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# SOLUS (LONDON) LIMITED

## Registered in England and Wales: No. 03078842

## ANNUAL REPORT AND FINANCIAL STATEMENTS 2025

Docusign Envelope ID: CF578875-A671-8911-83CB-E28ED96ECE51

# Solus (London) Limited

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# Solus (London) Limited

## Directors and Officers

### Directors:

J Bernard
S Bridger
K Chilvers
T Latter
J Lyons
P Reilly
J Santer
S Smith

### Officer - Company Secretary:

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

### Independent auditors:

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

### Registered office:

8 Surrey Street
Norwich
Norfolk
NR1 3NG

### Company number:

Registered in England and Wales: No. 03078842

### Other information:

Solus (London) Limited ("the Company") is a member of the Aviva plc group of companies ("the Group").

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

# Strategic report
## For the year ended 31 December 2025

The directors present their Strategic report and the audited financial statements for the Company for the year ended 31 December 2025.

## Review of the Company's business

**Principal activities**

The Company is a limited company, incorporated under the laws of England and Wales. The principal activity of the Company consists of 21 (2024: 23) Accident Repair Centres, facilitating repairs for insurance and retail customers.

**Significant events**

The Company's ultimate parent, Aviva plc, acquired Direct Line Insurance Group Limited ("Direct Line") in July 2025 and it is now a direct subsidiary of the Company's immediate parent, Aviva Insurance Limited. The acquisition included 23 accident repair centres operated by UK Assistance Accident Repair Centres Limited ("UKAARC"). A programme of aligning the activities of UKAARC with the Company is underway and is due for completion by June 2027. There was no impact on the 2025 financial statements.

The Company continues to focus on ensuring it can repair the vehicles of the future as well as supporting Aviva's commitment to Net Zero. A new site was opened in Exeter, that in addition to the use of solar energy, does not use gas. The Company also took the decision to exit from two smaller sites in Erith and Bournemouth which would have required significant investment to meet future need.

**Future Outlook**

The directors consider that the Company's principal activity will continue unchanged into the foreseeable future.

The focus for the next two years is to bring the UKAARC repair centres into the Company and unify the business models. In addition to doubling the size of the Company, consolidating the two businesses will deliver significant benefits and provide increased repair capacity to the Company's immediate parent, Aviva Insurance Limited.

Strategies for the Group as a whole are determined by the Board of Aviva plc and these are shown in the Group 2025 Annual Report and Accounts. 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.

The Company is well positioned to compete in its key markets by leveraging the power of Aviva's breadth of offering within the UK to deliver compelling propositions to meet our customer needs, alongside driving digitisation through customer services, propositions and ensuring we are easy for customers to do business with, however they choose.

**Financial position and performance**

The financial position of the Company at 31 December 2025 is shown in the Statement of financial position on page 22, with the results shown in the Income statement on page 20 and the Statement of cash flows on page 23.

Profit before tax increased to £52,464 thousand (2024: £35,297 thousand) and gross profit as a percentage of revenue decreased to 47% (2024: 52%). In December 2025 an interim dividend of £30,000 thousand (2024: £15,000 thousand) was paid.

Management continues to negotiate fees for services provided on a regular basis, acknowledging the impact of inflation and other macroeconomic conditions on the business.

The Company's net assets have increased by £10,102 thousand (2024: increased by £11,430 thousand), primarily reflecting profit for the year after tax less dividend.

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# Solus (London) Limited

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## Strategic report (continued)
**For the year ended 31 December 2025**

**Section 172(1) Statement**

The directors report here on how they have discharged their duties under Section 172 (1) (s.172 (1)) of the Companies Act 2006.

s.172 (1) sets out the matters to which the directors must have regard in performing their duty to promote the success of the Company for the benefit of its shareholders, which includes having regard to other stakeholders. Where this statement draws upon information contained in other sections of the Strategic report, this is signposted accordingly.

The Board considers it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for monitoring and upholding the culture, values, standards, ethics, and reputation of the Company to ensure that the directors' obligations to its shareholders, customers and other stakeholders are met. The Board monitors adherence to the Aviva Group business standards and compliance with local corporate governance requirements and is committed to acting if the business should fall short of the standards expected.

The Board is also focused on the wider social context within which the Company operates, including on those issues which relate to climate change and sustainability and which are of fundamental importance to the planet's well-being.

**The Company's culture**

As the facilitator of accident repair services for insurance and retail customers, the Company looks to replicate the culture of its parent company, Aviva Insurance Limited ("AIL"), in seeking to earn its customers' trust by acting with integrity and a deep sense of responsibility at all times. The Company looks to build relationships with its stakeholders based on openness and continuing dialogues.

The Solus culture is shaped in conjunction with AIL and its ultimate shareholder, Aviva plc, by jointly held and clearly defined values to help ensure it does the right thing. Solus values diversity and inclusivity in its workforce and beyond. Solus has worked hard on gender balance and the senior leadership team is currently over 40% female. The commitment Aviva Group makes to each customer extends to all shareholders; that we are 'with you today for a better tomorrow.' Throughout the Solus business, the people live by core values for its customers, for each other and for the communities they serve and the commitment to getting customers back to normal.

**Key strategic decisions in 2025**

For each matter that comes before the Board, the Board considers the likely consequences of any decision in the long term, identifies stakeholders who may be affected, and carefully considers their interests and any potential impact as part of the decision-making process.

The Board approved the payment of an interim ordinary dividend of £30,000 thousand to Aviva Insurance Limited, £10,000 thousand of which was paid by intercompany transfer and £20,000 thousand of which was paid in cash. The directors considered all relevant matters set out under the Companies Act 2006 concerning the payment of dividends, including reviewing the Company's distributable reserves and its ability to pay its debts as they fall due, having regard to the entirety of the Company's business and its actual and contingent liabilities.

The acquisition in July 2025 of the Direct Line Insurance Group by the Company's ultimate parent, Aviva plc, included an accident repair business operating through a network of accident repair centres owned and leased by UK Assistance Accident Repair Centres Limited ("UKAARC") and DL Insurance Services Limited ("DLIS"). The Board approved the proposal to transfer the Direct Line repair centres to Solus on 26 June 2026. The transfer of these centres commenced in July 2026 and is expected to finish in June 2027.

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Strategic report (continued)

**For the year ended 31 December 2025**

**Stakeholder Engagement** - the table below sets out the Board's approach to stakeholder engagement during 2025:

| **Our people**<br><br>**Our people's wellbeing and commitment to serving our customers are the foundations for our performance** | |
|---|---|
| *How we have engaged* | *Outcomes and actions during the year* |
| • The Company employs approximately 1100 people across 21 UK-wide sites. Staff policies align to Aviva Group policies where applicable, with focus on the health and safety of all people.<br>• The Company continued its commitment to recruiting, training and retaining the best talent it can find.<br>• The Company's Board and senior leaders attended site visits, meeting with a diverse range of colleagues to hear about what matters most to the Company's people and to ensure this is considered when discussing the Company's strategic priorities.<br>• The Board reviewed reports on the whistleblowing service (Speak Up).<br>• The Board monitored culture and engagement through reviewing the outcomes of the Voice of Solus survey, the Company's employee engagement survey. | • The Aviva Group updated the Diversity, Equity and Inclusion Statement to reflect its commitment to diversity and inclusion initiatives.<br>• The Voice of Solus 2025 survey returned a very strong engagement level of 85% (-1% vs 2024).<br>• The Company introduced its "Supporting Our Carers" Policy and Carer Hub to guide leaders in supporting carers on their teams.<br>• The Company continued its commitment to investing in people and culture, through continued enhancement of employee rewards and benefits, and the delivery and communication of initiatives to promote employee awareness around health, and income protection.<br>• The Company has provided early career opportunities through the 'Leading for Growth' apprenticeship programme and the introduction of a work experience scheme.<br>• The Company continued to make positive progress in reshaping perceptions of the repair industry and was recognised through multiple external industry awards. |
| **Customer**<br><br>**Understanding what's important to our customers is key to our long-term success** | |
| *How we have engaged* | *Outcomes and actions during the year* |
| • The Board received regular reports on customer experience, customer service levels, and customer related strategic initiatives.<br>• The Board engaged with colleagues working directly with customers through visits to the Company's sites and meeting with customer facing colleagues to better understand their roles and the challenges that they face. | • The Board closely monitored customer metrics and engaged with the leadership team to understand issues if performance did not meet customers' expectations. The year 2025 saw excellent customer outcomes with over 44,800 (2024: 38,600) customers helped back to normal in the period.<br>• The Board also tracked customer satisfaction closely, noting a 4.7 out of 5 star rating for customer service in 2025 (2024: 4.6), reflecting continued focus on delivering positive outcomes and high-quality support.<br>• The Board continued to monitor IT performance to ensure consistent services for our customers.<br>• The Company maintained measures to support customers who are experiencing financial hardship. |

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| | |
|---|---|
| **Shareholders**<br><br>**The Company is a wholly owned subsidiary of AIL.** | |
| *How we have engaged*<br><br>• The Company's shareholder and direct parent company is AIL. Any matters requiring escalation are escalated by the Board through the Chair to AIL. | *Outcomes and actions during the year*<br><br>• The Board continued to ensure that AIL understood Solus' strategy and business model. |
| **Communities and the environment**<br><br>**We recognise the importance of contributing to our communities through volunteering, community investment, and long term partnerships** | |
| *How we have engaged*<br><br>• The Board continued to focus and monitor progress on initiatives that it believes will have a positive impact on the communities in which Solus operates. This included various initiatives with partnership with UniFrog, 30% Automotive club, Autoraise, Thatcham, Vizion and other industry and government bodies to help drive change and diversity in the motor repair industry to increase the talent pool.<br>• Sustainability training was provided for the Board. | *Outcomes and actions during the year*<br><br>• Employees across the Group were offered the opportunity to volunteer their time to support charities and organisations.<br>• During the year, Solus engaged in a range of charitable activities, including providing funding to the David Lewis Centre and the Aviva Community Fund. Additionally, the Company organised a tree planting day as part of its environmental initiatives. |
| **Suppliers**<br><br>**The Company operates in conjunction with a wide range of suppliers to deliver services to our customers. It is important that we build strong working relationships with our intermediaries** | |
| *How we have engaged*<br><br>• The Company maintained oversight of the management of its most important suppliers and reviewed reports on their performance.<br>• The Board normally delegates engagement with suppliers and oversight to the Company's senior management.<br>• The Company maintained oversight of risks across the whole supply chain.<br>• The Board reviewed the Company's engagement with its broader supply chain as part of its annual approval of the Modern Slavery Act Statement. | *Outcomes and actions during the year*<br><br>• The Board reviewed the actions the Group has taken to prevent modern slavery and associated practices in any part of our supply chain and it approves the Aviva Group Modern Slavery Act Statement each year.<br>• To ensure continued efforts to strengthen controls, the procurement and outsourcing business standard was refreshed for 2025.<br>• Aviva continued to hold its Net Zero supplier summit.<br>• Aviva remains a signatory to the Prompt Payment Code. |

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# Solus (London) Limited

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## Strategic report (continued)

**For the year ended 31 December 2025**

### 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 19 to the financial statements.

### Key performance indicators ("KPIs")

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

| | 2025 | 2024 |
|---|---|---|
| Gross profit as a percentage of revenue | 47% | 52% |
| Operating profit as a percentage of revenue | 22% | 21% |

By order of the Board on 10 September 2026

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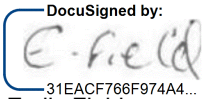

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Emily Field

For and on behalf of Solus (London) Limited

Company Secretary

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

# Directors' report

## For the year ended 31 December 2025

### Directors

W Malik resigned as a director of the Company on 25 April 2025.

S Bridger was appointed as a director of the Company on 23 June 2025.

R Brown resigned as a director of the Company on 18 September 2025.

F Conway resigned as a director of the Company on 17 April 2026.

J Bernard was appointed as a director of the Company on 17 April 2026.

T Latter was appointed as a director of the Company on17 April 2026.

In addition, the following directors of the Company have continued in their roles:

K Chilvers
J Lyons
P Reilly
J Santer
S Smith

### Company Secretary

The name of the company secretary of the Company is shown on page 1.

### Dividends

An interim dividend of £30,000 thousand was declared in 2025 (2024: £15,000 thousand). The directors do not recommend the payment of a final dividend (2024: £nil).

### Going concern

The Company's principal business activity, together with the factors likely to affect its future development, performance and position are set out in the Strategic report.

The Company continues to make profits and has strong balance sheet liquidity. The Company derives the majority of its work from its parent company, Aviva Insurance Limited. The directors foresee no change in the relationship between the Company and its parent in the foreseeable future and consequently anticipate the Company continuing to trade profitably.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of twelve months (to 10 September 2027) from the date of approval of the financial statements.

### Future outlook

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

### Political and charitable donations

The Company did not make any political donations during the year (2024: £nil). The Company made charitable donations totalling £67 thousand (2024: £51 thousand).

### 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 promptly upon 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 and financial risk management

The business of the Company includes the use of financial instruments. Details of the Company’s risk management objectives, policies and exposures to risk relating to financial instruments are set out in note 19 to the financial statements.

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# Solus (London) Limited

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## Directors' report (continued)

### Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the Company's intranet and its colleague forum.

The Group ensures that involvement for employees in its performance is encouraged by allowing eligible employees to participate in the Group's Save As You Earn Plan.

### Independent auditors

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.

### Disclosure of information to the auditors

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 Auditors, Ernst & Young LLP, are 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 are aware of that information.

### Qualifying indemnity provisions

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 were in force during the financial year, and 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.

The directors also have the benefit of the 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 by section 234 of the Companies Act 2006.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards. 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.

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# Solus (London) Limited

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## Directors' report (continued)

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so; 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure the financial statements comply with the Companies Act 2006.

They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board on 10 September 2026

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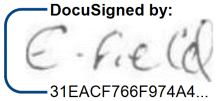
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Emily Field

For and on behalf of Solus (London) Limited
Company Secretary

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Independent auditors' report to the members of Solus (London) Limited

### Report on the audit of financial statements

#### Opinion

We have audited the financial statements of Solus (London) Limited for the year ended 31 December 2025 which comprise the Income Statement, the Statement of Other Comprehensive income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, and the related notes 1 to 24, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

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 profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 10 September 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.

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Independent auditors' report to the members of Solus (London) Limited (continued)

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

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

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

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

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

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 7 to 9, 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.

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## Independent auditors' report to the members of Solus (London) Limited (continued)

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework.
- We understood how Solus (London) Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the company and the regulatory bodies, 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 considered the risk of material misstatement due to fraud to be higher in revenue and performed procedures to address the risk of management override in relation to the timing of revenue recognition based on completion of work. We tested journal entries, including manual journals and year-end adjustments, to ensure that these were appropriate and corroborated by supporting evidence. These procedures were designed to provide reasonable assurance that the financial statements were free from material fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management as to their awareness of any non-compliance with laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees and inquiring 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 the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

### Use of this 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:
Viktor Lundvall
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Viktor Lundvall (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
10 September 2026

Docusign Envelope ID: CF578875-A671-8911-83CB-E28ED96ECE51

# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Accounting policies

The Company (registered in England and Wales no. 03078842) is a private limited liability company, limited by shares, incorporated and domiciled in the United Kingdom ("UK"). The address of the Company's registered office is included on page 1.

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.

**(A) Basis of preparation**

The financial statements of the Company have been prepared and approved by the directors in accordance with UK-adopted international accounting standards and the legal requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through other comprehensive income.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on page 7, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on: the Company's capital structure (note 21) and management of its risks, including market, credit and liquidity risk (note 19).

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. After making inquiries, the Directors have a reasonable expectation that the Compan y has adequate resources to continue in operational existence for a period of at least twelve months to 10 September 2027 from the da te 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.

The Company's financial statements are stated in pounds sterling, which is the Company's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling ("£000").

**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 financial statements.

**Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Company**

The following standards and amendments to existing standards have been issued, are not yet effective for the Company and have not been adopted early by the Company.

**(i) IFRS 18: Presentation and Disclosure in Financial Statements**

In April 2024, the IASB published IFRS 18, which aims to improve how companies communicate in their financial statements by:

- requiring additional defined sub-totals in the statement of profit or loss;
- requiring disclosures about management-defined performance measures; and
- adding new principles for grouping of information.

IFRS 18 is effective for annual reporting beginning on or after 1 January 2027 and has been endorsed by the UK. The standard is expected to result in presentational changes to the Company's income statement, and new disclosures of management-defined performance measures will be required in the notes to the financial statements. The Company is in the process of implementation, and no financial impacts are expected as a result of adoption.

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Accounting policies (continued)

**(A) Basis of preparation (continued)**

**ii) IFRS 19: Subsidiaries without Public Accountability: Disclosures and Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures**

Published by the IASB in May 2024 and August 2025. IFRS 19 and the amendments to IFRS 19 are effective for annual reporting beginning on or after 1 January 2027 and have been endorsed by the UK.

The following new standards and amendments to existing standards have been issued, are not yet effective and have not been adopted early by the Company and are not expected to have a significant impact on the Company's financial statements.

**(i) Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments**

Published by the IASB in May 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have been endorsed by the UK.

**(ii) Annual improvements to IFRS Accounting Standards – Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7**

Published by the IASB in July 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have been endorsed by the UK.

**(iii) Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity**

Published by the IASB in December 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have been endorsed by the UK.

**(iv) Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency**

Published by the IASB in November 2025. The amendments are effective for annual reporting beginning on or after 1 January 2027 and have yet to be endorsed by the UK.

**(v) IFRS 20: Regulatory Assets and Regulatory Liabilities**

Published by the IASB in May 2026. The standard is effective for annual reporting beginning on or after 1 January 2029 and has yet to be endorsed by the UK.

**(B) Critical accounting policies and use of estimates**

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. Although these estimates are based on management's best knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

(a) With regard to fair value of owner-occupied property, a range of valuation techniques are used. These include models using both observable and unobservable market inputs. The valuation techniques involve judgement with regard to the valuation models used and the inputs to these models can lead to a range of plausible valuations.

(b) With regard to measurement of the dilapidation provision, this is based on estimates of repair and restoration costs at a future date and therefore a degree of uncertainly exists over the future outflows, given that these are subject to repair and restoration cost price fluctuations and the extent of the repairs to be completed.

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## Accounting policies (continued)

**(C) Revenue Recognition**

Revenue comprises the sale of services and other repair related income to customers during the year in relation to vehicle repair services, net of value added tax, rebates and discounts.

Revenue is recognised as follows:

(a) Sales of services

Sales of repair services are recognised in the financial year in which the services are completed, when payment is due and control is transferred back to the customer.

(b) Other repair related income

Other income primarily comprises irrecoverable VAT recharges.

For each revenue stream, income is recognised in the accounting period at the point of completion of the service when the performance obligation has been satisfied and at the transaction price negotiated with the customer. Timing of satisfaction of the performance obligation relates to the typical timing of payment from the customer.

There is no significant judgment or uncertainty in determining the revenue recognition point, expiry date of the delivery obligation or in determining the value of future performance obligations as these are contractual. The revenue recognition policies and methods selected are considered appropriate as they are a faithful depiction of the services being provided and the contractual arrangements to provide them.

The Company has applied the practical expedient so it need not adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

**(D) Cost of sales**

Cost of sales represent directly attributable costs incurred in the provision of the Company's services. Costs are recognised on an accruals basis.

**(E) Administrative expenses**

Administrative expenses, comprising general overheads and staff costs other than those included in cost of sales, are recognised on an accruals basis.

**(F) Property and equipment**

Owner-occupied properties are recognised initially at cost, including directly attributable acquisition and construction cost. These are subsequently measured at their fair value at the revaluation date, less depreciation and impairment losses. Revaluation gains are recognised on other comprehensive income and accumulated in a separate reserve within equity unless they reverse a previous revaluation decrease recognised in the income statement. Revaluation losses are recognised directly in the income statement except where there is an existing credit balance in the revaluation reserve relating to the same asset.

Depreciation is calculated using the straight-line method to write down the cost of assets to their residual values over their estimated useful lives as follows:

| | |
|---|---|
| Short leasehold improvements | lesser of 10 years or over the term of the lease |
| Motor vehicles | 4 years |
| Fixtures, fittings and equipment | 4 to 10 years |
| Plant and machinery | 3 to 10 years |
| Owner occupied properties | 10 years |

Right of use assets are depreciated using the straight line method over the shorter of the lease term and the estimated useful lives of the assets as follows:

| | |
|---|---|
| Right of use properties | 5 to 15 years |
| Motor vehicles and other equipment | 3 to 5 years |

The amount of depreciation is recognised in the Income statement within Administrative expenses.

The assets' residual values, useful lives and method of depreciation are reviewed regularly, and at least at each financial year end, and adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount.

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## Accounting policies (continued)

**(F) Property and Equipment (continued)**

Borrowing costs directly attributable to the acquisition and construction of property and equipment are capitalised. All repairs and maintenance costs are charged to the Income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the Company and the renovation replaces an identifiable part of the asset. Major renovations are depreciated over the remaining useful life of the related asset.

**(G) Impairment of non-financial assets**

Property and equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets which have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**(H) Derecognition and offset of financial assets and financial liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

(i) the rights to receive cash flows from the asset have expired;

(ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

(iii) the Company has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset; or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

**(I) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business.

A provision is made against inventories which are obsolete or surplus to requirements.

**(J) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. The expected credit loss is an unbiased, probability-weighted estimate of credit losses. It considers all reasonable and supportable information, including forward-looking economic assumptions and a range of possible outcomes. The Company makes use of the simplified approach when calculating expected credit losses on trade and other receivables and therefore calculates expected credit losses over the lifetime of the instrument in question. Expected credit losses on third party trade receivables and accrued income are calculated with reference to the Company's historical experience of losses adjusted for forward-looking information, along with an analysis of payment terms. Short term financial assets (where all amounts are receivable within 12 months from the reporting date) do not generally attract an expected credit loss charge, unless there is objective evidence that losses are likely to arise. The Company does not expect any material credit losses on trade receivables with related parties. The amount of the provision is recognised in the Income statement within Administrative expenses.

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## Accounting policies (continued)

**(K) Cash and cash equivalents**

Cash and cash equivalents consist of cash at banks and in hand, deposits held at call with banks, treasury bills and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are those with less than three months' maturity from the date of acquisition, or which are redeemable on demand with only an insignificant change in their fair values.

**(L) Leases**

Where the Company is the lessee, a lease liability equal to the present value of outstanding lease payments and a corresponding right-of use asset equal to cost are initially recognised. The right-of-use asset is subsequently measured at amortised cost and depreciated on a straight-line basis over the length of the lease term. Depreciation on lease assets is recognised in the Income statement within Administrative expenses. Interest on lease liabilities is recognised in the Income statement within Finance costs.

The Company has made use of the election available under IFRS 16 to not recognise any amounts on the Statement of financial position associated with leases that are either deemed to be short term, or where the underlying asset is of low value. A short-term lease in this context is defined as any arrangement which has a lease term of 12 months or less. Lease payments associated with such arrangements are recognised in the Income statement as an expense on a straight-line basis. Where the Company is the lessor, leases are classified as finance leases if the risks and rewards of ownership are substantially transferred to the lessee and operating leases if they are not substantially transferred. Lease income from operating leases is recognised in the Income statement on a straight-line basis over the lease term. When assets are subject to finance leases, the present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable. The Company has not entered into any material finance lease arrangements as lessor.

**(M) 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.

A provision is 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.

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.

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## Accounting policies (continued)

**(N) Trade and other payables and other liabilities**

Trade and other payables and other liabilities are recognised initially at their fair value and are subsequently measured at amortised cost using the effective interest rate method.

**(O) Employee benefits**

*Annual leave and long-service leave*

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the Statement of financial position date.

*Pension obligations*

The Company makes contributions to a defined contribution pension plan, the assets of the scheme being held separately from the assets of the Company. The Company contributions are charged to the Income statement in the year to which they relate and are included within Administrative expenses. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of financial position.

**(P) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where the Company expects a provision to be reimbursed, for example for environmental restoration, restructuring costs and legal claims, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable yet still possible or the amount cannot be reliably estimated.

**(Q) Dilapidations**

Provisions for building dilapidations are recognised when the Company has a legal obligation to make good rented properties at the end of the lease term, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the end of the reporting period.

**(R) Share capital and dividends**

*Equity instruments*

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument will not be settled by delivery of a variable number of shares or is a derivative that can be settled other than for a fixed amount of cash, shares or other financial assets.

*Dividends*

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders.

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**(S) Fair value measurement**

Fair value is the price that would be received when an asset is sold or paid to transfer a liability in an orderly transaction between marked participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. This presumes that the transaction takes place in the principal (or most advantageous) market under current market conditions. Fair value is a market-based measure, and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability. Fair value may include assumptions about climate risks.

The fair value of a non-financial asset is determined based on its highest and best use from a market participant's perspective. When using this approach, the Company takes into account the asset's use that is physically possible, legally permissible and financially feasible.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. In certain circumstances, the fair value at initial recognition may differ from the transaction price.

**(T) Recognition and classification of financial assets**

Financial assets are measured initially at fair value plus eligible transaction costs for financial assets held at amortised cost. Financial assets are subsequently measured at amortised cost or fair value through profit and loss ("FVTPL") based on a business model assessment and the extent to which the contractual cash flows associated with the financial assets are solely payments of principal and interest (SPPI). The Company measures financial assets at FVTPL if they do not meet the SPPI criteria or if they are held within a business model where they are managed and evaluated on a fair value basis resulting from the Company's management of capital on a regulatory basis. A financial asset is classified at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise to cash flows that are SPPI on the principal amount outstanding.

On initial recognition, the Company may irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its objectives for managing those financial assets, in which case all affected financial assets are reclassified on the first day of the next reporting period.

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Income statement
**For the year ended 31 December 2025**

| | Note | 2025 £000 | 2024 £000 |
|---|---|---|---|
| **Revenue** | 1 | 240,469 | 172,106 |
| Cost of sales | | (126,555) | (82,171) |
| **Gross profit** | | 113,914 | 89,935 |
| Administrative expenses | 2 | (61,502) | (54,427) |
| **Operating profit** | | 52,412 | 35,508 |
| Finance costs | | (822) | (930) |
| Finance income | | 874 | 719 |
| **Profit before tax** | | 52,464 | 35,297 |
| Taxation | 6 | (12,848) | (8,867) |
| **Profit for the year** | | 39,616 | 26,430 |

## Statement of other comprehensive income
**For the year ended 31 December 2025**

| | | |
|---|---|---|
| Profit for the year | 39,616 | 26,430 |
| Revaluation of owner occupied properties* | 190 | - |
| Total comprehensive income for the year, net of tax | 39,806 | 26,430 |

*Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):

The accounting policies on pages 13 to 19 and notes on pages 24 to 43 are an integral part of these financial statements.

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Statement of changes in equity
**For the year ended 31 December 2025**

| | Note | Ordinary share capital | Share premium | Revaluation reserve | Retained earnings | Share-based payment reserve | Total equity |
|---|---|---|---|---|---|---|---|
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| **Balance at 1 January 2024** | | 1 | 300 | 1,110 | 31,811 | - | 33,222 |
| Profit for the year | | - | - | - | 26,430 | - | 26,430 |
| Dividend paid | 7 | - | - | - | (15,000) | - | (15,000) |
| Total movement in the year | | - | - | - | 11,430 | - | 11,430 |
| **Balance at 31 December 2024** | | 1 | 300 | 1,110 | 43,241 | - | 44,652 |
| **Balance at 1 January 2025** | | 1 | 300 | 1,110 | 43,241 | - | 44,652 |
| Profit for the year | | - | - | - | 39,616 | - | 39,616 |
| Revaluation of owner occupied properties | | - | - | 190 | - | - | 190 |
| Total comprehensive income | | - | - | 190 | 39,616 | - | 39,806 |
| Tax credit on share-based payments | | - | - | - | - | 296 | 296 |
| Dividend paid | 7 | - | - | - | (30,000) | - | (30,000) |
| **Balance at 31 December 2025** | | 1 | 300 | 1,300 | 52,857 | 296 | 54,754 |

The accounting policies on pages 13 to 19 and notes on pages 24 to 43 are an integral part of these financial statements.

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Statement of financial position

### As at 31 December 2025

| | Note | 2025 | 2024 |
|---|---|---|---|
| | | £000 | £000 |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property and equipment | 8 | 61,039 | 54,348 |
| | | 61,039 | 54,348 |
| **Current assets** | | | |
| Inventories | 10 | 3,637 | 2,749 |
| Trade and other receivables | 11 | 27,288 | 10,952 |
| Prepayments and accrued income | 12 | 15,487 | 8,123 |
| Cash and cash equivalents | 18(b) | 31,994 | 47,743 |
| | | 78,406 | 69,567 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 14 | 9,266 | 8,117 |
| Tax liability | 13(a) | 7,117 | 5,712 |
| Lease liabilities | 9 | 5,685 | 6,362 |
| Dilapidations | 15 | 1,485 | - |
| Other liabilities | | 12,219 | 10,629 |
| | | 35,772 | 30,820 |
| **Net current assets** | | 42,634 | 38,747 |
| **Non-current liabilities** | | | |
| Lease liabilities | 9 | 29,811 | 34,246 |
| Tax liability | 13(a) | 12,568 | 6,938 |
| Deferred tax liability | 13(b) | 1,663 | 1,859 |
| Dilapidations | 15 | 4,877 | 5,400 |
| | | 48,919 | 48,443 |
| **Net assets** | | 54,754 | 44,652 |
| **EQUITY** | | | |
| Ordinary share capital | 16 | 1 | 1 |
| Share premium | 17 | 300 | 300 |
| Revaluation reserve | 17 | 1,300 | 1,110 |
| Share-based payment tax reserve | 17 | 296 | - |
| Retained earnings | | 52,857 | 43,241 |
| **Total equity** | | 54,754 | 44,652 |

The accounting policies on pages 13 to 19 and notes on pages 24 to 43 are an integral part of these financial statements.

The financial statements were approved and signed on behalf of the Board of Directors on 10 September 2026 by

DocuSigned by:
Simon Smith
0FB81318F37D464...

S Smith
Director

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# Solus (London) Limited

**Registered in England and Wales: No. 03078842**

## Statement of cash flows

### For the year ended 31 December 2025

| | Note | 2025 | 2024 |
|---|---|---|---|
| | | £000 | £000 |
| **Cash flows from operating activities*** | | | |
| Cash generated from operating activities | 18(a) | 32,929 | 44,198 |
| Tax paid | | (5,713) | (7,282) |
| *Net cash generated from operating activities* | | 27,216 | 36,916 |
| **Cash flows from investing activities** | | | |
| Purchases of property and equipment | 8 | (14,904) | (9,083) |
| *Net cash used in investing activities* | | (14,904) | (9,083) |
| **Cash flows from financing activities** | | | |
| Interim dividend paid | 7 | (20,000) | (5,000) |
| Lease liability payments | 18(c) | (8,061) | (6,772) |
| *Net cash used in financing activities* | | (28,061) | (11,772) |
| **Net increase in cash and cash equivalents** | | (15,749) | 16,061 |
| Cash and cash equivalents at 1 January | | 47,743 | 31,682 |
| Cash and cash equivalents at 31 December | 18(b) | 31,994 | 47,743 |

* Cash flows from operating activities include interest received on cash and cash equivalents of £874 thousand (2024: £719 thousand).

The accounting policies on pages 13 to 19 and notes on pages 24 to 43 are an integral part of these financial statements.

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# Solus (London) Limited

## Notes to the financial statements

### 1. Revenue

Revenue comprises the following:

| | 2025<br>£000 | 2024<br>£000 |
|---|---|---|
| Sale of services | 229,454 | 161,580 |
| Other repair related income | 11,015 | 10,526 |
| Total revenue | 240,469 | 172,106 |

### 2. Administrative expenses

The following items have been included in arriving at profit before tax:

| | 2025<br>£000 | 2024<br>£000 |
|---|---|---|
| Payroll related costs | 33,690 | 28,020 |
| Depreciation of property and equipment | | |
| - Owned assets | 2,978 | 2,583 |
| - Leased assets | 6,962 | 6,111 |
| Repairs and maintenance of property and equipment | 1,727 | 1,890 |
| Rent, rates and other building related costs | 6,090 | 5,539 |
| Movement in dilapidations provision | 962 | 3,370 |
| Legal, professional and other office costs | 3,904 | 3,369 |
| Growth accrual movement | - | (1,215) |
| Irrecoverable VAT | 2,919 | 2,785 |
| Other costs | 2,265 | 1,975 |
| Total administrative expenses | 61,497 | 54,427 |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 3. Employee information

The monthly average number of full-time equivalent people employed by the Company during the year was:

| | 2025 | 2024 |
|---|---|---|
| | Number | Number |
| Operations | 529 | 463 |
| Administration | 600 | 549 |
| | 1,129 | 1,012 |

Total staff costs were:

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Wages and salaries | 54,464 | 46,494 |
| Social security costs | 6,113 | 4,520 |
| Termination benefits | 27 | - |
| Defined contribution schemes | 1,914 | 1,642 |
| | 62,518 | 52,656 |

| These costs were charged within: | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Administrative expenses | 32,989 | 27,413 |
| Cost of sales | 29,529 | 25,243 |
| | 62,518 | 52,656 |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 4. Directors

With the exception of one director, whose remuneration incurred by the Company is given below, all directors of the Company are remunerated for their roles as employees across the Group. They are not remunerated directly for their services as directors of this Company and the amount of time spent performing their duties is incidental to their roles across the Group. No cost is borne by the Company for these services.

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Short-term employment benefits | 284 | 239 |
| Post employment benefits and medical benefits | 28 | 25 |
| Share-based payment transactions | - | - |
| | 312 | 264 |

During the year, four of the directors exercised share options (2024: one) and nine of the directors were granted shares under long term incentive schemes (2024: five) in relation to shares of the Company's ultimate parent, Aviva plc. Details may be found in the annual report and financial statements of Aviva plc.

### 5. Auditor's remuneration

The total remuneration payable by the Company, excluding VAT, to its auditors, Ernst & Young LLP in 2025 and 2024, is as follows:

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Fees payable to the Company’s auditors for the audit of the Company’s financial statements | 46 | 29 |

There were no ‘Other services’ provided to the Company by the Company’s auditors, Ernst & Young LLP.

Audit fees are paid by Aviva Central Services UK Limited, a fellow Group company, and recharged as appropriate to the Company and fellow Group companies.

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 6. Taxation

**(a) Tax charged to the Income statement**

**(i) The total tax charge comprises:**

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| **Current tax:** | | |
| For the year | 12,569 | 6,938 |
| Adjustments in respect of prior periods | 179 | 723 |
| Total current tax | 12,748 | 7,661 |
| **Deferred tax:** | | |
| Origination and reversal of temporary differences | 100 | 1,206 |
| Total deferred tax | 100 | 1,206 |
| Total tax charged to Income statement | 12,848 | 8,867 |

The Company (as part of the Aviva Group) is subject to the reform of the international tax system proposed by The Organisation for Economic Co-operation and Development (OECD) which introduces a global minimum effective rate of corporation tax of 15% and took effect in 2024. No current tax charge is included in respect of these provisions.

**(ii) Deferred tax charged to the Income statement represents movements on the following items:**

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Provisions and other temporary differences | 165 | (337) |
| Pensions and other post retirement obligations | (44) | 28 |
| Accelerated capital allowances | (21) | 1,515 |
| Total deferred tax charged to Income statement | 100 | 1,206 |

**(b) Tax credited to equity**

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Deferred tax | | |
| In respect of provisions and other temporary differences | (296) | - |
| Total tax credited to equity | (296) | - |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 6. Taxation (continued)

**(c) Tax reconciliation**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Total profit before tax | 52,464 | 35,297 |
| Tax calculated at standard UK corporation tax rate of 25% (2024: 25%) | 13,116 | 8,824 |
| Adjustments to tax in respect of prior periods | (210) | (76) |
| Disallowable expenses | 150 | 119 |
| Share schemes | (208) | - |
| Total tax charge to the Income statement (note 6(a)) | 12,848 | 8,867 |

In accordance with the amendments to IAS 12, endorsed in the UK on 19 July 2023, the Company has applied the exemption and not provided for deferred tax in respect of the global minimum tax reforms.

### 7. Dividends

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Interim dividend - £15,000 per share paid in December 2024 | | 15,000 |
| Interim dividend - £30,000 per share paid in December 2025 | 30,000 | |

An interim ordinary dividend of £15,000 thousand was paid and charged to equity in December 2024, of which £10,000 thousand was settled by means of an intercompany transfer and of which £5,000 thousand was paid in cash.

An interim ordinary dividend of £30,000 thousand was paid and charged to equity in December 2025, of which £10,000 thousand was settled by means of an intercompany transfer and of which £20,000 thousand was paid in cash.

In accordance with accounting policy R all interim ordinary dividends settled during 2025 are recognised in the 2025 accounting period.

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 8. Property and equipment

| | Owner-occupied properties | Short leasehold improvements | Motor vehicles | Fixtures, fittings and equipment | Plant and machinery | Assets under construction | Right of Use Costs | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **2025** | | | | | | | | |
| **Cost or valuation** | | | | | | | | |
| **At 1 January 2025** | 2,840 | 1,714 | 275 | 11,496 | 11,999 | - | 49,645 | 77,969 |
| Additions | 10,095 | 291 | 297 | 2,900 | 1,141 | 180 | 2,128 | 17,032 |
| Revaluation adjustment | 190 | - | - | - | - | - | - | 190 |
| Disposals | - | (21) | (72) | (928) | (413) | - | (3,026) | (4,460) |
| **At 31 December 2025** | 13,125 | 1,984 | 500 | 13,468 | 12,727 | 180 | 48,747 | 90,731 |
| **Accumulated depreciation** | | | | | | | | |
| **At 1 January 2025** | 522 | 424 | 164 | 4,903 | 6,652 | - | 10,956 | 23,621 |
| Charge for the year | 262 | 222 | 57 | 1,358 | 1,079 | - | 6,962 | 9,940 |
| Disposals | - | (16) | (61) | (926) | (419) | - | (2,447) | (3,869) |
| **At 31 December 2025** | 784 | 630 | 160 | 5,335 | 7,312 | - | 15,471 | 29,692 |
| **Carrying amount** | | | | | | | | |
| **At 31 December 2025** | 12,341 | 1,354 | 340 | 8,133 | 5,415 | 180 | 33,276 | 61,039 |
| **2024** | | | | | | | | |
| **Cost or valuation** | | | | | | | | |
| **At 1 January 2024** | 2,840 | 876 | 205 | 7,173 | 9,120 | - | 29,362 | 49,576 |
| Additions | - | 974 | 70 | 4,650 | 3,389 | - | 27,611 | 36,694 |
| Disposals | - | (136) | (0) | (327) | (510) | - | (7,328) | (8,301) |
| **At 31 December 2024** | 2,840 | 1,714 | 275 | 11,496 | 11,999 | - | 49,645 | 77,969 |
| **Accumulated depreciation** | | | | | | | | |
| **At 1 January 2024** | 261 | 434 | 130 | 3,934 | 6,024 | - | 11,680 | 22,463 |
| Charge for the year | 261 | 115 | 34 | 1,180 | 993 | - | 6,111 | 8,694 |
| Disposals | - | (125) | (0) | (211) | (365) | - | (6,835) | (7,536) |
| **At 31 December 2024** | 522 | 424 | 164 | 4,903 | 6,652 | - | 10,956 | 23,621 |
| **Carrying amount** | | | | | | | | |
| **At 31 December 2024** | 2,318 | 1,290 | 111 | 6,593 | 5,347 | - | 38,689 | 54,348 |

Owner-occupied properties are long leasehold land and buildings, which management last revalued using an external independent valuer on an existing use basis as at 31 December 2025.

These valuations are assessed in accordance with the relevant parts of the current Royal Institute of Charted Surveyors Appraisal and Valuation Standards in the UK, and with current local valuation practices in other countries. This assessment is in accordance with UK Valuations Standards ("Red book") and is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, on the basis of the highest and best use of the asset that is physically possible, legally permissible and financial feasible. The valuation assessment adopts market-based evidence and is in line with guidance from the International Valuation Standards Committee and the requirements of IAS 16, Property, Plant and Equipment.

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 9. Right of use assets and lease liabilities

The Company's leased assets primarily consist of properties occupied by the Company (see note 8).

Although the Company is exposed to changes in the residual value at the end of the current leases, it typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

(i) Total interest expense presented as finance cost in the Income statement in respect of lease liabilities is £822 thousand (2024: £930 thousand). Total cash outflows recognised in the year in relation to leases were £8,061 thousand (2024: £6,772 thousand). Variable lease payments not included in the measurement of lease liabilities were £nil (2024: £nil).

Expenses recognised in the Company's Income statement in relation to short-term and low-value leases were £nil (2024: £nil).

(ii) The following table analyses the right of use assets relating to leased properties occupied by the Company as well as other leased assets:

| | Property | Vehicles | Total |
|---|---|---|---|
| **2025** | **£000** | **£000** | **£000** |
| Balance at 1 January 2025 | **35,588** | **3,102** | **38,690** |
| Additions | 638 | 1,490 | 2,128 |
| Disposals | (434) | (2,592) | (3,026) |
| Depreciation on Disposals | 434 | 2,013 | 2,447 |
| Depreciation | (4,695) | (2,267) | (6,962) |
| **Balance at 31 December 2025** | 31,531 | 1,746 | 33,277 |

| | Property | Vehicles | Total |
|---|---|---|---|
| **2024** | **£000** | **£000** | **£000** |
| Balance at 1 January 2024 | **14,700** | **2,982** | **17,682** |
| Additions | 25,110 | 2,501 | 27,611 |
| Disposals | (5,344) | (1,983) | (7,327) |
| Depreciation on Disposals | 5,231 | 1,604 | 6,835 |
| Depreciation | (4,109) | (2,002) | (6,111) |
| **Balance at 31 December 2024** | 35,588 | 3,102 | 38,690 |

(iii) Future contractual aggregate minimum lease payments are as follows:

| | 2025 | 2024 |
|---|---|---|
| | **£000** | **£000** |
| Within one year | 6,451 | 7,160 |
| Later than one year and not later than 5 years | 19,003 | 20,121 |
| Later than 5 years | 13,124 | 17,205 |
| **Total at 31 December** | 38,578 | 44,486 |
| Less effect of discounting and unearned interest | (3,082) | (3,878) |
| | 35,496 | 40,608 |

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is re-assessed and adjusted against the right-of use asset. The 2024 figures have been re-presented to include the effect of discounting and unearned interest.

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## Notes to the financial statements (continued)

### 10. Inventories

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Raw materials | 441 | 375 |
| Work in progress | 3,196 | 2,374 |
| | 3,637 | 2,749 |

The cost of inventories recognised as expense and included in 'cost of sales' in the Income statement for the year amounted to £49,964 thousand (2024: £40,068 thousand). There is no impairment to cost recognised in the year to inventories.

### 11. Trade and other receivables

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Trade and other receivables | | |
| Related parties (note 22(a)(i)) | 27,200 | 10,832 |
| Third parties | 88 | 120 |
| | 27,288 | 10,952 |
| Expected to be recovered in less than one year | 27,288 | 10,952 |

Financial assets within the Trade and other receivables are held to collect on the contractual cash flows due to the Company, and are deemed to be solely payments of principal and interest. As a result of this business model and the assessment of the contractual cash flows, these instruments have been measured at amortised cost, which approximates to fair value. The amount charged to the Income statement as an impairment of receivables for the year was £nil (2024: £nil).

### 12. Prepayments and accrued income

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Prepayments and accrued income | | |
| Prepayments | 2,855 | 2,225 |
| Accrued income - related parties (note 22(a)(i)) | 12,632 | 5,898 |
| | 15,487 | 8,123 |
| Expected to be recovered in less than one year | 15,487 | 8,123 |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 13. Tax assets and liabilities

**(a) Current tax**

Current tax liabilities payable in less and more than one year are £7,117 thousand and £12,568 thousand, respectively (2024: £5,712 thousand and £6,938 thousand).

**(b) Deferred taxes**

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

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Provisions and other temporary differences | 535 | 404 |
| Pensions and other post retirement obligations | 44 | - |
| Accelerated capital allowances | (2,242) | (2,263) |
| Net deferred tax liability | (1,663) | (1,859) |

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

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Net deferred tax liability at 1 January | (1,859) | (653) |
| Amounts charged to Income statement | (100) | (1,206) |
| Amounts credited to Equity | 296 | - |
| Net deferred tax liability at 31 December | (1,663) | (1,859) |

### 14. Trade and other payables

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Trade payables | 6,396 | 4,379 |
| Amounts due to related parties (Note 22 (a)(ii)) | 1,484 | 2,575 |
| Social security and other taxes | 1,386 | 1,163 |
| | 9,266 | 8,117 |
| Expected to be settled within one year | 9,266 | 8,117 |

All "Trade and other payables" are carried at amortised cost, which approximates to fair value.

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## Notes to the financial statements (continued)

### 15. Dilapidations provision

| | Building Dilapidations |
|---|---|
| | £000 |
| Balance at 1 January 2025 | 5,400 |
| Provided during year | 962 |
| Utilised during year | - |
| **Balance at 31 December 2025** | 6,362 |

| | Building Dilapidations |
|---|---|
| **2025** | £000 |
| Current dilapidations | 1,485 |
| Non-current dilapidations | 4,877 |
| | 6,362 |

The company is required to perform dilapidation repairs and in certain instances to restore properties to agreed specifications prior to the properties being vacated at the end of their lease term. These amounts are based on estimates of repair and restoration costs at a future date and therefore a degree of uncertainly exists over the future outflows, given that these are subject to repair and restoration cost price fluctuations and the extent of the repairs to be completed.

### 16. Ordinary share capital

Details of the Company's ordinary share capital are as follows:

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| **Allotted, called up and fully paid** | | |
| 1,000 (2024: 1,000) ordinary shares of £1 each | 1 | 1 |

Ordinary shares in issue in the Company rank pari passu. All the ordinary shares in issue carry the same right to receive all dividends and other distributions declared, made or paid by the Company.

### 17. Other reserves

| | Share premium | Revaluation reserve | Share-based payment tax reserve |
|---|---|---|---|
| | £000 | £000 | £000 |
| Balance at 1 January 2024 | (300) | (1,110) | - |
| Balance at 31 December 2024 | (300) | (1,110) | - |
| | | | |
| Balance at 1 January 2025 | (300) | (1,110) | - |
| Revaluation of owner-occupied property | - | (190) | - |
| Tax credit on share-based payments | - | - | (296) |
| Balance at 31 December 2025 | (300) | (1,110) | (296) |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 17. Other Reserves (continued)

**Share Premium**
The share premium arose in January 1997, on the issue of 30 ordinary shares of £1 each for a consideration of £10 thousand each.

**Revaluation reserve**
The revaluation reserve of £1,300 thousand (2024: £1,110 thousand) arose in December 2019 following the independent revaluation of the owner occupied property. The most recent independent revaluation was undertaken as at 31 December 2025.

### 18. Statement of cash flows

**(a) The reconciliation of profit before tax to the net cash flow from operating activities is:**

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Profit before tax | 52,464 | 35,297 |
| Adjustments for: | | |
| Depreciation | 9,940 | 8,694 |
| Movements in dilapidation provision during the year | 962 | 3,370 |
| Loss on disposal of property, plant and equipment | 591 | 763 |
| Finance cost | 822 | 930 |
| Changes in working capital: | | |
| Increase in inventories | (888) | (153) |
| Increase in trade and other receivables* | (26,336) | (12,368) |
| Increase/(decrease) in prepayments and accrued income | (7,364) | 5,455 |
| Increase in trade and other payables | 1,149 | 3,118 |
| Increase/(decrease) in other liabilities | 1,590 | (908) |
| Cash generated from operating activities | 32,929 | 44,198 |

*excluding non-cash dividend payment of £10m

| **(b) Cash and cash equivalents in the Statement of cash flows at 31 December comprise:** | **2025** £000 | **2024** £000 |
|---|---|---|
| Cash and cash equivalents | 31,994 | 47,743 |

| **(c) Liabilities from financing activities - leases:** | **2025** £000 | **2024** £000 |
|---|---|---|
| Lease liabilities at 1 January | (40,608) | (18,839) |
| Cash flows (rental payments) | 8,061 | 6,772 |
| New leases (additions) | (2,128) | (27,611) |
| Interest | (822) | (930) |
| Lease liabilities at 31 December | (35,496) | (40,608) |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 19. Risk management

The Company operates a Risk Management Framework ("RMF") that forms an integral part of the management and Board processes and decision-making framework and is aligned to both its immediate parent, AIL, and ultimate parent, Aviva Plc. The RMF comprises the systems of governance including risk policies and business standards risk management processes, risk oversight by the Board and clearly defined roles and responsibilities along with the processes used to Identify, Measure, Manage, Monitor and Report ("IMMMR") risks.

Board oversight of risk and risk management across the Company is maintained on a regular basis. The Board has overall responsibility for determining risk appetite for the Company, which is an expression of the risk the business is willing to take. For the purposes of risk identification and measurement, risks are grouped by risk type: credit, liquidity and operational risk. Risks falling within these types may affect a number of metrics including those relating to strength within the Statement of financial position, liquidity and profit.

The "three lines of defence model" is adopted by the Company. First line (the Business) is accountable for the management of all risks relevant to the business of the Company including the implementation of the RMF and embedding of the risk culture. Second Line (the Risk Function) is responsible for providing independent objective quantitative and qualitative oversight and challenge of the IMMMR processes and for developing the RMF. Third Line (Internal Audit) provides an independent assessment of the risk management framework and internal control processes.

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 19. Risk management (continued)

### (a) Financial risk management

#### (i) Credit risk

Credit risk is the risk of adverse outcomes due to a third party default event or a change to a third party credit standing.

At 31 December 2025, trade and other receivables are £27,288 thousand (2024: £10,952 thousand). Of this amount, £27,200 thousand (2024: £10,832 thousand) is due from related parties, details of which are set out in note 19(a).

An assessment is carried out over all categories of financial assets to determine to what extent assets held can be considered to have low credit risk as at the reporting date. A low credit risk is demonstrated where the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. In making this assessment, the Company makes use of both internal and external credit risk ratings, along with other qualitative and quantitative factors where external ratings are not available. Where a financial asset is deemed to have low credit risk, it is assumed that the credit risk on the respective assets has not increased significantly since initial recognition.

Where external credit ratings are available for financial assets, a significant increase in the credit risk of a financial asset is identified where there has been a significant deterioration in the respective credit rating. There is also deemed to be a rebuttable presumption of increased credit risk where contractual payments are more than 30 days past due, unless the Company has supporting evidence to the contrary, such as a strong credit rating for the financial asset.

A financial asset is considered to be in default where contractual payments are past due, and there is objective evidence that the counterparty will be unable to subsequently meet their payment obligations. A financial asset is written-off only when all other available measures have been taken to recover amounts due. During the year, none of the cash flows associated with any of the Company's financial assets have been modified or re-negotiated.

The Company makes use of the simplified approach when calculating expected credit losses on trade and other receivables and therefore calculates expected credit losses over the lifetime of the instrument in question. Expected credit losses on third party trade receivables and accrued income are calculated with reference to the Company's historical experience of losses adjusted for forward-looking information, along with an analysis of payment terms. Short term financial assets (where all amounts are received within 12 months from the reporting date) do not generally attract an expected credit loss charge, unless there is objective evidence that losses are likely to arise. The Company does not expect any material credit losses on trade receivables with related parties.

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 19. Risk management (continued)

### (a) Financial risk management (continued)

#### (i) Credit risk (continued)

The tables below provide information regarding the carrying value of financial assets that have been impaired, and the ageing of financial assets that are past due but not impaired.

| 31 December 2025 | Neither past due nor impaired | Past due but not impaired | | Past due and impaired | Estimated credit loss provision | Carrying value in the Statement of financial position |
|---|---|---|---|---|---|---|
| | | 30-60 days | 60-90 days | >90 days | | |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Trade and other receivables - third parties | 60 | 61 | 22 | 12 | (67) | 88 |
| Trade and other receivables - related parties | 16,071 | 8,351 | 1,576 | 1,202 | (0) | 27,200 |
| | 16,131 | 8,412 | 1,598 | 1,214 | (67) | 27,288 |

| 31 December 2024 | Neither past due nor impaired | Past due but not impaired | | Past due and impaired | Estimated credit loss provision | Carrying value in the Statement of financial position |
|---|---|---|---|---|---|---|
| | | 30-60 days | 60-90 days | >90 days | | |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Trade and other receivables - third parties | 148 | 9 | 25 | 21 | (83) | 120 |
| Trade and other receivables - related parties | 10,580 | 225 | 7 | 20 | (0) | 10,832 |
| | 10,728 | 234 | 32 | 41 | (83) | 10,952 |

The Company has not purchased or originated any credit-impaired financial assets as at the reporting date.

The Company's maximum exposure to credit risk for each category of financial asset held at amortised cost for which lifetime expected credit losses have been calculated using the simplified method is as follows:

| | Financial exposure by credit rating | | | | | Carrying value in the Statement of financial position |
|---|---|---|---|---|---|---|
| 31 December 2025 | AAA | AA | AA - | A | Non-rated | |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Trade and other receivables - third parties | - | - | - | - | 88 | 88 |
| Trade and other receivables - related parties | - | - | 27,200 | - | - | 27,200 |
| | - | - | 27,200 | - | 88 | 27,288 |

| | Financial exposure by credit rating | | | | | Carrying value in the Statement of financial position |
|---|---|---|---|---|---|---|
| 31 December 2024 | AAA | AA | AA- | A | Non-rated | |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Trade and other receivables - third parties | - | - | - | - | 120 | 120 |
| Trade and other receivables - related parties | - | - | 10,832 | - | - | 10,832 |
| | - | - | 10,832 | - | 120 | 10,952 |

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## Notes to the financial statements (continued)

### 19. Risk management (continued)

### (a) Financial risk management (continued)

**(i) Credit risk (continued)**

The Company's cash and cash equivalents of £31,994 thousand (2024: £47,743 thousand) is placed with one counterparty as at 31 December 2025 (2024: one).

The management of credit risk is overseen by the Board.

**(ii) Liquidity risk**

Liquidity risk is the risk of the Company not being able to make payments as they become due because there are insufficient assets in cash form.

The Company seeks to ensure it has sufficient financial resources to meet its expected obligations as they fall due.

The following table provides an analysis, by maturity date of the principal, of the carrying value of financial assets which are available to fund the repayment of liabilities as they crystallise:

| 31 December 2025 | Within 1 year £000 |
|---|---|
| Trade and other receivables | 27,288 |
| Accrued income | 12,632 |
| Cash and cash equivalents | 31,994 |
| | 71,914 |

| 31 December 2024 | Within 1 year £000 |
|---|---|
| Trade and other receivables | 10,952 |
| Accrued income | 5,898 |
| Cash and cash equivalents | 47,743 |
| | 64,593 |

The assets above are analysed in accordance with the earliest possible redemption date of the instrument at the initiation of the Company.

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 19. Risk management (continued)

### (a) Financial risk management (continued)

**(ii) Liquidity risk (continued)**

The following table shows the Company's financial liabilities analysed by duration:

| 31 December 2025 | Within 1 year | 1 to 5 years | Later than 5 years | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Trade and other payables (excluding social security & other taxes) | 7,879 | - | - | 7,879 |
| Dilapidation provision | 1,485 | 2,004 | 2,873 | 6,362 |
| Lease liabilities | 6,451 | 19,003 | 13,124 | 38,578 |
| Other liabilities | 12,219 | - | - | 12,219 |
| | 28,034 | 21,007 | 15,997 | 65,038 |

| 31 December 2024 | Within 1 year | 1 to 5 years | Later than 5 years | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Trade and other payables (excluding social security & other taxes) | 6,953 | - | - | 6,953 |
| Dilapidation provision | - | - | 5,400 | 5,400 |
| Lease liabilities | 6,361 | 17,844 | 16,403 | 40,608 |
| Other liabilities | 10,629 | - | - | 10,629 |
| | 23,943 | 17,844 | 21,803 | 63,590 |

The management of liquidity risk is overseen by the Board.

### (b) Operational risk management

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, people and systems, or external events including changes in the regulatory environment. The Company has a very low appetite for operational risks which could result in material losses (direct or indirect), a financial misstatement could have a material negative impact on reputation, customers, employees or other stakeholders.

Management is responsible for identifying and managing operational risks of the business. Residual risk outside tolerance is given prioritised management action to reduce it within tolerance. Management use key indicator data to help monitor the status of the risk and control environment. They also identify and capture loss events, taking appropriate action to address actual control breakdowns and promote internal learning.

The management of operational risk is overseen by the Board.

### 20. Fair Value Methodology

This note explains the methodology for valuing our assets and liabilities measured at fair value and for fair value disclosures. It also provides an analysis of these according to a fair value hierarchy, determined by the market observability of valuation inputs.

### (a) Basis for determining fair value hierarchy of financial instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the ‘fair value hierarchy’ described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 20. Fair Value Methodology (continued)

**Level 1**
Inputs to Level 1 fair values are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company can access at the measurement date. Level 1 inputs already reflect market participant views of climate change impacts and no further adjustments are made to these values. The Company does not hold any Level 1 financial instruments.

**Level 2**
Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the instrument. The Company does not hold any Level 2 financial instruments.

**Level 3**
Inputs to Level 3 fair values are unobservable inputs for the asset or liability. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset or liability. The Company's only Level 3 asset is a freehold property.

### (b) Changes to valuation techniques

No changes were made to the valuation techniques during the year.

### (c) Fair value hierarchy

An analysis of assets and liabilities measured at amortised cost and fair value categorised by fair value hierarchy is given below:

| | Fair value hierarchy | | | | | |
|---|---|---|---|---|---|---|
| **31 December 2025** | **Level 1** | **Level 2** | **Level 3** | **Sub-total fair value** | **Amortised costs** | **Total carrying value** |
| | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| **Recurring fair value** | | | | | | |
| Property and equipment | - | - | 13,125 | 13,125 | - | 13,125 |
| Trade and other receivables | - | - | - | - | 27,288 | 27,288 |
| Prepayments and accrued income | - | - | - | - | 15,487 | 15,487 |
| Cash and cash equivalents | - | - | - | - | 31,994 | 31,994 |
| Total | - | - | 13,125 | 13,125 | 74,769 | 87,894 |
| **Financial liabilities measured at fair value** | | | | | | |
| Trade and other payables | - | - | - | - | 9,266 | 9,266 |
| Lease liabilities | - | - | - | - | 35,496 | 35,496 |
| Other liabilities | - | - | - | - | 12,219 | 12,219 |
| Total | - | - | - | - | 56,981 | 56,981 |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 20. Fair Value Methodology (continued)

| 31 December 2024 | Fair value hierarchy Level 1 | Level 2 | Level 3 | Sub-total fair value | Amortised costs | Total carrying value |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| **Recurring fair value** | | | | | | |
| Property and equipment | - | - | 2,840 | 2,840 | - | 2,840 |
| Trade and other receivables | - | - | - | - | 10,952 | 10,952 |
| Prepayments and accrued income | - | - | - | - | 8,123 | 8,123 |
| Cash and cash equivalents | - | - | - | - | 47,743 | 47,743 |
| Total | - | - | 2,840 | 2,840 | 66,818 | 69,658 |
| **Financial liabilities measured at fair value** | | | | | | |
| Trade and other payables | - | - | - | - | 8,117 | 8,117 |
| Lease liabilities | - | - | - | - | 40,608 | 40,608 |
| Other liabilities | - | - | - | - | 10,629 | 10,629 |
| Total | - | - | - | - | 59,354 | 59,354 |

### 21. Capital structure

The Company maintains an efficient capital structure from equity shareholders' funds, consistent with the Company's overall risk profile and market requirements of the business. This note describes the way the Company manages capital and shows where this is employed.

**(a) Capital management**

In managing its capital, the Company seeks to:

(i) maintain financial strength to support new business growth;
(ii) retain financial flexibility; and
(iii) allocate capital efficiently to support growth and repatriate excess capital where appropriate.

The Company considers not only the traditional sources of capital funding, but alternative sources as appropriate, when assessing its deployment and usage of capital.

**(b) Capital structure**

| | 2025 | 2024 |
|---|---|---|
| | £000 | £000 |
| Total capital employed | 54,754 | 44,652 |
| Equity shareholders' funds | 54,754 | 44,652 |

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# Solus (London) Limited

## Notes to the financial statements (continued)

### 22. Related party transactions

**(a)** The Company had the following related party transactions in 2025 and 2024:

**(i) Services provided to related parties**

| | 2025 Income earned in year | 2025 Amounts owed at year end | 2024 Income earned in year | 2024 Amounts owed at year end |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Aviva Insurance Limited | 239,792 | 39,832 | 171,608 | 16,730 |
| Aviva (Canada) Limited | 164 | - | - | - |
| | 239,956 | 39,832 | 171,608 | 16,730 |

Aviva Insurance Limited, the parent company, is the insurer who passes crash repair business to the Company.

The contractual payment term for receivables is 14 days.

The related parties' receivables are not secured and no guarantees are received in respect thereof.

The Company supplies technical consultancy services to Aviva (Canada) Limited.

**(ii) Services provided by related parties**

| | 2025 Expenses incurred in year | 2025 Amounts owing at year | 2024 Expenses incurred in year | 2024 Amounts owing at year |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| Aviva Insurance Limited | 1,174 | 1,484 | 1,334 | 2,575 |

Aviva Insurance Limited, the parent company, recharges insurance-related costs and centrally incurred expenses such as software costs to the Company.

The related parties' payables are not secured and no guarantees are given in respect thereof.

**(iii) Key management compensation**

The key management of the Company are considered to be the statutory directors of the Company. Note 4, Directors, gives details of their compensation as directors of the Company.

**(b) Immediate parent company**

The Company's immediate parent company is Aviva Insurance Limited, registered in Scotland.

**(c) Ultimate controlling entity**

The ultimate controlling entity, and parent of the largest and smallest groups which consolidate the results of the Company, is Aviva plc. Its Group financial statements are available on application to the Group Company Secretary, Aviva plc, 80 Fenchurch Street, London EC3M 4AE, and on the Aviva Plc website at www.aviva.com.

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## 23. Capital commitments

The Company is in process of developing a new site in the South East of England. The land was purchased during 2025 for £8,000 thousand plus VAT and a contract for building works was signed in December 2025. The value of the contract is £10,540 thousand plus VAT and it will be paid in staged payments throughout the build in 2026. There were no equivalent commitments as at the end of 2024.

## 24. Subsequent events

The Company's ultimate parent, Aviva plc, acquired Direct Line Insurance Group Limited ("Direct Line") in July 2025 and it is now a direct subsidiary of the Company's immediate parent, Aviva Insurance Limited. The acquisition included 23 accident repair centres operated by UK Assistance Accident Repair Centres Limited ("UKAARC"). A programme of aligning the activities of UKAARC with the Company is underway and is due for completion by June 2027. There was no impact on the 2025 financial statements.