it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for establishing, monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that its obligations to its stakeholders are met. The Board monitors adherence to the Company's policies and compliance with local corporate governance requirements and is committed to acting where the Company's business falls short of the standards expected.

Culture

The Company's culture is shaped, in conjunction with the wider Aviva Group, by its clearly defined purpose – with you today, for a better tomorrow. As the provider of financial services to millions of customers, Aviva seeks to earn their trust by acting with integrity and a sense of responsibility at all times. The Group looks to build relationships with all its stakeholders based on openness and transparency and it values diversity and inclusivity in its workforce and beyond.

Stakeholder engagement**Engagement with Employees**

Through employee forums, internal communications and informal meetings, the Group's directors engage with the Company's people on a wide range of matters and act on the outputs of the Group's annual engagement survey.

The Company believes these methods of engagement with the Company's employees are effective in building and maintaining trust and communication; allowing for openness, honesty and transparency and increasing innovation and productivity within the business. These methods of engagement also act as a platform for the Company's employees to influence change in relation to matters that affect them.

The Company remains focused on employee health and wellbeing, delivering the Wellbeing@Aviva programme, supporting colleagues physical, mental, financial and social wellbeing.

The Company's people share in the business' success as shareholders through membership of the Group's share plans.

Immediately following the acquisition of Direct Line Group, members of the Aviva Group Board toured the Company's operating offices and meeting with customer facing teams to better understand the culture in those sites, their roles and challenges they face.

Prior to the Company's acquisition by Aviva, the Direct Line Group's directors operated similar employee engagement strategies

Customers

The Company has no direct customers.

Suppliers

The Company maintains oversight of the management of its most important suppliers and the Board regularly reviews reports on their performance.

- All Group supplier related activity is managed in line with the Group's Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure.
- In the UK, the Group is a signatory of the Prompt Payment Code which sets high standards for payment practices. The Company is a Living Wage employer in the UK, and its supplier contracts include a commitment to paying eligible employees not less than the Living Wage in respect of work provided by the Group in the UK.
- The Board reviews the actions the Group has taken to prevent modern slavery and associated practices in any part of the Company's supply chain and approves the Group's Modern Slavery Act statement each year.

Shareholders

The Board considers the long-term impact of corporate actions and decisions on the Company's shareholders. The Company's shareholder is Direct Line Insurance Group Limited.

Any matters requiring escalation are escalated by the Board through the Chairman to its parent.

Strategic report

For the year ended 31 December 2025

Presentation of financial statements

The primary financial statements are presented in accordance with Companies Act 2006 requirements. In addition, the Company has taken advantage of several disclosure exemptions available under Financial Reporting Standard 101 'Reduced Disclosure Framework' ("**FRS 101**") as described in the basis of preparation note in the Company's accounting policies.

Non-financial and Sustainability Information Statement

The Board is also focused on the wider social context within which the Company operates, including those issues related to climate change which are of fundamental importance to the planet's well-being. The Company is a wholly owned subsidiary of Aviva plc. The Aviva annual report includes the activities of the company and provides the information required by the Non-financial and Sustainability Information Statement for the Group as a whole. Further information on the Group's climate-related financial disclosures can be found on the Sustainability section of the Group's website.

Climate-related Financial Disclosures

The Company takes the exemption from disclosure per chapter 2 of the "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance" issued March 2019.

The company is ultimately owned and controlled by Aviva plc. The Aviva Group Annual Report and Accounts 2025 includes the activities of the company and provides the information required by the Non-financial and Sustainability Information Statement for the Group as a whole. Further information on the Group's climate-related financial disclosures can be found on the Sustainability section of the Group's website, <https://www.aviva.com/sustainability/reporting>.

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

DocuSigned by:

2C5CBAC5906F46A...
H Grand
Director
27 April 2026

DL Insurance Services Limited**03001989****Directors' report****For the year ended 31 December 2025**

In accordance with Section 415 of the Companies Act 2006, the Directors present their annual report and the audited financial statements for the year ended 31 December 2025.

Directors and Secretary

The present Directors and Company Secretary are listed on page 1.

From 1 January 2025 to date, the following changes have taken place:

Director	Appointed	Resigned
V J Wallis		10 March 2025
H M Tomlinson		16 March 2025
J V Storm	17 March 2025	14 October 2025
A M Yotov	4 April 2025	1 July 2025
H W Hessing		1 July 2025
S F Pond	1 July 2025	9 March 2026
J C Poole		1 July 2025
H Grand	2 July 2025	
O C Morris	2 July 2025	
R C Clifton ¹		22 July 2025
Aviva Company Secretarial Services ²		
M P Milliner		27 August 2025
R W Lee	19 September 2025	
G J Potter	22 January 2026	
J E Adamson	30 January 2026	

Notes:

1. R C Clifton resigned as Company Secretary although was not a Director of the Company.
2. Aviva Company Secretarial Services Limited appointed as Company Secretary only.

Dividends

The Company paid an interim dividend of £70.0 million (2024: £199.9 million) on its ordinary shares during the year. The Directors do not recommend the payment of a final dividend for the financial year ended 31 December 2025 (2024: £nil).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on: the Company's borrowings (note 22); its contingent liabilities and other risk factors (note 25); its capital structure (note 9); and management of its risks including market, credit and liquidity risk (note 26).

The Company and its ultimate holding company, Aviva plc, have considerable financial resources and a diversified business model, with a spread of businesses and geographical reach. The Directors believe that the Company is well placed to manage its business risks successfully.

A detailed going concern review has been undertaken as part of the 2025 reporting process, which includes consideration of the Company's current and forecasted performance. Whilst integration plans have begun, most significantly in relation to a fellow subsidiary company U K Insurance Limited which remains a going concern, the Directors expect the Company to continue to be in operation for the next twelve months.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months (to 27 April 2027) from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

Events after the balance sheet date

On 13 March, the Board gave approval to dispose of the EOS I and II private equity funds, held by the company, to Aviva Insurance Limited at a value of £33.7 million.

Outlook

Likely future developments in the business of the Company are discussed in the strategic report.

Stakeholder engagement

Statements summarising the Company's employee engagement, and engagement with suppliers, customers and other stakeholders are included in the strategic report.

Statement of corporate governance arrangements

Following the acquisition of the Company by Aviva, for the year ended 31 December 2025, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (the "Principles"). We set out below how the Principles have been applied during 2025.

DL Insurance Services Limited**03001989****Directors' report**

For the year ended 31 December 2025

Principle 1 – Purpose and leadership

The Company is part of the Aviva Group. Aviva's purpose is to be "with you today, for a better tomorrow" to protect the things that matter most to the Group's customers. To live up to that purpose, the Group has a mission to be "the leading UK provider and go-to customer brand for all Insurance, Wealth and Retirement solutions, with major businesses in Canada and Ireland" and has a clear strategy and plan to achieve this vision:

- **Growth:** Accelerating growth in capital-light Insurance and Wealth - disciplined in Retirement
- **Customer:** Growing our customer base, serving more needs and transforming experience
- **Efficiency:** Driving operating leverage with technology and artificial intelligence at the core
- **Sustainability:** Committed to climate and social action, and being a sustainable business

The delivery of our strategy and plan is guided by our values:

- **Care:** We care deeply about the positive difference we can make in our customers' lives.
- **Commitment:** We understand the impact we have on the world and take the responsibility that comes with it seriously.
- **Community:** We recognise the strength that comes from working as one team, built on trust and respect.
- **Confidence:** We believe the best is yet to come for our customers, our people, and society.

The Board has made a number of strategic decisions through the year which are aligned to its purpose, as detailed in the Strategic Report.

The Board monitors culture of the Company and raises any concerns during meetings and the Board is able to express its views on the culture of the organisation through the Board Effectiveness Reviews. Culture information has been added to the Board's annual planner to ensure the Board has the opportunity to review culture metrics and that employees have the right values, attitudes and behaviours and are focussed on doing the right thing for the customer. The Company complies with the Senior Managers' Certification Regime which further strengthens the drive for individual accountability. Employee engagement is sought through the Voice of Aviva employee surveys, the output of which is reviewed by the Board and an action plan put in place to address areas identified by employees which may require further focus.

The Board is responsible for promoting the long-term success of the Company for the benefit of its members as a whole, taking into account other stakeholders as defined by Section 172 of the Companies Act 2006 and the Articles of Association and including but not limited to; setting the Company's strategic aims, monitoring performance of the Company and management against those aims, setting the Company's risk appetite and monitoring the operation of prudent and effective controls and monitoring compliance with corporate governance principles.

Principle 2 – Board Composition

The Directors have equal voting rights when making decisions, except the Chair, who has a casting vote. All Directors have access to the advice and services of the Company Secretary.

The Board is responsible for organising and directing the affairs of the Company in a manner that is most likely to promote the success of the Company for its shareholders as a whole and in a way that is consistent with its Articles of Association, applicable regulatory requirements and current corporate governance practice.

Principle 3 – Director Responsibilities

The Company operates in accordance with the Aviva Governance Framework, as approved by Aviva plc. The Aviva Governance Framework articulates the interrelation between our purpose, culture, values; our reporting and escalation structures and their alignment with legal and regulatory duties and our risk management framework. The core elements are the legal and regulatory flow of accountability and decision - making and the Company's frameworks, policies and standards and the checks and balances through the operation of the Company's 2nd and 3rd lines of defence which ensure effective board oversight.

The Board held 12 meetings, of which 11 were ad-hoc meetings in 2025. The Board's key areas of focus in 2025 were largely related to the By Miles business, as well as a number of Director changes following the Aviva acquisition.

Principle 4 – Opportunity and Risk

The role of the Board is to promote the long-term sustainable success of the company, identifying opportunities to create and preserve value for its shareholder within a framework of prudent and effective controls, which enable risks to be assessed and managed.

The Company operates a risk management framework that forms an integral part of the management and Board processes and decision-making framework, aligned to the Group's risk management framework. The key elements of the risk management framework comprise risk appetite; risk governance, including risk policies and business standards, risk oversight committees and roles and responsibilities; and the processes the Company uses to identify, measure, manage, monitor and report risks, including the use of risk models and stress and scenario testing.

The Company's Risk Representative attends Board meetings and provides independent challenge and influence in key business decisions and in ensures the effective operation of the risk management framework and control environment, in addition to assessing the overall risk culture. Material matters are escalated by the Board and the Risk Representative to the Company's parent legal entity Board and other Group Forums as appropriate.

Principle 5 – Remuneration

Under the Aviva Group Reward Governance Framework, the Company's remuneration policy operates in accordance with the Remuneration Policy as approved by the Aviva plc Remuneration Committee, which applies to all employees in entities within the Aviva Group.

DL Insurance Services Limited**03001989****Directors' report****For the year ended 31 December 2025**

The Aviva Group reports on the pay ratio of the Group CEO to UK employees, and details of this can be found in the Directors' Remuneration Report in the Aviva plc Annual Report and Accounts which is available at <http://www.aviva.com/investors/reports/>. Aviva plc also reports on its gender pay gap, and on the steps it is taking in relation to this which can be found at <https://www.aviva.com/about-us/uk-pay-gap-report/>.

Principle 6 – Stakeholders

Details about Stakeholders can be found in the Section 172 Statement in the Strategic Report.

Accounting records

The measures taken by the directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons.

Donations

The Company did not make any charitable or political donations during the year (2024: £nil).

Supplier payment policy

The directors are responsible for ensuring that the Company is compliant with the Late Payment of Commercial Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2002. It is the policy of the Company to pay for goods and services on presentation of an invoice by the supplier. Statements from suppliers showing amounts outstanding in excess of 30 days are immediately investigated and resolved as soon as possible.

Financial instruments

The Company uses financial instruments to manage certain types of risks, including to those relating to, foreign currency exchange and interest rates. Details of the objectives and management of these instruments are contained in note 26 on risk management.

Employees

The Company is the main employing entity of Direct Line and is a subsidiary of Aviva. The financial statements include disclosures relating to employees employed by entities part of the former Direct Line Group. Disclosures related to other Aviva employees may be found in the annual report and financial statements of Aviva's main employing entity in the UK, Aviva Employment Services Limited, and Aviva plc.

Disclosure of information to the Auditor

In accordance with section 418 of the Companies Act 2006, the directors in office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditor, Ernst & Young LLP, is unaware and each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that Ernst & Young LLP ("EY") is aware of that information.

Auditor

Following its acquisition by Aviva Plc during 2025, the Company's existing auditor, KPMG LLP, resigned to allow the Company to appoint Aviva's auditor, Ernst & Young LLP as its auditor. It is the intention of the Directors to reappoint the auditors, Ernst & Young LLP, under the deemed appointment rules of section 487 of the Companies Act 2006.

Qualifying indemnity provisions

The directors have the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in section 234 of the Companies Act 2006.

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a "qualifying third party indemnity" for the purposes of s309A to s309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the directors' report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Statement of Directors responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.(United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

Directors' report

For the year ended 31 December 2025

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 reasonable and prudent judgements and accounting estimates;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DocuSigned by:

2C5CBAC5906F46A...
H Grand
Director
27 April 2026

DL Insurance Services Limited**03001989****Independent Auditor's report to the members of DL Insurance Services Limited**

For the year ended 31 December 2025

Opinion

We have audited the financial statements of DL Insurance Services Limited ("the Company") for the year ended 31 December 2025 which comprise the Statement of profit or loss, Statement of comprehensive income, Statement of financial position, Statement of changes in equity and the related notes 1 to 27, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" ("United Kingdom Generally Accepted Accounting Practice").

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to other entities of public interest, 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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirming our understanding of management's going concern assessment process, which covers the period up to and including 27 April 2027;
- Verifying the accuracy and reasonableness of management's analysis by testing the inputs, assessing key assumptions and checking the clerical accuracy of the models used;
- Evaluating the solvency and liquidity position of the Company by reviewing base case solvency and liquidity projections that take into account future funding requirements for the Company, as well as stress scenarios prepared by management;
- Evaluating the financial strength and willingness of the parent company to provide support if necessary;
- Performing inquiries of management and those charged with governance to identify risks or events that may impact the Company's ability to continue as a going concern. We also obtained management's assessment approved by the Board and minutes of meetings of the Board; and
- Assessing the appropriateness of disclosures relating to going concern by comparing the disclosures with management's assessment and for compliance with the relevant reporting requirements.

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 the period up to and including 27 April 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

DL Insurance Services Limited**03001989****Independent Auditor's report to the members of DL Insurance Services Limited****For the year ended 31 December 2025**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 7 to 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

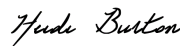
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the relevant laws and regulations related to elements of company law and tax legislation in the United Kingdom and the financial reporting framework.
- We understood how DL Insurance Services Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed minutes of the Board and obtained an understanding of the Company's approach to governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgment, including complex transactions, performance targets, external pressures and the impact these have on the control environment and their potential to influence management to manage earnings or influence the perceptions of investors and stakeholders. Furthermore, our audit procedures included testing the appropriateness of journal entries recorded in the general ledger.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance and senior management as to their awareness of any noncompliance with laws and regulations, enquiring about the policies which have been established to prevent noncompliance with laws and regulations by officers and employees and enquiring about the Company's methods of enforcing and monitoring compliance with such policies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Signed by:

 E7631414D1E54B1...

Heidi Burton Senior statutory auditor

For and on behalf of Ernst & Young LLP

London, United Kingdom

27 April 2026

DL Insurance Services Limited**03001989****Accounting policies**

For the year ended 31 December 2025

Statement of compliance

The Company is incorporated and domiciled in the UK and registered in England and Wales (company number 03001989). The principal activities of the Company include the provision of services to fellow subsidiary companies and to the Group's partners, including Motability. The Company's registered office is included on page 1. The Company is a private company limited by shares. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the basis of preparation.

(A) Basis of preparation

The Company's financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("**FRS 101**"). The financial statements are prepared on a historical cost basis except for derivative financial instruments, which are measured at their fair value.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of effective International Accounting Standards ("**IASs**") and International Financial Reporting Standards ("**IFRS**") as endorsed by the United Kingdom Endorsement Board ("**UKEB**") and adopted by the UK but makes amendments where necessary to comply with the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions available under FRS 101:

- FRS 101.8(a): the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payments' disclosure requirements in respect of group settled share-based payments provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- FRS 101.8 (d): the requirements of IFRS 7 'Financial Instruments: Disclosures' to make disclosures about financial instruments, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- FRS 101.8 (e): the requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement';
- FRS 101.8 (eA): the requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers';
- FRS 101.8 (eB): the requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89 and paragraphs 90 to 91 of IFRS 16 'Leases';
- FRS 101.8 (g): the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 'Presentation of Financial Statements' to produce a cash flow statement, and to make an explicit and unreserved statement of compliance with IFRSs, additional comparative information and capital management information;
- FRS 101.8 (h): the requirements of IAS 7 'Statements of Cash Flows' to produce a cash flow statement and related notes;
- FRS 101.8 (i): the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to include a list of new IFRSs that have been issued but that have yet to be applied; and
- FRS 101.8 (k): the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary party to the transaction is wholly owned by such a member.

The Company's financial statements are prepared in sterling, which is the functional currency of the Company. Unless otherwise noted, the amounts shown in these financial statements are in millions of pounds sterling ("£m").

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on: the Company's borrowings (note 22); its contingent liabilities and other risk factors (note 25); its capital structure (note 9); and management of its risks including market, credit and liquidity risk (note 26).

The Company and its ultimate holding company, Aviva plc, have considerable financial resources and a diversified business model, with a spread of businesses and geographical reach. The Directors believe that the Company is well placed to manage its business risks successfully.

A detailed going concern review has been undertaken as part of the 2025 reporting process, which includes consideration of the Company's current and forecasted performance. Whilst integration plans have begun, most significantly in relation to a fellow subsidiary company U K Insurance Limited which remains a going concern, the Directors expect the Company to continue to be in operation for the next twelve months.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months (to 27 April 2027) from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

New standards, interpretations and amendments to published standards that have been issued and endorsed by the UK and adopted by the Company

The Company has adopted Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability which became effective for the annual reporting period beginning on 1 January 2025. The amendments do not have a significant impact on the Company's statements.

Accounting policies

For the year ended 31 December 2025

(B) Basis of consolidation

The financial statements contain information about DL Insurance Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempted by section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiaries are included by full consolidation in the IFRS consolidated financial statements of its ultimate parent, Aviva plc, a public company registered in the United Kingdom and which is the controlling party.

The registered address of Aviva plc is 80 Fenchurch Street, London, EC3M 4AE.

(C) Material accounting policies and the use of estimates and judgements

Material accounting policies

The preparation of financial statements requires the Company to select accounting policies and make estimates and assumptions that affect items reported in the income statement, statement of financial position, other primary statements and notes to the financial statements.

The accounting policies in the table below are those that have the most material impact on the amounts recognised in the financial statements, with those judgements involving estimation summarised thereafter.

Material accounting policies	Policy reference
Revenue recognition	(E)
Impairment of non-financial assets	(K)

(C) Material accounting policies and the use of estimates and judgements continued

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Critical accounting judgements	Policy reference
Impairment of non-financial assets	(K)
Judgement is applied to determine whether there are indicators of impairment to intangible assets. In making this judgement, the Company considers: the projection of the economic benefits associated with each asset; subsequent re-measurement of these benefits through the development cycle and into use; the projected ultimate cost of each asset at each point through the development cycle due to specification changes; and the likelihood of obsolescence of any component parts.	

The table below sets out those items considered particularly susceptible to changes in estimates and assumptions, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the relevant note disclosures.

Key sources of estimation uncertainty	Policy reference	Carrying value
Impairment of non-financial assets	(K)	Note 10, 11, 12
Sources of estimation uncertainty can arise where there are indicators of impairment of an intangible asset and an impairment provision is deemed appropriate. Factors such as whether the carrying amount of the asset is expected to be greater than the recoverable amount are assessed.		

There have been no significant changes in the basis upon which judgement and estimates have been determined, compared to that applied as at 31 December 2024.

(D) Foreign currency translation

The Company records transactions in the currency of the primary economic environment in which they operate (their functional currency), translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the relevant functional currency at the foreign exchange rates ruling at the statement of financial position date. Foreign exchange differences arising on the settlement of foreign currency transactions and from the translation of monetary assets and liabilities are reported in the income statement.

Non-monetary items denominated in foreign currencies that are stated at fair value are translated into the relevant functional currency at the foreign exchange rates ruling at the dates the values are determined. Translation differences arising on non-monetary items measured at fair value are recognised in the income statement except for differences arising on equity investments held at fair value through other comprehensive income ("FVOCI") which are recognised in other comprehensive income.

Accounting policies

For the year ended 31 December 2024

(E) Revenue recognition (accounted for in accordance with IFRS 15 'Revenue from Contracts with Customers')

Fee income

This relates to management services which are provided over time to other members of the Group. These fees are credited to the income statement as the Company satisfies its performance obligations to other Group companies. Fee income excludes VAT.

Revenue from vehicle recovery and repair services

Income in respect of repairs to vehicles is recognised upon completion of the repair obligations. The price is determined using market rates for the services and materials used after discounts have been deducted where applicable.

Revenue from any goods provided is accounted for at the point of sale.

(E) Revenue recognition (accounted for in accordance with IFRS 15 'Revenue from Contracts with Customers') continued

Salvage income

Salvage income is recognised at a point in time when a vehicle is disposed of following the settlement of a total loss policy claim and the customer has no further interest in the vehicle.

(F) Investment return

Interest income on financial assets held at amortised cost is determined using the effective interest rate method. The effective interest rate method is a way of calculating the amortised cost of a financial asset (or group of financial assets) and of allocating the interest income over the expected life of the asset.

Rental income from investment property is recognised in the income statement on a straight-line basis over the period of the contract.

Dividend income is recognised when the right to receive payment is established.

(G) Intangible assets

Intangible assets consist primarily of internally generated software acquired by the Company and are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to cost of sales in the income statement over the assets' economic lives from the point it is operating as intended using methods that best reflect the pattern of economic benefits and is included in operating profit. Intangible assets are amortised on a straight line method over a period up to 10 years.

Direct costs relating to the development of internal-use computer software and associated business processes are capitalised once technical feasibility and economic viability have been established. These costs include payroll costs, the costs of materials and services and directly attributable overheads. Capitalisation of costs ceases when the software is capable of operating as intended.

During and after development, accumulated costs are reviewed for impairment against the projected benefits that the software is expected to generate. Costs incurred prior to the establishment of technical feasibility and economic viability are expensed as incurred, as are all training costs and general overheads.

(H) Property, plant and equipment

Owner-occupied property is carried at its revalued amount, movements in valuation are recognised in other comprehensive income and taken to a separate reserve in equity. When a property is sold, its accumulated revaluation surpluses are transferred from the reserve to retained earnings. Property is depreciated down to its estimated residual value over its useful life.

All other items of property, plant and equipment (except assets held for sale) are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

Depreciation is charged to the income statement on a straight-line basis so as to write off the depreciable amount of property, plant and equipment over their estimated useful lives. The depreciable amount is the cost of an asset less its residual value. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	25 years or the period of the lease if shorter
Other equipment, including computer equipment, vehicles and property adaptation costs	3 to 25 years

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the disposal proceeds, if any, and the carrying amount of the item.

DL Insurance Services Limited**03001989****Accounting policies**

For the year ended 31 December 2024

(I) Leases**Where the Company is a lessee**

At inception, the Company assesses whether a contract contains a lease arrangement, which involves assessing whether it obtains substantially all the economic benefits from the use of a specific asset, and it has the right to direct the use of that asset. The Company recognises a right of use ("ROU") asset and a lease liability at the commencement of the lease (when the underlying asset is available for use), except for short-term leases of 12 months or less and low-value leases which are expensed on a straight-line basis in the income statement. The ROU asset is initially measured based on the present value of the lease payments, plus initial direct costs less any incentives received. Lease payments include fixed payments and variable payments. Variable payments relate to contractual rent increases linked to inflation indices. The ROU asset is depreciated over the lease term, or its economic useful life if shorter, and is subject to impairment testing if there is an indicator of impairment. Depreciation is charged to cost of sales in the statement of profit and loss. When leases contain an extension or purchase option which is reasonably expected to be exercised this is included in the measurement of the lease.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date unless the interest rate implicit in the lease is readily determinable. The incremental borrowing rate is determined based on available risk-free market yield-to-maturity pricing linked to the lease amount and term, and includes a credit spread. The lease liability is subsequently measured at amortised cost using the effective interest rate method and remeasured, with a corresponding adjustment to the ROU asset, when there is a change in future lease payments, terms or reassessment of options.

(I) Leases continued

The Company's property leases mainly relate to office space and vehicle repair centres. Leases in respect of motor vehicles relate to recovery and replacement vehicles, and management cars. The Company also leases certain IT equipment which is not a significant portion of the total leased asset portfolio.

Where the Company is a lessor

Leases where a significant proportion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term.

Where assets are subject to finance leases, the present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable.

Right of use assets

Where the Company is the lessee, a lease liability equal to the present value of outstanding lease payments and a corresponding ROU asset equal to cost are initially recognised. The ROU asset is depreciated over the lease term, or its economic useful life if shorter, and is subject to impairment testing if there is an indicator of impairment.

(J) Investment in subsidiaries

Investments in subsidiaries are stated at cost less any impairment. Investments are reviewed annually to test whether any indicators of impairment exist. Where there is objective evidence that such an asset is impaired, such as the financial difficulty of the entity or a significant or prolonged decline in its fair value below cost, the investment is impaired to its recoverable value. Impairments are charged to cost of sales in the statement of profit and loss.

The Company accounts for the disposal of business or investment in subsidiary undertakings when it ceases to exert control.

A gain or loss is measured as the difference between the fair value of consideration received or receivable and the value of the assets and liabilities derecognised, which relate to businesses disposed of. The gain or loss is recognised on the effective date of the completion of the disposal.

(K) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that its intangible assets, property, plant and equipment or ROU assets are impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the impairment loss, if any.

If an asset does not generate cash flows that are independent of those of other assets or groups of assets, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value-in-use.

Value-in-use is the present value of future cash flows from the asset or CGU, discounted at a rate that reflects market interest rates, adjusted for risks specific to the asset or CGU that have not been reflected in the estimation of future cash flows.

If the recoverable amount of an intangible or a tangible asset is less than its carrying value, an impairment loss is recognised immediately against cost of sales in the income statement and the carrying value of the asset is reduced by the amount of the impairment loss.

A reversal of an impairment loss on intangible assets, property, plant and equipment or ROU assets is recognised as it arises provided the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised.

Accounting policies

For the year ended 31 December 2025

(L) Financial instruments**Recognition and initial measurement**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at fair value net of transaction costs. Subsequently they are measured at amortised cost, FVOCI or FVTPL, 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 reclassifies financial assets when and only when its business model for managing those assets changes.

Financial liabilities are initially recognised at fair value net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Classification and subsequent measurement**Financial instruments measured at amortised cost**

Financial assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income is accounted for using the effective interest method. Such assets held by the Company include cash and cash equivalents.

Financial liabilities are measured at amortised cost.

(L) Financial instruments continued**Financial instruments measured at fair value through other comprehensive income**

Equity investments, which are strategic in nature, and are not held for trading have been designated at FVOCI. They are initially valued at fair value net of directly related transaction costs incurred and are subsequently measured at fair value.

Realised and unrealised fair value movements are included in other comprehensive income with no recycling of realised movements on derecognition to the income statement.

Financial instruments measured at fair value through profit or loss

Equity investments not designated at initial recognition at FVOCI are measured at FVTPL. Dividends are included in investment return in the income statement when the right of payment has been established. Equity investments held at fair value through profit or loss are held on the statement of financial position at fair value with net changes in fair value included within investment return in the income statement.

Derivative financial instruments are recognised initially at fair value on the date the derivative contract is entered into, and subsequently remeasured to their fair value at the end of each reporting period. Derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models. Gains and losses arising from changes in the fair value of a derivative are recognised as they arise in the income statement unless the derivative is the hedging instrument in a qualifying hedge.

Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from that asset have expired or when the Company has transferred its rights to receive cash flows from the asset and either the Company has transferred substantially all the risks and rewards of ownership of the asset or the Company has neither transferred nor retained substantially all the risks and rewards of ownership and the Company has not retained control.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Impairment of financial assets

At initial recognition an expected credit loss allowance assessment is conducted with an impairment loss booked if material. The expected loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the credit quality and history of the financial asset or group of financial assets, as well as existing market conditions and forward-looking expectations.

At the date of each statement of financial position date, the Company assesses, on a forward-looking basis, whether there is objective evidence that an impairment loss on a financial asset or group of financial assets classified as held at amortised cost is expected. The Company measures the amount of the loss as the difference between the carrying amount of the asset or group of assets including an allowance for expected losses at initial recognition, and the present value of estimate future cash flows from the asset or group of assets, discounted at the effective interest rate of the instrument at initial recognition.

The Company applies the simplified impairment approach to its trade and other receivables, grouping trade and other receivables into categories with shared credit risk characteristics and estimating expected future loss rates based on historical experience.

Impairment losses, including the expected credit allowance, are recognised in the income statement, against other operating expenses, and the carrying amount of the financial asset or group of financial assets is reduced by establishing an allowance for the impairment losses. If in a subsequent period the amount of the expected impairment allowance reduces and this can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

DL Insurance Services Limited**03001989****Accounting policies**

For the year ended 31 December 2025

(M) Cash and cash equivalents and borrowings

Cash and cash equivalents comprise cash in hand and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. Such investments are those with less than three months' maturity from the date of acquisition.

Borrowings, comprising bank overdrafts, are measured at amortised cost using the effective interest rate method and are part of the Company's cash management approach and are repayable on demand. Bank overdrafts primarily arise from short-term timing differences between transactions recorded by the Group and those processed by the bank. In the statement of financial position, bank overdrafts are presented within current liabilities under borrowings.

(N) Assets held for sale

Non-current assets, including investment property that forms part of a disposal group, are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Investment property is measured at fair value less costs to sell. Other non-current assets are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised against cost of sales in the income statement for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale is recognised at the date of derecognition.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position and are not depreciated or amortised.

(O) Provisions

The Company recognises a provision for a present legal or constructive obligation from a past event when it is more likely than not that it will be required to transfer economic benefits to settle the obligation and the amount can be reliably estimated.

When the Company has an onerous contract it recognises the present obligation under the contract as a provision. A contract is onerous when the unavoidable costs of meeting the contractual obligations exceed the expected future economic benefit.

Restructuring provisions are made, including redundancy costs, when the Company has a constructive obligation to restructure. An obligation exists when the Group has a detailed formal plan and has communicated the plan to those affected.

(P) Employee benefits**Short-term employee benefits**

Liabilities recognised in respect of staff bonuses and rewards are measured at the undiscounted amount of benefits expected to be paid in exchange for the related service.

Pensions and other post-retirement benefits

The Company provides post-retirement benefits in the form of pensions and healthcare plans to eligible employees.

Contributions to the Company's defined contribution pension scheme are recognised in the income statement when payable.

The Company's defined benefit pension scheme, as described in note 15, was closed in 2003. The scheme commenced winding-up with effect on and from 30 December 2024, this is expected to complete in 2027. Scheme liabilities are measured on an actuarial basis, using the projected unit credit method, and discounted at a rate that reflects the current rate of return on a high-quality corporate bond of equivalent term and currency to the scheme liabilities.

Scheme assets are measured at their fair value. Any surplus or deficit of scheme assets over liabilities is recognised in the statement of financial position as an asset (surplus) or liability (deficit). The past service costs, together with the net interest on the net pension liability or asset, are charged or credited to operating expenses. Actuarial gains and losses are recognised in full in the period in which they occur outside the income statement and presented in other comprehensive income under "Items that will not be reclassified subsequently to the income statement".

Insurance assets resulting from a bulk annuity insurance policy 'buy-in' transaction result in the insurance asset exactly matching the pension liability. A 'buy-in' is not a settlement and the liability is not derecognised as the Company retains ultimate responsibility for funding the plan.

Share-based payments

Equity-settled share-based payments to employees and others providing services are measured at fair value of the equity instruments of the ultimate parent entity at the grant date, which was Direct Line Insurance Group Limited up until 1 July 2025 and Aviva plc from 1 July 2025. The fair value excludes the effect of non market-based vesting conditions.

The fair value determined at the grant date of the equity-settled payments is expensed on a straight-line basis over the vesting period, based on an estimate of equity instruments that will eventually vest. For share-based compensation plans post 1 July 2025, a payable to fellow group companies is recognised in relation to this expense which is recharged to the Company. At each period end, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income. Prior to 1 July 2025, the cost was expensed with a corresponding increase in equity in an equity-settled award. The cost is adjusted for vesting conditions (other than market performance conditions) so as to reflect the number of shares or share options that actually vest.

Accounting policies

For the year ended 31 December 2025

(Q) Income Taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity, as appropriate.

Provisions are made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The rates enacted or substantively enacted at the statement of financial position date are used to value the deferred tax assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available.

Deferred tax is provided on any temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not provided in respect of any temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction.

(Q) Income Taxes continued

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively, except for the tax consequences of distributions from certain equity instruments, to be recognised in the income statement.

Deferred tax related to any fair value re-measurement of investments, held at fair value through other comprehensive income, owner-occupied properties, pensions and other post-retirement obligations and other amounts charged or credited directly to other comprehensive income is recognised in the statement of financial position as a deferred tax asset or liability.

(R) Share Capital**Ordinary share capital**

Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds of the issue and disclosed where material.

Dividends

Interim dividends on Ordinary Shares are recognised in equity in the period in which they are paid. Final dividends on Ordinary Shares are recognised when they have been approved at the Annual General Meeting ("AGM").

Statement of profit or loss

For the year ended 31 December 2025

	Notes	2025 £m	2024 £m (restated) ¹
Revenue from contracts with customers	1	1,778.8	1,803.8
Cost of sales		(1,704.2)	(1,718.5)
Gross profit		74.6	85.3
Administration expenses		(12.8)	(12.8)
Other operating expenses		(467.3)	(0.2)
Operating (loss)/profit	2	(405.5)	72.3
Investment return	3	13.6	16.9
Impairments and write-offs of interests in subsidiary undertakings	13	(27.4)	—
Finance costs	6	(2.0)	(1.8)
(Loss)/profit before tax		(421.3)	87.4
Tax credit/(charge)	7	96.6	(20.6)
(Loss)/profit for the year attributable to the owner of the Company		(324.7)	66.8

Note:

1. The 2024 comparative results have been restated from those previously published following an incorrect presentation of the Company's management recharges calculation in 2024 and expenses that meet the definition of cost of sales which were incorrectly recognised within administration expenses and other operating expenses. Revenue from contracts with customers was previously reported as £1,778.0 million and has been adjusted by £25.8 million. Cost of sales was previously reported as £1,667.1 million and has been adjusted by £51.4 million. Administration expenses was previously reported as £14.3 million has been adjusted by £1.5 million. Other operating expenses was previously reported as £24.3m and has been adjusted by £24.1 million. The restatements have no impact on operating profit, profit for the year and no effect on any component of equity or the balance sheet.

The accounting policies (identified alphabetically) on pages 11 to 17 and accompanying notes (identified numerically) on pages 22 to 37 form an integral part of these financial statements.

DL Insurance Services Limited
Statement of comprehensive income
For the year ended 31 December 2025

03001989

	Notes	2025 £m	2024 £m
(Loss)/profit for the year		(324.7)	66.8
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Fair value gains on owner-occupied property		2.2	—
Remeasurement gains on defined benefit pension scheme	15	0.1	0.5
Fair value gains on equity investments measured at FVOCI		8.5	1.1
Realised gains on equity investments measured at FVOCI		—	0.4
Tax relating to items that will not be reclassified	14	(2.7)	(0.2)
		8.1	1.8
Items that may be reclassified subsequently to the income statement:			
Cash flow hedges		(0.2)	0.2
		(0.2)	0.2
Other comprehensive income for the year net of tax		7.9	2.0
Total comprehensive income for the year attributed to the owner of the Company		(316.8)	68.8

The accounting policies (identified alphabetically) on pages 11 to 17 accompanying notes (identified numerically) on pages 22 to 37 form an integral part of these financial statements.

DL Insurance Services Limited**03001989****Statement of financial position**

As at 31 December 2025

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Intangible assets	10	74.6	566.1
Property, plant and equipment	11	59.0	66.0
Right-of-use assets	12	34.4	37.2
Investment in subsidiary undertakings	13	0.2	0.2
Deferred tax assets	14	—	2.4
Retirement benefit asset	15	0.6	0.8
Financial investments	17	33.7	19.4
Total non-current assets		202.5	692.1
Current assets			
Current tax assets	14	97.8	—
Trade and other receivables	18	279.3	279.4
Financial investments	17	0.1	1.0
Cash and cash equivalents	19	57.0	32.0
Assets held for sale	20	7.8	12.1
Total current assets		442.0	324.5
Total assets		644.5	1,016.6
Equity			
Retained Earnings		124.2	502.7
Other reserves	21	237.9	230.0
Total equity		362.1	732.7
Liabilities			
Non-current liabilities			
Lease liabilities	12	38.6	37.8
Deferred tax liabilities	14	1.0	—
Total non-current liabilities		39.6	37.8
Current liabilities			
Borrowings	22	2.3	9.9
Derivative financial instruments	17	0.2	—
Trade and other payables	23	226.6	194.3
Provisions	24	9.3	14.2
Lease liabilities	12	4.1	3.7
Current tax liabilities	14	0.3	24.0
Total current liabilities		242.8	246.1
Total liabilities		282.4	283.9
Total equity and liabilities		644.5	1,016.6

The Company has two issued and fully paid £1 shares.

The accounting policies (identified alphabetically) on pages 11 to 17 accompanying notes (identified numerically) on pages 22 to 37 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2026 and were signed on its behalf by:

DocuSigned by:

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H Grand
 Director
 27 April 2026

Registered in England and Wales No. 03001989

DL Insurance Services Limited**03001989****Statement of changes in equity**

For the year ended 31 December 2025

	Equity investments revaluation reserve £m	Capital reserve £m	Foreign exchange translation reserve £m	Owner- Occupied Property FV Reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	3.6	225.0	(0.2)	—	618.6	847.0
Profit for the year	—	—	—	—	66.8	66.8
Other comprehensive income	1.4	—	0.2	—	0.4	2.0
Total comprehensive income	1.4	—	0.2	—	67.2	68.8
Dividends and appropriations (note 8)	—	—	—	—	(199.9)	(199.9)
Credit to equity for equity-settled share-based payments	—	—	—	—	14.5	14.5
Tax on share-based payments	—	—	—	—	2.3	2.3
Balance at 31 December 2024	5.0	225.0	—	—	502.7	732.7
Loss for the year	—	—	—	—	(324.7)	(324.7)
Other comprehensive income/(loss)	6.9	—	(0.1)	1.1	—	7.9
Total comprehensive income/(loss)	6.9	—	(0.1)	1.1	(324.7)	(316.8)
Dividends and appropriations (note 8)	—	—	—	—	(70.0)	(70.0)
Credit to equity for equity-settled share-based payments	—	—	—	—	12.8	12.8
Tax on share-based payments	—	—	—	—	3.4	3.4
Balance at 31 December 2025	11.9	225.0	(0.1)	1.1	124.2	362.1

The Company has two issued and fully paid £1 shares. There have been no changes to the Company's share capital across the reported periods.

The accounting policies (identified alphabetically) on pages 11 to 17 accompanying notes (identified numerically) on pages 22 to 37 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2025

1. Revenue from contracts with customers

This note analyses the revenue recognised by the Company from contracts with customers, including the provision of vehicle recovery and repair services, fee income and salvage income, see accounting policy (E) Revenue recognition for details of how the Company applies IFRS 15.

	2025 £m	2024 £m (restated) ¹
Fees in respect of management services provided to fellow Group subsidiaries	1,202.9	1,299.2
Supply and management of an accident repair network for a partnership	542.0	479.6
Salvage and other income	33.9	25.0
Total	1,778.8	1,803.8

Note:

- The 2024 comparative results have been restated following following an incorrect presentation of the Company's management recharges calculation in 2024. Fees in respect of management services was previously reported as £1,273.4 million and has been adjusted by £25.8 million.

The nature of management services provided includes providing vehicle repairs administration, data processing, data management, operational support and managerial advisory services.

Fees in respect of management services provided to fellow Group subsidiaries are settled on a monthly basis. The Company settles fees to the partnership net of income related to the supply and management of the accident repair network on a six-monthly basis. Salvage and other income is settled on standard invoicing terms.

2. Operating (loss)/profit

The operating (loss)/profit of £(405.5) million (2024: £72.3 million) is stated after charging the following:

	2025 £m	2024 £m
Staff costs ¹	552.8	550.6
Depreciation of property, plant and equipment and of right-of-use assets	18.9	16.9
Amortisation of intangible assets	59.3	110.8
Impairment of intangible and fixed assets and assets held for sale ²	472.3	24.2
Net foreign exchange loss included in other operating expenses	1.3	0.1

Note:

- Staff costs include costs for temporary and contract staff and recruitment and are stated after deducting costs capitalised as part of software development.
- Includes impairments of intangible assets (note 10), fixed assets (note 11) and assets held for sale (note 20).

3. Investment return

This note analyses the Company's investment return.

	2025 £m	2024 £m
Investment return:		
Cash and cash equivalents	2.2	2.7
Interest income from subsidiary undertakings	0.9	0.8
Interest income from parent undertaking	9.6	12.5
Property rental income	1.4	0.9
Net unrealised losses on equity investments held at FVTPL	(0.5)	—
Total	13.6	16.9

4. Employee information

This note shows where the Company's staff are employed, their aggregate remuneration, analyses Directors' emoluments and the Company's share-based payments obligations.

The monthly average number of employees (including Directors) employed by the Company was:

	2025	2024
Insurance operations	5,795	6,476
Repair centre operations	1,664	1,731
Support	1,272	1,387
Total	8,731	9,594

Notes to the financial statements

For the year ended 31 December 2025

4. Employee information continued

The aggregate remuneration of those employed by the Company comprised:

	2025	2024
	£m	£m
Wages and salaries	449.5	447.5
Social security costs	61.2	55.1
Pension costs	30.1	30.6
Share-based payments	20.7	14.5
Total	561.5	547.7

Directors' remuneration

Following the acquisition of Direct Line Group by Aviva on 1 July 2025 all Directors are remunerated by the Company for their services as employees to the Group as a whole. For the year ended 31 December 2024 and 2025 up to 30 June 2025 all Directors were remunerated for their services as employees of Direct Line Group as a whole.

Consistent with the prior year, Directors are not remunerated directly for their services as Directors of the Company and the amount of time spent performing their duties as Directors of the Company is incidental to their roles across the Group, and for Direct Line Group prior to Aviva's acquisition. Directors' employment costs are borne by the Company but are recharged to other Group companies for their services.

Share-based payments

Prior to the acquisition by Aviva, Direct Line Group operated equity-settled share-based compensation plans in the form of a Long-Term Incentive Plan ("**LTIP**"), a Restricted Shares Plan, a Deferred Annual Incentive Plan ("**DAIP**") and a Buy-As-You-Earn Plan, details of which are set out below. All awards were satisfied using market-purchased shares. On acquisition, the DAIP vested in full and the LTIP and the Restricted Shares Plan were cancelled and replaced by share awards issued by Aviva.

Post acquisition, Aviva granted conditional awards under the Aviva Recruitment and Retention Share Award Plan which is an equity-settled share-based compensation plan. The awards, calculated as the difference between the fair value of the replacement awards and the fair value of the original awards, vest in tranches on various dates and vesting is conditional upon the participant being employed by Aviva Group on the vesting date and not having served notice of resignation. Some awards can be subject to performance conditions. The Company is the main employing entity of the Direct Line Group.

Long-Term Incentive Plan

Prior to the acquisition by Aviva, Executive Directors of Direct Line Group and certain members of senior management were eligible to participate in the LTIP with awards granted in the form of nil-cost options. Under the plan, the shares were due to vest at the end of a three-year period dependent upon continued employment by Direct Line Group and also Direct Line Group achieving predefined performance conditions associated with total shareholder return ("**TSR**"), return on tangible equity ("**RoTE**"), from 2022 emissions, from 2023 operating earnings per share ("**Operating EPS**") and from 2024 expenses ratio. The Executive Directors were subject to an additional two-year holding period following the three-year vesting period.

Plan participants were entitled to receive additional shares in respect of dividends paid to shareholders over the vesting period. Therefore, no deduction were made from the fair value of awards in respect of dividends.

Expected life was based on the contractual life of the awards and adjusted based on management's best estimate, for the effects of exercise restrictions and behavioural considerations.

Restricted Shares Plan

Prior to the acquisition by Aviva, the purpose of the Restricted Shares Plan was to facilitate the wider participation in Group share-based awards of eligible employees. These awards were granted in the form of a nil-cost option at any time during the year, generally had no performance criteria, and vested over periods ranging up to seven years from the date of the grant, subject to continued employment.

Deferred Annual Incentive Plan

Prior to the acquisition by Aviva, to incentivise delivery of performance over a one-year operating cycle, Executive Directors and certain members of senior management were eligible for awards under the Annual Incentive Plan ("**AIP**"), of which at least 40% was granted in the form of a nil-cost option under the DAIP with the remainder being settled in cash following year end.

Direct Line Group Share Incentive Plans: Buy-As-You-Earn Plan

Prior to the acquisition by Aviva, the Buy-As-You-Earn Plan entitled employees to purchase shares from pre-tax pay for between £10 and £150 per month and receive one nil-cost matching share for every two shares purchased. Under the plan, the shares vested at the end of a three-year period dependent upon continued employment with the Group together with continued ownership of the associated purchased shares up to the point of vesting.

Notes to the financial statements

For the year ended 31 December 2025

5. Auditors remuneration

This note analyses the Auditor's remuneration in respect of the Company's operations.

	2025	2024
	£m	£m
Fees payable for the audit of the Company's annual accounts	0.2	0.2
Total^{1,2}	0.2	0.2

Note:

1. Total audit fees, excluding VAT.
2. Ernst & Young LLP (EY) became the Group's statutory auditor in 2025 replacing KPMG LLP (KPMG) who were the statutory auditors during 2024. Of the 2025 fees £0.2 million were payable to EY and £nil was payable to KPMG, whilst the 2024 fees were paid wholly to KPMG.

6. Finance costs

This note analyses the Company's finance costs.

	2025	2024
	£m	£m
Interest expense on lease liabilities	2.0	1.8
Total	2.0	1.8

7. Tax Charge

This note analyses the tax charge for the year and explains the factors that affect it.

- a. Tax credited/charged to the income statement
- i. The total tax credit/charge comprises

	2025	2024
	£m	£m
Current taxation:		
(Credit)/charge for the year	(74.3)	21.0
Adjustments in respect of prior years	(20.8)	(3.9)
	(95.1)	17.1
Deferred taxation:		
Origination and reversal of temporary differences	(1.5)	3.5
	(1.5)	3.5
Current taxation	(95.1)	17.1
Deferred taxation	(1.5)	3.5
Tax (credit) / charge for the year	(96.6)	20.6

Current tax prior year adjustments includes a credit of £19.1 million (2024: £nil) for current year losses carried back against profits of the prior year

- ii. No unrecognised tax losses, excess management expenses or temporary differences from previous years were used to adjust the current tax credit, (2024: None).
- iii. Deferred tax (credited)/charged to the income statement represents movements on the following items:

	2025	2024
	£m	£m
Pensions and other post retirement obligations	(0.1)	(0.3)
Provisions and other temporary differences	6.4	1.3
Accelerated capital allowances	(7.8)	2.5
Tax charge for the year	(1.5)	3.5

Notes to the financial statements

For the year ended 31 December 2025

7. Tax Charge continued

b. Tax charged to other comprehensive income

The total charge comprises:

	2025 £m	2024 £m
Current taxation:		
In respect of foreign exchange movements	—	0.1
	—	0.1
Deferred taxation:		
In respect of pensions and other post retirement obligations	—	0.1
In respect of fair value gains on owner occupied properties	1.1	—
In respect of unrealised gains on investments	1.7	—
	2.7	0.1
Current taxation	—	0.1
Deferred taxation	2.7	0.1
Tax charged / (credited) to other comprehensive income	2.7	0.2

c. Tax reconciliation

The tax on the Company's (loss)/profit before tax differs from the theoretical amount that would arise using the tax rate of the United Kingdom as follows:

	2025 £m	2024 £m
(Loss)/profit before tax	(421.3)	87.4
Tax calculated at standard UK corporation tax rate of 25.0% (2024: 25.0%)	(105.3)	21.8
Effects of:		
Impairment on investment in subsidiaries	1.4	—
Disallowable expenses	7.6	0.9
Over-provision in respect of prior periods	(0.3)	(2.1)
Tax (credit)/charge for the year	(96.6)	20.6
Effective income tax rate	22.9%	23.6%

The Company (as part of the Aviva Group and Direct Line Group in 2024) is subject to the reform of the international tax system proposed by The Organisation for Economic Co-operation and Development ("OECD") which introduced a global minimum effective rate of corporation tax of 15% and was enacted in the UK with effect from 1 January 2024. There is no expectation of any exposure to Pillar Two Top-up Taxes and accordingly no accrual has been recorded in these 2025 Financial Statements.

Aviva Group (and Direct Line Group in 2024) applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Company neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

8. Dividends

	2025 £m	2024 £m
Interim dividend of £35,000,000 per share settled by deed of set off on 21 May 2025	70.0	
Interim dividend of £99,950,000 per share paid on 28 June 2024		199.9
	70.0	199.9

9. Share capital

This note gives details of the Company's Ordinary Share capital.

	2025	2024
Issued and fully paid equity shares:		
Ordinary Share of £1 each	2	2

The Company has two Ordinary Shares of £1 each authorised for issue and is a subsidiary of the Aviva Group headed by Aviva plc.

Notes to the financial statements

For the year ended 31 December 2025

10. Intangible assets

This note analyses the changes to the carrying amounts of intangible assets during the year.

	Total £m
Cost	
At 1 January 2024	1,321.9
Acquisitions and additions	92.7
At 31 December 2024	1,414.6
Acquisitions and additions	29.4
At 31 December 2025	1,444.0
Accumulated amortisation and impairment	
At 1 January 2024	715.4
Amortisation charge for the year	110.8
Impairment losses	22.3
At 31 December 2024	848.5
Amortisation charge for the year	59.3
Impairment losses	461.6
At 31 December 2025	1,369.4
Carrying amount	
At 31 December 2025	74.6
At 31 December 2024	566.1

The majority of intangible assets refer to internally generated software development projects.

There are no items of work in progress included within intangible assets for the year (2024: £26.4 million). Items of work in progress are tested for impairment during an annual impairment review at each reporting date.

Impairment losses in the year £461.6 million (2024: £22.3 million) relate to capitalised software development costs for IT projects either no longer utilised by the Company in its operating activities or where the assets were deemed at being held above their market value following the Company's purchase by Aviva Group. Impairment losses of £459.1 million incurred during the year, that were deemed as being held above market value, were included within other operating expenses. Otherwise, impairment losses are an element of the Company's management fee recharges and included in cost of sales.

Each year the Company reviews its intangible assets for indicators of impairment. As part of the 2025 review, the company assessed impairment indicators on its capitalised software development costs as a result of its acquisition by Aviva, due to a significantly lower fair value per the acquisition balance sheet in the Group accounts compared to the carrying amounts of these intangible assets. In this review it was identified that the recoverability of the intangible assets had decreased due to changes in the usage of these assets which results in lower management fees recharged to fellow subsidiaries reflecting lower expected cash flows. Therefore, this has resulted in impairment losses of £461.6 million (2024 impairment loss: £22.3 million). Impairment losses are included within other operating expenses.

DL Insurance Services Limited**03001989****Notes to the financial statements**

For the year ended 31 December 2025

11. Property, plant and equipment

This note analyses the Company's property, plant and equipment.

	Freehold land and buildings £m	Other equipment £m	Total £m
Cost			
At 1 January 2024	33.1	147.0	180.1
Additions	—	8.1	8.1
Disposals	—	(6.5)	(6.5)
At 31 December 2024	33.1	148.6	181.7
Fair value gains	2.2	—	2.2
Additions	—	4.3	4.3
Disposals	(0.1)	(60.3)	(60.4)
At 31 December 2025	35.2	92.6	127.8
Accumulated depreciation and impairment			
At 1 January 2024	4.1	110.1	114.2
Depreciation charge for the year	0.5	7.2	7.7
Disposals	—	(6.2)	(6.2)
At 31 December 2024	4.6	111.1	115.7
Depreciation charge for the year	1.2	5.4	6.6
Impaired	—	6.4	6.4
Disposals	—	(59.9)	(59.9)
At 31 December 2025	5.8	63.0	68.8
Carrying amount			
At 31 December 2025	29.4	29.6	59.0
At 31 December 2024	28.5	37.5	66.0

The Company is satisfied that the aggregate fair value of property, plant and equipment is not less than its carrying value.

12. Lease assets and liabilities

This note contains analysis of the Company's operating lease commitments where the Company is the lessor and lessee.

	Property £m	Motor vehicles £m	Total £m
Cost			
At 1 January 2024	37.7	9.8	47.5
Additions	7.0	7.9	14.9
Disposals	(2.1)	(1.0)	(3.1)
At 31 December 2024	42.6	16.7	59.3
Additions	2.1	7.4	9.5
Disposals	(3.0)	(5.2)	(8.2)
At 31 December 2025	41.7	18.9	60.6
Accumulated depreciation and impairment			
At 1 January 2024	11.5	4.4	15.9
Depreciation charge for the year	4.2	5.0	9.2
Disposals	(2.1)	(0.9)	(3.0)
At 31 December 2024	13.6	8.5	22.1
Depreciation charge for the year	4.5	7.8	12.3
Disposals	(3.0)	(5.2)	(8.2)
At 31 December 2025	15.1	11.1	26.2
Carrying amount			
At 31 December 2025	26.6	7.8	34.4
At 31 December 2024	29.0	8.2	37.2

The average contract duration at inception for property is 11.5 years, and for motor vehicles is 4 years.

Notes to the financial statements

For the year ended 31 December 2025

12. Lease assets and liabilities continued**Operating lease commitments where the Company is the lessor**

The following table analyses future aggregate minimum lease payments receivable under non-cancellable operating leases, which fall as follows:

	2025	2024
	£m	£m
Within one year	0.7	0.6
Between 1 and 2 years	—	0.3
Later than 5 years	—	0.4
Total	0.7	1.3

In the table above, the amounts disclosed for year ended 31 December 2025 exclude total future aggregate minimum lease payments receivable of £0.2 million (2024: £0.2 million) which relate to leases to third-party tenants on properties the Company has classified as assets held for sale.

Leases where the Company is a lessee

Lease liabilities on the statement of financial position relate wholly to ROU assets. At 31 December 2025 the Company had no commitments to property leases not yet commenced (2024: no commitments).

Other lease disclosures

The following table analyses the amounts that have been included in the income statement for leases.

	2025	2024
	£m	£m
Depreciation of ROU assets	12.3	9.2
Loss on disposal of leases	—	0.1
Interest on lease liabilities	2.0	1.8
Short-term leases ¹	(0.4)	2.3
Low-value leases ¹	1.5	1.5
Income from subleasing ROU assets	0.7	0.9
Total	16.1	15.8

Notes:

1. At years ended 31 December 2025 and 31 December 2024, expenses relating to short-term leases and leases of low value assets were not included in the measurement of lease liabilities as they were not considered significant.

Total cash outflows in respect of leases was £11.5 million (2024: £12.4 million).

Lease commitments where the Company is the lessee

Lease liabilities total £42.7 million (2024: £41.5 million). Future contractual aggregate minimum lease payments are as follows:

	2025	2024
	£m	£m
Within one year	6.2	5.7
In the second to fifth year inclusive	21.2	17.7
After five years	18.9	23.4
Sub total	46.3	46.8
Less effect of discounting and unearned interest	(3.6)	(5.3)
Total	42.7	41.5

Notes to the financial statements

For the year ended 31 December 2025

13. Investment in subsidiaries

This note provides details of the Company's investment in its subsidiaries.

The principal subsidiary undertakings of the Company, over which it exercises up to 100% voting power, are shown below. Their capital consists of Ordinary Shares which are unlisted.

Name of subsidiary	Place of incorporation and operation	Type of ownership interest (share type)	Proportion of voting power held	Principal activity
Directly held by the Company				
DL Support Services India Private Limited ¹	India	Ordinary	99.9%	Support and operational services
DLG Legal Services Limited ²	United Kingdom	Ordinary	100%	Legal services
DLG Pension Trustee Limited ^{3,4}	United Kingdom	Ordinary	100%	Dormant
Farmweb Limited ^{3,4}	United Kingdom	Ordinary	100%	Dormant
Brolly UK Technology Limited ^{3,4}	United Kingdom	Ordinary	100%	Dormant
By Miles Group Ltd ⁴	United Kingdom	Ordinary	100%	Intermediate holding company
Indirectly held by the Company				
By Miles Ltd ⁴	United Kingdom	Ordinary	100%	Business support services
By Miles Technology Services Ltd ⁴	United Kingdom	Ordinary	100%	Software development
By Miles Payment Services Ltd ⁴	United Kingdom	Ordinary	100%	Dissolved

Notes:

1. Registered office at: ESC House, 155, 1st & 2nd Floor, Okhla Industrial Area Phase-3, New Delhi, 110020, India.
2. Registered office at: The Wharf, Neville Street, Leeds, LS1 4AZ.
3. In accordance with the requirements under sections 394A and 448A of the Companies Act 2006, there is no requirement to audit a dormant company.
4. Registered office at: Churchill Court, Westmoreland Road, Bromley, BR1 1DP. By Miles Payment Services Ltd was dissolved on 1 October 2024.

The Company did not acquire or dispose of any subsidiaries in the year ended 31 December 2025, (31 December 2024: none).

Investments in subsidiary undertakings are carried at cost less impairments. Accumulated impairment at 31 December 2025 is £31.9 million (2024 (restated due to a prior period error): £26.4 million, previously £nil), with the movement in the year reflecting a capital injection into By Miles Group Ltd which has been impaired following exit of the business.

In the year investments in By Miles Group Ltd were impaired by £5.5 million and an outstanding loan balance with By Miles Group Ltd of £21.9 million was written-off, totalling £27.4 million.

	2025	2024
	£m	£m
Investments in subsidiary undertakings total	0.2	0.2

14. Tax assets and liabilities

This note analyses tax assets and liabilities that appear in the statement of financial position and explains movements in these balances in the year.

	2025	2024
	£	£
Current tax		
Current tax assets	97.8	—
Current tax liabilities	(0.3)	(24.0)
Net current tax asset/(liability)	97.5	(24.0)
Deferred tax		
Deferred tax assets	—	2.4
Deferred tax liabilities	(1.0)	—
Net deferred tax (liability)/asset	(1.0)	2.4

Current tax assets recoverable in more than one year are £65.5 million (2024: £nil).

Notes to the financial statements

For the year ended 31 December 2025

14. Tax assets and liabilities continued

The net deferred tax (liability)/asset arises on the following items:

	2025	2024
	£	£
Fair value gains / losses on owner occupied properties	(1.1)	—
Unrealised gains / losses on investments	(1.6)	—
Pensions and other post retirement obligations	(0.1)	(0.2)
Provisions and other temporary differences	2.0	10.6
Accelerated capital allowances	(0.2)	(8.0)
Net deferred tax (liability)/asset	(1.0)	2.4

The movement in the net deferred tax (liability)/asset was as follows:

	2025	2024
	£	£
At 1 January	2.4	4.1
Amounts credited to the income statement	1.5	(3.5)
Charge to other comprehensive income	(2.7)	(0.2)
(Charge)/credit to equity	(2.2)	2.0
Net deferred tax (liability)/asset as at 31 December	(1.0)	2.4

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

15. Retirement benefit obligations

This note analyses and gives detail on the Company's retirement benefit obligations, which are valued under the 'IAS 19 – Employee Benefits' valuation basis. The schemes operate within the UK pensions' regulatory framework.

Defined contribution scheme

The pension charge, charged to cost of sales in the income statement, in respect of the defined contribution scheme for the year ended 31 December 2025 was £30.1 million (2024: £30.6 million).

Defined benefit scheme

The Company's defined benefit pension scheme was closed in 2003, although the Company remains the sponsoring employer for obligations to current and deferred pensioners based on qualifying years' service and final salaries. The defined benefit scheme is legally separated from the Company with a trustee who is required by law to act in the interests of the scheme and of all the relevant stakeholders. The trustee of the pension scheme is responsible for the investment policy with regard to the assets of the scheme.

In October 2022, the trustee completed a £53.9 million bulk annuity insurance buy-in transaction whereby the assets of the pension scheme were replaced with an insurance asset. A further policy was purchased in August 2025 meeting the liability for members of the defined contribution section who had a defined benefit underpin. The policies purchased are designed to provide cash flows that exactly match the value and timing of the benefits to the defined benefit scheme's members, so removing the risks impacting funding levels such as changes in interest rates and inflation expectations or the performance of the previously invested assets for the members covered by the policy. The non-insured assets are now primarily intended to cover the costs of meeting any additional liability arising from former members who transferred out of the Scheme, but are due an equalisation uplift, as well as being available to meet expenses.

DL Insurance Services Limited, as the Principal Employer of the Direct Line Group Hybrid Scheme and the only Employer in relation to the Scheme, gave written notice to the Trustee of the Scheme that the Scheme is to commence winding-up with effect on and from 30 December 2024. This action has removed the requirement to obtain technical provisions funding valuations in relation to the Scheme.

The Company and the Trustee are working to finalise actions to formally wind up the scheme. Once the winding-up of the Scheme has been completed, it is expected that the Company will have no further defined benefit obligations.

Under the IAS 19 valuation basis, the Company applies the principles of IFRIC 14, 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction', whereby a surplus is only recognised to the extent that the Company is able to access the surplus either through an unconditional right of refund to the surplus or through reduced future contributions relating to ongoing service, which have been substantively enacted or contractually agreed.

Notes to the financial statements

For the year ended 31 December 2025

The table below sets out the principal assumptions used in determining the defined benefit scheme obligations.

	2025	2024
	%	%
Rate of increase in pension payment	2.5	2.5
Rate of increase in deferred pensions	2.5	2.6
Discount rate	5.6	5.2
Inflation rate	2.9	3.1

No assumption has been made for salary growth as there are no obligations in the scheme that are linked to future increases in salaries.

15. Retirement benefit obligations continued

Post-retirement mortality assumptions:

	2025	2024
Life expectancy at age 60 now:		
Males	87.1	86.8
Females	89.0	88.9
Life expectancy at age 60 in 20 years' time:		
Males	88.7	88.3
Females	90.5	90.3

The table below analyses the fair value of the scheme assets by type of asset.

	2025	2024
	£m	£m
Insurance policies ¹	46.5	46.7
Index-linked bonds	—	0.5
Government bonds	—	0.3
Defined contribution section funds ²	—	1.0
Other	0.5	0.5
Total	47.0	49.0

Notes:

- 1. Insurance policies are valued at the present value of the related obligations, adjusted for data changes.
- 2. The defined contribution section funds previously related to members in that section who had a defined benefit underpin that exceeds the value of the DC funds. In August 2025 the Trustee secured these defined benefit underpins with Aviva and the value of the insured benefits of the DC section is now included under Insurance policies.

Notes to the financial statements

For the year ended 31 December 2025

15. Retirement benefit obligations continued

Movement in net pension surplus

	Fair value of defined benefit scheme assets	Present value of defined benefit scheme obligations	Net pension surplus
	£m	£m	£m
At 1 January 2024	55.7	(54.4)	1.3
Income statement:			
Net interest income/(cost) ¹	2.4	(2.4)	—
Administration costs	(1.1)	—	(1.1)
Other comprehensive income:			
Remeasurement gains			
Return on plan assets excluding amounts included in the net interest on the defined benefit asset	(5.2)	—	(5.2)
Actuarial gains of defined benefit scheme			
Experience gains	—	0.1	0.1
Gains from change in demographic assumptions	—	0.3	0.3
Gains from change in financial assumptions	—	5.4	5.4
Benefits paid	(2.8)	2.8	—
At 31 December 2024	49.0	(48.2)	0.8
Income statement:			
Net interest income/(cost) ¹	2.4	(2.4)	—
Administration costs	(0.4)	—	(0.4)
Other comprehensive income:			
Remeasurement gains			
Return on plan assets excluding amounts included in the net interest on the defined benefit asset	(1.2)	—	(1.2)
Actuarial gains of defined benefit scheme			
Experience losses	—	(0.9)	(0.9)
Losses from change in demographic assumptions	—	(0.2)	(0.2)
Gains from change in financial assumptions	—	2.5	2.5
Benefits paid	(2.8)	2.8	—
At 31 December 2025	47.0	(46.4)	0.6

Note:

1. The net interest income/(cost) in the income statement has been included under other operating expenses.

The table below details the history of the scheme for the current and prior years:

	2025	2024	2023	2022	2021
	£m	£m	£m	£m	£m
Present value of defined benefit scheme obligations	(46.4)	(48.2)	(54.4)	(51.8)	(96.1)
Fair value of defined benefit scheme assets	47.0	49.0	55.7	53.4	108.2
Net pension surplus	0.6	0.8	1.3	1.6	12.1
Experience (losses)/gains on scheme liabilities	(0.9)	0.1	(1.3)	0.3	(5.8)
Return on plan assets excluding amounts included in the net interest on the defined benefit asset	(1.2)	(5.2)	2.7	(53.3)	2.2

The weighted average duration of the defined benefit obligations at 31 December 2025 was 14 years (2024: 15 years) using accounting assumptions.

Notes to the financial statements

For the year ended 31 December 2025

15. Retirement benefit obligations continued

Sensitivity analysis

The sensitivity analysis has been calculated by valuing the pension scheme liabilities using the amended assumptions shown in the table below and keeping the remaining assumptions the same as disclosed in the table above, except in the case of the inflation sensitivity where other assumptions that depend on assumed inflation have also been amended correspondingly. The pension cost has been determined allowing for the estimated impact on the scheme's assets. Following the purchase of the insurance policy to cover the benefits of the defined benefit section members, the scheme's asset and liabilities move by the same amount in respect of these members, hence has no impact on pension cost. The selection of these movements to illustrate the sensitivity of the defined benefit obligation to key assumptions should be viewed as illustrative, rather than providing a view on the likely size of any change.

	Impact on present value of defined benefit scheme obligations	
	2025	2024
	£m	£m
Discount rate		
1.0% increase in discount rate (2024: 1.0% increase in discount rate)	(5.2)	(6.0)
1.0% decrease in discount rate (2024: 1.0% decrease in discount rate)	6.2	7.0
Inflation rate		
1.0% increase in inflation rate (2024: 1.0% increase in inflation rate)	2.2	2.4
1.0% decrease in inflation rate (2024: 1.0% decrease in inflation rate)	(2.1)	(2.3)
Life expectancy		
1-year increase in life expectancy	1.0	1.1
1-year decrease in life expectancy	(1.0)	(1.1)

At the date of signing these financial statements, no contributions are expected to be payable in 2026 (2025: £nil).

16. Fair Value

Basis for determining fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. There were no changes in valuation techniques during the year.

For disclosure purposes, fair value measurements are classified as level 1, 2 or 3 based on the degree to which fair value is observable. Level 1 financial assets are measured in whole or in part by reference to published quotes in an active market. In an active market quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

Level 2 financial assets and liabilities are measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions.

Level 3 financial assets are measured using a valuation technique that includes inputs that are unobservable.

Financial instruments classified as level 2 include:

- derivatives valued using broker quotes or appropriate valuation models. Model inputs include a range of factors which are deemed to be observable, including current market and contractual prices for underlying instruments, period to maturity, correlations, yield curves and volatility of underlying instruments.

Financial instruments classified as level 3 due to unobservable inputs include:

- equity fund partnerships are valued as the proportion of the Group's holding in the net asset value of the partnership based on external valuation reports prepared by a third-party fund manager using International Private Equity and Venture Capital Valuation Guidelines. Fair values of investments held by the partnerships that are not quoted in an active market are determined primarily using discounted cash flow models. Unobservable inputs include projected cashflows, and the liquidity and credit and risk premium are incorporated within the discount rate.

Notes to the financial statements

For the year ended 31 December 2025

16. Fair Value continued

Carrying value and fair value of financial instruments

The carrying amounts of financial assets and liabilities are set out in the following table:

	Carrying value	Level 1	Level 2	Level 3	Fair value
	£m	£m	£m	£m	£m
At 31 December 2025					
Assets held at fair value through profit or loss:					
Unlisted equity investments	0.1	–	–	0.1	0.1
Assets held at fair value through other comprehensive income:					
Equity investments	33.7	–	–	33.7	33.7
Total	33.8	–	–	33.8	33.8
Liabilities held at fair value through profit or loss:					
Derivative liabilities	0.2	–	0.2	–	0.2
Total	0.2	–	0.2	–	0.2
	Carrying value	Level 1	Level 2	Level 3	Fair value
	£m	£m	£m	£m	£m
At 31 December 2024					
Assets held at fair value through profit or loss:					
Unlisted equity investments	0.7	–	–	0.7	0.7
Assets held at fair value through other comprehensive income:					
Equity investments	19.4	–	–	19.4	19.4
Assets held at amortised cost:					
Other loans	0.3	–	–	0.3	0.3
Total	20.4	–	–	20.4	20.4

Differences arise between carrying value and fair value where the measurement basis of the asset or liability is not fair value (for example; assets and liabilities carried at amortised cost). Fair values of the following assets and liabilities approximate their carrying values:

- cash and cash equivalents;
- borrowings; and
- trade and other payables.

There were no changes in the categorisation of assets between levels 1, 2 and 3 for assets and liabilities held by the Company in 2025 or 2024.

17. Financial instruments

This note analyses the Company's financial instruments by type and amounts arising from expected credit loss.

	2025	2024
	£m	£m
Loans and receivables measured at amortised cost		
Other loans	—	0.3
Total loans and receivables	—	0.3
Interest in unconsolidated structured entities (held at FVOCI)	33.7	19.4
FVTPL unlisted equity investments	0.1	0.7
FVTPL listed equity investments	—	—
Total equity investments	33.8	20.1
Total	33.8	20.4

Equity investments consist of quoted and unquoted shares and insurtech-focused equity funds. The insurtech-focused equity funds are valued based on external valuation reports received from a third-party fund manager.

The Company invests in structured entities, being insurtech-focused equity fund partnerships, whose primary activity is to invest in unquoted insurtech entities. On initial recognition the Company made an irrevocable election to classify these equity investments as FVOCI given the instruments are strategic in nature, and are not held for trading.

The company holds derivative liabilities, for the purpose of cash flow hedging, with a carrying value of £0.2 million (2024: £nil).

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For the year ended 31 December 2025

18. Trade and other receivables

This note details the Company's trade and other receivables.

	2025	2024
	£m	£m
Receivables from the provision of services	224.2	218.4
Prepayments	36.5	45.0
Accrued income	3.8	4.8
Other debtors	14.3	9.7
Other assets	0.5	1.5
Total	279.3	279.4

All trade and other receivables are due within one year (2024: all). £279.3 million (2024: £279.4 million) is neither past due nor impaired. At 31 December 2025 no balances (2024: £nil) are past due more than 30 days. In respect of credit quality, all balances are classified as unrated (2024: all unrated).

19. Cash and cash equivalents

This note details the Company's cash and cash equivalents position as disclosed in the statement of financial position.

	2025	2024
	£m	£m
Cash at bank and in hand	1.6	4.6
Short-term deposits with credit institutions ¹	55.4	27.4
Cash and cash equivalents	57.0	32.0

Note:

1. This represents money market funds.

20. Assets held for sale

	2025	2024
	£m	£m
Property, plant and equipment	7.8	12.1
Total assets held for sale	7.8	12.1

The Company has been able to reduce the number of office sites it needs by changing the way it uses its premises so that they support collaboration, training and teamwork rather than being an everyday place of work for most people.

Assets held for sale at 31 December 2024 and 2025 relate to an office site in Leeds (including retail space within the property) that is no longer required.

A net impairment loss of £4.3 million (2024: £1.8 million) is included within other operating expenses for the write down of the carrying value of this property to it's held for sale value.

21. Other Reserves

The equity investments revaluation reserves represents fair value movements in the valuation of the Company's investment in structured entities (see note 17).

The capital reserve reflects a capital contribution made in 2015 from the Company's immediate parent Direct Line Insurance Group Limited, at the time named Direct Line Insurance Group plc, which was utilised by reducing its funding requirements from fellow subsidiaries.

The foreign exchange revaluation reserve reflects gains or losses the Company has experienced in cash flow hedges.

The owner-occupied property fair value reserves represents fair value movements in the valuation of the Company's owner-occupied properties (see note 11).

22. Borrowings

This note details the Company's borrowing position as disclosed in the statement of financial position.

	2025	2024
	£m	£m
Bank overdrafts ¹	2.3	9.9
Borrowings	2.3	9.9

Note:

1. Bank overdrafts represent short-term timing differences between transactions posted in the records of the Company and transactions flowing through the accounts at the bank.

Interest charges on the Company's bank overdrafts were £6,000 (2024: £45,000).

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For the year ended 31 December 2025

23. Trade and other payables

This note provides detail of the Company's trade and other payables as disclosed in the statement of financial position, all of which are due to be settled within 12 months.

	2025	2024
	£m	£m
Accruals	170.1	135.8
Trade creditors	54.8	51.0
Other taxes and social security	1.1	7.0
Other creditors	0.6	0.5
Total	226.6	194.3

24. Provisions

This note analyses the movement in provisions as shown in the statement of financial position.

Movement in provisions during the year

	Restructuring	Employee benefit	Other	Total
	£m	£m	£m	£m
At 1 January 2025	12.1	—	2.1	14.2
Additional provision	9.1	0.6	—	9.7
Utilisation of provision	(7.5)	—	—	(7.5)
Released to income statement	(4.5)	(2.1)	(0.5)	(7.1)
At 31 December 2025	9.2	(1.5)	1.6	9.3

The amount recorded as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Of the above, £1.7 million (2024: £nil) is due to be settled outside of 12 months.

Restructuring includes a number of restructuring programmes within the Company, including office site closures and staff restructuring along with an impairment charge.

Other includes a number of individually immaterial provisions.

25. Commitments and contingent liabilities

The Company did not have any material commitments or contingent liabilities at 31 December 2025 (2024: none).

26. Risk Management

The management and monitoring of the Company's risks are consistent with the risk management section within the Aviva annual report. The Directors consider that the levels of financial and non-financial risk associated with the Company's assets and liabilities are appropriate in the context of the nature of the Company's activities.

Credit risk

This is the risk of loss resulting from default in obligations due from, and/or changes in the credit standing of issuers of securities, counterparties or any debtors to which the Company is exposed.

The Company's credit risk is concentrated in fellow subsidiaries of the Group: U K Insurance Limited and UK Assistance Accident Repair Centres Limited, the Company does not consider this a material risk as both entities are going concerns and it would be disadvantageous to the Group to default on any obligations to the Company.

Operational risk

This is the risk of loss due to inadequate or failed internal processes or systems, including from human error or from external events. The Company has in place agreed policies and standards to establish and monitor key controls relating to operational risk.

Notable sources of operational risk for the Company include:

Change risk

This is the risk of failing to manage the Company's business change portfolio and associated change initiatives, within the desired scope, time, cost, quality and risk appetite, resulting in a failure to deliver strategic benefits, good customer outcomes and possibly causing business disruption.

Technology and infrastructure risk

This is the risk of disruption to technology services due to poorly designed, implemented and maintained technology, resulting in customer, financial, reputational and/or regulatory impact.

Supplier management and outsourcing risk

This is the risk of failing to implement a robust framework for the sourcing, appointment and ongoing contract management of suppliers, outsourcers and their relationships.

Cyber risk

This is the risk of loss or corruption of Company or customer data, intellectual property or failure of business-critical systems resulting in reputational damage, regulatory censure, supervisory fines and/or loss of competitive advantage.

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For the year ended 31 December 2025

26. Risk Management continued**Liquidity risk**

This is the risk of being unable to access cash from the sale of investments or other assets in order to settle financial obligations as they fall due.

The Company has limited exposure to liquidity risk as it has access to Group funding which is constantly being monitored to ensure borrowing limits and funding requirements are at levels appropriate for the Company to operate at.

Emerging risks

Emerging risks are defined by the Company as newly developing and changing threats or opportunities, that are subject to a high degree of uncertainty but have the potential to materially impact the Company either in the short term, due to rapid risk emergence or, over the long term through changing the risk landscape.

The Company has in place an emerging risks process to:

- identify, assess, and prioritise a wide range of potential emerging risks using both internal expertise and external intelligence sources; and
- mitigate the impact of emerging risks which could impact the delivery of the Company's Strategic plan.

The Company's process leverages subject matter expertise across the organisation, including, external horizon scanning and external industry data. Emerging risks are regularly reviewed and reported through risk management governance.

The information below details the Company's notable emerging risks.

Generative artificial intelligence ("AI")

Some of the emerging concerns for the Company include AI-generated fraud, data privacy breaches and regulatory non-compliance with emerging AI legislation. Existing key mitigations include mandatory training on AI and data ethics; continuous monitoring through threat intelligence and pen testing; the AI inventory; effective third-party due diligence; incident reporting

Climate Change

The Company recognises that emerging environmental issues, such as climate change, pose material long-term financial risks to it. Environmental risks can manifest themselves through a range of existing financial and non-financial risks.

Transition to Electric Vehicles

The risk to the Company includes, impacts to the motor repair networks' capabilities and the ability to effectively serve future demands as the transition to Electric Vehicles accelerates. Existing key mitigations include infrastructure upgrades and continual upskilling, to cater for the changing landscape of vehicles, customer needs and claims requirements. The Company is closely monitoring these changes.

Talents of Tomorrow

The rapid advancement of AI and robotics is driving global demand for specialist skills. The impact to the Company is a possible inability to attract and retain the right talent for new sought-after capabilities in specialised fields, such as digital journeys, data science, pricing and underwriting. Existing key mitigations include: the promotion of continuous learning and upskilling through a huge range of online courses; adapting approaches to ensure talent is attracted and retained; aligning with the "Aviva skills strategy", to maximise shared capabilities.

Geopolitical Tension on Financial Markets

For the Company, this risk may manifest with a severe deterioration in the market value of assets and financial instruments, a fall in the Group's consumer demand and resulting downstream impacts, and increased costs. Existing key mitigations include the Company's risk averse investment portfolio and the Financial Event Response Plan ("**FERP**"). In line with the FERP, the Company successfully deployed the Crisis Action Leadership Team to respond to the increased US tariffs in 2025. In line with the FERP and other risk management processes, the Company conducts ongoing analysis to monitor exposure to the developing geopolitical environment. Monitoring and financial event response is in practice closely coordinated with Aviva Insurance Limited, another subsidiary of the Group.

27. Subsequent events

On 13 March, the Board gave approval to dispose of the EOS I and II private equity funds, held by the company, to Aviva Insurance Limited at a value of £33.7 million.