

Company Registration No: 02568507

UK Assistance Accident Repair Centres Limited

Annual Report and Financial Statements

For the year ended 31 December 2025

8 Surrey Street
Norwich
Norfolk
NR1 3NG

Annual Report and Financial Statements

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Officers and professional advisers

Directors:

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

B J Moore
D W Sheppard
R L Tubb

Company Secretary:

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

Registered office:

8 Surrey Street
Norwich
Norfolk
NR1 3NG

Independent Auditor:

Ernst & Young LLP
25 Churchill Place
London
E14 5EY
United Kingdom

Company number:

02568507

Company registration:

Registered in England and Wales

Other information:

UK Assistance Accident Repair Centres Limited (the "**Company**") is a member of Aviva Group (the "**Group**") whose ultimate parent company is Aviva plc ("**Aviva**"), of which the Company is a subsidiary.

Strategic Report

For the year ended 31 December 2025

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

Review of the Company's business

Principal activities

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

From 1 July 2025, the Company has been a member of Aviva Group (the "**Group**") whose ultimate parent company is Aviva plc ("**Aviva**"). Prior to this date the ultimate parent company was Direct Line Insurance Group plc ("**DLIG**").

The principal activity of the Company continues to be the provision of motor vehicle repair services to U K Insurance Limited, a general insurance company owned by the Group.

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

Business review

The Directors are satisfied with the Company's performance during the year. Over the course of the next couple of years, the Directors will look to integrate the operations of the Company into Solus (London) Limited ("**Solus**"), a fellow Group subsidiary that also provides motor vehicle repair services to Group companies and retail customers.

Key performance indicators

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

KPI	Definition	Aim	2025	2024
Revenue from contracts with customers (£m)	Comprised of motor vehicle repair services provided to the Group and other third-party customers. Revenue is recognised upon completion of the repair using market rates for services and materials.	The Company aims to maximise its total revenue within the context of the Company's operations within the Group.	352.8	371.9
Operating profit (£m)	The excess of income after all operating costs and expenses, excluding finance costs and interest received on loans to Group undertakings, have been taken into account.	The Company aims to be profitable within the context of its operations within the Group.	49.1	23.2

Financial position and performance

The Company's financial performance is presented in the statement of profit or loss on page 14 and its financial position in the statement of financial performance on page 16.

Revenue from contracts with customers for the year ended 31 December 2025 decreased by £19.1 million to £352.8 million (2024: £371.9 million, primarily due to a decrease in margins charged and a small reduction in overall repair volumes. Cost of sales decreased by £46.1 million to £254.2 million (2024: £300.3 million) primarily as a result of a reduction in the fees for the Company's continued membership of a panel of repair companies. Inflationary pressures on cost of sales were mitigated by the reduction in volumes. Administration expenses increased by £1.2 million to £49.6 million (2024: £48.4 million) as inflationary pressures on staff costs have been largely offset through cost savings initiatives – such as, reductions in courtesy car fleets. Total profit for the year attributable to the owner of the Company was £38.1 million (2024: £20.4 million).

At the end of the year, the balance sheet reflected total assets of £136.0 million (2024: £122.2 million), the increase primarily driven by an increase in loans to fellow Group subsidiaries, and equity of £82.6 million (2024: £63.7 million).

Outlook

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

The strategic direction of the Company is set by the directors of the Company. The directors consider that the Company's principal activities will continue unchanged for the foreseeable future, although over the next couple of years they will look to integrate the Company's operations into Solus, a fellow Group subsidiary that also provides motor vehicle repair services to Group companies and retail customers.

Strategic Report

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 17 to the financial statements.

Section 172(1) Statement and engagement with stakeholders

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

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

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

Culture

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

Stakeholder engagement

This section provides insight into how the Board engages with our stakeholders. The Board recognises that stakeholders have diverse interests and that these interests need to be heard. Engaging with the Company's stakeholders is essential to understand what matters most to them and the likely impact of any key decisions.

Engagement with Employees

The Company has no employees. All UK employees engaged in the activities of the Company are employed by fellow Group subsidiary companies, DL Insurance Services Limited ("**DLIS**") and Aviva Employment Services Limited ("**AES**"). Disclosures relating to employees may be found in the annual report and financial statements of that company.

Customers

As stated in the Aviva Group annual report, customers are at the heart of everything that the Company does and what is important to the customer is key to the Company's long-term success. By listening to their needs, improving customer experience, and providing fair value, the Company can build trust and long-term relationships. Their feedback shapes the Company's products, digital innovation, and service standards, ensuring the Company remains relevant and resilient in an evolving market. For more information, please refer to page 49 of the Aviva Group annual report 2025.

Suppliers

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

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

Shareholders

In discharging its duties to promote the success of the Company for the benefit of its shareholder, the Board recognises the need to act fairly and transparently, including in its dealings with the Company's shareholder. As the Company is wholly owned by Aviva, fairness between members is achieved through clear governance arrangements, appropriate escalation of matters to the parent where required, and decision-making that has regard to the long-term interests of the shareholder rather than short-term considerations. The Board is also mindful of the wider social and environmental context in which the Company operates and has regard to the impact of the Company's activities on the community and the environment, including climate-related considerations, drawing where appropriate on policies, standards and disclosures established at Group level.

Presentation of financial statements

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

Strategic Report**For the year ended 31 December 2025****Non-financial and Sustainability Information Statement**

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

Climate-related Financial Disclosures

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

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

Approved by the Board of Directors on 11 June 2026 and signed on its behalf by:

**R L Tubb**

Director

Directors' Report

For the year ended 31 December 2025

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

Directors and Secretary

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

From 1 January 2025 to date, the following changes of Directors have taken place.

Director	Appointed	Resigned
R C Clifton ¹		22 July 2025
Aviva Company Secretarial Services Limited ²	30 July 2026	
M P Milliner		27 August 2025
B J Moore	26 September 2025	
R L Tubb	26 November 2025	
H C O'Murchu		27 November 2025

Notes:

1. R C Clifton resigned as Company Secretary although was not a Director of the Company.

2. Aviva Company Secretarial Services Limited appointed as Company Secretary only.

Dividends

An interim dividend of £20.0 million was paid during the year ended 31 December 2025 (2024: £50.0 million). The Directors do not recommend the payment of a final dividend (2024: £nil).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on pages 5 to 6, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on: the Company's capital structure (note 16) and management of its risks, including market, credit and liquidity risk (note 17).

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

A detailed going concern review has been undertaken as part of the 2025 reporting process, which includes consideration of the Company's current and forecasted performance. Whilst integration plans have begun, most significantly in relation to a fellow subsidiary company U K Insurance Limited which remains a going concern, the Directors expect the Company to continue to be in operation for the next twelve months. Over the next couple of years, the Company's operations are expected to integrate into Solus, a fellow Group subsidiary that also provides motor vehicle repair services to Group companies and retail customers.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months to 11 June 2027 from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

Events after the balance sheet date

There have been no events that have occurred since the reporting date that would materially impact these financial statements.

Outlook

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

Stakeholder engagement

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

Accounting records

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

Donations

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

Supplier payment policy

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

Directors' Report**For the year ended 31 December 2025****Employees**

All staff are employed by fellow Group subsidiary companies, DLIS and AES. Disclosures relating to employees may be found in the annual report and financial statements of those companies.

Disclosure of information to the Auditor

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

Auditor

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

Business relationships

Examples of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year can be found in the Section 172(1) statement on page 3

Directors' indemnities

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

Statement of Directors' responsibilities

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

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

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

They are also responsible for safeguarding the Company's assets and, hence, taking reasonable steps to prevent and detect fraud and other irregularities.

Approved by the Board of Directors on 11 June 2026 and signed on its behalf by:

**R L Tubb**

Director

Independent Auditor's report to the members of UK Assistance Accident Repair Centres Limited**For the year ended 31 December 2025****Opinion**

We have audited the financial statements of the Company for the year ended 31 December 2025 which comprise the Statement of profit or loss, Statement of comprehensive income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 11 June 2027.

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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.

Independent Auditor's report to the members of UK Assistance Accident Repair Centres Limited

For the year ended 31 December 2025

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

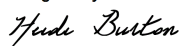
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the relevant laws and regulations relating to elements of company law and tax legislation in the United Kingdom and the financial reporting framework.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

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

Use of our report

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

Signed by:



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Heidi Burton (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP

Statutory Auditor

London, United Kingdom

11 June 2026

Accounting policies

For the year ended 31 December 2025

Statement of compliance

The Company is incorporated and domiciled in the UK and registered in England and Wales (company number 02568507). The principal activity of the Company continues to be the provision of motor vehicle repair services to U K Insurance Limited, a general insurance company owned by the Group. The Company is a private company limited by shares. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the basis of preparation.

(A) Basis of Preparation

The Company's financial statements are prepared in accordance with FRS 101 'Reduced Disclosure Framework'. The financial statements are prepared on a historical cost basis.

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

In preparing these financial statements, the Company has taken advantage of the following disclosure exemptions available under FRS 101:

- FRS 101 8(b): the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(iii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations' as equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- FRS 101.8 (d): the requirements of IFRS 7 'Financial Instruments: Disclosures' to make disclosures about financial instruments, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- FRS 101.8 (eA): the requirements of the second sentence of paragraph 110 and paragraphs 113 (a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers';
- FRS 101.8 (eB): the requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89 and paragraphs 90 to 91 of IFRS 16 'Leases';
- FRS 101.8 (g): the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 111, and 134 to 136 of IAS 1 'Presentation of Financial Statements' to produce a cash flow statement and to make an explicit and unreserved statement of compliance with IFRSs, additional comparative information and capital management information;
- FRS 101.8 (h): the requirements of IAS 7 'Statements of Cash Flows' to produce a cash flow statement and related notes;
- FRS 101.8 (i): the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to include a list of new IFRSs that have been issued but that have yet to be applied;
- FRS 101.8 (k): the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary party to the transaction is wholly owned by such a member; and
- FRS 101.8 (l): the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 'Impairment of Assets', provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

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

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on pages 5 to 6, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on: the Company's capital structure (note 16) and management of its risks, including market, credit and liquidity risk (note 17).

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

A detailed going concern review has been undertaken as part of the 2025 reporting process, which includes consideration of the Company's current and forecasted performance. Whilst integration plans have begun, most significantly in relation to a fellow subsidiary company U K Insurance Limited which remains a going concern, the Directors expect the Company to continue to be in operation for the next twelve months. Over the next couple of years, the Company's operations are expected to integrate into Solus, a fellow Group subsidiary that also provides motor vehicle repair services to Group companies and retail customers.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months to 11 June 2027 from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

Adoption of new and revised standards

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

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

Accounting policies

For the year ended 31 December 2025

(B) Material accounting policies and the use of estimates and judgments

Material accounting policies

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

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

Material accounting policies	Policy reference
Revenue recognition	(C)
Impairment of non-financial assets	(I)

Critical accounting judgements

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

Critical accounting judgements	Policy reference
Impairment of non-financial assets Judgement is applied to determine whether there are indicators of impairment to non-financial assets. In making this judgement, the Company considers: the projection of the economic benefits associated with each asset; subsequent re-measurement of these benefits; and the likelihood of obsolescence of any component parts.	(I)

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

Key sources of estimation uncertainty	Policy reference	Carrying value
Impairment of non-financial assets Sources of estimation uncertainty can arise where there are indicators of impairment of a non-financial asset and an impairment provision is deemed appropriate. Factors such as whether the carrying amount of the asset is expected to be greater than the recoverable amount are assessed.	(I)	Note 6, 7, 8

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

(C) Revenue recognition

Revenue from contracts with customers (accounted for in accordance with IFRS 15 'Revenue from Contracts with Customers')

The Company's revenue comprises motor vehicle repair services provided to Group undertakings as well as third-party customers. Revenue in respect of repairs to vehicles is recognised upon completion of the repair obligation, at a point in time. The price is determined using market rates for the services and materials used after discounts and sales taxes have been deducted where applicable.

At each reporting date, the Company assesses whether a contract asset has arisen. A contract asset arises where the Company performs work that has yet to be invoiced.

Interest income

Interest income on financial assets is determined using the effective interest rate method. The effective interest rate method is a way of calculating the amortised cost of a financial asset (or group of financial assets) and of allocating the interest income over the expected life of the asset. Interest income relates to interest receivable from loans to other Group undertakings.

(D) Taxation

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. 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.

Accounting policies

For the year ended 31 December 2025

(D) Taxation continued

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.

(E) Dividends

Interim dividends on Ordinary Shares are recognised in equity in the period in which they are paid. Final dividends on Ordinary Shares are recognised when they have been approved by the shareholders at a general meeting.

(F) Goodwill

Acquired goodwill, being the excess of the cost of an acquisition over the Company's interest in the fair value of the net assets acquired, is initially recognised at cost and subsequently at cost less any accumulated impairment losses.

(G) Property, plant and equipment

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

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

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

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

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

(H) Impairment of non-financial instruments

Goodwill that has an indefinite useful life is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the Company estimates the recoverable amount of the asset and the impairment loss, if any.

If an asset does not generate cash flows that are independent of those of other assets or groups of assets, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. The recoverable amount of an asset is the higher of its fair value, less costs to sell and its value in use. Value in use is the present value of future cash flows from the asset or CGU, discounted at a rate that reflects market interest rates, adjusted for risks specific to the asset or CGU that have not been reflected in the estimation of future cash flows.

If the recoverable amount of an asset is less than its carrying value, an impairment loss is recognised immediately in the statement of profit or loss and the carrying value of the asset is reduced by the amount of the impairment loss.

A reversal of an impairment loss on property, plant and equipment is recognised as it arises provided the increased carrying value does not exceed the carrying amount that would have been determined had no impairment loss been recognised. Impairment losses on goodwill are not reversed.

(I) Leases

Where the Company is a lessee

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

Accounting policies

For the year ended 31 December 2025

(I) Leases continued

With respect to property leases, a dilapidations provision is created based on the discounted expected settlement value and the estimated cost per square foot based on the type of lease. The provision balance is included in the right of use asset.

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

Leases held by the company relate mainly to its vehicle repair centres, and motor vehicles it uses to provide recovery and replacement services.

Right of use ("ROU") assets

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

(J) Financial instruments

Recognition and initial measurement

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

On initial recognition, financial assets are measured at fair value net of transaction costs. Subsequently they are measured at amortised cost based on the Company's business model for managing the financial assets and that the cash flows represent solely payments of principal and interest. The Company will reclassify financial assets when and only when its business model for managing those assets changes.

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

Classification and subsequent measurement

Amortised cost

The Company only holds assets that are classified as held at amortised cost. These financial assets are held to collect contractual cash flows, and with contractual terms which give rise to cash flows which are solely payments of principal and interest on the principal amount outstanding. Interest income is accounted for using the effective interest method.

Financial liabilities are measured at amortised cost.

Derecognition of financial instruments

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

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

Impairment of financial instruments

At initial recognition an expected credit loss allowance assessment is conducted with an impairment loss booked if material.

The expected loss allowance for financial assets is based on assumptions about risk of default and expected loss rates.

The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the credit quality and history of the financial asset or group of financial assets, as well as existing market conditions and forward-looking expectations.

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

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

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

Accounting policies**For the year ended 31 December 2025****(K) Cash and cash equivalents**

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

(L) Inventories

Inventories comprise work in progress, including labour, parts, paint and consumable materials used in the repair of vehicles. They are stated at the lower of cost and net realisable value less provisions for obsolete and slow-moving items. Cost is based on the first-in first-out principle.

(M) Share capital

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

Statement of profit or loss**For the year ended 31 December 2025**

	Notes	2025 £'000	2024 £'000
Revenue from contracts with customers	1	352,800	371,857
Cost of sales		(254,155)	(300,321)
Gross profit		98,645	71,536
Administration expenses	2	(49,593)	(48,357)
Other operating income		6	—
Operating profit		49,058	23,179
Interest income	3	2,381	4,256
Finance costs	4	(332)	(308)
Profit before tax		51,107	27,127
Tax charge	5	(12,964)	(6,722)
Total profit for the year attributable to the owner of the Company		38,143	20,405

The accounting policies (identified alphabetically) on pages 9 to 13 and accompanying notes (identified numerically) on pages 18 to 25 form an integral part of these financial statements.

The Company's profit for the year arises from continuing operations.

Statement of comprehensive income**As at 31 December 2025**

	Notes	2025 £'000	2024 £'000
Profit for the year		38,143	20,405
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement:			
Fair value gains on owner-occupied property		1,073	—
Tax relating to items that will not be reclassified		(268)	—
Other comprehensive income for the year net of tax		805	—
Total comprehensive income for the year attributable to the owner of the Company		38,948	20,405

The accounting policies (identified alphabetically) on pages 9 to 13 and accompanying notes (identified numerically) on pages 18 to 25 form an integral part of these financial statements.

Balance Sheet**As at 31 December 2025**

	Notes	2025 £'000	2024 £'000
Non-current assets			
Goodwill	7	4,632	4,951
Property, plant and equipment	8	18,282	25,984
Right-of-use assets	9	8,188	9,962
Total non-current assets		31,102	40,897
Current assets			
Inventories	10	5,122	5,798
Trade and other receivables	11	96,853	71,927
Prepayments		1,411	808
Cash and cash equivalents		1,558	2,750
Total current assets		104,944	81,283
Total assets		136,046	122,180
Equity			
Retained earnings		81,823	63,680
Other reserves	12	805	—
Total equity		82,628	63,680
Non-current liabilities			
Lease liabilities	9	6,419	7,685
Deferred tax	13	591	1,751
Total non-current liabilities		7,010	9,436
Current liabilities			
Trade and other payables	14	27,987	40,701
Provisions	15	2,184	—
Lease liabilities	9	1,685	1,796
Current tax	13	14,552	6,567
Total current liabilities		46,408	49,064
Total liabilities		53,418	58,500
Total equity and liabilities		136,046	122,180

The accounting policies (identified alphabetically) on pages 9 to 13 and accompanying notes (identified numerically) on pages 18 to 25 form an integral part of these financial statements.

The Company has 2 issued and fully paid £1 ordinary shares.

The financial statements were approved by the Board of Directors and authorised for issue on 11 June 2026 and signed on its behalf by:


R L Tubb

Director

11 June 2026

Registered in England and Wales No. 02568507

Statement of Changes in Equity**For the year ended 31 December 2025**

	Note	Share capital £	Owner-Occupied Property FV Reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		2	—	93,275	93,275
Profit for the year		—	—	20,405	20,405
Other comprehensive income		—	—	—	—
Total comprehensive income		—	—	20,405	20,405
Dividends paid	6	—	—	(50,000)	(50,000)
Balance at 31 December 2024		2	—	63,680	63,680
Profit for the year		—	—	38,143	38,143
Other comprehensive income		—	805	—	805
Total comprehensive income		—	805	38,143	38,948
Dividends paid	6	—	—	(20,000)	(20,000)
Balance at 31 December 2025		2	805	81,823	82,628

The accounting policies (identified alphabetically) on pages 9 to 13 and accompanying notes (identified numerically) on pages 18 to 25 form an integral part of these financial statements.

The Company has 2 issued and fully paid £1 ordinary shares.

Notes to the financial statements**For the year ended 31 December 2025****1. Revenue from contracts with customers**

	2025	2024
	£'000	£'000
Revenue from vehicle repairs	352,800	371,857

2. Administration expenses

	2025	2024
	£'000	£'000
Management charge	31,821	38,843
Marketing and administrative expenses	13,104	4,155
Depreciation	4,297	5,309
Impairment of goodwill	319	—
Auditor's remuneration	52	50
Total	49,593	48,357

Management charges

DLIS, a fellow subsidiary, charges the Company on a monthly basis for use of IT, staff costs and other central resources.

Staff costs, number of employees and Directors' emoluments

The Company had no employees during the years ended 31 December 2025 and 31 December 2024 and paid a management charge for services provided by DLIS. The DLIS annual report and financial statements 2025 contains full disclosure of employee benefit expenses incurred in the year, including pensions. The services provided by the Directors of the Company were non-executive in nature and it was not appropriate to allocate their emoluments in respect of services to the Company.

Auditor's remuneration

Fees for audit and non-audit services, included within administrative expenses, were initially borne and subsequently recharged by a related party, DLIS. There were no non-audit services in the year. Fees payable by DLIS to Ernst & Young LLP (2024: KPMG LLP) for the audit of the Company's annual accounts amount to £52,000 (2024: £50,000).

3. Interest income

	2025	2024
	£'000	£'000
Interest received on loans to Group undertakings	2,381	4,256
Total	2,381	4,256

4. Finance costs

	2025	2024
	£'000	£'000
Interest expense on lease liabilities	332	308
Total	332	308

Notes to the financial statements

For the year ended 31 December 2025

5. Tax charge

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

a. Tax (credited)/charged to the statement of profit or loss

i. The total tax (credit)/charge comprises:

	2025 £'000	2024 £'000
Current taxation:		
Charge for the year	14,552	6,567
Over-provision in respect of prior year	(160)	(145)
	14,392	6,422
Deferred taxation:		
Origination and reversal of temporary differences	(1,428)	300
Changes in tax rates or tax laws	—	—
	(1,428)	300
Tax charge for the year	12,964	6,722

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

ii. No unrecognised tax losses, excess management expenses or temporary differences from previous years were used to adjust the current tax credit (2024: None).

iii. Deferred tax charged to the statement of financial performance represents movements on the following items:

The actual income tax charge differs from the expected income tax charge computed by applying the standard rate of UK corporation tax of 25.0% (2024: 25.0%) as follows:

	2025 £'000	2024 £'000
Profit before tax	51,107	27,127
Expected tax charge	12,776	6,782
Disallowable expenses	198	62
Adjustments in respect of prior year	(10)	(123)
Actual tax charge for the year	12,964	6,722
Effective income tax rate	25.4%	24.8%

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

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

6. Dividends

	2025 £'000	2024 £'000
Interim Dividend of £10,000,000 per share paid on 21 May 2025	20,000	—
Interim Dividend of £25,000,000 per share paid on 28 June 2024	—	50,000
	20,000	50,000

7. Goodwill

	2025 £'000	2024 £'000
At 1 January	4,951	4,951
Impairment	(319)	—
At 31 December	4,632	4,951

Notes to the financial statements

For the year ended 31 December 2025

7. Goodwill continued

Goodwill has arisen on acquisition of a number of accident repair networks. No acquisitions were made in the year ended 31 December 2025 or 31 December 2024. Goodwill was impaired by £319,000 in the year ended 31 December 2025, (2024: £nil), following the Company's closure of its Warwick site in the year.

Goodwill is tested for impairment by comparing the carrying value of the CGU to which the goodwill relates to the recoverable value of that CGU. The recoverable amount is the value in use of the CGU unless otherwise stated. Value in use is calculated as the discounted value of expected future profits of each CGU using the Group's strategic plan covering a three year period. The long-term growth rates have been based on gross domestic product rates adjusted for inflation. The risk discount rates incorporate observable market long-term government bond yields and average industry betas adjusted for an appropriate risk premium based on independent analysis.

Key assumptions used in the value in use calculation are presented below:

	Assumptions 2025		Assumptions 2024	
	Terminal growth rate	Pre-tax discount rate	Terminal growth rate	Pre-tax discount rate
	%	%	%	%
All CGUs	1.5 %	8.6 %	1.5 %	14.1 %

Management considers that no reasonably possible changes to the key assumptions would reduce a CGU's headroom to £nil. The discount rate change in 2025 reflects alignment with Aviva's methodology.

8. Property, plant and equipment

	Land and buildings ¹	Vehicles	Computer and other equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2024	3,475	2,870	34,470	40,815
Additions	—	91	5,064	5,155
Disposals	—	(885)	(146)	(1,031)
At 31 December 2024	3,475	2,076	39,388	44,939
Fair value gains	1,073	—	—	1,073
Additions	—	45	1,254	1,299
Disposals	—	(1,918)	(6,922)	(8,840)
At 31 December 2025	4,548	203	33,720	38,471
Accumulated depreciation				
At 1 January 2024	570	1,726	14,062	16,358
Charge for the year	48	811	2,666	3,525
Disposals	—	(782)	(146)	(928)
At 31 December 2024	618	1,755	16,582	18,955
Charge for the year	105	47	7,006	7,158
Impairment	—	161	548	709
Disposals	—	(1,760)	(4,873)	(6,633)
At 31 December 2025	723	203	19,263	20,189
Carrying amount				
At 31 December 2025	3,825	—	14,457	18,282
At 31 December 2024	2,857	321	22,806	25,984

Note:

- Land and buildings includes freehold land and buildings at a cost of £3,293,000 with a carrying amount at 31 December 2025 of £2,875,000 (2024: £2,325,000), and leasehold land and buildings at a cost of £1,255,000 with a carrying value at 31 December 2025 of £951,000 (2024: £532,000).

The useful economic lives of a selection of the Company's assets have been reduced as part of alignment of the Company's strategy and, therefore, accounting estimates, with those of Solus, a fellow Group subsidiary that also provides motor vehicle repair services to Group companies and retail customers, as the Company will look into integrating its operations into Solus's over the next couple of years, thus recognising the resultant impairment in those assets.

Notes to the financial statements

For the year ended 31 December 2025

8. Property, plant and equipment continued

Following its acquisition by Aviva on 1 July 2025, the Company has aligned its accounting policy on valuation of property, plant and equipment to Aviva's policy where owner-occupied property is carried at its revalued amounts with movements recognised in other comprehensive income and equity. Prior to alignment it was stated at cost less accumulated depreciation.

The Company's land and buildings were revalued at the time that its accounting policy was updated, 1 July 2025. All properties were valued by independent third-party valuation. The carrying value of the Company's land and buildings had they been valued under the cost model would have been £2,752,000. The after tax revaluation surplus of the Company's land and buildings was £805,000.

The fair value of owner-occupied property is determined using a market-based approach, reflecting observable market data and adjusted for property-specific characteristics. The fair value measurement is categorised as Level 3 within the fair value hierarchy defined in IFRS 13, as it incorporates unobservable inputs.

9. Lease assets and liabilities

Right-of-use assets

	Land and buildings
	£'000
Cost	
At 1 January 2024	15,669
Additions	2,618
Disposals	(2,631)
At 31 December 2024	15,656
Additions	—
Disposals	(103)
At 31 December 2025	15,553
Accumulated depreciation	
At 1 January 2024	6,541
Charge for the year	1,784
Disposals	(2,631)
At 31 December 2024	5,694
Charge for the year	1,713
Impairment	22
Disposals	(64)
At 31 December 2025	7,365
Carrying amount	
At 31 December 2025	8,188
At 31 December 2024	9,962

The average contract duration at inception for Land and buildings is 10 years (2024: 10 years).

Leases where the Company is a lessee

Lease liabilities total £8,104,000 (2024: £9,481,000). Future contractual aggregate minimum lease payments are as follows:

	2025	2024
	£'000	£'000
Within one year	1,747	1,870
In the second to fifth year inclusive	5,480	5,918
After five years	1,994	3,333
Sub total	9,221	11,121
Less effect of discounting and unearned interest	(1,117)	(1,640)
Total	8,104	9,481

Notes to the financial statements**For the year ended 31 December 2025****9. Lease assets and liabilities** continued**Other lease disclosures**

The following table analyses the amounts that have been included in the statement of profit or loss for leases.

	2025	2024
	£'000	£'000
Depreciation of right-of-use assets	1,713	1,784
Interest on lease liabilities	332	308
Total	2,045	2,092

Total cash outflow in respect of leases was £1,662,000 (2024: £2,039,000).

10. Inventories

	2025	2024
	£'000	£'000
Work in progress	5,122	5,796
Fuel stock	—	2
Total	5,122	5,798

11. Trade and other receivables

	2025	2024
	£'000	£'000
Trade receivables	173	364
Less: expected credit loss on trade receivables	(53)	(92)
Trade receivables due from related parties	9,687	23,278
Accrued income	6,017	9,528
Indirect taxation	665	717
Loans to Group undertakings	80,364	38,132
Total	96,853	71,927

All transactions with related parties are between wholly owned subsidiaries of the Group and there are no special terms and conditions or commitments, or any provision for doubtful debts.

The following table analyses trade and other receivables that were past due at the balance sheet date but not considered to be impaired:

	1 – 29 days	30 – 59 days	60 – 89 days	90 days and over	Total
	£'000	£'000	£'000	£'000	£'000
31 December 2025	—	—	2	44	46
31 December 2024	13	13	6	31	63

The Directors consider that the carrying amounts of all trade and other receivables approximate their fair value.

The trade and other receivables are, with the exception of the above, neither past due nor impaired. All trade and other receivables, with the exception of the above, including amounts due from related parties are considered current. Loans to Group undertakings are repayable on demand.

12. Other reserves

The owner-occupied property fair value reserves represents fair value movements in the valuation of the Company's owner-occupied properties (see note 8).

Notes to the financial statements

For the year ended 31 December 2025

13. Tax assets and liabilities

	2025	2024
	£'000	£'000
Current tax:		
Current tax liabilities	14,552	6,567
Deferred tax:		
Deferred tax liabilities	591	1,751

Current tax

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

Deferred tax

The net deferred tax liability arises on the following items:

	2025	2024
	£'000	£'000
Fair value gains / losses on owner occupied properties	(268)	—
Provisions and other temporary differences	72	—
Accelerated capital allowances	(395)	(1,751)
Total	(591)	(1,751)

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

	2025	2024
	£'000	£'000
Net deferred tax (liability) at 1 January	(1,751)	(1,451)
Charge to Statement of profit or loss	1,428	(300)
Charge to other comprehensive income/equity	(268)	—
Net deferred tax (liability) at 31 December	(591)	(1,751)

14. Trade and other payables

	2025	2024
	£'000	£'000
Trade payables due to related parties	26,575	39,105
Trade creditors and accruals	1,412	1,596
Total	27,987	40,701

Trade payables due to related parties are due within one year. All transactions with related parties are between wholly owned subsidiaries of the Group and there are no special terms and conditions or commitments.

15. Provisions

	Total ¹
	£'000
At 1 January 2024 and 1 January 2025	—
Additional Provision	2,184
At 31 December 2025¹	2,184

Provisions added in the year relate to dilapidations and site exit costs for right-of-use properties that were under lease agreements at the date at which the Company joined Aviva Group.

The amount recorded as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Of the above, £1.9 million (2024: £nil) is due to be settled outside of 12 months.

Notes to the financial statements

For the year ended 31 December 2025

16. Share capital

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

The Company does not have a limited amount of authorised capital.

The Company is a member of Aviva Group whose ultimate parent company is Aviva plc, of which the Company is a subsidiary. Aviva is both the largest and smallest parent company preparing consolidated group financial statements. Aviva's registered address is 80 Fenchurch Street, London, EC3M 4AE.

17. Risk management

The management and monitoring of the Company's risks have been assessed for equivalence with the risk management section within the Aviva annual report and is broadly equivalent. The Directors consider that the levels of financial and non-financial risk associated with the Company's assets and liabilities are appropriate in the context of the nature of the Company's activities:

Credit risk

Credit risk is defined by the Company as; the risk of loss resulting from default in obligations due and/or changes in the credit standing of either issuers of securities, counterparties or any debtors to which the Group is exposed.

The Company is mainly exposed to counterparty default risk with a fellow Group subsidiary, U K Insurance Limited, relating to receivables for repair services. The Company does not consider this a material risk as U K Insurance Limited is a going concern and it would be disadvantageous to the Group to default on any obligations to the Company.

Operational risk

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

Notable sources of operational risk for the Company include:

- Technology and infrastructure: the the risk of disruption to technology services due to poorly designed, implemented and maintained technology, resulting in customer, financial, reputational and/or regulatory impact.
- Change risk: the risk of failing to manage the Company's business change portfolio and associated change initiatives, within the desired scope, time, cost, quality and risk appetite, resulting in a failure to deliver strategic benefits, good customer outcomes and possibly causing business disruption.
- Cyber risk: the risk of loss or corruption of Company or customer data, intellectual property or failure of business-critical systems resulting in reputational damage, regulatory censure, supervisory fines and/or loss of competitive advantage.
- Procurement and outsourcing: the risk of failing to implement a robust framework for the sourcing, appointment and ongoing contract management of suppliers, outsourcers and their relationships.
- Partnership contractual operations: the the risk of contractual obligations not being delivered for business partners resulting in damaged reputation, the loss of contract at renewal, significant liability payments and/or the early termination of a partnership scheme.

The Company has in place agreed policies and standards to establish and monitor key controls relating to operational risk.

Liquidity risk

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

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

Climate change

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

The Company's accident repair centres remain a key area of focus, with the Auto Services Sustainability Programme working to embed a carbon reduction strategy. In the year, the Company has:

- used hydrogenated vegetable oil in our accident repair centres as an alternative fuel for our recovery trucks. This initiative has now been implemented at 95% of the Company's repair centres;
- began installing electrical infrastructure to remove gas from paint spray booths at the Company's sites; and
- generated energy from roof mounted solar at one of its DLG Auto Services sites, providing some of the total electricity used on that site.

Geopolitical tension on financial markets

For the Company, this risk may manifest with a severe deterioration in the market value of assets and financial instruments, a fall in consumer demand, and increased costs. Existing key mitigations include the Company's risk averse investment portfolio and the dedicated Financial Crisis Action Taskforce, successfully deployed to respond to the increased US tariffs. The Company conducts ongoing analysis to monitor exposure to the developing geopolitical environment.

Notes to the financial statements

For the year ended 31 December 2025

18. Events after the balance sheet date

There have been no events that have occurred since the reporting date that would materially impact these financial statements.