

LOOKERS LIMITED
Annual Report and Financial Statements
For the year ended 31 December 2024

THURSDAY



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25/09/2025
COMPANIES HOUSE

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Roy Cui (Canadian)	
Tikendra Patel	appointed 17 December 2024
James Brearley	appointed 23 January 2025
Marcia Campbell	appointed 23 January 2025
Alex Smith	appointed 23 January 2025
Mark Raban	resigned 10 January 2024
Duncan McPhee	resigned 12 February 2024
Kuldeep Billan (Canadian)	resigned 23 January 2025
Jessica Jannarone (Canadian)	resigned 23 January 2025
Steve Kwak (American)	resigned 23 January 2025

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AUDITOR

KPMG LLP
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STRATEGIC REPORT

For the year ended 31 December 2024

The Directors present the strategic report for the year ended 31 December 2024.

Lookers Limited (“the Company”) is a wholly-owned subsidiary of Global Auto Holdings (Topco) Limited (“GAHL”) following the acquisition of Global Auto Holdings plc (“GAHP”), the direct parent of the Company, by GAHL on 31 August 2024. Lookers Limited is the parent company of a group of companies (together “the Group” or “Lookers”). The consolidated financial statements of the Group are presented herein. GAHL also owns subsidiaries in North America and the Nordics which, together with Lookers, make up the Global Auto Holdings Group (“the Global Group”).

Business Model and Strategy

The Group’s principal activities are the sales, servicing, and leasing of motor vehicles.

The Group operates 134 trading locations across the UK and Ireland, including car, van and motorcycle dealerships. Our dealerships offer new car sales, used car sales and aftersales services to retail and commercial customers. The aftersales business is comprehensive, offering servicing, MOT testing, repairs, maintenance and parts.

Included within this footprint is Charles Hurst Ltd, one of Northern Ireland’s leading car dealership brands, which has sites across Northern Ireland and in Dublin, Republic of Ireland.

The Group represents 36 manufacturer brands, covering all aspects of the market from premium and luxury cars to commercial vehicles and motorcycles.

The Group also includes successful fleet, leasing and daily rental businesses providing access to this market across the UK.

The Lookers ambition is to be the number one dealership group in the UK, delivering value for all our stakeholders. The Group aims to grow our sales and servicing volumes, deliver strong margins, achieve high customer satisfaction scores and be the partner of choice for our manufacturer partners.

This ambition will be delivered through:

- Operational optimisation, executing core business disciplines and delivering consistency across all our dealerships
- Leveraging technology, to improve customer experience, productivity and analytical capability
- Expanding brand partnerships via new and existing franchise relationships
- Developing aftersales and ancillary revenue streams
- Maximising our opportunity in the growing fleet and leasing channels, leveraging our well placed position

Business Review

The Group’s key financial and other performance indicators for the year are as follows:

	2024	2023 (restated*)	Change
New vehicle units*	96,819	94,015	3.0%
Used vehicle units	74,996	80,630	(7.0%)
New vehicle revenue (£m)*	2,024.3	2,036.8	(0.6%)
Used vehicle revenue (£m)*	1,667.4	1,875.3	(11.1%)
Finance and insurance revenue (£m)*	55.4	61.0	(9.2%)
Aftersales revenue (£m)	382.6	380.8	0.5%
Leasing and other revenue (£m)	165.6	139.3	18.9%
Total revenue (£m)*	4,295.3	4,493.3	(4.4%)
Gross profit (£m)*	561.8	559.6	0.4%
Underlying profit before tax (£m)	58.4	37.8	54.5%
Profit/(loss) before tax (£m)	43.7	(1.8)	2,527.7%

*See note 32 for details of restatement.

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Business review (continued)

The Group delivered a 55% growth in underlying profit before tax in the first full year following a transition to new ownership in October 2023.

2024 was the first full year since 2019 without the influence of lockdowns or vehicle supply constraints from semiconductor shortages, with such constraints fully easing through the second half of 2023, influencing both new and used vehicle sales prices as we moved into 2024. This, combined with economic pressures dampening consumer confidence, led to an overall reduction in revenue from the prior year of 4.4%.

New vehicle volumes grew 3.0%, driven by sales of lower average selling price fleet and Motability vehicles, leading to a slight reduction in new vehicle revenue of 0.6% and a decrease in gross margin from 7.7% to 7.4%.

The Group's used vehicle volumes decreased 7.0% against prior year as free supply returned to the new vehicle segment. This, combined with lower average selling prices, led to a reduction in used vehicle revenue of 11.1%. Despite a decrease in average selling price, gross margins remained resilient, increasing from 5.2% to 5.6%.

Aftersales continued to be a stable source of revenue and profit, with 2024 seeing 0.5% revenue growth.

Operational efficiency and cost saving initiatives led to a reduction in underlying operating costs of £21m, which, combined with an increase in gross profit of £2m and increased finance costs of £2m, grew underlying profit before tax compared to prior year by £21m.

The Group saw a cash inflow from operating activities of £106.8m, an improvement of £18.1m compared to an operating cash inflow of £88.7m in 2023. In total, 2024 saw a cash outflow of £10.5m, compared to an outflow of £43.2m in 2023, the reduction in outflow being driven by growth in operating cash generation, lower capital expenditure and higher property disposal proceeds. The Group made ongoing pension scheme contributions totalling £17.3m (2023: £16.9m) which, combined with fair value movements in plan assets and liabilities, led to an increase in the overall pension surplus of £12.8m.

A new Executive Management team has been formed through 2024 and 2025 including a new Chair appointed in January 2025, Managing Director (July 2024, Board appointed January 2025), Chief Financial Officer (November 2024) and Chief Information Officer (February 2025). In addition, two independent non-executive directors were appointed to the Board.

This new management team is now focused on building on the momentum achieved through 2024.

In early 2025, an agreement to roll out the Pinnacle Dealer Management System across all dealerships was reached with Pinewood.AI. This is an industry leading system that will allow the Group to offer an improved experience for customers whilst delivering improved efficiency across dealerships.

STRATEGIC REPORT
For the year ended 31 December 2024
Risk Overview and Management

As part of the normal course of business the Group is exposed to a range of risks. The identification and management of those risks is integral to achieving our strategic priorities. The Board expects the management team to own the risk management process, identify emerging risks, maintain ongoing dialogue with the business and other stakeholders, and provide management information to the Executive Committee (consisting of the Group's Chair, MD, CFO, CIO, CPO and General Counsel) and the Board.

Lookers applies a "three lines of defence" governance model across the Group. The principal aim of this model is to ensure that the Group exercises ownership of risk in the first line business functions, and independent oversight and challenge of those risks and their management by its second line departments (Risk and Compliance). Internal Audit (the third line) are in place to provide independent assurance to the Board of the effectiveness of our controls.

The following tables give an overview of the Group's principal risks and their impact, aligned to the corresponding controls and mitigating actions.

Strategic Risk: "The risk of not meeting strategic and business objectives caused by poor decision making including a failure to adapt to external considerations such as economic, competitor, regulatory and environmental factors; and/or caused by suboptimal strategic implementation and internal management".			
No.	Risk Summary	Impact	Mitigation
1	<p>External risks include:</p> <ul style="list-style-type: none"> • Economic factors potentially leading to increases in interest rates and cost challenges. • The disruption to the market by the emergence and adoption of electric vehicles and its impacts on the existing business model. • Changes in trade agreements and the increase of import tariffs could raise the cost of vehicles and parts. <p>Internal risks include:</p> <ul style="list-style-type: none"> • Failure to recruit and retain appropriate talent to manage the business. 	<ul style="list-style-type: none"> • Economic factors could impact consumer confidence and subsequently their propensity to buy. • Product mix that fails to reflect consumer demand for greener vehicles and lower demand for ICE vehicles could impact revenue and profits. • Higher tariffs may reduce margins, disrupt the supply chain, and make pricing less competitive, potentially impacting both sales volume and profitability. • A lack of skilled and talented management could lead to failing to meet strategic objectives. 	<ul style="list-style-type: none"> • We closely manage the delivery of our strategic priorities and organisational change programmes. This includes dedicated oversight via the Executive Committee (ExCo). • We mitigate economic risk by managing a balanced portfolio of new vehicle sales, used vehicle sales, and aftersales across a broad range of manufacturers; continually optimising our dealerships and operating model. • We closely track our performance against strategic objectives allowing dynamic adjustments to be made to inventories, pricing, and procurement processes, in order to respond to market forces. • We focus on targeted recruitment, active succession planning, and professional development across the Group. Recent appointments of experienced ExCo members also reinforces leadership capabilities.

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Risk Overview and Management (continued)

Financial Risk: "The risk of unexpected monetary loss, asset impairment, insufficient financial liquidity, failure to meet external reporting obligations and potential for material misstatement in the financial statements of the Group. Such risks may affect the valuation of the business and impact the ability of the business to meet its liabilities as they fall due".			
No.	Risk Summary	Impact	Mitigation
2	<p>Financial risks include:</p> <p>Liquidity & Funding Risk: the risk that Group is unable to meet its objectives as a result of a lack of funding availability.</p>	<ul style="list-style-type: none"> • Failure of cash management to ensure all financial obligations are met when they fall due or failure to fund the future needs and growth of the business. • Failure of the Group to secure bank funding and vehicle financing arrangements leading to a reduction in profitability. • Reputational damage with external stakeholders. 	<ul style="list-style-type: none"> • Effective from 28 February 2025, the Group has access to a \$340m (£271.8m) revolving credit facility for general borrowing needs. • The Group's revolving floor plan facilities have a combined limit of £1,139m.
	<p>Financial Control Risk: the risk that Group operates sub-optimal financial processes that do not deliver consistent outcomes.</p>	<ul style="list-style-type: none"> • Inconsistent processes could impact Group's ability to meet reporting deadlines. • Potential for financial misstatement. • Reputational damage with external stakeholders. 	<ul style="list-style-type: none"> • A set of clear finance policies has been developed setting the minimum standards in line with the Board approved appetite. • Mandates have been defined and issued. • We have established robust objectives, key results, and responsibilities within the finance function to strengthen oversight and deliver consistent, high-quality financial reporting. • There is an ongoing group-wide initiative to harmonise processes and systems, improving standardisation and reducing the risk of inconsistent outcomes across all operating divisions. • Finance risks and controls are subject to review in line with the risk management framework.
	<p>Pension Risk: the risk that the Group does not adequately manage the defined benefit pension liabilities or fails to manage the funding of its pension schemes.</p>	<p>Failure to manage the pension scheme funding position effectively could lead to additional or unplanned contributions, increase pension costs, and potentially harm the Group's credit profile or financial flexibility.</p>	<ul style="list-style-type: none"> • We maintain a good relationship with the pension trustees and keep both the trustees and regulator informed regarding any relevant business updates. • We regularly review investment performance and the defined benefit pension liability. The investment strategy is designed to ensure that assets move in sympathy with liabilities given changing market conditions (interest rates and inflation expectations). The assets held are also well diversified reducing the impact of market volatility.

STRATEGIC REPORT (continued)
 For the year ended 31 December 2024
 Risk Overview and Management (continued)

Financial Risk: "The risk of unexpected monetary loss, asset impairment, insufficient financial liquidity, failure to meet external reporting obligations and potential for material misstatement in the financial statements of the Group. Such risks may affect the valuation of the business and impact the ability of the business to meet its liabilities as they fall due" (continued)			
No.	Risk Summary	Impact	Mitigation
	<p>Information Security Risk: the risk that operations are susceptible to disruption following unforeseen events such as cyber incidents or extreme business continuity scenarios.</p>	<p>A cyber-attack could result in operational disruption, customer and colleague impacts, unforeseen costs, regulatory intervention, and reputational damage with external stakeholders.</p>	<ul style="list-style-type: none"> • Global Group-wide expertise and best practices can be drawn on for guidance or specialised support, ensuring a consistent standard of resilience across the Global Group. • <i>Control maturity is measured against the NIST Cyber framework and reported to the Board.</i> • Managed Detect & Respond (MDR) and Endpoint Detection & Response (EDR) systems are fully operational across different divisions, providing continuous cyber defences; supplemented by Cyber Security incident response services to support our reaction to significant events. • A package of cyber insurance is in place. • Backups are ransomware proof, enhancing resilience. It is the Boards agreed policy not to pay ransom demands. • We ensure controls are commensurate with evolving external threats through a process of ongoing review. • The Group maintains Cyber Essentials certification

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Risk Overview and Management (continued)

Operational Risk: “The risk of loss as a result of inadequate or failed internal processes, people, systems, resulting in the non-compliance of operations with regulatory and legal requirements”. Operational Risk is the risk that occurs when running an operational business, as such it is divided into a number of Level 2 Risks:			
No.	Risk Summary	Impact	Mitigation
3	Health & Safety Risk: the risk to the health, safety or wellbeing of any person, or non-compliance with health and safety legislative requirements, caused by a lack of governance, risk management, or application of appropriately defined safe working processes and procedures.	The Group fails to meet Health and Safety Executive (HSE) legislation leading to the risk of personal injury and/or fines and legal action.	<ul style="list-style-type: none"> • We operate a robust health and safety system to ensure compliance with HSE legislation. • We ensure that incident reporting including lessons learnt exercises take place to meet health and safety obligations. • We undertake independent health and safety reviews with Board oversight of the findings.
	Data Privacy Risk: the risk that Group operates ineffective and non-compliant data processing activities.	The potential for unlawful processing/handling of customer data and the increased risk of poor customer outcomes, increased complaints, regulatory intrusion and ICO fines.	<ul style="list-style-type: none"> • We maintain group-wide data protection policies and provide ongoing training to employees to ensure compliance with relevant regulations. Responsibilities for data privacy are embedded within each business unit, supported by clear reporting lines and escalation procedures for any suspected breaches or data subject requests. • Robust processes are in place to identify and react to potential data breaches and data complaints and requests.
	Change Risk: the risk that a significant volume of organisational change programmes create a burden on the Group's operations, or that the change programmes fail to be implemented.	<ul style="list-style-type: none"> • This could result in management and resource stretch • Project activity is not delivered to budget. • Projects, if not closely governed, could fail to deliver the anticipated benefits or introduce additional risk into the business. 	<ul style="list-style-type: none"> • Senior leadership monitors major initiatives to ensure alignment with strategic goals and timely course correction where needed. We track project milestones and outcomes to manage budgets and address emerging risks promptly.
	Information Security Risk: the risk that the Group fails to develop, deploy, and maintain technology solutions that are stable, reliable and that deliver to business need.	<ul style="list-style-type: none"> • A failure to identify, manage and report on our IT risk could result in being unable to meet our current and future business objectives, or keep pace with technological change. • It could also result in a logistical crisis or an inability to recover from a significant failure. 	<ul style="list-style-type: none"> • A common set of Global Group-wide standards guides cybersecurity, resilience, and technology investments. • Enhanced backup and recovery solutions, combined with ongoing monitoring, help maintain continuity and reduce the impact of system outages.

STRATEGIC REPORT (continued)
 For the year ended 31 December 2024
 Risk Overview and Management (continued)

Regulatory & Conduct Risk: "The risk that the Group fails to identify all applicable regulatory rules and requirements and does not implement and monitor the systems and controls to adequately manage the associated risks on an ongoing basis".			
No.	Risk Summary	Impact	Mitigation
4	<p>Regulatory Risk: the risk that the Group fails to identify all applicable regulatory rules and requirements - such as evolving guidance on discretionary commissions in motor finance - and does not implement and monitor the systems and controls to adequately manage the associated risks on an ongoing basis.</p>	<p>A failure to effectively manage this risk could result in regulatory sanction, financial loss or restriction of the Group's regulatory permissions.</p>	<ul style="list-style-type: none"> • Senior leadership receive periodic updates on key regulatory developments and oversee timely implementation of necessary controls. • Staff in relevant functions receive ongoing training to support understanding and compliance with new and existing regulations. • Foster a culture of integrity and ethical behaviour through group-wide policies, codes of conduct, and leadership tone from the top. • Training and awareness programs ensure staff understand their responsibilities in treating customers fairly and complying with all relevant conduct requirements. • The operating units have clear reporting channels and a confidential whistleblowing system to encourage staff to raise concerns without fear of reprisal. • Periodic reviews of sales and customer processes help identify and address any conduct-related gaps or weaknesses. • We actively engage with industry bodies and regulatory consultations, staying informed of relevant legal precedents and best practices. Clear disclosures ensure customers understand any commission structures, supporting a transparent sales process.
	<p>Conduct Risk: the risk that the Group, both as an organisation and individuals, fails through its actions and behaviours to deliver fair customer outcomes.</p>	<ul style="list-style-type: none"> • A culture that does not put the customer at the heart of everything we do. Ineffective governance and monitoring arrangements leading to unfair customer outcomes. • We fail to protect our customers and our business from breaching obligations designed to prevent and deter the risk of financial crime, including internal and external fraud against the Group or its customers. 	
	<p>Supply Chain Risk: The risk that key suppliers experience operational disruption, adopt unethical practices, or fail to meet sustainability expectations, leading to shortages of critical inventory, reputational damage, or non-compliance with emerging regulations.</p>	<p>Supply chain breakdowns or unethical supplier conduct may delay product availability, harm customer relationships, cause financial losses, and result in reputational harm if the Group is associated with suppliers acting contrary to environmental, social, or governance standards.</p>	<ul style="list-style-type: none"> • We maintain robust, collaborative relationships with our key suppliers to foster early warning and resolution of potential disruptions. • Inventory levels and alternative sourcing options are monitored to safeguard continuity of supply.

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Non-Financial and Sustainability Information (AFSI) Statement

This climate disclosure is prepared in compliance with the mandatory reporting requirements of the Climate Related Financial Disclosure (CFD) regulations under the Companies (Strategic Report) Regulations 2023.

The Lookers' risk management process has incorporated climate risk by introducing a 4-step approach, which includes identifying climate risks; measuring them using climate scenario analysis; assessing this against our present risk mitigation measures; and continuing to monitor these risks.

In 2024, Lookers maintained its framework for the identification, assessment and management of climate-related risks and opportunities. In 2022 Lookers undertook detailed climate scenario analysis, this included climate scenario analysis on a selection of our sites and improved the granularity of our climate risk register. This work is used as the baseline for the 2024 disclosures.

Governance

To ensure that appropriate climate management practices are included in our future business operations and financial strategy, the Lookers Executive provides oversight on climate-related risks and opportunities, reviewing the risks annually. The Lookers Executive oversees sustainability and communicates with stakeholders, the Board, and management about climate-related matters periodically. Lookers' Head of Enterprise Risk oversees the assessment and monitoring of climate-related risks.

Risk management

In 2021, the Group established a climate risk register for the first time. In 2022 and 2023 we expanded this register, improving the granularity of these risks and allowing us to consider further implications of climate change and ensure we are addressing these (where possible). There have been no changes to the climate risk register in 2024.

The Lookers' risk management process incorporates a four-step approach as established in 2022. This is set out below:

1. **Identify** - Numerous internal stakeholders were engaged to assess the materiality of previously identified climate-related risks, and to identify any further risks for consideration.
2. **Measure** - A third-party ESG consultant was engaged to undertake a climate scenario analysis in 2022. They facilitated climate risk management workshops, with various internal stakeholders, which were used to support this analysis. During these workshops, we determined the rating of each risk using established thresholds from the risk management framework.
3. **Manage** - After reviewing each risk's potential effects, we evaluated a variety of risk management approaches. For each risk and opportunity related to climate change, we assessed the effectiveness of the present risk mitigation measures. To ensure that our business processes are climate change resistant, we created a framework for managing climate risk.
4. **Monitor and Report** - We have implemented mitigation measures (where necessary), to lower the impact of climate change on our business. Each year we will review the climate-related opportunities and risks, assess the effectiveness of our mitigation strategies, and re-evaluate the impact, as necessary. We will ensure that the climate risks and opportunities are appropriately assessed, reported, and tracked.

Strategy and resilience

The Group acknowledges that climate change could affect our strategic aims, but our operations, business model and strategy aim to minimise the impact of climate-related risks. We have selected the below scenarios as basis for our assessment to enable us to explore a broad range of climate futures, each with distinct risks and opportunities, with each one being explained in further detail in the table below. The three scenarios broadly align with widely used Global Scenario Frameworks – IPCC SSP1-1.9/NGFS Net Zero; IPCC SSP2-4.5/NGFS Delayed/Current Policies; and IPCC SSP3-7/NGFS Hot House World – therefore, we deem them an appropriate base for our scenario analysis. In the following climate risk tables, we have assessed the impact of risks with the highest probability/impact rating in our risk matrix. No risk has been assessed as having a high risk-rating. All risks have been assessed as moderate, whereby some adaptation to operations might be required. As noted above, these risks will be reassessed in 2025 to ensure they capture all facets relevant to the Group. We believe the Group is resilient to climate-related risks.

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Non-Financial and Sustainability Information (AFSI) Statement (continued)

Climate scenarios

We have conducted scenario analysis in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to evaluate the potential financial impacts of various climate-related scenarios:

Scenario	Description
Below 2°C by 2100	<ul style="list-style-type: none"> Proactive climate change mitigation initiatives are taken as governments, businesses and the public work cohesively to achieve Net Zero and limit global warming to under 2°C by 2100. This consistent strategy for addressing climate change will increase costs for organisations, increasing the transition risks to the desired low-carbon economy, but the physical impacts will be limited.
2-3°C by 2100	<ul style="list-style-type: none"> A delayed response to climate change, will lead to the unanticipated deployment of measures to reduce global emissions. The COP26 policies and accords are associated with this scenario. Business as usual (BAU) continues in the short term, but due to the delayed response, transition risks are higher, and there are certain physical risks in the medium term.
Above 3°C by 2100	<ul style="list-style-type: none"> In this worst-case scenario, limited action is taken to address climate change, and BAU is maintained over the next few decades. The increase in global emissions through 2040, will result in multiple climate tipping points being reached. Therefore, physical risks will be at their greatest impact.

Further to the above, climate scenarios have been assessed over the below timeframes:

- Short-term (2025-2026) – 1 year – aligns with sales cycles, inventory turnover and short-term financing. Transition risks like new fuel efficiency regulations or EV incentives may start to impact customer demand.
- Medium-term (2027-2035) – 2-10 years – captures the shift in customer preferences (e.g. towards EVs), increased manufacturer pressure, and local infrastructure changes.
- Long-term (2036-2050) – 10+ years – covers broader changes in the automotive ecosystems such as the electrification of fleets and increased physical climate risks (e.g. weather-related disruptions to supply chains or dealership facilities).

Outlined below are the potentially material climate-related risks and opportunities which were reassessed by the Group. The materiality assessment was performed in line with the Group's Enterprise Risk 5x5 Impact and Probability Matrix. Risks have been considered under all 3 climate scenarios, but only the scenario(s) with highest score on that matrix are noted below. The climate-related risks have not yet been fully integrated with the Group's risk register; the process of doing so is ongoing.

Area	Transitional Risk	Time horizon and scenario	Impact and rating	Metric
Regulation & Legislation	<p>Increased reporting requirements and adverse vehicle or energy regulation due to climate change</p> <p>The Group is impacted by government regulations introduced to reduce energy use and emissions. As reporting requirements increase, the costs and resources required to ensure the Group remains compliant with additional motor vehicle and climate change reporting are likely to increase. We allocate internal resources and have engaged with a third-party specialist, <i>Inspired ESG</i>, to ensure compliance with current and emerging regulations.</p>	<p>Medium-term (2027-2035)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Increased operating costs</p> <p>Moderate</p>	<p>Annual cost (£) of internal resources used to monitor climate legislation and compliance.</p>

STRATEGIC REPORT (continued)

For the year ended 31 December 2024

Non-Financial and Sustainability Information (AFSI) Statement (continued)

Area	Transitional Risk	Time horizon and scenario	Impact and rating	Metric
Regulation & Legislation (continued)	<p><u>Carbon pricing mechanisms</u></p> <p>In the medium term, a potential carbon tax within the UK may be introduced for our industry, which could increase vehicle manufacturing and transportation costs. It would be the highest impact under the 2°C-3°C scenario. Failure to prepare could impact the financial performance of the business. Our carbon emissions will decrease year on year, as we work towards understanding and reducing our carbon footprint. We aim to mitigate the impact of carbon pricing on our operations, by exploring the possibility of installing solar PV at our sites.</p>	<p>Medium-term (2027-2035)</p> <p>2°C-3°C</p>	<p>Increased direct costs</p> <p>Moderate</p>	<p>An internal carbon price will be calculated within two years.</p>
	<p><u>Government Zero Emission Targets</u></p> <p>The UK government's regulatory framework will require that 80% of new cars and 70% of new vans sold in Great Britain to be zero emission (in use) by 2030, increasing to 100% by 2035. The government's mandate sets minimum annual targets that will rise each year up to 100% by 2035. This framework will drive manufacturer and consumer behaviours. Through this period Lookers will continue to monitor and respond to government requirements and it will actively engage with its OEM partners to ensure a smooth transition.</p>	<p>Short-term (2025-2026)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Increased operating costs and reduced aftersales revenue</p> <p>Moderate</p>	<p>Annual revenue (£) relating to aftersales servicing</p>
Reputational	<p><u>Loss of revenue linked to damaged reputation</u></p> <p>Reputational damage from a customer perspective could be material and significantly affect the Group's financial performance. Customers could switch to our competitors should they perform better in relation to ESG and sustainability. We have allocated sustainability resources to ensure compliance and best practice.</p>	<p>Short-term (2025-2026)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Loss of revenue</p> <p>Moderate</p>	<p>We constantly review press reports and social media commentary.</p>
Technology Risks	<p><u>The operational impact of the shift to lower emissions alternatives & BEVs</u></p> <p>Shifting our product range to BEVs will be a gradual process until 2035. The demand for BEVs remains volatile across different brands. While we are prepared for this change from a sales perspective, we are aware of the impact this will have on aftersales revenue. BEVs have fewer parts, use fewer fluids and do not possess exhaust systems. We expect aftersales revenue opportunities to decrease as demand for BEVs increases. However, BEVs will still need to be serviced and repaired by highly trained technicians, with similar servicing schedules to ICE engines. We can take advantage of this BEV specialisation over our independent competitors, who may need more preparation time to deal with widespread BEV servicing demands (refer to opportunity two).</p>	<p>Short-term (2025-2026)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Increased operating costs and reduced aftersales revenue</p> <p>Moderate</p>	<p>Annual revenue (£) relating to aftersales servicing</p>
	<p><u>Costs to transition to lower emissions technology and BEVs</u></p> <p>The BEV market remains volatile. It is anticipated that newer sustainable technology will come onto the market over the coming years. However, we expect changes to occur gradually over time. As we aim to reduce our carbon emissions, we may need to invest in lower-emission technology, including but not limited to the transition to BEVs, resulting in increased costs for the Group. This includes the capital expenditure cost of electrifying our own estate including the installation of charging points, substations, transformers and complex service equipment. Current technicians will need to be retrained in electrification conversion courses at an additional cost to the Group. Timing the BEV transition is crucial, moving too quickly could result in impairment of assets, whilst moving too slowly could damage our market share.</p>	<p>Short-term (2025-2026)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Increased operating costs and reduction in total revenue</p> <p>Moderate</p>	<p>Annual cost (£) associated with training technicians for BEV servicing.</p> <p>Annual cost (£) associated with installing BEV infrastructure, such as charging points.</p>

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Non-Financial and Sustainability Information (AFSI) Statement (continued)

Area	Physical Risk	Time horizon and scenario	Impact and rating	Metric
Acute	<p><u>Increased severity of flooding</u></p> <p>Ten of our UK sites are located near water bodies and are considered at high flood risk. This may result in direct damage to our assets and transport networks, resulting in increased costs and operational delays. We ensure that we are comprehensively covered by insurance and have a business continuity framework, which includes site-specific crisis management plans to mitigate the impact of a flooded site.</p>	<p>Medium-term (2027-2035)</p> <p>2-3°C; above 3°C</p>	<p>Increase direct costs</p> <p>Moderate</p>	<p>Value (£) of key site assets located within flood risk zones.</p> <p>Annual flood insurance premiums for sites.</p> <p>Annual maintenance costs due to damage from floods and storms.</p>
	<p><u>Increased heatwaves and extreme heat</u></p> <p>The frequency and intensity of heatwaves could potentially rise with climate change. This might lead to increased demand for cooling. To date the estate has not suffered any business disruption from heat waves. However, if heatwaves increase in frequency and intensity, it could create more of a risk to our business in the longer term. The health and wellbeing of colleagues and customers is always the overriding priority.</p>	<p>Medium-term (2027-2035)</p> <p>Above 3°C</p>	<p>Increase direct costs</p> <p>Moderate</p>	<p>Energy use (KWh) and associated costs (£) from periods of extreme heat.</p>

Area	Opportunity	Time horizon and scenario	Metrics
Market	<p><u>Consumer demand shifting to BEVs</u></p> <p>The switch to BEVs presents a significant potential opportunity for primary sales. Our main goal is to establish a competitive position in the BEV market and successfully address technological risks to generate revenue. BEVs manufactured in Europe are currently more expensive than their ICE equivalents, resulting in a gap in the market for affordable, mid-range BEVs. Chinese manufacturers, which can produce BEVs and batteries more cheaply, can potentially fill this gap, subject to prevailing tariff arrangements. The Group continues to monitor this transition, to be ahead of the curve as demand increases.</p>	<p>Medium-term (2027-2035)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Percentage of revenue linked to BEVs.</p>
	<p><u>Increased demand for BEV servicing</u></p> <p>With the shift to BEVs, our dealerships will have specialist capabilities to service and repair BEVs, whereas smaller independent garages may not have these capabilities. The consumer shift to BEVs will put the Group in a critical position to capitalise on BEV aftersales opportunities. Ensuring the technicians at our dealerships have the expert knowledge and training required, to deliver exceptional BEV servicing will be essential to the Group becoming industry leaders in this area.</p>	<p>Medium-term (2027-2035)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Percentage of aftersales servicing linked to BEVs.</p>

STRATEGIC REPORT (continued)
 For the year ended 31 December 2024
 Non-Financial and Sustainability Information (AFSI) Statement (continued)

Area	Opportunity	Time horizon and scenario	Metrics
Resource Efficiency	<p><u>On-site renewable energy</u></p> <p>Mitigating carbon pricing through investing in renewable energy is an opportunity. By installing renewable solar PV at our sites, energy costs can be further reduced.</p>	<p>Short-term (2024-2025)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Annual energy generation potential (KWh) from on-site renewable energy schemes.</p>
	<p><u>Energy efficiency in operations</u></p> <p>Investment in resource efficiency will lower energy intensity and lead to <i>cheaper and more consistent operating costs, enhancing operational efficiency</i>. This will be accomplished by decreasing energy, water, and waste across the Group. The power needed for our workshops, heating, ventilation, air conditioning, and lighting are the primary energy users on the sites.</p>	<p>Short-term (2024-2025)</p> <p>Below 2°C; 2°C-3°C</p>	<p>Annual percentage change in Scope 1 and 2 emissions.</p>

Metrics and targets

The climate risk register in the above tables outlines the metrics/ KPIs the Group intends to use to monitor and measure its climate-related risks and opportunities, although this is subject to review as the Group grows and matures. We aim to collect this data within the next two years and thereafter report annually on the development of each climate risk against the metrics/ KPIs identified. The Group has not yet set targets for decarbonisation and as such we have not included them in this report.

Streamlined Energy and Carbon Reporting (SECR)

The below tables set out the Group's emissions data for 2024.

Utility and Scope	2024 Emissions	2023 Emissions
	(tCO ₂ e)	(tCO ₂ e)
	Location-based	Location-based
Scope 1 Total	15,378.13	17,249.71
Gaseous and other fuels	4,794.89	4,865.66
Transportation	10,583.24	12,384.05
Scope 2 Total	6,298.34	6,174.07
Grid-supplied electricity	6,282.22	6,160.62
Transportation	16.12	13.45
Scope 3 Total	44.95	71.77
Transportation	44.95	71.77
Total	21,721.42	23,495.55

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Non-Financial and Sustainability Information (AFSI) Statement (continued)

Utility and Scope	2024 Consumption (kWh)	2023 Consumption (kWh)
Scope 1 Total	72,186,119	80,029,150
Gaseous and other fuels	25,670,884	26,036,140
Transportation	46,515,234	53,993,010
Scope 2 Total	30,243,806	29,787,128
Grid-supplied electricity	30,165,941	29,722,169
Transportation	77,865	64,959
Scope 3 Total	198,010	313,187
Transportation	198,010	313,187
Total	102,627,935	110,129,465

	2024	2023
Location-based tCO ₂ e per turnover	5.02	5.11
Market-based tCO ₂ per turnover	4.52	4.76

SECR Methodology

This report (including the Scope 1, 2 and 3 consumption and CO₂e emissions data) has been developed and calculated using the GHG Protocol – a Corporate Accounting and Reporting Standard, GHG Protocol – Scope 2 Guidance, and Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance.

Government Emissions Factor Database 2023 version 1.1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for reporting period 1 January 2024 to 31 December 2024.

Estimations were undertaken to cover missing billing periods for properties directly invoiced to the Group. These were calculated on a kWh/day pro-rata basis at meter level.

For properties where Lookers is indirectly responsible for utilities (i.e., via a landlord or service charge), the median consumption for properties with similar operations was calculated at meter level and applied to the properties with no available data.

These full-year estimations were applied to 6 electricity supplies and 7 gas supplies. All estimations equated to c3% of reported consumption. Intensity metrics have been calculated using total tCO₂e figures and revenue as the selected performance indicator. A third party, Inspired PLC, use the Company's data to calculate emissions, but no formal assurance is provided.

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Section 172 statement

The Directors have regard to their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, consider (amongst other matters): (i) the likely consequences of any decision in the long term; (ii) the interests of the Group's employees; (iii) the need to foster the Group's business relationships with suppliers, customers and others; (iv) the impact of the Group's operations on the community and the environment; (v) the desirability of the Group maintaining a reputation for high standards of business conduct; and (vi) the need to act fairly as between members of the Group.

The Board understands that the long-term prosperity and success of the Group is dependent on understanding and respecting the views and needs of our stakeholders. Depending on the subject matter, the relevance of each stakeholder group during decision making may differ and decisions will not always result in a positive outcome for all stakeholders. But, through engagement with our key stakeholders we are able to make better decisions on the issues that impact them to promote the long-term success of the Group.

The Group's stakeholders include our customers, our employees, our OEM brand partners, our suppliers, our financing partners, the wider community, and our shareholder.

The ability to engage effectively with our stakeholders and understand their expectations and the impact of the Group's operations and decisions on these groups is critical to the success of the Group. The tables on pages 15 to 17 provide details on the engagement processes and outcomes during 2024.

The tables below provide key information on principal decisions taken by the Board in 2024 and demonstrate the considerations given to the impact on various stakeholder groups during the Board's decision-making process.

Customers

Engagement method	2024 outcomes
Manufacturer feedback, customer satisfaction measures and manufacturer balanced scorecard metrics	We monitor manufacturer feedback, customer satisfaction measures and manufacturer balanced scorecards as a way of rating performance for many key business metrics, including customer satisfaction, sales and aftersales performance and profitability.
Reputation.com performance scoring	Through partnering with Reputation.com we receive responses from thousands of customers about our service. In 2024 68 of our dealerships achieved a score of over 800 and 3 achieved a score of over 900.
Online surveys	As well as providing us a score, the Reputation.com platform allows customers to provide feedback on their experiences with us, which if they select the option to publish on Google is available to other potential customers. We use this feedback as a way of understanding our strengths and weaknesses, mainly at location level in order to understand the specific concerns of our customers.
Mystery shopping exercises and quality assurance scores	We undertake mystery shopping exercises, varying the methodology to imitate customer behaviour, and review quality assurance scores to gain insights into the sales process and ensure that we are obtaining good customer outcomes.
Retail website	Our retail website provides a mechanism for customers to contact us on any matter such as queries or complaints.
Board and management priorities	
<ul style="list-style-type: none"> • The importance of transparency and a culture of treating customers fairly and behaving ethically. • A reputation for excellent customer service, trust in us and a fantastic customer experience. Our ethos of "Customers for Life" embodies this. • Training and development of staff is a key element to deliver this experience. All staff are provided with training on the customer experience. 	
Board oversight during 2024	
The Board received internal and external data on customer satisfaction and complaints metrics and discussed issues with management to improve customer outcomes and ensured corrective action was taken promptly if necessary. Data on customer satisfaction and complaints helps shape Board decisions.	

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Section 172 statement (continued)

Shareholders

The Group's ultimate shareholder is solely Kuldeep Billan, the Global Group's Executive Chairman. Mr. Billan is directly involved in the Group's strategy.

OEM brand partners

Engagement method	2024 outcomes
Regular meetings between executives and representatives of our brands	We held regular meetings with our brand partners to engage them on industry matters (e.g. moving to EVs), brand-specific developments and Group developments.
Feedback from the Franchise Directors	Our Managing Director uses various communication channels to engage with the Operations and Franchise Directors who have more day-to-day operational contact with our OEM brand partners and provide useful insight to guide strategy.
OEM performance metrics	Performance of the dealerships is measured via balanced scorecard metrics. We receive balanced scorecard performance information from a number of our OEM brand partners.
Meetings with potential OEM brand partners	For established OEMs we have devised a matrix scoring system looking at several areas of published performance and align the top brands to our acquisition strategy, the core of which is "right brands in the right locations". For OEMs that are new to the UK market, we concentrate on those with a strong reputation in EV technology. Engagement with new brands comes as a result of direct approach either from us or them and as a result of Lookers reputation and networking.
Board and management priorities	
<ul style="list-style-type: none"> • Our OEM brand partners are clearly central to our strategic aims and as such our senior management team work closely with them to ensure a close and continuous dialogue. • Appropriate maintenance of our dealership premises is important to our OEM brand partners. It is also important to us to ensure that they are safe for our people and our customers. 	
Board oversight during 2024	
<ul style="list-style-type: none"> • The Board received regular updates from the MD which included details on performance metrics and balanced scorecard ratings and how management uses this data to improve processes and dealership KPIs. • Any dealership health and safety review concerns were reported to the Board, which monitors the progress of resolving any issues of concern. 	

Suppliers and financing partners

Engagement method	2024 outcomes
Meetings	We held meetings with our key suppliers and our financing partners throughout the year to inform them of important changes to the Group, and to discuss any relevant regulatory changes or developments.
Supplier code of conduct	Our code of conduct for the supply of indirect goods and services clarifies our expectations and the minimum requirements expected of our indirect supply chain regarding their employment conditions, corporate social responsibility, sustainability, and environment.
Board and management priorities	
<ul style="list-style-type: none"> • Our key supplier relationships are critical to support the business in achieving its strategy and to allow us to operate efficiently. • Our financing partners are crucial in providing the liquidity for our day-to-day operations as well as supporting the long-term success of the Group. 	
Board oversight during 2024	
The Board were kept abreast of any significant issues.	

STRATEGIC REPORT (continued)
For the year ended 31 December 2024
Section 172 statement (continued)


Employees

Engagement method	2024 outcomes
Cultural leadership	We encourage and nurture a culture that is open and supportive and are committed to high levels of engagement with our people. We have a variety of Group policies that set out the standards expected from our employees and what our employees can expect from the Group.
Executive team updates and briefings	A series of roadshows were run at different sites to keep our people up to date on important information, provide thanks for their contribution, receive feedback and answer any questions to support and foster an inclusive environment.
Staff feedback	During 2024 a new online communication platform was introduced in response to employee feedback
Site visits	Board and Exco members made visits to dealership sites during the year to meet teams, answer questions and receive feedback.
Whistleblowing	Concerns can be raised via various channels, including a confidential whistleblowing framework which allows concerns to be raised confidentially to our Head of Compliance.
Social media	We monitor social media channels such as LinkedIn, Glassdoor and Indeed for feedback relating to recruitment and our employer brand. Any negative feedback is provided to our HR teams to help us improve our processes and systems.
Board and management priorities	
<ul style="list-style-type: none"> • It is the Board's priority to ensure that the right policies and procedures are in place and are being followed so that the right behaviours are demonstrated by the Group's employees. Having the right policies in place creates an open culture and encourages our people to speak up if they suspect wrongdoing. • Our people are central to our business with attractive benefits and opportunities for career progression seen as key to attracting talent. • Succession planning is a key consideration for management, ensuring that the business has a strong talent pipeline to ensure its long-term success. 	
Board oversight during 2024	
<ul style="list-style-type: none"> • The Board approved key Group employment policies. • The Board was notified of whistleblowing incidents. • The Board received regular reports from our Chief People Officer which include data on headcount, trends in the number of new starters and leavers and any significant employee issues, both negative and positive. 	

Wider community

Engagement method	2024 outcomes
Volunteering days	All employees are given the opportunity to take a day's leave that can be used for volunteering or fundraising for charities, good causes or similar organisations in their local communities. In 2024 a total of 129 volunteering days were given to good causes by Lookers employees.

The Strategic Report was approved by the Board of Directors and signed on its behalf by:



A Smith
 Chairman
 12 September 2025

DIRECTORS' REPORT**For the year ended 31 December 2024**

The Directors present their report for the year ended 31 December 2024. Our Strategic Review on pages 2 to 17, including the Section 172 statement and SECR disclosures, contains the information to be presented by way of a management report in accordance with Companies Act 2006. Additional information on which the Directors are required by law to report is set out below.

Lookers Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006 with registered number 111876.

Articles of Association

The Company is required to conduct its business in accordance with its Articles of Association, changes to which must be approved by shareholders.

Corporate Governance

The Company qualifies as a very large private company under the Companies (Miscellaneous Reporting) Regulations 2018.

The Company did not apply a formal corporate governance code during the financial period. This reflects the Company's transitional status following the acquisition of Lookers Limited by GAHP in October 2023 and the ongoing consolidation of governance arrangements across the Global Group.

However, it is noted that Lookers continues to operate strong governance arrangements in terms of regular Board meetings and formalised policies in relation to areas such as finance, compliance and health and safety which Global Group management are in the process of reviewing and aligning from a consolidated Global Group perspective.

The Company will continue to enhance its governance framework in the forthcoming financial year.

Auditor

In the case of each of the persons who are Directors of the Company at the date when this report was approved:

- so far as each is aware, there is no relevant audit information (as defined by the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.
- this confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.
- pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Branches outside the UK

The Group has branches outside the UK with detailed subsidiary undertakings included in Note 17 to the Financial Statements.

Dividends

During the year the Board declared dividends of £70m on 30 April 2024 and £22m on 25 June 2024. The dividends were satisfied through a combination of intercompany loan offset and cash. The Board does not recommend a final dividend for the year ended 31 December 2024.

Directors' indemnity provisions

The Company (and its subsidiaries) has made qualifying third-party indemnity provisions for the benefit of all the Directors. Such indemnity provisions were in force during the year and remain in force at the date of this report.

Directors who served during the year

The Directors of the Company who served on the Board during the year are listed on page 1.

Donations

No charitable donations were made during the year. No political donations were made in the year.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2024

Employees

Our diversity policy sets out our commitment to employing a diverse workforce, covering a wide variety of attributes, including education, disability, gender, ethnicity, social background, family responsibilities, political opinion, sexual orientation, religion, age, culture, personality, workstyle and cognitive or personal strengths.

We offer equal opportunities to disabled persons applying for vacancies and provide them with the same opportunities for employment, training, career development and promotion as are available to all employees, within the limitations of their aptitude and abilities. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and appropriate arrangements are made.

Financial instruments

Details of the Group's use of financial instruments is included in Note 24 to the Financial Statements. This note provides details of the financial risk management objectives and policies and the policy on hedging and the exposure to price risk, credit risk, liquidity risk and cash-flow risk.

Future developments

The Group's business model and strategy, to which the future direction of the business will align, are set out on pages 2-3. The Directors will continue to seek appropriate opportunities to grow the Group's partnerships with both existing and new OEM brand partners. In seeking these opportunities and pursuing the Group's strategy the Directors are mindful of potential challenges in the wider economy including the impact of the conflicts in Ukraine and the Middle East, current interest rates remaining higher than recent historical norms and cost of living pressures affecting consumer confidence.

Governance

The senior management of the Group was refreshed during 2024 and early 2025 with the appointment of new Executive Directors to the roles of Chair, MD, CFO, CIO and Legal Counsel. An Independent Non-executive Director and Audit and Risk Committee Chair were also appointed during 2024. The Chair, MD, Independent Non-executive Director and Audit and Risk Committee Chair were appointed to the Board of the Company.

Prior period adjustments

The prior period Statement of Total Comprehensive Income, Statement of Financial Position and Statement of Cash Flows has been restated in order to correct errors identified during the year, as well as to present the financial statements in a manner that confirm with the Global Group consolidated financial statements. See note 32 for details.

Research and development

The Group is committed to developing its offering and devotes time to researching emerging technologies and developing its practices and service to customers, for example in relation to the electrification of vehicles and the development and deployment of AI technologies.

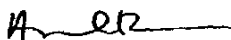
Subsequent events

On 24 January 2025, GAHP and AAG FH UK Limited ("AAG") (a fellow subsidiary of GAHL) received new lender supplement under the US Credit Agreement for the senior secured revolving credit facility. The supplement increased the borrowing limit for the to \$250.0m (£199.8m) for the Global Group.

On 28 February 2025, further new lender supplements under the US Credit Agreement for the senior secured revolving credit facility were received. The supplements increased the borrowing limit to \$340.0m (£271.8m) for the Global Group.

On 1 August 2025, the Supreme Court largely overturned the 25 October 2024 Court of Appeal ruling regarding discretionary commission arrangements in the sale of motor finance products. As a result, the FCA issued a statement confirming that it will consult from early October on how historical motor finance complaints should be handled. See note 35.

The Directors' Report was approved by the Board of Directors and is signed on its behalf by:



A Smith
 Chairman
 12 September 2025

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
For the year ended 31 December 2024**

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

Company law requires the directors to prepare group and parent Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the parent Company financial statements in accordance with UK adopted international accounting standards and applicable law.

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

In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOKERS LIMITED**Opinion on the financial statements**

We have audited the financial statements of Lookers Limited ("the Company") for the year ended 31 December 2024 which comprise the Consolidated statement of income, the comprehensive income statement, the consolidated statement of financial position, the consolidated statement of changes in shareholders' equity, the company statement of changes in shareholders equity, the consolidated statement of cash flow and related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and component management and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOKERS LIMITED

- Reading Board and management meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Consultation with our own forensic professionals regarding the identified fraud risks and the design of the audit procedures planned in response to these. This involved discussion between the engagement partner and the forensic professional.
- Review of the prior year auditor files in relation to the Company for the year ended 31 December 2023.
- Arranged and attended a number of specific site visits across the Group.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, the relative immaturity of the Group in its current structure, and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is generated mainly through high volume, low margin transactions with no significant judgement in the recognition of revenue. Therefore, there is limited opportunity for management manipulation or to fraudulently post the volume of transactions that would be required to have a material impact on revenue.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, those posted to unusual accounts, those containing certain key words relating to senior staff names, related parties and commonly linked to account manipulation and those posted to seldom used accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation, and pension legislation given the Lookers pension schemes and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity, environmental protection legislation, consumer rights legislation and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOKERS LIMITED

other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach. For the matter discussed in note 35 we assessed disclosures against our understanding, including from inquiries with management and general counsel.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 20, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOOKERS LIMITED

considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Gill Hopwood-Bell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One St Peter's Square

Manchester

M2 3AE

12 September 2025

STATEMENT OF TOTAL CONSOLIDATED COMPREHENSIVE INCOME
For the year ended 31 December 2024 and 31 December 2023

	Note	2024 £m	2023 (restated)* £m
Revenue	5	4,295.3	4,493.3
Cost of sales		(3,733.5)	(3,933.7)
Gross profit		561.8	559.6
Operating expenses		(476.2)	(520.2)
Operating profit		85.6	39.4
Underlying operating profit		100.3	77.3
Non-underlying items	7	(14.7)	(37.9)
Finance costs	9	(41.9)	(41.2)
Profit/(loss) before taxation	6	43.7	(1.8)
Underlying profit before tax		58.4	37.8
Non-underlying items	7	(14.7)	(39.6)
Tax charge	10	(9.4)	(3.2)
Profit/(loss) for the year (attributable to shareholders of the Company)		34.3	(5.0)
Exchange differences on translation of foreign operation		(0.8)	(0.3)
Actuarial losses on pension scheme obligations (not recycled to profit and loss)	28	(3.9)	(6.9)
Corporation tax on share-based payments (not recycled to profit and loss)	10	-	1.1
Deferred tax on pension scheme obligations (not recycled to profit and loss)	10	1.0	1.7
Total other comprehensive expense for the year		(3.7)	(4.4)
Total comprehensive income/(expense) for the year (attributable to shareholders of the Company)		30.6	(9.4)

*See Note 32 for details.

All results above are from the continuing operations of the Group.

The notes on pages 30 to 81 form part of these financial statements.

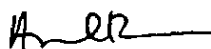
CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
As at 31 December 2024 and 31 December 2023

	Note	Group 2024 £m	2023 £m	Company 2024 £m	2023 £m
Non-current assets					
Goodwill	12	80.3	80.3	-	-
Intangible assets	13	96.0	103.2	2.4	3.6
Property, plant and equipment:					
- Land and Buildings	14	302.2	300.6	-	-
- Motor vehicles for leasing	14	140.2	117.5	-	-
- Other	14	27.5	36.0	0.9	1.4
Right of use assets	15	114.8	118.1	4.7	6.2
Investment in subsidiaries	17	-	-	123.9	126.8
Pension scheme surplus	28	13.6	0.8	11.1	-
Trade and other receivables	19	0.3	-	-	-
Deferred tax assets	25	-	-	-	8.4
		774.9	756.5	143.0	146.4
Current assets					
Inventories	18	781.0	716.1	-	-
Prepayments		20.1	17.1	8.0	8.6
Trade and other receivables	19	129.1	144.3	170.0	214.0
Current tax receivable		0.5	14.3	0.5	14.3
Rental fleet vehicles	20	57.1	52.2	-	-
Cash and cash equivalents	21	50.3	36.5	5.9	1.5
Assets held for sale	16	1.5	1.5	-	-
		1,039.6	982.0	184.4	238.4
Total assets		1,814.5	1,738.5	327.4	384.8
Current liabilities					
Bank overdraft	21	37.5	13.2	14.6	-
Stocking and vehicles finance facilities	23	829.5	736.7	-	-
Trade and other payables	22	291.8	284.5	182.3	263.1
Group relief creditor		1.1	-	1.1	-
Lease liabilities	24	23.8	23.2	2.8	3.1
		1,183.7	1,057.6	200.8	266.2
Net current liabilities		(144.1)	(75.6)	(16.4)	(27.8)
Non-current liabilities					
Stocking and vehicle finance facilities	23	102.4	96.0	-	-
Trade and other payables	22	9.7	11.6	-	-
Lease liabilities	24	119.9	121.0	2.1	3.2
Pension scheme obligations	28	-	-	-	1.5
Deferred tax liabilities	25	52.6	44.7	0.6	-
		284.6	273.3	2.7	4.7
Total liabilities		1,468.3	1,330.9	203.5	270.9
Net assets		346.2	407.6	123.9	113.9
Shareholders' equity					
Ordinary share capital	26	19.4	19.4	19.4	19.4
Share premium	26	79.9	79.9	79.9	79.9
Capital redemption reserve	26	15.8	15.8	15.8	15.8
Retained earnings		231.1	292.5	8.8	(1.2)
Total equity		346.2	407.6	123.9	113.9

The profit after tax for the Company was £104.9m (2023: loss after tax of £63.5m).

The financial statements of Lookers Limited, registered number 111876, were approved by the Board of Directors and

were signed on its behalf by:



A Smith, 12 September 2025

The notes on pages 30 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 1 January 2023, 31 December 2023 and 31 December 2024

		Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	Note	£m	£m	£m	£m	£m
Year ended 31 December 2023						
As at 1 January 2023		19.3	78.4	15.4	318.8	431.9
Loss for the year		-	-	-	(5.0)	(5.0)
Total other comprehensive income for the year		-	-	-	(4.4)	(4.4)
Total comprehensive expense for the year		-	-	-	(9.4)	(9.4)
New shares issued	26	0.5	1.5	-	(0.3)	1.7
Share-based compensation	27	-	-	-	2.8	2.8
Own shares purchased for cancellation	26	(0.4)	-	0.4	(8.0)	(8.0)
Dividends paid to shareholders	11	-	-	-	(11.4)	(11.4)
As at 31 December 2023		19.4	79.9	15.8	292.5	407.6
Year ended 31 December 2024						
As at 1 January 2024		19.4	79.9	15.8	292.5	407.6
Profit for the year		-	-	-	34.3	34.3
Total other comprehensive expense for the year		-	-	-	(3.7)	(3.7)
Total comprehensive income for the year		-	-	-	30.6	30.6
Dividends paid to shareholders	11	-	-	-	(92.0)	(92.0)
As at 31 December 2024		19.4	79.9	15.8	231.1	346.2

Retained earnings include £16.5m (2023: £16.5m) of non-distributable reserves relating to properties which had been revalued under UK GAAP but treated as deemed cost under IFRS.

The notes on pages 30 to 81 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

As at 1 January 2023, 31 December 2023 and 31 December 2024

		Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
	Note	£m	£m	£m	£m	£m
Year ended 31 December 2023						
As at 1 January 2023		19.3	78.4	15.4	83.2	196.3
Loss for the year		-	-	-	(63.5)	(63.5)
Total other comprehensive expense for the year		-	-	-	(4.0)	(4.0)
Total comprehensive expense for the year		-	-	-	(67.5)	(67.5)
New shares issued	26	0.5	1.5	-	(0.3)	1.7
Share-based compensation	27	-	-	-	2.8	2.8
Own shares purchased for cancellation	26	(0.4)	-	0.4	(8.0)	(8.0)
Dividends paid to shareholders	11	-	-	-	(11.4)	(11.4)
As at 31 December 2023		19.4	79.9	15.8	(1.2)	113.9
Year ended 31 December 2024						
As at 1 January 2024		19.4	79.9	15.8	(1.2)	113.9
Profit for the year		-	-	-	104.9	104.9
Total other comprehensive expense for the year		-	-	-	(2.9)	(2.9)
Total comprehensive expense for the year		-	-	-	102.0	102.0
Dividends paid to shareholders	11	-	-	-	(92.0)	(92.0)
As at 31 December 2024		19.4	79.9	15.8	8.8	123.9

The notes on pages 30 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024 and 31 December 2023

	Note	2024 £m	2023 (restated*) £m
Cash provided by (used in):			
Operating activities:			
Net income/(loss) before taxes		43.7	(1.8)
Adjustments for:			
Depreciation and amortisation	6	67.8	59.9
Difference between pension charge and cash contributions	28	(16.7)	(31.2)
Impairment	6,7	8.4	0.1
Finance costs (excluding pension finance costs/income)	9	42.3	40.6
Share based compensation	27	-	2.8
Other gains & losses (excluding other income)		(0.4)	0.4
Interest paid		(43.8)	(38.3)
Interest received		0.2	-
Income taxes refunded/(paid)		14.4	(6.0)
Net changes in working capital:			
Trade and other receivables	19	(12.6)	(9.7)
Inventories	18	(60.5)	(42.0)
Other current assets		(3.0)	1.7
Trade and other payables	22	5.3	35.9
Revolving floorplan facilities	23	61.7	76.3
		106.8	88.7
Investing activities			
Proceeds from disposal of property, equipment and leased vehicles		7.9	1.8
Purchase of property, equipment and leased vehicles		(81.1)	(100.8)
Purchase of intangibles		(1.0)	(1.8)
Acquisition of businesses, net of cash acquired	31	-	(2.3)
Advances to related parties	29	(0.8)	(29.4)
		(75.0)	(132.5)
Financing activities			
Principal repayments on lease liabilities	24	(17.2)	(17.4)
Proceeds from vehicle financing arrangements	24	87.0	87.1
Repayment on vehicle financing arrangements	24	(49.5)	(51.4)
Proceeds from issue of ordinary shares	26	-	1.7
Purchase of own shares	26	-	(8.0)
Dividends paid	11	(62.6)	(11.4)
		(42.3)	0.6
Net decrease in cash and cash equivalents		(10.5)	(43.2)
Cash and cash equivalents at 1 January		23.3	66.5
Cash and cash equivalents at 31 December		12.8	23.3
Cash and cash equivalents		50.3	36.5
Bank overdraft		(37.5)	(13.2)
Cash and cash equivalents at 31 December		12.8	23.3

*See Note 32 for details.

The notes on pages 30 to 81 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

1) THE GROUP

Organisation

Lookers Limited ("the Company") is a private Company, limited by shares, incorporated in England and Wales, under the Companies Act 2006. The address of the registered office is Looker House, 1st Floor, Lookers Stoke, Bede Road, Stoke-on-Trent, ST4 4GU.

The Company is a wholly owned subsidiary of Global Auto Holdings plc ("GAHP") after acquiring all of the interest in Lookers Limited on 6 October 2023,

Imperio Jersey Corp Limited ("IJC") was formed on 22 December 2022 and acquired all of the interest in GAHP on 23 December 2022, prior to the acquisition of the Company. On 31 August 2024, Global Auto Holdings (Topco) Limited ("GAHL"), a company wholly owned by IJC, acquired the entire share capital of both GAHP and AAG FH UK plc ("AAG"), a fellow related party operating dealerships in Canada and the USA.

Both GAHP and GAHL are companies registered in England and Wales (registered office address: Lookers House, 1st Floor, Lookers Stoke, Bede Road, Stoke-on-Trent, ST4 4GU), IPC is a company registered in Jersey.

Mr Kuldeep Billan is the Executive Chairmen for GAHP and GAHL and ultimate controlling party for IJC.

The nature of the Group's operations and its principal activities are set out in the Strategic Report. The main activities of the Group are the sale, hire and maintenance of motor vehicles, including the sale of tyres, oil, parts and accessories, and the FCA-regulated activities of credit broking and insurance distribution, predominantly within the UK.

Statement of compliance:

The accompanying consolidated financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards ("UK-adopted IFRS"). The Group's consolidated financial statements are also in compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The Company has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted IFRS, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has elected to take exemption under section 408 of the Companies Act 2006 not to present the Company Statement of profit or loss. The profit after tax for the Company was £104.9m (2023: loss after tax of £63.5m) for the year ended 31 December 2024.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- presentation of a Statement of Cash Flows and related Notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IAS 36 Impairment of Assets in respect of the impairment of goodwill and indefinite life intangible assets; and
- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

1) THE GROUP (continued)

These consolidated financial statements were authorised for issuance by the Group's Board of Directors ("the Board") on 12 September 2025.

Basis of preparation

These consolidated financial statements include the financial position and results of operations of the Company and its subsidiaries (referred to herein as "the Group", or "Lookers"). Subsidiaries are entities controlled by the Company. Control exists when the Group has the ability to direct the relevant activities of the entity, has exposure or rights to variable returns from its involvement with the entity, and the ability to use its power over the entity to affect the amount of the Group's returns. The financial accounts and results of subsidiaries are included in the consolidated financial statements of the Group from the date control commences until the date that control ceases.

Going concern

Management have prepared the financial statements on a going concern basis as the Group does not intend to liquidate the Company or Group or to cease its operations, and as management has concluded that the Group's financial position means that this is realistic. Management has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

Management have reviewed the future profit forecasts and cash projections of the Group over the going concern period. Management considered the industry in which the Group operates and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risks that are considered most likely to adversely affect the Group's available financial resources over this period are significant decreases in forecast revenues arising from reduced customer demand in the automotive market. Management also considered less predictable but plausible scenarios such as a vehicle component shortage and a significant margin reduction.

During the year ended 31 December 2024, both the Group and the Global Group have continued to generate cash from operations. As at 31 December 2024, The Global Group had an overall insignificant negative net current asset position and had cash balances of \$291.8m (£233.2m) (2023: \$104.7 (£83.7m)). As at 31 December 2024, the Group had net current liabilities of £144.1m (2023: £75.6m), a net cash balance of £22.8m (2023: £23.3m) and net assets of £346.2m (2023: £407.6m). Despite being in a net current liability position, the Group is projected to meet its ongoing liabilities during the going concern period.

The Group has the ability to draw funds from the Global Group's financing facilities if required. On 28 February 2025, the Global Group received a new lender supplement under the US Credit Agreement for the senior secured revolving credit facility. The supplement increased the borrowing limit to \$340.0m (£271.8m). In addition to the revolving credit facility, the Group has revolving floorplan facilities with a combined limit of £1,139.2m which were utilised at £717.6m as at 31 December 2024 (2023: £652.5m).

As set out in note 34 on 24 January 2024, GAHP and AAG jointly issued two unsecured bonds, each of USD\$525m (£419.6m). GAHP and its subsidiaries, being the Group, has jointly and severally guaranteed with AAG the entirety of the two unsecured bonds. This guarantee continues to be in force at the date of signing these financial statements.

Management therefore also considered whether the risks set out above could plausibly affect the Global Group's liquidity or covenant compliance under the debt facility and its ability to service the fixed interest payable to holders of the bonds whilst maintaining suitable level of liquidity in the going concern period. To make this assessment, management considered the degree of downside assumptions that, individually and collectively, could result in a liquidity shortfall, taking into account the Global Group's current and projected cash and borrowing facilities.

The Group and Global Group forecasts have been stress-tested, considering severe but plausible downside scenarios. Specifically, three downside scenarios have been modelled: 1) a macroeconomic scenario in which a worsening macroeconomic environment reduces consumer demand alongside a rising cost base; 2) a supply constraint scenario in which a vehicle component shortage reduces the Group's sales volumes; 3) a margin reduction scenario in which retail margins drop sharply. In each of these modelled scenarios the Group has sufficient liquidity to continue trading whilst meeting its ongoing liabilities. Further, the Global Group would not breach any of its financial covenants and would not require any additional sources of financing during the forecast period.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2024****1) THE GROUP (continued)**

It is additionally noted that if there were a sharp decline in sales volume and/or margin or a sharp rise in interest rates, management would take immediate action, including but not limited to:

- Dealership closure and headcount reduction;
- A reduction in capital investment and pause new strategic initiatives; and
- Reduction in stock level to meet demand.

As a result of the above testing, management believes the Group and company is well placed to manage its financing and other significant risks satisfactorily and that the Group and company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore management believes it is appropriate to prepare the financial statements on the going concern basis.

2) MATERIAL ACCOUNTING POLICIES

The material 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.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities which are measured at fair value.

Basis of consolidation

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are all entities over which the Company has control. In assessing control, the Company takes into consideration of potential voting rights. The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

Subsidiaries are fully consolidated from the date control is transferred to the Company and are no longer consolidated on the date control ceases. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the Company and its consolidated subsidiaries have been eliminated on consolidation. When necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of the acquisition. Goodwill is allocated to cash generating units (CGUs), which are franchise groups and other business units. Goodwill is initially recognised and measured at cost less any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

Goodwill is not amortised but is tested for impairment annually. For purposes of impairment testing, goodwill is allocated to the Group's cash generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs are the lowest levels for which there are separately identifiable cash inflows. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when events or changes in circumstances indicate that impairment may have occurred. The recoverable amount is the higher of an asset's fair value less costs to dispose ("FVLCD") and value in use. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Foreign currencies

The functional currency of the Company and the Group is considered to be pounds sterling as that is the currency of the primary economic environment in which the Company and Group operates.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period. These presentation currency translation differences, if any, are recognised in other comprehensive income.

The principal exchange rates applied in the preparation of the Financial Statements were as follows:

	2024	2023
GBP:EUR at the end of the year	1.21	1.15
GBP:EUR average for the year	1.18	1.15

Revenue recognition

Automotive sales, servicing, leasing of motor vehicles, and sales of spare parts generate the majority of the Group's revenues. New and used vehicle revenues typically include sales to retail customers, to fleet customers, auction houses, and to leasing companies providing consumer leasing. Parts, service, and other revenues include fees paid by customers for repair, maintenance and collision services, and the sale of replacement parts and other aftermarket accessories as well as warranty repairs that are reimbursed directly by various vehicle manufacturers. The Group chose to apply IFRS 15 instead of IFRS 17 to certain warranty contracts that meet the definition of an insurance contract but have their primary purpose of services for a fixed fee. The Group generates finance and insurance revenues from sales of third-party extended service contracts, sales of third-party insurance policies, commissions relating to the sale of finance and lease contracts to third parties, and the sales of certain other products. For contracts where the Group has multiple distinct performance obligations sold at a discount, the price of each performance obligation is determined at a price in proportion to each respective standalone selling price, and therefore no further allocation of total transaction price is required. Revenues are recognised upon satisfaction of the performance obligations under contracts with customers and are measured at the amount of consideration we expect to be entitled to in exchange for transferring goods or providing services.

Dealership new and used vehicles

The Group sells new and used vehicles at its dealerships. The transaction price for the sale is negotiated with the customer at the time of sale. Customers often trade in their own vehicle to apply toward the purchase of a retail new or used vehicle. The trade-in vehicle is considered non-cash consideration and is measured at fair value based on external and internal market data. In many cases, third party financing is arranged for the sale or lease of vehicles to customers in exchange for a fee paid to the Group by the third-party financial institution. Revenue is recorded for vehicle sales at the point in time when vehicles are delivered, which is when the transfer of title, risks and rewards of ownership, and control are considered passed to the customer.

For dealerships operating under a franchise model, the amount of consideration received for vehicle sales is stated within the executed contract with the customer and is reduced by any non-cash consideration representing the fair value of trade-in vehicles which is measured based on external and internal market data, if applicable. For dealerships operating under an agency model, the Group receives a commission for each vehicle sale that it facilitates under the terms of the agency agreement with the manufacturer, which is recorded as new vehicle revenue.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

The Group evaluates if it is a principal or an agent in a transaction to determine whether revenue should be recorded on a gross or a net basis, which requires management judgment. In performing the analysis, the Group considers first whether it controls the goods or services before they are transferred to the customers and if it has the ability to direct the use of the goods or services or obtain benefits from them. The Group also considers the following indicators:

- The degree of discretion in establishing prices and selecting suppliers
- The inventory risk borne by the Group before and after the goods have been transferred to the customer

When the Group is primarily obliged in delivering goods and/or services, is subject to inventory risk, has all, or has several but not all, of the indicators, the Group acts as principal and revenue is recorded on a gross basis. When the Group is not the primary obligor, does not bear the inventory risk and does not have the ability to establish price, the Group acts as agent and revenue is recorded on a net basis.

For certain fleet sales, revenue is recognised on a bill-and-hold basis where the transfer of control of the vehicle is assessed as passing to the customer prior to delivery.

Dealership parts, service, and other

The Group sells parts and services related to repairs, maintenance, and collision-related jobs paid for by customers and manufacturer warranties. Each automotive repair and maintenance service is a single performance obligation that includes both the parts and labour associated with the service. The transaction price for automotive repair and maintenance services is based on the parts used, the number of labour hours applied, and standardised hourly labour rates, with payment being due upon completion of the service. The Group satisfies its performance obligations and recognises service revenue at the time when services are completed since none of the over-time recognition criteria is met. The transaction price for retail counter parts sales is determined at the time of sale based on the quantity and price of each product purchased, with payment being due at the time of sale. Control for parts revenue is considered to transfer at the point of sale or when the products are shipped. The income received in respect of service plans sold by the Group is recognised at the point servicing work is performed.

Dealership finance and insurance

The Group arranges financing for customers through various financial institutions and receives a commission from the lender based on the difference between the interest rate charged to the customer and the interest rate set by the financing institution, or a flat fee. The Group also receives commissions for facilitating the sale of third-party insurance products to customers, including guaranteed vehicle protection insurance, vehicle theft protection, and extended warranty and service contracts. Within the context of these contracts with the finance and insurance ("F&I") providers, the Group has determined that it is an agent for the F&I providers as it is not the obligor under these contracts and its performance obligation is to arrange the contracts only. This performance obligation is satisfied generally at the time of delivery of the respective vehicle.

Customers may terminate their contracts for varying reasons such as failure to pay or at their discretion and may become eligible for refunds of unused premiums. In these circumstances, a portion of the commissions the Group receives may be charged back to the Group based on the terms of the contracts. These chargebacks are a form of variable consideration, and the Group only recognises commission revenue at the estimated amount of consideration to which it ultimately expects to be entitled. This estimate is based on historical chargeback experience arising from similar contracts.

Where the Group is acting as agent on behalf of a principal (e.g. assigning finance), the commission earned is recorded on a net basis at an agreed rate when the transaction has occurred.

Leasing and other

In the majority of its leasing operations the Group maintains the ability to direct the use of and obtain substantially all of the remaining benefits from the vehicle assets it leases to customers. As a result, the accounting for the arrangement reflects the Group's retention of the asset to generate future rentals and, in accordance with IFRS 16 Leases, the Group is considered to be acting as an operating lease lessor for all arrangements in place.

The initial amounts received in consideration from the leasing operations are held as deferred income and taken to the income statement on a straight-line basis over the related lease term. In some cases, the Group recognises rental revenue and finance income by directly financing the customers' leased vehicles and recognises this revenue on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

In leasing operations where the Group enters into an agreement to sell rental fleet vehicles back to the supplier, a finance lease is recognised with the end customer. Revenue associated with the recognition of the finance lease receivable is recognised over the lease term.

Manufacturer incentives and other rebates

Various incentives from manufacturers are received based on achieving certain objectives, such as specified sales volume targets, maintaining standards of a particular vehicle brand, among others. These volume incentives are earned, generally when the related vehicles are sold or upon attainment of the program goals, whichever is later, and are recognised as a reduction of new vehicle cost of sales when the inventory is sold.

In addition, for certain manufacturer rebates to the Group's dealerships and assistance for floorplan interest, they are reflected as a reduction in the carrying value of inventory of each vehicle purchased by the Group and a reduction of floorplan interest respectively. Once the related inventory is sold, the rebate amount is then recognised in the consolidated statement of comprehensive income/(loss).

Manufacturer advertising rebates that are reimbursements of costs associated with specific advertising expenses are earned in accordance with the respective manufacturers' reimbursement-based advertising assistance programs. These programs require the Group to provide the manufacturer with support for qualified, actual advertising expenditures to receive reimbursement under the agreements. These rebates are earned after the corresponding advertising expenses have been incurred and are reflected as a reduction in advertising expense included in operating expenses in the consolidated statement of comprehensive income/(loss).

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets (office furniture). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Group leases dealership properties. The leases for these properties typically run for a period of two to 35 years, with multiple extension options available. Additionally, the Group also leases equipment with lease terms commonly between one and eight years.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate ("IBR"). Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be payable by the Group under residual value guarantees, and the exercise price of a purchase option or penalties for terminating the lease, if the Group is reasonably certain to exercise those purchase or termination options.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the consolidated statements of financial position. Payments of lease liabilities are presented within financing activities and the associated interest expense is presented within operating activities within the consolidated statements of cash flows.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; and
- the lease payments change due to a rent review, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. The depreciation starts at the commencement date of the lease. Right-of-use assets are presented as a separate line in the consolidated statements of financial position. The Group applies IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired.

For leases acquired in a business combination, the Group measures the acquired lease liability at the present value of the remaining lease payments, as if the acquired lease were a new lease at the acquisition date. The right-of-use asset is measured at acquisition at the same amount as the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

The Group as a lessor

The Group enters into lease agreements as a lessor with respect to its vehicle leasing businesses.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right-of-use asset.

Finance leases

Amounts due from lessees for vehicles under finance lease are recognised as receivables at the amount of the Group's net investment in the lease. Finance lease income is recognised in the consolidated statements of comprehensive income (loss) over the lease period to produce a constant periodic rate of return. Finance lease income is calculated with reference to the gross carrying amount of the lease receivables. The difference between the gross receivable and the net investment in the lease is recognised as unearned finance income.

For certain leases, the Group purchases the vehicle at the end of the lease with the customer from the third-party funder. At the inception of a new lease the Group recognises the vehicle on its balance sheet as a non-current asset with a corresponding amount in financial liabilities, split between current and non-current. The vehicles are depreciated to their residual values over the course of the leases. At the end of a lease the Group acquires the vehicle from the third-party funder at the pre-agreed amount, extinguishing the outstanding financial liability. The vehicle is then transferred into inventory at its carrying amount and becomes available for sale as part of the Group's ordinary course of business.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the vehicle lease. The vehicle is included in property and equipment in the consolidated statements of financial position. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Customer down payments made on their lease are recorded as deferred revenue and recognised into revenue over the term of the lease.

Property and equipment

Freehold land is recorded at cost and not depreciated. Property and equipment and leased vehicles are recorded at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Expenditures for major additions and improvements are capitalised, while minor replacements, maintenance, and repairs are charged to expenses as incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

Depreciation is recognised so as to write off the cost less their residual values over their useful lives, on the following bases:

Asset	Basis	Rate
Buildings and leasehold improvements	Straight-line	20 years or lease term
Freehold buildings and properties constructed on long leasehold lots	Straight-line	50 years
Furniture and fixtures	Straight-line	3-10 years
Machinery and equipment	Straight-line	3-10 years
Leased vehicles	Straight-line	Lease term

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets

Intangible assets acquired as part of a business combination are capitalised separately from goodwill if the benefit of the intangible asset is obtained through contractual or other legal rights and the fair value can be measured reliably on initial recognition. The principal intangible assets are agreements with manufacturers for the distribution of new vehicles and parts, which represent the estimated value of distribution rights acquired in business combinations. Such agreements have varying terms and periods of renewal and have historically been renewed without substantial cost. The Group therefore expects these agreements to be renewed without material barrier and accordingly determined having an indefinite useful life on these assets. The Group assesses these distribution rights for impairment on an annual basis.

IT development assets are measured at cost less accumulated amortisation and any impairment losses. Any subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. This category of asset includes purchased computer software licences, brands, computer software and internally generated intangible assets. These assets are amortised on a straight-line basis over the specific software licence period (typically 12 months) or over their useful economic life (typically up to five years) as appropriate. All amortisation charges are recognised within operating expenses on the consolidated statements of comprehensive income (loss).

Internally generated intangible assets relate to activities that involve the development of computer systems designed to enhance the selling process so as to achieve increased orders for both vehicles and aftersales work. Expenditure arising from the Group's development is recognised only if all of the following conditions are met:

- an asset is created that can be separately identified;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- the Group has the intention to complete the asset and the ability and intention to use or sell it;
- the product or process is technically and commercially feasible; and
- sufficient resources are available to complete the development and to either sell or use the asset.

Where these criteria have not been achieved, development expenditure is recognised in the consolidated statements of comprehensive income (loss) in the year in which it is incurred. Intangible licences relate to the values ascribed following the advice of third-party consultants to franchise operating licences in connection with historical business combinations. The Group has considered that as a result of the high barriers to entry in the marketplace and the historical length of the respective franchise operating licences that these assets have no foreseeable limit to the period over which they are expected to generate net cash inflows and as such have been classified as having an indefinite useful economic life.

As intangible operating agreements, licenses and brands have an indefinite useful economic life, they are subjected to the Group's annual impairment review in line with the Group's accounting policy on Goodwill.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

Impairment of assets

At each reporting date, the carrying amounts of its non-financial assets in the scope of IAS 36 with finite useful lives are reviewed by the Group for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The Group tests indefinite-lived intangible assets annually for impairment.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs, and value in use.

Impairment losses are recognised in the consolidated statements of comprehensive income (loss). They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Assets held for sale

Non-current assets are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use. In order to be classified as held for sale, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary, and the sale must be highly probable. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Investments in subsidiaries

Investments in subsidiaries on the Company statements of financial position are stated at cost less provision for impairment.

Inventories

Vehicle inventories are stated at the lower of cost and net realisable value on a specific item basis. Cost includes acquisition (net of manufacturer allowances), reconditioning, dealer installed accessories, transportation and duty, and other costs incurred to bring inventories to their present location and condition. A review of the net realisable values of inventories is conducted on a regular basis and values are adjusted to prevailing market value. The market value is assessed with reference to external benchmarking publications and applying historical industry knowledge on the pricing of those vehicles by reference to brand and specific models. The Group also ensures inventories that exist at the year-end are valued correctly by sampling against further post year-end actual sales data. Whilst this data is deemed representative of current values it is possible that ultimate sales values can vary from those applied.

Parts inventories are valued on a first-in, first-out basis and are written down to net realisable value by providing for obsolescence on a time in stock-based formula approach. Net realisable value is the estimated selling price in the normal course of business less the estimated costs necessary to make the sale.

The Directors have considered the point at which consignment vehicle inventories are regarded as being effectively under the control of the Group. At the point the Directors believe the Group has control over the vehicle, it is included within inventories on the consolidated statements of financial position, with a corresponding liability included in trade payables. Control passes when the Group has the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset, and includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset even though legal title has not yet passed.

Vehicles are transferred from contract hire activities at the end of their lease term to inventory at their book value. No cash flow arises from these transfers.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

Rental fleet vehicles

Rental fleet vehicles are recorded at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. Vehicles purchased by the Group and rented to customers under short term rental agreements less than one year are included within current assets and are depreciated on a straight-line basis over the course of the rental agreement to their estimated residual value on termination of that agreement. Rental vehicles included in current assets reflect those vehicles which are purchased for the purpose of short-term rentals, and which are expected to be disposed of in less than one year. Vehicles rented customers over longer term rental agreements are capitalised within other property and equipment.

Where the Group has entered into an agreement to sell motor vehicles back to the original supplier, an amount equal to the amortised sale proceeds is recognised as a repurchase asset.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled, considering the Group's exposure to different income tax rules for different tax jurisdictions and legal structures. 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. Deferred tax is not provided on temporary differences arising on investments in subsidiaries, as the Group controls the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The Group assesses its global tax position in relation to OECD's Pillar Two model rules ("Pillar Two"). The Group is in the scope of Pillar Two and has assessed its global tax position in relation to Pillar Two. Management has concluded that the Group is currently in compliance with the 15% global minimum effective tax rate requirement. The Group neither recognise nor disclose information about deferred tax assets or liabilities related to Pillar Two income taxes as a result of the mandatory exception in accordance with the amendments to IAS 12 issued in May 2023. The Group continues to monitor legislative developments and assess any potential impacts as jurisdictions enact legislation under the Pillar Two.

Pensions

The Group operates the "Lookers Pension Plan" and the "Benfield Group Pension Plan" which are defined benefit pension plans providing benefits based on final pensionable salary. The defined benefit plans define the amount of pension benefit that an employee will receive on retirement, dependent on one or more factors including age, years of service and salary. All plans are closed to new members and to future accrual. The last triennial valuation of the "Lookers Pension Plan" was carried out at 31 March 2022 by Aon Hewitt Limited and has been updated to 31 December 2024 by a qualified independent actuary.

The last triennial valuation of the Benfield Group Pension Plan was carried out at 31 December 2022 by ISIO Limited and has been updated to 31 December 2024 by a qualified independent actuary. Under IAS 19 (Revised), the defined benefit deficits are included on the Group's consolidated statements of financial position. Liabilities are calculated based on the current yields on high quality corporate bonds and on market conditions. Surpluses are only included to the extent that they are recoverable through reduced contributions in the future or through refunds from the plans.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024**2) MATERIAL ACCOUNTING POLICIES (continued)**

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited, net of deferred tax, each year to other comprehensive income/(loss) and shown in the consolidated statements of comprehensive income (loss). Interest expense or income is calculated on the net defined benefit liability or asset respectively by applying the discount rate to the net defined benefit liability or asset. All other expenses related to defined benefit plans in employee benefit expenses are recognised in profit or loss.

The Group also provides pension arrangements for employees and certain directors under defined contribution plans. Contributions for these plans are charged to the consolidated statements of consolidated income (loss) in the year to which they relate.

Provisions and contingencies

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Share-based compensation

Until acquisition of the Company by GAHP, at which point all share-based compensation ceased and existing schemes vested, the Group issued equity-settled options to certain employees.

These are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by use of a Black-Scholes model for awards with non-market-based vesting conditions and Monte Carlo simulation model for market-based vesting condition awards. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Non-underlying items

Certain pre-tax items which are material are presented as non-underlying items on the face of the consolidated income statement. Non-underlying items are those items that, in the judgement of the Group, need to be disclosed separately by virtue of their nature, size or irregularity. The separate reporting of non-underlying items helps provide additional useful information regarding the Group's core business performance and is used by management to facilitate internal performance analysis. Items that may be considered non-underlying in nature include gains or losses on property disposals, restructuring of businesses, or asset impairments. Any reversal of an amount previously recognised as a non-underlying item would also be recognised as a non-underlying item in the period in which it reverses.

Financial instruments*Recognition of financial instruments*

Trade receivables and debt securities issued are initially recognised when the Group becomes a party to the instrument contract. All other financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

Initial and subsequent measurement of financial assets

The Group's financial assets, including cash, amounts due from related parties, and trade and other receivables, are measured at amortised cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect contractual cash flows. The financial assets are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method which amortises any difference between the amount initially recognised and the maturity amount over the expected life of the instrument.

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, customer credit and debit card payments transacted prior to the period end for which cash transfer from the card provider is in transit, and other short-term deposits held by the Group with maturities of less than three months.

Trade and other receivables

Trade receivables are amounts due from customers and financial institutions that arise from providing services or sale of goods in the ordinary course of business.

Trade and other receivables are initially measured at their transaction price. Trade and other receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method.

Effective interest rate method

The 'effective interest' is calculated using the rate that exactly discounts estimated future cash payments or receipts (considering all contractual terms) through the expected life of the financial asset or financial liability to its carrying amount before any loss allowance.

The 'effective interest rate' is applied to the carrying amount of a financial asset before any loss allowance, unless the financial asset becomes credit-impaired, (i.e. an event has occurred which has a detrimental impact on the estimated future cash flows), in which case the 'effective interest rate' is applied to the carrying amount of the financial asset net of any loss allowance. If a financial asset is no longer credit-impaired due to an improvement in credit risk that objectively relates to a subsequent event, the 'effective interest rate' reverts to being applied to the carrying amount before any loss allowance.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) under IFRS 9 on financial assets measured at amortised cost. The amount of the allowance is the difference between the asset's carrying amount and the expected value of the amounts recovered.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes (including assessments made using forward-looking information) and takes into account the time value of money. Credit losses are measured on a collective basis and all instalments have been grouped based on their similar collective characteristics. Some financial assets are written off because there is no reasonable expectation of recovery (e.g. where the counterparty enters formal administration proceedings) or are subject to enforcement activity. For trade receivables expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the ageing of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables (“the lifetime expected credit losses”).

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Initial and subsequent measurement of financial liabilities

The Group’s financial liabilities include trade and other payables, amounts due to related parties, revolving line of credit facility, revolving floorplan facilities, current and long-term debt, lease liabilities and derivative financial instruments. Financial liabilities are measured at amortised cost except for derivative financial instruments, which are carried at fair value through profit or loss. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business and classified as current liabilities if payment is due within one year. Trade and other payables are initially recognised at fair value, net of transaction costs and subsequently at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Group are recorded at fair value on initial recognition net of transaction costs.

Share capital and reserves

Ordinary shares are classified as equity. All ordinary shares rank equally and have the same rights attached. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

~~Premium recognised on allocation of shares is recorded within the share premium account and is not available for distribution.~~

The capital redemption reserve has arisen following the purchase by the Company of its own shares and subsequent cancellation of these shares. The capital redemption reserve comprises the nominal value of the shares transferred from share capital in accordance with section 733 of the Companies Act 2006.

Vehicle financing

Revolving floor plan facilities are financing arrangements provided by various lenders including OEM Brand Partners and third-party asset finance funders which are used to fund the purchase of new and used vehicles prior to re-sale.

Each agreement entered into has its own terms and conditions that drive the decision as to whether a new or renewed arrangement should be classified as an additional component of the Group’s net debt within borrowings.

However, these financing arrangements are generally: uncommitted facilities; for specific, separately identifiable vehicles held as inventory; which have a maturity of 180 days or less; and the Group is normally required to repay amounts outstanding on the earlier of the sale of the vehicles that have been funded under the facilities or the stated maturity date. Based on these factors, the Group deems it appropriate that such arrangements are recognised as payables arising from the Group’s operating activities and presented as Revolving floorplan facilities in the consolidated statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

2) MATERIAL ACCOUNTING POLICIES (continued)

Consignment vehicle creditors are recorded for any vehicles recognised as consignment vehicle inventory. Repurchase commitment liabilities are recognised when the Group enters into repurchase commitments as part of the operation of its Group staff car plans. Liabilities are disclosed as vehicle rental finance liabilities if they are incurred by the Group's leasing operations in order to procure vehicles.

3) NEW AND AMENDED ACCOUNTING STANDARDS ADOPTED AND FUTURE ACCOUNTING PRONOUNCEMENTS

The Group has adopted the following in these financial statements:

- Amendments to IAS 1 (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants) from 1 January 2024. The amendments apply retrospectively. The Amendments clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period. There was no material impact upon adoption of the amendment on 1 January 2024.
- Amendments to IFRS 16 (Lease Liability in a Sale and Leaseback) from 1 January 2024. The amendments apply retrospectively. The Amendments require a seller-lessee to include variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. Subsequent to initial recognition, the seller-lessee is required to apply the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. There was no material impact upon adoption of the amendment on 1 January 2024.
- Amendments to IAS 7 and IFRS 7 (Supplier Finance Arrangements) from January 1, 2024. The amendments introduce new disclosures to help users of the financial statements to assess the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk. There was no material impact upon adoption of the amendment on 1 January 2024.

4) CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Accounting judgements

The Group applies judgement in how it applies its accounting policies, which do not involve estimation, but could materially affect the numbers disclosed in these financial statements.

The key accounting judgements, without estimation, that have been applied in these financial statements are as follows:

Judgement	Effect on Financial Statements	Alternative accounting judgement that could have been applied	Effect of that alternative accounting judgement
Classification of non-underlying items	Judgement is required as to whether transactions relate to costs or incomes which, due to their size, nature or irregularity, are not included in the assessment of financial performance and are therefore excluded from management's view of the core-trading performance of the Group.	Non-underlying items classified within underlying results	Any of the non-underlying items detailed in Note 7 would be reclassified to the underlying result.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

4) CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Accounting estimates

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Directors consider the following to be the key estimates applicable to the financial statements, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year or in the long term:

Key estimate area	Key assumption	Potential impact within the next financial year?	Potential impact in the longer term?
Goodwill and intangible assets	We undertake an exercise to estimate future cash flows from each CGU when we conduct our annual impairment review. We have key assumptions over the growth rates of revenue and operating margin which impacts the profit assumed and hence cash flow generation in each CGU. The key areas for estimation uncertainty surround future growth and discount rates. Numerical disclosures regarding key assumptions are made in Note 12.	Yes	Yes
Retirement benefit obligations	The main assumptions in determining the Group's retirement benefit obligations are: discount rate, mortality rate and rate of inflation. Disclosure of these assumptions are made within Note 25. Due to the relative sizes of the pension schemes it is only considered to be the Lookers Pension Plan that could be materially affected by key estimates. The key area for estimation uncertainty surrounds the discount rate applied of 5.45% (2023: 4.50%).	Yes	Yes
Inventory valuation	The fair value of inventories is reviewed by management regularly, applying a mix of standard and judgemental provisions to adjust values, where appropriate, down to prevailing market values. The key area for estimation uncertainty is the assessment of net realisable value of vehicle inventory, which can fluctuate as a result of market factors and the condition of vehicles. The value of inventory provision held at 31 December 2024 was £8.4m (2023: £13.3m). The provision would increase by £2.4m for every additional 1% of inventory by value provided against.	Yes	Yes

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

5) REVENUE

Revenue is generated from the following revenue streams within the single-segment trading nature of the business's operations. No further disclosures have been made given the single-segment trading nature of the business's operations which are predominantly transacted in the United Kingdom.

	2024		2023 (restated)	
	£m	Mix	£m	Mix
New retail vehicles	1,406.7	32.7%	1,418.8	31.6%
New fleet vehicles	617.6	14.4%	618.0	13.7%
Used vehicles	1,538.9	35.8%	1,724.8	38.4%
Wholesale vehicles	128.5	3.0%	150.5	3.3%
Aftersales	382.6	8.9%	380.8	8.5%
Finance and insurance	55.4	1.3%	61.0	1.4%
Leasing and other	165.6	3.9%	139.3	3.1%
Revenue	4,295.3	100.0%	4,493.2	100.0%

6) PROFIT BEFORE TAX

The following have been included before arriving at profit before taxation:

	Note	2024	2023
		£m	(restated) £m
Staff costs	8	277.3	299.3
Depreciation of property, plant and equipment and right of use assets	14,15	59.8	51.1
Impairment of property, plant and equipment	14	0.1	-
Depreciation of rental fleet assets	20	5.8	5.0
Gain on disposal of right of use asset associated with rental fleet assets		0.9	(0.8)
Amortisation of intangible assets	13	2.2	3.8
Cost of inventories recognised as an expense		3,578.2	3,613.5
Non-underlying items	7	14.7	37.9
Low value leased assets		0.8	0.7
Utilities and rates		30.3	31.2
Other expenses		239.6	412.2
Total cost of sales and operating expenses		4,209.7	4,453.9

Services provided by the Group's auditor

The analysis of auditor's remuneration is as follows:

Group

	2024	2023
	£000	£000
Audit of the Company	25.0	-
Audit of the Group and Company's subsidiaries	875.0	-
Total audit fees	900.0	-

The acquisition of the Company by Global Auto Holdings (Topco) Limited resulted in a change of Group auditor for the Company from BDO LLP to KPMG LLP. Fees payable to BDO LLP and their associates for audit and non-audit services before their resignation were as follows:

	2024	2023
	£000	£000
Audit of the Company	-	25.0
Audit of the Group and Company's subsidiaries	-	900.0
Total audit fees	-	925.0
Other non-audit fees – review of interim financial information	515.0	743.0
Total non-audit fees	515.0	743.0
Total fees	515.0	1,668.0

Fees payable to BDO LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis and are therefore included above.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

7) NON-UNDERLYING ITEMS

The following details items of income and expenditure that the Group has classified as non-underlying in its statement of total comprehensive income.

	Note	2024 £m	2023 £m
Non-underlying items in operating profit			
1 - Takeover-related costs		-	(11.9)
2 - Post-takeover restructuring costs		0.3	(8.4)
3 - Post- takeover costs		-	(3.0)
4 - Sales transformation project		(6.6)	(9.5)
5 - Property exit and restructuring costs		(0.7)	(5.4)
5 - Impairment of property, plant and equipment	14	(0.1)	(0.1)
5 - Impairment of right of use assets	15	(2.3)	-
6 - Gain on property disposals		2.7	0.7
7 - Management bonuses		(2.0)	-
8 - Impairment of intangibles		(6.0)	-
Other		-	(0.3)
Non-underlying items in operating profit		(14.7)	(37.9)
3 - Post-acquisition costs - accelerated amortisation of RCF arrangement fees	9	-	(1.7)
Non-underlying items in profit before tax		(14.7)	(39.6)

1 - The Group was acquired by Global Auto Holdings Limited (GAHL) on 6 October 2023. Costs directly relating to the acquisition have been deemed non-underlying by their nature, size and irregularity. These costs are primarily composed of advisory fees but also include senior management bonuses payable on completion of the transaction.

2 - During December 2023 the Group announced a restructuring programme that put approximately 14% of the workforce at risk of redundancy. These costs were accrued in 2023 and were deemed to be non-underlying by their size and irregularity. Therefore, the accrual release in 2024 for costs accrued in 2023 but not required has been classified as non-underlying.

3 - As a result of the acquisition, Long-Term Incentive Plan (LTIP) charges and unamortised RCF fees were accelerated as expenses into the 2023 Statement of Total Comprehensive Income where they otherwise would have been recognised in later periods. In addition to this, fees were incurred in relation to financial reviews required prior to Global Auto Holdings Limited's bond issue in January 2024. These costs have been deemed non-underlying by their irregularity.

4 - In 2023 we commenced a Sales Transformation project. Costs incurred include external and internal incremental resource required to support the project, as well as third party fees and licences. This project has been ceased due to unanticipated difficulties with implementation. These expenses are considered non-underlying due to their size and irregularity.

5 - During the year we have closed, or announced our intention to close, two sites (2023: three sites). Costs relating to these closures include site closure costs, restructuring costs, and impairment losses. These items have been deemed non-underlying by irregularity.

6 - Gains on disposals relate to the net gains on the sale of two dealership sites, a fleet of logistics trucks associated with the closure of van home delivery, and the Accident Repair Centre business in Dunmurry (2023: two sites). Total proceeds received during the period were £6.9m (2023: £1.9m). These items have been deemed non-underlying by nature.

7 - In 2024 certain members of management have been awarded discretionary bonuses in order to facilitate their retention. These bonuses are not expected to be repeated after 2024, therefore these costs have been classified as non-underlying by their irregularity.

8 - In accordance with IAS 36, the Group's intangible assets with an indefinite useful economic life are tested annually for impairment. Consequently, an impairment charge of £6.0m has been recognised in the year (2023: £nil) with respect to the BMW CGU (see Note 12 for further details). This charge has been classified as non-underlying due to its size, nature and irregularity.

The net cash outflow before tax from activities associated with non-underlying items is £4.0m (2023: £28.3m).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

8) INFORMATION REGARDING EMPLOYEES

Group	2024	2023
	£m	£m
Employee costs:		
Wages and salaries	246.0	263.3
Social security costs	25.6	27.6
Other pension costs – defined contribution scheme	5.7	5.9
Share-based compensation	-	2.5
	277.3	299.3

Average number employed during the year:	2024	2023
Aftersales	1,716	1,750
Sales	1,319	1,472
Administration	2,968	3,502
	6,003	6,724

Company	2024	2023
	£m	£m
Employee costs:		
Wages and salaries	23.2	28.8
Social security costs	2.7	3.8
Other pension costs – defined contribution scheme	0.6	0.7
Share-based compensation	-	2.5
	26.5	35.8

The average number employed by the Company during the year was 394 (2023: 490).

Directors' remuneration:	2024	2023
	£000	£000
Base salaries/fees	54	1,378
Annual bonus and other benefits	-	1,551
Contribution to money purchase pension schemes	2	20
Total remuneration	56	2,949

Members of money purchase pension schemes	1	3
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Amounts in respect of the highest paid director are as follows:

Total remuneration	43	1,160
Total contribution to money purchase pension schemes	2	4

The emoluments of those Directors who were also Directors of fellow companies within the Global Group, but not within the Lookers Limited Group were borne by fellow companies outside the Lookers Group. A management charge of £120k was recharged to the Company for services provided to the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

9) FINANCE COSTS

	Note	2024 £m	2023 £m
Finance costs:			
On revolving credit facility		-	(0.6)
On consignment, repurchase vehicle liabilities and stocking loans		(24.6)	(25.7)
On vehicle rental finance liabilities		(11.9)	(5.2)
On lease liabilities		(7.3)	(6.8)
Debt issue costs		-	(0.6)
		(43.8)	(38.9)
Net pension income/(costs):			
On defined benefit pension obligations	28	(8.9)	(9.1)
On pension scheme assets	28	9.3	8.5
		0.4	(0.6)
Finance income:			
On loans with other Group companies		1.3	-
Other		0.3	-
		1.5	-
Non-underlying finance costs:			
Accelerated amortisation of debt issue costs		-	(1.7)
		-	(1.7)
Total finance costs		(41.9)	(41.2)

10) TAX

	Note	2024 £m	2023 £m
Current tax			
Current year		2.3	1.4
Adjustment in respect to prior years		(1.8)	0.4
		0.5	1.8
Deferred tax charge			
Deferred tax rate adjustment		9.4	2.6
Adjustment in respect to prior years		(0.5)	(1.2)
	25	8.9	1.4
Total tax charge		9.4	3.2
Tax on items credited to other comprehensive income:			
Tax on share-based payment charge		-	(1.1)
Tax on pension scheme obligations excluding change in UK tax rate	25	(1.0)	(1.7)
		(1.0)	(2.8)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

10) TAX (continued)

	2024			2023		
	Underlying £m	Non- underlying £m	Reported £m	Underlying £m	Non- underlying £m	Reported £m
Reconciliation of total tax:						
Profit/(loss) before tax	58.4	(14.7)	43.7	37.8	(39.6)	(1.8)
Standard rate of corporation tax at 25% (2023: 23.5%)	14.6	(3.7)	10.9	8.9	(9.3)	(0.4)
Disallowable items/(non-taxable income)	0.1	0.2	0.3	1.3	3.2	4.5
Capital gains	0.6	0.1	0.7	0.2	0.1	0.3
Share-based compensation	-	-	-	(0.7)	0.4	(0.3)
Adjustment in respect to prior years	(2.3)	-	(2.3)	(0.8)	-	(0.8)
Difference between current and deferred tax rates	-	-	-	0.1	-	0.1
Difference on overseas tax rate	(0.2)	-	(0.2)	(0.2)	-	(0.2)
Total tax charge	12.8	(3.4)	9.4	8.8	(5.6)	3.2

Deferred tax is calculated on temporary differences using a tax rate of 25% reflecting the rate of Corporation Tax applicable from 1 April 2023.

In 2024 the G20-OECD Inclusive Framework Pillar 2 rules were enacted in the UK, including a Qualified Domestic Minimum Top-Up Tax rule. This legislation seeks to ensure that UK headquartered multinational enterprises pay a minimum tax rate of 15% on UK and overseas profits arising after 31 December 2023. As the UK rate of corporation tax in 2024 is 25%, and the Group's business is primarily in the UK, the impact of these rules on the Group has not been material.

11) DIVIDENDS

Group

	2024 £m	2023 £m
Final dividend for the year ended 31 December 2022 2.0p	-	7.7
Interim dividend for the year ended 31 December 2023 1.0p	-	3.7
Interim dividend for the year ended 31 December 2024 23.7p	92.0	-
	92.0	11.4

Following approval by the Board and the shareholders an interim dividend of £70.0m for the year ended 31 December 2024 was declared on 30 April 2024. This offset an intercompany receivable with Global Auto Holdings plc of £39.1m and created an intercompany payable of £30.9m.

Of this intercompany payable, £20.0m was cash settled prior to the approval and declaration of the further £22.0m interim dividend on 25 June 2024. This resulted in an intercompany payable of £32.9m which was fully cash settled by 31 December 2024.

12) GOODWILL

Group

	2024 £m	2023 £m
Cost		
At 1 January	123.4	122.4
Additions (note 31)	-	1.0
At 31 December	123.4	123.4
Accumulated impairment		
At 1 January and 31 December	43.1	43.1
Carrying amount at 31 December	80.3	80.3

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

12) GOODWILL (continued)

Following the Group's annual impairment review, an impairment charge of £6.0m has been recognised during the year (2023: £nil) in relation to the BMW CGU.

The Group's BMW CGU showed a decline in revenue during the year and, despite a favourable change in sales mix and a cost base reduction, the CGU showed a decrease in profitability. While revenue is forecast to recover and show growth in future periods, the long-term cash flows and value in use of the CGU are lower than previously projected. Therefore, given there is no goodwill associated with this CGU, the Directors have made to decision to impair the intangibles with an indefinite useful economic life by £6.0m.

The following table summarises goodwill and intangibles with an indefinite useful economic life allocated by CGU:

CGU	2024	2024	2024	2023	2023	2023
	Goodwill	Licences & brands	Total	Goodwill	Licences & brands	Total
	£m	£m	£m	£m	£m	£m
Jaguar Land Rover	9.2	-	9.2	9.2	-	9.2
Audi	22.1	27.9	50.0	22.1	27.9	50.0
Charles Hurst	9.4	-	9.4	9.4	-	9.4
Ford	4.8	2.9	7.7	4.8	2.9	7.7
Mercedes-Benz	15.2	28.2	43.4	15.2	28.2	43.4
Volkswagen	6.9	15.9	22.8	6.9	15.9	22.8
BMW	-	15.7	15.7	-	21.7	21.7
Vauxhall Renault Nissan Dacia	2.8	2.9	5.7	2.8	2.9	5.7
Fleet & Leasing	9.9	-	9.9	9.9	-	9.9
	80.3	93.5	173.8	80.3	99.5	179.8

Goodwill is tested for impairment at least annually through assessment of carrying value against value-in-use.

The value-in-use of each cash generating unit (CGU) is calculated using cash flow projections for a five-year period; from 1 January 2024 to 31 December 2029. These projections are based on the Board approved budget to 31 December 2024 and extrapolated to 31 December 2029 based on management's expectations. The key assumptions on which the cash flow projections are based relate to expectations of sales volumes and margins and expectations around changes in the operating cost base. The assumptions made are based on management's understanding of the current macro-economic context and outlook, past experience adjusted for expected changes, and external sources of information.

The key assumptions that have been used in determining the value in use of each CGU in the impairment model are set out in the table below:

Assumption	2024	2023	2022
Three to five year revenue growth	3.0%	2.5%	0.0%
Three to five year operating expenses growth	3.0%	2.7% to 3.1%	1.0%
Post year five growth rate	0.0%	0.0%	2.5%
Discount rate	12.2%	11.0%	14.0%

The pre-tax adjusted discount rate used has been calculated using the Group's estimated cost of capital and benchmarked against externally available data.

Sensitivity

The Group has carried out sensitivity analyses on the possible changes in key assumptions in the impairment testing. Neither a 1.0% increase in discount rate nor various reasonable downside scenarios would indicate impairment in any other cash generating unit.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

13) INTANGIBLES

Group

	Note	Licences and brands £m	IT developments £m	Total £m
Cost				
At 1 January 2023		102.6	22.8	125.4
Additions		-	1.8	1.8
At 31 December 2023		102.6	24.6	127.2
At 1 January 2024		102.6	24.6	127.2
Additions		-	1.0	1.0
At 31 December 2024		102.6	25.6	128.2
Accumulated depreciation and impairment				
At 1 January 2023		3.1	17.1	20.2
Charge for the year		-	3.8	3.8
At 31 December 2023		3.1	20.9	24.0
At 1 January 2024		3.1	20.9	24.0
Charge for the year		-	2.2	2.2
Impairment charge	12	6.0	-	6.0
At 31 December 2024		9.1	23.1	32.2
Carrying amount				
As at 1 January 2023		99.5	5.7	105.2
As at 31 December 2023 and 1 January 2024		99.5	3.7	103.2
As at 31 December 2024		93.5	2.5	96.0

At 31 December 2024 there is an amount of £nil (2023: £nil) committed for future capital expenditure. Included within IT development are IT assets in the course of construction totalling £nil (2023: £nil).

Company

	IT developments £m
Cost	
At 1 January 2023	21.8
Additions	1.8
At 31 December 2023	23.6
At 1 January 2024	23.6
Additions	1.0
At 31 December 2024	24.6
Accumulated depreciation and impairment	
At 1 January 2023	16.2
Charge for the year	3.8
At 31 December 2023	20.0
At 1 January 2024	20.0
Charge for the year	2.2
At 31 December 2024	22.2
Carrying amount	
As at 1 January 2023	5.6
As at 31 December 2023 and 1 January 2024	3.6
As at 31 December 2024	2.4

At 31 December 2024 there is an amount of £nil (2023: £nil) committed for future capital expenditure. Included within IT development are IT assets in the course of construction totalling £nil (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

14) PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings	Motor vehicles for leasing	Other	Total
	£m	£m	£m	£m
Cost				
At 1 January 2023	337.4	116.8	76.2	530.4
Movements in foreign exchange	(0.4)	-	-	(0.4)
Additions	14.9	64.8	21.1	100.8
Acquired through business combinations	0.1	-	0.3	0.4
Disposals	(2.9)	-	(4.7)	(7.6)
Transfers	2.3	-	(2.3)	-
Transfers to inventories	-	(29.1)	-	(29.1)
Adjustments	2.1	0.1	(0.5)	1.7
At 31 December 2023	353.5	152.6	90.1	596.2
At 1 January 2024	353.5	152.6	90.1	596.2
Movements in foreign exchange	(0.7)	-	(0.1)	(0.8)
Additions	8.5	63.8	8.8	81.1
Disposals	(8.6)	-	(8.7)	(17.3)
Transfers	5.7	-	(5.7)	-
Transfers to inventories	-	(31.7)	-	(31.7)
At 31 December 2024	358.4	184.7	84.4	627.5
Accumulated depreciation and impairment				
At 1 January 2023	46.9	30.3	48.8	126.0
Charge for the year	6.1	20.1	9.4	35.6
Impairment charge	-	-	0.1	0.1
Disposals	(2.2)	-	(3.9)	(6.1)
Transfers to inventories	-	(15.3)	-	(15.3)
Adjustments	2.1	-	(0.3)	1.8
At 31 December 2023	52.9	35.1	54.1	142.1
At 1 January 2024	52.9	35.1	54.1	142.1
Movements in foreign exchange	-	-	(0.1)	(0.1)
Charge for the year	6.8	26.0	9.9	42.7
Impairment	-	-	0.1	0.1
Disposals	(3.5)	-	(7.1)	(10.6)
Transfers to inventories	-	(16.6)	-	(16.6)
At 31 December 2024	56.2	44.5	56.9	157.6
Carrying amount				
As at 1 January 2023	290.5	86.5	27.4	404.4
As at 31 December 2023 and 1 January 2024	300.6	117.5	36.0	454.1
As at 31 December 2024	302.2	140.2	27.5	469.9

Assets in the course of construction relate to build costs that have been incurred but the property is not yet in use and are included in Other. The total of these assets held at 31 December 2024 is £1.4m (2023: £7.6m). These assets will be transferred to Land and Buildings when complete. Other also includes plant and machinery, own-use vehicles, fixtures and fittings, and tools and equipment.

Included within land and buildings is freehold land at a cost of £79.8m (2023: £82.1m) which is not depreciated. At 31 December 2024 there is an amount of £nil (2023: £1.3m) committed for future capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

14) PROPERTY, PLANT AND EQUIPMENT (continued)

During the year ended 31 December 2024 the total net book value of disposals from property and other amounted to £6.7m (2023: £1.5m). Total proceeds received were £7.9m (2023: £nil) resulting in a gain on disposals of £1.2m (2023: loss on disposals of £1.5m).

In the year ended 31 December 2024 an impairment charge of £0.1m (2023: £0.1m) has been recognised.

At the balance sheet date £nil (2023: £nil) of properties have been transferred to assets held for sale from property, plant and equipment. See Note 16 for further details.

For the year ended 31 December 2024 the total net book value transferred to group inventories was £15.1m (2023: £13.8m).

Company

	Other £m
Cost	
At 1 January 2023	3.5
Additions	3.0
Disposals	(0.3)
Transfers in from other Group companies	0.1
Transfers out to other Group companies	(3.4)
At 31 December 2023	2.9
At 1 January 2024	2.9
Additions	0.4
Transfers out to other Group companies	(0.3)
At 31 December 2024	3.0
Accumulated depreciated and impairment	
At 1 January 2023	0.9
Charge for the year	0.7
Disposals	(0.1)
At 31 December 2023	1.5
At 1 January 2024	1.5
Charge for the year	0.6
At 31 December 2024	2.1
Carrying amount	
As at 1 January 2023	2.6
As at 31 December 2023 and 1 January 2024	1.4
As at 31 December 2024	0.9

At 31 December 2024 there is an amount of £nil (2023: £nil) committed for future capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

15) RIGHT OF USE ASSETS

Group

	Property £m	Other £m	Total £m
At 1 January 2023	108.9	6.0	114.9
Additions	5.6	7.4	13.0
Modifications	7.0	0.1	7.1
Depreciation charge	(12.0)	(3.5)	(15.5)
Disposals	(0.4)	(1.0)	(1.4)
As at 31 December 2023	109.1	9.0	118.1
At 1 January 2024	109.1	9.0	118.1
Additions	5.0	4.3	9.3
Modifications	8.0	0.4	8.4
Depreciation charge	(12.4)	(4.7)	(17.1)
Impairment charge	(2.3)	-	(2.3)
Disposals	-	(1.6)	(1.6)
At 31 December 2024	107.4	7.4	114.8

Included within the Other category are leases for motor vehicles and IT equipment.

An impairment charge of £2.3m (2023: £nil) has been recognised following the cessation of trade from certain dealerships during the year. This has been treated as a non-underlying item (see Note 7).

Further details regarding leased assets are provided in the following Notes:

	Note
Disclosure of lease costs of low value assets	6
Gains on property disposals	7
Lease interest costs	9
Movements on lease liabilities	24

Company

	Other £m
At 1 January 2023	4.5
Additions	4.6
Depreciation charge	(2.4)
Disposals	(0.5)
As at 31 December 2023	6.2
At 1 January 2024	6.2
Additions	1.7
Modifications	0.4
Depreciation charge	(2.8)
Disposals	(0.8)
At 31 December 2024	4.7

Included within the Other category are leases for motor vehicles and IT equipment.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

16) ASSETS HELD FOR SALE

Group

	2024	2023
	£m	£m
Lower of carrying amount and fair value less costs to sell		
At 1 January	1.5	2.6
Disposals	-	(1.1)
At 31 December	1.5	1.5

All items included at 31 December 2024 and 31 December 2023 relate to properties held by the Group and have been transferred into assets held for sale following the cessation of trade at certain dealerships and the subsequent commencement of procedures to dispose of these vacant properties from the Group's portfolio. Properties held within assets held for sale are being actively marketed for disposal and there is an expectation that such properties will be disposed of within 12 months of the balance sheet date. Where necessary, provision for impairment to bring an asset's carrying value in line with its estimated fair value less costs of disposal has been recorded whilst the asset was held within property, plant and equipment and prior to its subsequent transfer into assets held for sale.

During the year the total carrying amount disposed from held for sale amounted to £nil (2023: £1.1m). Total proceeds received amounted to £nil (2023: £1.8m) resulting in a gain on property disposals of £nil (2023: £0.7m).

17) INVESTMENTS IN SUBSIDIARIES

Company

	2024	2023
	£m	£m
Cost and Net Book Value		
At 1 January	126.8	126.8
Disposals	(2.9)	-
At 31 December	123.9	126.8

Details of the subsidiary undertakings of Lookers Limited (Registered Office: Lookers House, 1st Floor, Lookers Stoke, Bede Road, Stoke-on-Trent, ST4 4GU) are set out below. All subsidiary companies are wholly owned through ownership of ordinary share capital. The individual accounts for all non-dormant UK subsidiary companies will be filed under parental guarantee under section 479A of the Companies Act 2006 and as such will be exempt from audit. These are marked in the following tables with a caret (^).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

17) INVESTMENTS IN SUBSIDIARIES (continued)

<p>Registered Office: Lookers House, 1st Floor, Lookers Stoke, Bede Road, Stoke-on-Trent, ST4 4GU, England</p> <hr/> <p>Addison Motors Limited[^] (m) Addison TPS Limited[^] (m) Aston Green Limited (d) Benfield Motor Group Limited (d) Benfield Pension Trustees Limited (d) Billingham Motors Limited (d)³ Bluebell (Crewe) Limited (d) Bolling Investments Limited[^] (p) Bramall & Jones VW Limited[^] (h) Bristol Trade Centre Limited (d)³ Burton Trade Centre Limited (d)³ Castle Bromwich Motors Limited (d) Chipperfield Garage Limited (d) Chipperfield Holdings Limited (d) Colborne (HGG) 2012 Limited (d) Colbornes Trade Parts Limited[^] (m) Colebrook & Burgess (Teesside) Limited (d) Colebrook & Burgess Holdings Limited[^] (h) Colebrook & Burgess Limited[^] (m) Drayton Group Limited[^] (m) Dutton-Forshaw Holdings Limited[^] (h) Dutton-Forshaw Limited (d) Fourways Vehicle Solutions Limited[^] (m) *Get Motoring UK Limited[^] (m) Harpers Carlisle Limited[^] (p) Jackson & Edwards Limited (d) Kings Langley Land Rover Limited (d) Knights North West Limited (d) Look 4 Car Credit Limited (d) Lookers Birmingham Limited (d) Lookers Colborne Limited[^] (m) Lookers Directors Limited[^] (d) Lookers GB & E Limited (d) Lookers JV Limited (d)⁴ Lookers Leasing Limited[^] (m) *Lookers Motor Group Limited[^] (m) *Lookers Motor Holdings Limited[^] (h) Lookers Motors Limited (d)³ Lookers North West Limited[^] (d) *Lookers Pension Plan Trustee Limited (d) Lookers Secretaries Limited (d)³ Lookers South East Limited (d)³ Lookers Southern Limited[^] (d) Martins (Stockton) Limited (d)³</p>	<p>Martins (Sunderland) Limited (d)³ Martins-Wellington Limited (d)⁴ MB South Limited[^] (m) Meteor Group Limited (d)¹ NNK Holdings Limited[^] (h) Picking (Liverpool) Limited (d) Platts Harris Limited[^] (d) PLP Motors Limited (d) Pollendine Motors (Frinton) Limited (d) Radford (Bavarian) Limited (d) Roadshow Limited (d) Rosedale Finance & Leasing Limited (d) S.Jennings Group Limited[^] (h) S. Jennings Limited[^] (m) The Dovercourt Motor Company Limited (d) The Dutton-Forshaw Group Limited[^] (h) The Dutton-Forshaw Motor Company Limited[^] (m) The Dutton-Forshaw Trustee Company Limited (d) Truc-Bodies Limited (d)⁵ Vehicle Rental Services Limited (d) Vikings Canterbury Limited (d)¹ Warwick Holdings Limited[^] (p)</p> <hr/> <p>Incorporated and registered in Northern Ireland Registered Office: 62 Boucher Road, Antrim, Belfast, Northern Ireland, BT12 6LR</p> <hr/> <p>Adelaide Finance Limited (d)² Bairds Cars Limited (d) Balmoral Motors Limited (d)² Charles Hurst Holdings Limited[^] (h)² Charles Hurst JV Limited (d)² Charles Hurst Limited[^] (m) Charles Hurst Motors Limited[^] (d) Fleet Financial Limited[^] (m) Guthrie & Anderson Limited (d)² Hurstco Limited (d)² Savilles Auto Village Limited (d) *The Charles Hurst Corporation Limited (h)² Thompson-Reid Tractors Limited (d)² Town & Country Fuels Limited (d)² Ulster Garages Limited (d)²</p> <hr/> <p>Incorporated in Republic of Ireland Charles Hurst Dublin Limited (m)</p>	<p>Incorporated and registered in Scotland</p> <hr/> <p>**Arran Oils Limited (d)² **Ballcop (No.3) Limited (d) **Ballcop (No.4) Limited (d) **Ballcop (No.5) Limited (d) **Ballcop (No.7) Limited (d) **Ballcop (No.8) Limited (d) **Ballcop (No.9) Limited (d) **Ballcop (No.10) Limited (d) **Ballcop (No.11) Limited (d) **Hurst Energy Services Limited (d)² **Hurst Fuels (Caledonia) Limited (d)² **Inverclyde Sales & Service Limited (d) **J M Sloan & Company (Car Hire) Limited (d) **J M Sloan & Company Limited (d) **JN Holdings Limited (d) ***Lomond Motors (East) Limited[^] (m) ***Lomond Motors Limited[^] (m) ***Lomond TPS Limited[^] (m) **Shields Automotive Limited (d) **Taggarts Motor Group Limited (d)</p> <hr/> <p>*These subsidiaries are directly owned by Lookers Limited whilst the remaining are indirectly owned. **Registered Office: 1000 Kennishead Road, Glasgow, GR3 7RA ***Registered Office: 520 Hillington Road, Braehead, Glasgow, G52 4UB</p> <p>Principal activities key: (d) - dormant (h) - intermediate non-trading holding company (m) - sale and maintenance of vehicles and distribution of spare parts (p) - property management company</p> <p>¹ Company dissolved 12 March 2024 ² Company dissolved 27 May 2025 ³ Company dissolved 5 August 2025 ⁴ Company dissolved 12 August 2025 ⁵ Company dissolved 19 August 2025</p>
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NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

18) INVENTORIES

Group

	2024	2023
	£m	£m
Goods for resale	312.7	299.3
Vehicle spare parts for resale	17.8	18.8
Consignment vehicles	450.5	398.0
	781.0	716.1

No write-offs of inventory have been incurred during the year (2023: none) and there have been no reversals of past write-downs (2023: none). Stocking loans provided by third party finance houses are secured over the vehicles used for the provision of such finance.

Included within goods for resale are vehicles leased out to staff employees on short-term lease arrangements via a third party but are still actively marketed for immediate sale to third parties by the Group as the Group has not relinquished control of these vehicles. As at 31 December 2024 these total £30.6m (2023: £31.4m).

At 31 December 2024 the Group had entered into future purchase commitments amounting to £nil (2023: £nil) which are not recognised in the financial statements.

19) TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	£m	£m	£m	£m
Current:				
Trade receivables	106.0	93.8	0.5	0.1
Group receivables	2.1	29.4	159.1	204.8
Other receivables	3.4	13.1	10.8	9.1
Repurchase debtor	16.6	6.5	-	-
Finance lease receivable	1.0	1.5	-	-
	129.1	144.3	170.0	214.0
Non current:				
Finance lease receivable	0.3	-	-	-
	0.3	-	-	-
Total	129.4	144.3	170.0	214.0

Group receivables for the Group represents amounts owed by the immediate parent company of the Company, Global Auto Holdings plc ("GAHP"). In addition to this, balances due from subsidiary undertakings of the Company are included within Group receivables for the Company. The amounts due to from GAHP are interest bearing at the prevailing commercial rate, amounts due from subsidiary undertakings of the Company are interest free. All amounts are unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

20) RENTAL FLEET VEHICLES

Group

	2024 £m	2023 £m
Cost		
At 1 January	56.4	54.5
Transfer from group inventories	40.2	30.9
Additions	23.2	22.3
Transfer to group inventories	(57.4)	(51.3)
At 31 December	62.4	56.4
Accumulated depreciation and impairment		
At 1 January	4.2	2.6
Charge for the year	5.8	5.0
Transfer to group inventories	(4.7)	(3.4)
At 31 December	5.3	4.2
Carrying amount at 1 January	52.2	51.9
Carrying amount 31 December	57.1	52.2

Rental vehicles included in current assets reflect those vehicles which are purchased for the purpose of short-term rentals and which are expected to be disposed of in less than one year.

For the year ended 31 December 2024 the total net book value transferred to group inventories was £12.5m (2023: £17.0m).

21) CASH AND CASH EQUIVALENTS

	Group 2024 £m	2023 £m	Company 2024 £m	2023 £m
Cash at bank and in hand	50.3	36.5	5.9	1.5
Bank overdraft	(37.5)	(13.2)	(14.6)	-
Cash and cash equivalents per statement of cash flows	12.8	23.3	(8.7)	1.5

Total restricted cash for the Group at 31 December 2024 is £nil (2023: £0.1m) and for the Company is £nil (2023: £0.1m).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

22) TRADE AND OTHER PAYABLES

	Group 2024 £m	2023 £m	Company 2024 £m	2023 £m
Current:				
Trade payables	186.2	165.6	12.0	16.1
Group payables	-	-	154.3	228.1
Other tax and social security payable	13.7	6.8	5.9	6.7
Other creditors	33.5	39.0	1.8	1.8
Deferred income	7.0	5.9	-	-
Accruals	51.4	67.2	8.3	10.4
	291.8	284.5	182.3	263.1
Non-current:				
Deferred income	9.7	11.6	-	-
	9.7	11.6	-	-
Total	301.5	296.1	182.3	263.1

23) STOCKING AND VEHICLE FINANCE FACILITIES

Group	2024 £m	2023 £m
Current:		
Repurchase commitments	27.5	30.9
Stocking loans	267.1	254.5
Consignment vehicle creditors	450.5	398.0
Vehicle rental finance liabilities	84.4	53.3
	829.5	736.7
Non-current:		
Vehicle rental finance liabilities	102.4	96.0
	102.4	96.0
Total	931.9	832.7

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24) FINANCIAL INSTRUMENTS

Carrying amount of financial assets

The carrying amounts of financial assets by category were:

Group

	2024	2023
	£m	£m
Financial assets measured at amortised cost:		
Cash at bank and in hand	50.3	36.5
Trade receivables	106.0	93.8
Group receivables	2.1	29.4
Other receivables	21.0	21.1
	179.4	180.8

None of the assets are materially credit-impaired and there has been no significant increase in credit risk since initial recognition. The amounts disclosed above also represent the maximum exposure to credit risk ignoring cash flows from realisation of the assets and impairment losses.

The gross carrying amount of trade receivables is as follows:

Group

	2024	2023
	£m	£m
Current (not past due)	84.9	63.6
Past due up to three months	16.9	26.5
Past due from three months up to six months	3.8	3.7
Past due over six months	0.4	1.8
Total gross amount at 31 December	106.0	95.6
Less: Allowance for expected credit losses	(0.6)	(1.5)
Less: Specific credit provision	(0.2)	(0.3)
Trade receivables at 31 December	105.2	93.8

The loss allowance based on the simplified approach for lifetime expected credit losses is as follows:

Group

	2024	2023	2024	2023
	weighted	weighted	£m	£m
	average	average		
	loss rate	loss rate		
Current (not past due)	0.5%	1.3%	0.4	0.8
Past due up to three months	1.0%	2.3%	0.2	0.6
Past due from three months up to six months	1.5%	2.9%	-	0.1
Past due over six months	0.7%	3.5%	-	-
Total allowance for expected credit losses at 31 December			0.6	1.5

The trade receivables balance has been disaggregated based on the third-party risk profiles. The allowance for expected credit losses calculation incorporates both historical and forward-looking macro-economic information to determine average loss rates which are applied to the disaggregated trade receivables.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24) FINANCIAL INSTRUMENTS (continued)

A reconciliation of the changes in the loss allowance is set out below:

Group	2024	2023
	£m	£m
As at 1 January	1.5	1.7
Derecognition including write-offs	(0.1)	(0.1)
(Credit)/charge for the year	(0.8)	(0.1)
As at 31 December	0.6	1.5

Carrying amount of financial liabilities

The carrying amounts of financial liabilities by category were:

Group	2024	2023
	£m	£m
Financial liabilities measured at amortised cost:		
Bank overdrafts	37.5	13.2
Trade and other payables	270.7	271.8
Stocking and vehicle finance liabilities	931.9	832.7
Total lease liabilities	143.7	144.2
	1,383.8	1,261.9

Group	2024	2023
	£m	£m
Bank loans and overdraft repayable:		
Less than one year	37.5	13.2
	37.5	13.2

Group	2024	2023
	£m	£m
Total lease liabilities		
Current	23.8	23.2
Non-current	119.9	121.0
	143.7	144.2

Group	2024	2023
	£m	£m
Total lease liabilities		
Less than one year	23.8	23.2
More than one year and not more than two years	20.1	19.9
More than two years and not more than five years	45.0	44.1
More than five years	123.6	126.0
(Less): finance charges allocated to future years	(68.8)	(69.0)
	143.7	144.2

The Group is party to a number of lease arrangements as a lessee, these are primarily long leasehold property leases for dealerships, workshops and office spaces across the Group. The Group also holds leases for motor vehicles and IT equipment used to support the Group's operations. The Group is not materially exposed to variable lease payments however a number of the property leases have contractual clauses including rent reviews, contract extension and contract termination options which, dependent upon any significant business reorganisation activities, may affect the future cashflows of the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24) FINANCIAL INSTRUMENTS (continued)

Group	At 1 Jan 2024	Loan repayment	Lease repayment	Loan receipt	Non-cash movement	At 31 Dec 2024
Movement in liabilities arising from financing activities	£m	£m	£m	£m	£m	£m
Lease liabilities	144.2	-	(17.2)	-	16.7	143.7
Vehicle rental finance liabilities	149.3	(49.5)	-	87.0	-	186.8
	293.5	(49.5)	(17.2)	87.0	16.7	330.5
Cash and cash equivalents	(36.5)					(50.3)
Bank overdraft	13.2					37.5
Net funds excluding lease and vehicle rental liabilities	(23.3)					(12.8)
Net debt including lease and vehicle rental liabilities	270.2					317.7

Group	At 1 Jan 2023	Loan repayment	Lease repayment	Loan receipt	Non-cash movement	At 31 Dec 2023
Movement in liabilities arising from financing activities	£m	£m	£m	£m	£m	£m
Lease liabilities	143.0	-	(17.4)	-	18.6	144.2
Vehicle rental finance liabilities	113.6	(51.4)	-	87.1	-	149.3
	256.6	(51.4)	(17.4)	87.1	18.6	293.5
Cash and cash equivalents	(111.8)					(36.5)
Bank overdraft	45.3					13.2
Net funds excluding lease and vehicle rental liabilities	(66.5)					(23.3)
Net debt including lease and vehicle rental liabilities	190.1					270.2

Non-cash movements in relation to lease liabilities relate to the recognition and de-recognition of lease liabilities and accrued and repaid interest.

Movements in relation to vehicle rental finance liabilities relate to specific funding sourced or repaid during the financial year in relation to vehicles leased out by the Group in its capacity as a lessor.

The Group is able to draw on a USD\$340.0m (£271.8m) revolving credit facility held by the Global Group. This was originally agreed on 10 May 2024 with a borrowing limit of USD\$200.0m (£159.9m), on 24 January 2025 the Global Group received a new lender supplement increasing the borrowing limit to USD\$250.0m (£199.8m) and on 28 February 2025 the Global Group received a further new lender supplement increasing the borrowing limit to USD\$340.0m (£269.7m), see the going concern section in Note 1 for further details. Between acquisition and 10 May 2024 the Group had access to a revolving credit facility to which GAHP was a joint borrower, which was undrawn by the Group during those dates. This facility was extinguished on 10 May 2024.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24) FINANCIAL INSTRUMENTS (continued)

An analysis of the Group's fixed and floating rate borrowings and non-vehicle lease liabilities is as follows:

Group

	Fixed rate		Total interest bearing £m	2024 Total £m
	£m	Weighted average effective interest rate %		
Lease liabilities	143.7	5.0	143.7	143.7
Total borrowings	143.7		143.7	143.7

Group

	Fixed rate		Total interest bearing £m	2023 Total £m
	£m	Weighted average effective interest rate %		
Lease liabilities	144.2	4.8	144.2	144.2
Total borrowings	144.2		144.2	144.2

A maturity analysis of the Group's undiscounted inflows from operating lease receivables is as follows:

Group

Year ending	Within 1 year	Within 1-2 years	Within 2-3 years	Within 3-4 years	Within 4-5 years	After 5 years	Total
	£m	£m	£m	£m	£m	£m	£m
31 December 2024	39.1	28.1	13.6	2.8	0.1	-	83.7
31 December 2023	31.8	21.8	11.0	2.5	0.1	-	67.2

Finance lease receivables of £1.0m (2023: £1.0m) are due within one year.

Financial risk management objectives

The Board manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and capital risk. The Group does not enter into or trade financial instruments (including derivative financial instruments) for speculative purposes.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk on its financial assets which consist of cash balances with banks and trade and other receivables to the extent that settlement is cash-related.

Market risk

The Group has exposures to the following risks inherent in its financial instruments:

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Foreign exchange risk arises as a result of having monetary assets and liabilities denominated in non-sterling balances. Exchange rate exposures are managed within approved policy parameters utilising natural hedges where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24) FINANCIAL INSTRUMENTS (continued)

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

Group

	Assets		Liabilities	
	2024 £m	2023 £m	2024 £m	2023 £m
Euro	1.6	2.6	5.4	6.9

The majority of the Group's business is carried out in sterling. However, for the limited number of transactions in foreign currency the Group is mainly exposed to Euros. The following table details the Group's sensitivity on financial assets and liabilities to a 10% change in pounds sterling against the respective foreign currency. 10% is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis of the Group's exposure to foreign currency risk at the reporting date has been determined based on the change taking place at the beginning of the financial year and held constant throughout the reporting period.

Group

	2024 £m		2023 £m	
	+10% change	-10% change	+10% change	-10% change
Financial assets	(0.1)	0.2	(0.2)	0.3
Financial liabilities	(0.5)	0.6	(0.6)	0.8

Interest price risk

This risk results from financial instruments bearing fixed interest rates; changes in floating interest rates therefore affect the fair value of these fixed rate financial instruments. The Group has no debt subject to fixed interest rates and is, therefore, not exposed to interest price risk.

Interest cash flow risk

This risk results from financial instruments bearing floating interest rates. Changes in floating interest rates affect cash flows on interest receivable or payable. The Group is exposed to interest rate risk on its floating rate debt, namely all loans and borrowings. The interest rate exposure of the Group is managed within the constraints of the Group's business plan and the financial covenants under its revolving credit facilities.

Interest rate risk management

The sensitivity analyses below have been determined based on the exposure to changes in interest rates at the reporting date and stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. Based on historical experience and current interest rates being less stable than previously, a 100 (2023: 100) basis point change is used when reporting interest risk internally to the Board and represents the Board's assessment of the possible change in interest rates. Interest rate risk is the financial impact by which the Group is exposed in respect of the financial liabilities attracting an interest charge.

Group

	+ 100 basis points	
	2024 £m	2023 £m
Profit or loss and equity	6.9	1.4

A decrease of 100 (2023: 100) basis points has an equal and opposite effect to that disclosed above.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24) FINANCIAL INSTRUMENTS (continued)

Credit risk management

Trade receivables are spread across a large number of counterparties across the UK and Ireland. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At the year end the Group is in a net current liabilities position of £144.1m (2023: £75.6m) and has more than sufficient headroom available on the wider group's working capital facility to draw down long-term repayable funds into available cash to ensure that all current liabilities can be met in line with their contractual maturities.

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will accrue to those liabilities except where the Group is entitled and intends to repay the liability before its maturity.

Group

	Less than 1 year	Over 1 year	Total
2024			
Bank overdraft	37.5	-	37.5
Trade and other payables	270.7	-	270.7
Stocking and vehicle finance liabilities	829.5	102.4	931.9
Lease liabilities	23.8	188.7	212.5
	1,161.5	291.1	1,452.6

Group

	Less than 1 year	Over 1 year	Total
2023			
Bank overdraft	13.2	-	13.2
Trade and other payables	271.8	-	271.8
Stocking and vehicle finance liabilities	736.7	96.0	832.7
Lease liabilities	23.2	190.0	213.2
	1,044.9	286.0	1,330.9

Included within the analysis above are balances relating to consignment stock where the liability is contractually due for payment when the related vehicle is adopted by the Group. Adoption usually occurs for the purpose of selling the vehicle to the end customer at which point the cash outflow in respect of the liability matches the cash inflow from the sale.

The Company had no borrowings at 31 December 2024 nor 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

24) FINANCIAL INSTRUMENTS (continued)

Details of the Company's lease liabilities are as follows:

Company

	2024	2023
	£m	£m
Total lease liabilities		
Current	2.8	3.1
Non-current	2.1	3.2
	4.9	6.3

Company

	2024	2023
	£m	£m
Total lease liabilities		
Less than one year	2.8	3.1
More than one year and not more than two years	1.9	2.5
More than two years and not more than five years	0.7	1.4
(Less): finance charges allocated to future years	(0.5)	(0.7)
	4.9	6.3

25) DEFERRED TAX

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of up to 25% (2023: 25%) and movements in the year are as follows:

	Group		Company	
	2024	2023	2024	2023
	£m	£m	£m	£m
As at 1 January	44.7	45.0	(8.4)	(6.5)
Charged/(credited) to the income statement	8.9	1.4	10.0	(0.2)
(Credited)/charged to other comprehensive income	(1.0)	(1.7)	(1.0)	(1.7)
As at 31 December	52.6	44.7	0.6	(8.4)

Group

	Intangible assets	Accelerated tax depreciation	Capital gains	Total
	£m	£m	£m	£m
Deferred tax liabilities:				
As at 1 January 2023	25.9	28.8	4.1	58.8
Movement in year via income statement	(0.2)	2.6	(0.4)	2.0
As at 31 December 2023	25.7	31.4	3.7	60.8
As at 1 January 2024	25.7	31.4	3.7	60.8
Movement in year via income statement	(1.4)	(2.5)	(0.1)	(4.0)
As at 31 December 2024	24.3	28.9	3.6	56.8

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

25) DEFERRED TAX (continued)

	Tax losses	Leases	Corporate interest restriction	Share options	Employee benefits	Provisions	Total
	£m	£m	£m	£m	£m	£m	£m
Deferred tax assets:							
As at 1 January 2023	-	(6.9)	-	(0.8)	(5.9)	(0.2)	(13.8)
Movement in year via income statement	(7.3)	0.7	(2.1)	0.8	7.3	-	(0.6)
Movement in year via statement of other comprehensive income	-	-	-	-	(1.7)	-	(1.7)
As at 31 December 2023	(7.3)	(6.2)	(2.1)	-	(0.3)	(0.2)	(16.1)
As at 1 January 2024	(7.3)	(6.2)	(2.1)	-	(0.3)	(0.2)	(16.1)
Movement in year via income statement	7.3	1.0	2.1	-	2.6	(0.1)	12.9
Movement in year via statement of other comprehensive income	-	-	-	-	(1.0)	-	(1.0)
As at 31 December 2024	-	(5.2)	-	-	1.3	(0.3)	(4.2)
Net deferred tax liability:							
As at 1 January 2024							44.7
As at 31 December 2024							52.6

Company

	Tax losses	Intangible assets	Accelerated tax depreciation	Share options	Employee benefits	Provisions	Total
	£m	£m	£m	£m	£m	£m	£m
Deferred tax liability/(assets):							
As at 1 January 2023	-	-	0.6	(0.8)	(6.3)	-	(6.5)
Movement in year via income statement	(7.3)	(0.2)	(0.6)	0.8	7.1	-	(0.2)
Movement in year via statement of other comprehensive income	-	-	-	-	(1.7)	-	(1.7)
As at 31 December 2023	(7.3)	(0.2)	-	-	(0.9)	-	(8.4)
As at 1 January 2024	(7.3)	(0.2)	-	-	(0.9)	-	(8.4)
Movement in year via income statement	7.3	(0.1)	0.2	-	2.6	-	10.0
Movement in year via statement of other comprehensive income	-	-	-	-	(1.0)	-	(1.0)
As at 31 December 2024	-	(0.3)	0.2	-	0.7	-	0.6

The Board are satisfied with the recognition of a deferred tax asset in the Company due to the probability of future taxable profits becoming available.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

26) SHARE CAPITAL AND RESERVES

Group and Company	2024				2023			
	Number of shares	Share capital £m	Share Premium £m	Capital redemption reserve £m	Number of shares	Share capital £m	Share Premium £m	Capital redemption reserve £m
Authorised: Ordinary shares of 5p each	480,000,000	24.0			480,000,000	24.0		
Allotted, called up and fully paid:								
As at 1 January	387,696,855	19.4	79.9	15.8	386,694,274	19.3	78.4	15.4
Allotted under share option schemes	-	-	-	-	10,246,719	0.5	1.5	-
Own shares purchased for cancellation	-	-	-	-	(9,244,138)	(0.4)	-	0.4
As at 31 December	387,696,855	19.4	79.9	15.8	387,696,855	19.4	79.9	15.8

All ordinary shares rank equally and have the same rights attached.

Own shares purchased for cancellation relate to the share buyback programme which commenced in October 2022 and concluded in May 2023. Total cash outflows in relation to the share buyback in 2023 were £8.0m at an average price of 87p per share.

In 2023, shares allotted under share option schemes included 4,388,102 shares for the Employee Sharesave Scheme which resulted in an increase in share premium of £1.5m and a cash inflow of £1.7m.

27) SHARE-BASED COMPENSATION

Prior to the acquisition of the Company by Global Auto Holdings Limited, the Company had a share option scheme for all employees of the Group and an Executive share option scheme (ESOS).

Employee Sharesave Scheme

The Employee Sharesave Scheme was available to all eligible employees and was based on Save As You Earn (SAYE) savings contracts with options exercisable within a period from the conclusion of a three-year term as appropriate from the date of grant. Under the terms and conditions of this scheme, for every month (up to no more than six months) an employee failed to contribute the agreed monthly amount determined under the rules of the scheme, the last date exercisable was delayed by one month. Options under the final open scheme vested between March and September 2023. There were no open schemes at 31 December 2023 or 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

27) SHARE-BASED COMPENSATION (continued)

Details of the Employee Sharesave Scheme options outstanding during the year are as follows:

	2024	
	Number of share options	Weighted average exercise price £
Outstanding at the beginning of the year	4,518,541	0.40
Exercised during the year	(4,354,238)	0.40
Cancelled during the year	(18,117)	0.40
Forfeited during the year	(37,051)	0.40
Lapsed during the year	(109,135)	0.40
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

No options were granted in 2024 (2023: none). On 1 March 2023 the outstanding 2020 SAYE award vested and became exercisable, for which 4,384,580 shares were allotted between March and September 2023. The 2020 SAYE award expired in September 2023. There are no extant SAYE awards.

Executive Share Option Scheme (ESOS LTIP)

The Executive Share Option Scheme was available to all eligible senior management of the Group. Vesting was subject to the satisfaction of certain performance conditions relating to underlying earnings per share and total shareholder return. Options were exercisable with an exercise price of nil and the vesting period was three years. All optioned vested and were exercised immediately prior to the Group's acquisition by Global Auto Holdings plc on 6 October 2024.

Details of the Executive Share Option Scheme options outstanding during the prior year are as follows:

	2023	
	Number of share options	Weighted average exercise price £
Outstanding at the beginning of the year	4,861,333	-
Granted during the year	2,188,260	-
Exercised during the year	(5,892,481)	-
Cancelled during the year	(1,157,112)	-
Outstanding at the end of the year	-	-
Exercisable at the end of the year	-	-

The weighted average option price at the date of exercise for share options exercised during the 2023 was £nil and were issued with a weighted average fair value calculated as 63p in the year ended 31 December 2023. There are no options outstanding at 31 December 2023.

The total share-based compensation charge recorded in the year ended 31 December 2023 was £2.8m.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28) PENSIONS

The Group operates two (2023: two) defined benefit pension plans, the Lookers Pension Plan (operated by Lookers Limited) and the Benfield Group Pension Plan. The summary of the assets, liabilities and surplus or deficits of these plans are summarised below.

	The Lookers Pension Plan 2024	The Benfield Group Pension Plan 2024	Total 2024
	£m	£m	£m
Defined benefit obligation	(174.6)	(7.3)	(181.9)
Scheme assets	185.7	9.8	195.5
Surplus	11.1	2.5	13.6
Amounts recognised in the income statement	0.7	(0.1)	0.6
Actuarial losses recognised in the statement of comprehensive income	(3.8)	(0.1)	(3.9)

	The Lookers Pension Plan 2023	The Benfield Group Pension Plan 2023	Total 2023
	£m	£m	£m
Defined benefit obligation	(193.7)	(8.5)	(202.2)
Scheme assets	192.2	10.8	203.0
Deficit	(1.5)	-	(1.5)
Surplus	-	2.3	2.3
Net surplus/(deficit)	(1.5)	2.3	0.8
Amounts recognised in the income statement	1.1	(0.1)	1.0
Actuarial losses recognised in the statement of comprehensive income	(6.9)	-	(6.9)

Under both defined benefit plans, the Group has an unconditional right to any refund of surplus in the plans. As such, there are no adjustment required in respect of 'IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'.

The Lookers Pension Plan - Group and Company

"The Lookers Pension Plan" provides benefits based on final pensionable salary and is administered by Aon Hewitt Limited. The plan has been registered with the Registrar of Pensions. The assets of the plan are held separately from those of the Group, being held in separate funds by the Trustees of the Lookers Pension Plan.

A valuation update was made as at 31 December 2024 by a qualified independent actuary, using the projected unit credit method to take account of the IAS 19 (Revised) requirements. Plan liabilities have been calculated using a consistent projected unit valuation method and compared to the plan's assets at their 31 December market value. The assets of the plan are held separately from those of the Group.

Fair value and major categories of assets:

	Market value 2024	Plan % 2024	Market value 2023	Plan % 2023
	£m		£m	
LDI and matching	76.1	41.0	112.3	58.4
Return funds	102.7	55.3	60.9	31.7
Cash	5.0	2.7	16.9	8.8
Insurance policies	1.9	1.0	2.1	1.1
Total fair value of assets	185.7	100.0	192.2	100.0

None of the equity assets of the scheme are held in quoted investments. For those assets that are not quoted, excluding cash, the investments are valued on a daily basis by the investment managers.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28) PENSIONS (continued)

Amounts recognised in the income statement:

	2024	2023
	£m	£m
Non-investment expenses	1.0	0.4
Finance costs on obligation	8.5	8.7
Finance income	(8.8)	(8.0)
Total defined benefit expense	0.7	1.1

Changes in the present value of the defined benefit obligation:

	2024	2023
	£m	£m
Opening defined benefit obligation	193.7	189.1
Finance costs	8.5	8.7
Actuarial losses/(gains) - demographic changes	1.8	(5.4)
Actuarial (gains)/losses - actuarial experience from financial assumptions	(19.6)	7.1
Actuarial losses - experience adjustments	0.4	4.0
Benefits paid	(10.2)	(9.8)
Total defined benefit obligation	174.6	193.7

Changes in the fair value of scheme assets:

	2024	2023
	£m	£m
Opening fair value of scheme assets	192.2	163.7
Finance income	8.8	8.0
Actuarial gains	(21.2)	(1.2)
Contributions by employer	17.1	31.9
Benefits paid	(10.2)	(9.8)
Non-investment expenses	(1.0)	(0.4)
Closing fair value of scheme assets	185.7	192.2

None of the plan's assets were invested in the Group or property occupied by the Group. The Group made contributions of £17.1m in 2024 (2023: £31.9m including a one-off contribution of £15.0m made on 13 October 2023, to fund accruing pensions). The Group expects to maintain a similar level of pension contributions in the future to fund current service costs and deficit repayments.

Since the defined benefit plan is closed to future accrual there is no funding required for future service, the funding required will be in relation to any current deficit and highly dependent on the future performance of the fund. Any agreed contributions will be reconsidered at each triennial valuation.

The most recent triennial valuation date of the Lookers Pension Plan was 31 March 2022. The IAS 19 calculations as of 31 December 2024 for the Lookers Pension Plan are updated based on roll forwards of the liability valuation, which is based on membership data as of 31 March 2022. The Trustee and the Group agreed the preferred funding strategy in May 2023, with annual contributions of £13.3m to be paid until 31 December 2026. By funding the defined benefit pension plan, the Group is exposed to the risk that the cost of meeting its obligations is higher than anticipated. This could occur for several reasons, for example:

- investment returns on the plan's assets may be lower than anticipated, especially if falls in asset values are not matched by similar falls in the value of the plan's liabilities;
- the level of price inflation may be higher than that assumed, resulting in higher payments from the plan;
- plan members may live longer than assumed, for example due to advances in healthcare. Members may also exercise (or not exercise) options in a way that leads to increases in the plan's liabilities, for example through early retirement or commutation of pension for cash; and
- legislative changes could also lead to an increase in the plan's liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28) PENSIONS (continued)

The trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the plan investment strategy are documented in the plan's Statement of Investment Principles. The trustees and the Group review the investment strategy at the time of each funding valuation, with informal reviews carried out during the period between valuations. The trustees review the investment strategy based on professional advice from their investment advisors. The strategy determines the proportion of assets which are growth or matching assets and what policy is to be followed to hedge against increases in interest rates and inflation. It also considers the funding level of the plan and the point at which a de-risking strategy might be appropriate. The risks that may be applicable to the investment strategy are primarily that investment returns on the plan's assets may be lower than anticipated, especially if falls in asset values are not matched by similar falls in the value of the plan's liabilities. The average duration of the defined benefit obligation at 31 December 2024 is 13 years (2023: 14 years).

Actuarial assumptions	2024	2023
Discount rate	5.45%	4.50%
Retail Prices Index (RPI)	3.15%	3.05%
Consumer Prices Index (CPI)	2.55%	2.45%
Future pension increases	2.10%-3.00%	2.45%-2.95%
Mortality	CMI 2023	CMI 2022
Life expectancy at age 65 for:		
current pensioners - males	86.0	86.0
current pensioners - females	88.0	87.9
future pensioners - males	86.9	86.8
future pensioners - females	89.2	89.1

The table below gives a broad indication of the impact on the plan valuation for changes in the key assumptions:

Change in assumption	Approximate impact on current deficit	
Increase discount rate by 0.5% p.a.	-£10.8m	(2023 -£13.6m)
Increase inflation assumptions by 0.5% p.a.	+£7.5m	(2023 +£8.6m)
Increase in life expectancy by 1 year	+£6.6m	(2023 +£7.8m)

A change in more than one of these assumptions in the same direction would clearly have a more significant and potentially materially adverse impact on the deficit of the plan.

The Benfield Group Pension Plan - Group

"The Benfield Motor Group Pension Plan" provides benefits based on final pensionable salary. The Plan, which is a funded plan, is administered by Deloitte Total Reward and Benefits Limited. The plan has been registered with the Registrar of Pensions. The assets of the plan are held separately from those of the Group, being held in separate funds by the Trustees of the Benfield Motor Group Pension Plan.

The last triennial valuation was carried out at 31 December 2022 by ISIO Limited and has been updated to 31 December 2024 by a qualified independent actuary to take account of the IAS 19 requirements. Plan liabilities have been calculated using a consistent projected unit valuation method and compared to the plan's assets at their 31 December market value.

Fair value and major categories of assets of the plan:

	Market value	Plan %	Market value	Plan %
	2024	2024	2023	2023
	£m		£m	
Multi-Asset Funds	5.1	52.0	5.0	46.3
Government bonds	4.3	43.9	5.4	50.0
Property	0.3	3.1	-	-
Cash	0.1	1.0	0.4	3.7
Total fair value of assets	9.8	100.0	10.8	100.0

All assets excluding cash are unquoted investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28) PENSIONS (continued)

Amounts recognised in the income statement:

	2024 £m	2023 £m
Finance costs on obligation	0.4	0.4
Finance income	(0.5)	(0.5)
Total defined benefit income	(0.1)	(0.1)

Changes in the present value of the defined benefit obligation:

	2024 £m	2023 £m
Opening defined benefit obligation	8.5	8.6
Finance costs	0.4	0.4
Actuarial gains - demographic changes	-	(0.2)
Actuarial (gains)/losses - actuarial experience from financial assumptions	(0.8)	0.3
Actuarial losses - experience adjustments	-	0.1
Benefits paid	(0.8)	(0.7)
Closing defined benefit obligation	7.3	8.5

Changes in the fair value of scheme assets:

	2024 £m	2023 £m
Opening fair value of scheme assets	10.8	10.5
Finance income	0.5	0.5
Actuarial (losses)/gains	(0.9)	0.2
Contributions by employer	0.2	0.3
Benefits paid	(0.8)	(0.7)
Closing fair value of scheme assets	9.8	10.8

None of the plan's assets were invested in Lookers Limited. The Group made contributions of £0.2m in 2024 (2023: £0.3m) to fund accruing pensions and expects to maintain a similar level of pension contributions in the future to fund current service costs and deficit repayments.

Since the defined benefit plan is closed to future accrual there is no funding required for future service, the funding required will be in relation to any current deficit and highly dependent on the future performance of the fund. Any agreed contributions will be reconsidered at each triennial valuation.

The most recent actuarial valuation of the Benfield Group Pension Plan was carried out as at 31 December 2022. The IAS 19 calculations as of 31 December 2024 for the Benfield Group Pension Plan are updated based on roll forwards of the liability valuation, which is based on membership data as of 31 December 2022. This was agreed between the trustees and the Group. No administrative expenses are currently required to be made to the Plan. By funding the defined benefit pension plan, the Group is exposed to the risk that the cost of meeting its obligations is higher than anticipated. This could occur for several reasons, for example:

- investment returns on the plan's assets may be lower than anticipated, especially if falls in asset values are not matched by similar falls in the value of the plan's liabilities;
- the level of price inflation may be higher than that assumed, resulting in higher payments from the plan;
- plan members may live longer than assumed, for example due to advances in healthcare. Members may also exercise (or not exercise) options in a way that leads to increases in the plan's liabilities, for example through early retirement or commutation of pension for cash, and;
- legislative changes could also lead to an increase in the plan's liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

28) PENSIONS (continued)

The trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the plan investment strategy are documented in the plan's Statement of Investment Principles. The trustees and the Group review the investment strategy at the time of each funding valuation, with informal reviews carried out during the period between valuations. The trustees review the investment strategy based on professional advice from their investment advisors. The strategy determines the proportion of assets which are growth or matching assets and what policy is to be followed to hedge against increases in interest rates and inflation. It also considers the funding level of the plan and the point at which a de-risking strategy might be appropriate. The risks that may be applicable to the investment strategy are primarily that investment returns on the plan's assets may be lower than anticipated, especially if falls in asset values are not matched by similar falls in the value of the plan's liabilities. The average duration of the defined benefit obligation at 31 December 2024 is 12 years (2023: 14 years).

Actuarial assumptions	2024	2023
Discount rate	5.45%	4.50%
Retail Prices Index (RPI)	3.15%	3.05%
Consumer Prices Index (CPI)	2.55%	2.45%
Future pension increases	2.10%-3.00%	2.45%-2.95%
Mortality	CMI 2023	CMI 2022
Life expectancy at age 65 for:		
current pensioners - males	86.0	86.0
current pensioners - females	88.0	87.9
future pensioners - males	86.9	86.8
future pensioners - females	89.2	89.1

The table below gives a broad indication of the impact on the plan valuation for changes in the key assumptions:

Change in assumption	Approximate impact on current deficit	
Increase discount rate by 0.5% p.a.	-£0.4m	(2023 -£0.6m)
Increase inflation assumptions by 0.5% p.a.	+£0.1m	(2023 +£0.2m)
Increase in life expectancy by 1 year	+£0.3m	(2023 +£0.3m)

A change in more than one of these assumptions in the same direction would clearly have a more significant and potentially materially adverse impact on the deficit of the plan.

Defined contribution scheme

The Group and Company provide pension arrangements for certain Directors and employees under defined contribution plans and have a defined contribution Stakeholder Pension Plan for employees. The Income Statement account charge for the year in respect of defined contribution plans was £5.7m (2023: £5.9m).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

29) RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
	£m	£m	£m	£m
2024	-	-	2.1	(1.1)
2023	-	-	29.4	-

Related party transactions during the year ended 31 December 2024 were all between the Group and its immediate parent, GAHP. There were no transactions between Directors and the Group.

The Company has entered into an agreement to provide GAHP with a revolving credit facility of up to £50m, for an indefinite term, free of covenant tests. The amounts due from GAHP are unsecured, interest bearing and repayable on demand. Repayments are to be made in sterling when due and paid in full.

On 5 September 2024, GAHP entered into a 10 year lease of office space as a lessee. The rent expense is £0.5m per annum commencing 5 September 2025. The Company acts as surety in this lease agreement.

The Directors are considered the key management personnel. Details of key management personnel remuneration are shown in Note 8.

30) ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, the Company's ultimate controlling party is Mr Kuldeep Billan. Mr Billan has ultimate control, via its parent, Global Auto Holdings plc, a Company registered in England and Wales (registered office address: Lookers House, 1st Floor, Lookers Stoke, Bede Road, Stoke-on-Trent, ST4 4GU). The largest group of undertakings of which the Company is a member that produces publicly available consolidated financial statements is Global Auto Holdings (Topco) Limited. Its group financial statements are available from Lookers House, 1st Floor, Lookers Stoke, Bede Road, Stoke-on-Trent, ST4 4GU, or Companies House.

31) BUSINESS COMBINATIONS AND ACQUIRED ASSETS

There have been no acquisitions in the year ended 31 December 2024.

On 2 March 2023, the Group acquired 100% of the share capital of Fourways Vehicle Solutions Limited, a leading vehicle hire and brokerage business. The acquisition is part of the Group's strategic priorities to grow its corporate leasing, fleet, and rental capabilities.

On 28 April 2023, the Group acquired the assets of Waterhouse Car Limited, which operated a Volvo dealership in Chelmsford.

On 14 September 2023, the Group acquired the assets of the MG Brighton dealership from Evolution Sussex.

On 30 November 2023, the Group acquired the assets of the Bishop Stortford Volvo dealership. This has extended the Group's Volvo footprint to five dealerships.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

31) BUSINESS COMBINATIONS AND ACQUIRED ASSETS (continued)

The combined assets and liabilities recognised as a result of the acquisitions in 2023 are as follows:

	£m
Property plant and equipment	0.4
Inventories	1.0
Trade and other receivables	0.8
Cash and cash equivalents	0.1
Trade and other payables	(0.8)
Tax liabilities	(0.1)
Net identifiable assets acquired	1.4
Goodwill	1.0
Total consideration satisfied by cash	2.4

Net cash outflow arising from acquisitions:	£m
Cash consideration	2.4
Less: cash and cash equivalents acquired	(0.1)
	2.3

The goodwill is attributable to the profitability of the acquired business. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of the acquired trade and other receivables is £0.8m with a gross contractual amount of £0.8m. The best estimate at the acquisition dates of the contractual cash flows not to be collected was £nil.

No contingent liabilities have been recognised as a result of the acquisitions.

Acquisition-related costs included within the Group's statement of total consolidated comprehensive income for the period ended 31 December 2023 amount to £0.1m.

The combined businesses acquired contributed £16.1m to revenue and a loss of £0.1m to the Group's loss before tax for the period between the dates of acquisition and 31 December 2023. If the acquisition of the businesses had been completed on 1 January 2023, contribution to Group revenues for the period would have been £25.2m and contribution to Group loss before tax would have been a loss of £1.7m.

32) RESTATEMENT OF COMPARATIVES

Group

Fleet internal revenue within external

A review of our fleet revenue stream during the year highlighted that sales made from our dealerships to our leasing businesses were incorrectly classified as external sales within our systems. Correcting this error for the year ended 31 December 2023 has resulted in a decrease in revenue and cost of sales in the Consolidated Income Statement by £70.5m with no impact on gross margin or profit before tax. There is no impact on the Consolidated Statement of Financial Position or Consolidated Statement of Cash Flows.

Insurance and warranties sales net down

One revenue stream which we benefit from is the sale of add-on products such as finance, insurance and extended warranties. Previously this has been presented within sales of new and used vehicles in the Group's revenue analysis. However, with the aim to provide improved visibility of revenue streams within the Global Group's consolidated financial statements, we have now separately identified these sales within the Group's revenue analysis (Note 5). This exercise highlighted that we had not been treating all of these sales correctly under IFRS 15.

Under IFRS 15.B34, we are required to determine whether the Group is acting as a principal (i.e. we control the goods or services before they are transferred to the customer) or acting as an agent (i.e. we arrange for the goods or services to be provided by another party without taking control over those goods or services).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

32) RESTATEMENT OF COMPARATIVES (continued)

For insurance and warranty sales, we have historically recognised revenue as the amount invoiced to the customer and cost of sales based on the amount we pay to the provider of the policies. However, our performance obligation is to *arrange insurance/warranty products for services to be provided by another party*. These products are priced and administered by the third party; we are not able to direct the third-party provider in how or when they provide the service to the customer. Therefore, we believe we are acting an agent for the sale of insurance and extended warranties and thus we should have only recognised the net of customer income and provider cost as commission within revenue.

Correcting this error for the year ended 31 December 2023 has resulted in a decrease in revenue and cost of sales in the Consolidated Income Statement of £34.6m with no impact on gross margin or profit before tax. There is no impact on the Consolidated Statement of Financial Position or Consolidated Statement of Cash Flows.

Parent company conforming adjustments

The acquisition of Group's parent company by Global Auto Holdings (Topco) Limited ("GAHL") on 31 August 2024 created a new consolidation point for the global operations of the Global Group. When consolidating the trading results of Lookers with those of the North American and Nordic businesses it was necessary to align our accounting policies such that they are consistent within the Global Group. We have chosen to adopt these accounting policies in the Consolidated Financial Statements for Lookers Limited to simplify the Global Group consolidation process and provide readily available comparable information. The impact on the Consolidated Financial Statements for the year ended 31 December 2023 are as follows:

- Reclassification of depreciation of rental fleet vehicles and motor vehicles for leasing from cost of sales to net operating expenses. This conforming adjustment has resulted in a decrease in cost of sales, increase in gross margin and increase in net operating expenses in the Consolidated Income Statement for the year ended 31 December 2023 of £25.1m with no impact on profit before tax. There is no impact on the Consolidated Statement of Financial Position or Consolidated Statement of Cash Flows.
- The Consolidated Statement of Cash Flows for the year ended 31 December 2023 has been re-presented. The Board believes that this re-presentation is appropriate and that this revised format offers users of the financial statements a more precise and transparent view of the Group's financial affairs.
- Within the Consolidated Statement of Cash Flows, purchase of vehicles for long term leasing has been reclassified from operating activities to investing activities. The impact on the Consolidated Statement of Cash Flows for the year ended 31 December 2023 has been to increase cash generated from operating activities and increase cash used in investing activities by £64.8m.
- Within the Consolidated Statement of Cash Flows, purchase of rental fleet vehicles has been reclassified from adjustments for operating activities to changes in working capital (inventories). The impact on the Consolidated Statement of Cash Flows for the year ended 31 December 2023 is £nil at a primary statement subtotal level.
- Within the Consolidated Statement of Cash Flows, amounts paid to surrender leases and finance lease rentals collected have been reclassified from investing activities to operating activities. The impact on the Consolidated Statement of Cash Flows for the year ended 31 December 2023 has been to increase cash generated from operating activities and increase cash used in investing activities by £1.4m.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

32) RESTATEMENT OF COMPARATIVES (continued)

Statement of Total Consolidated Comprehensive Income (restated)

	As previously reported audited year ended 31 December 2023 £m	Correction of errors £m	Audited year ended 31 December 2023 (restated) £m
Revenue	4,598.4	(105.1)	4,493.3
Cost of sales	(4,063.9)	130.2	(3,933.7)
Gross profit	534.5	25.1	559.6
Net operating expenses	(495.1)	(25.1)	(520.2)
Operating profit	39.4	-	39.4
Underlying operating profit	77.3	-	77.3
Non-underlying items	(37.9)	-	(37.9)
Finance costs	(41.2)	-	(41.2)
Loss before taxation	(1.8)	-	(1.8)
Underlying operating profit	37.8	-	37.8
Non-underlying items	(39.6)	-	(39.6)
Tax charge	(3.2)	-	(3.2)
Loss for the year (attributable to shareholders of the Company)	(5.0)	-	(5.0)
Exchange differences on translation of foreign operation	(0.3)	-	(0.3)
Actuarial gains on pension scheme obligations (not recycled to profit and loss)	(6.9)	-	(6.9)
Corporation tax on share-based payments (not recycled to profit and loss)	1.1	-	1.1
Deferred tax on pension scheme obligations (not recycled to profit and loss)	1.7	-	1.7
Total other comprehensive expense for the year	(4.4)	-	(4.4)
Total comprehensive expense for the year (attributable to shareholders of the Company)	(9.4)	-	(9.4)

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

32) RESTATEMENT OF COMPARATIVES (continued)

Consolidated Statement of Cash Flows (restated)

	As previously reported audited year ended 31 December 2023 £m	Correction of errors £m	Audited year ended 31 December 2023 (restated) £m
Cash provided by (used in):			
Operating activities:			
Net loss before taxes	(1.8)	-	(1.8)
Adjustments for:			
Depreciation and amortisation	59.9	-	59.9
Difference between pension charge and cash contributions	(31.2)	-	(31.2)
Impairment	0.1	-	0.1
Finance costs	40.6	-	40.6
Share based compensation	2.8	-	2.8
Other gains & losses (excluding other income)	(1.0)	1.4	0.4
Interest paid	(38.3)	-	(38.3)
Income taxes paid	(6.0)	-	(6.0)
Purchase of rental fleet vehicles	(22.3)	22.3	-
Purchase of vehicles for long term leasing	(64.8)	64.8	-
Net changes in working capital:			
Trade and other receivables	(9.7)	-	(9.7)
Inventories	(19.7)	(22.3)	(42.0)
Other current assets	1.7	-	1.7
Trade and other payables	35.9	-	35.9
Revolving floorplan facilities	76.3	-	76.3
	22.5	66.2	88.7
Investing activities			
Proceeds from disposal of property, equipment and leased vehicles	1.8	-	1.8
Purchase of property, equipment and leased vehicles	(36.0)	(64.8)	(100.8)
Purchase of intangibles	(1.8)	-	(1.8)
Amounts paid to surrender leases	(0.5)	0.5	-
Finance lease rentals collected	1.9	(1.9)	-
Acquisition of businesses, net of cash acquired	(2.3)	-	(2.3)
Advances to related parties	(29.4)	-	(29.4)
	(66.3)	(66.2)	(132.5)
Financing activities			
Principal repayments on lease liabilities	(17.4)	-	(17.4)
Proceeds from vehicle financing arrangements	87.1	-	87.1
Repayment on vehicle financing arrangements	(51.4)	-	(51.4)
Proceeds from issue of ordinary shares	1.7	-	1.7
Purchase of own shares	(8.0)	-	(8.0)
Dividends paid	(11.4)	-	(11.4)
	0.6	-	0.6
Net decrease in cash and cash equivalents			
	(43.2)	-	(43.2)
Cash and cash equivalents at 1 January	66.5	-	66.5
Cash and cash equivalents at 31 December	23.3	-	23.3
Cash and cash equivalents	36.5	-	36.5
Bank overdraft	(13.2)	-	(13.2)
Cash and cash equivalents at 31 December	23.3	-	23.3

NOTES TO THE FINANCIAL STATEMENTS (continued)
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33) SUBSEQUENT EVENTS

On 24 January 2025, the Global Group received new lender supplement under the US Credit Agreement for the senior secured revolving credit facility. The supplement increased the borrowing limit to \$250.0m (£199.8m).

On 28 February 2025, the Global Group received new lender supplements under the US Credit Agreement for the senior secured revolving credit facility. The supplements increased the borrowing limit to \$340.0m (£271.8m).

On 1 August 2025, the Supreme Court largely overturned the 25 October 2024 Court of Appeal ruling regarding discretionary commission arrangements in the sale of motor finance products. As a result, the FCA issued a statement confirming that it will consult from early October on how historical motor finance complaints should be handled. See note 35.

34) GUARANTEES

As at 31 December 2024, certain subsidiaries of GAHL, including the Lookers Group, guaranteed a number of financing facilities including unsecured bonds and revolving credit facilities (RCFs). Of these facilities, GAHP, a direct subsidiary of GAHL and the direct parent company of the Company, is a joint borrower to a \$340.0m (£271.8m) RCF.

On 24 January 2024, GAHP and AAG jointly issued two unsecured bonds, each of USD\$525m (£419.6m). GAHP and its subsidiaries, being the Lookers Group, has jointly and severally guaranteed with AAG the entirety of the two unsecured bonds. This guarantee continues to be in force at the date of signing these financial statements.

On 10 May 2024, the Global Group entered into a \$200.0m (£159.9m) revolving credit facility (subsequently extended to \$340.0m (£271.8m)). The facility is subject to covenant tests based on the combined financial results of the Global Group. Under the agreement, certain subsidiaries of Lookers Limited, including the Company are guarantors, whereby their assets, excluding freehold and leasehold property and inventory, are provided as security against any line of credit drawn by the Global Group. The facility expires May 2028.

On 2 December 2024, GAHP and AAG issued an unsecured bond of \$540.0m (£431.6m). GAHP and its subsidiaries, being the Lookers Group, has jointly and severally guaranteed with AAG the entirety of the unsecured bond. This guarantee continues to be in force at the date of signing these financial statements.

On 5 September 2024, GAHP entered into a 10 year lease of office space as a lessee. The rent expense is £0.5m per annum commencing 5 September 2025. The Company acts as surety in this lease agreement.

35) CONTINGENT LIABILITIES

The UK motor finance industry is subject to an ongoing review by the Financial Conduct Authority (FCA) relating to historical discretionary commission arrangements (DCAs). Under DCA arrangements, motor retailers received variable commissions from lenders in respect of brokering finance for customers. Until 31 March 2020, Lookers engaged in motor finance arrangements where DCAs may have been used in line with FCA guidelines at the time. The outcome of the FCA review has been delayed due to a separate court ruling which is outlined below.

On 25 October 2024, the Court of Appeal issued a ruling in relation to commissions earned by motor retailers when acting as brokers in arranging finance products for customers, specifically the non-disclosure of the existence and value of such commissions, and the failure to obtain informed consent, being deemed a breach of fiduciary duty. The ruling held that lenders were liable as accessories for procuring the brokers' (retailers') breach of fiduciary duty, by making commission payments to them without sufficient disclosure to customers. The Court determined that the lenders were aware of the brokers' fiduciary duty to customers and that the non-disclosure of commissions created a conflict of interest that had to be disclosed to the customer. In response, Lookers updated its processes to include a disclosure statement and to seek informed consent to meet the requirements implied by the decision.

However, on 1 August 2025, the Supreme Court largely overturned the Court of Appeal ruling, finding that undisclosed commissions did not typically amount to bribery or a breach of fiduciary duty, but that claims could still arise against lenders from unfair relationships under the Consumer Credit Act 1974. In response to the Supreme Court judgment, the FCA issued a statement confirming that it will consult from early October on how historical motor finance complaints should be handled.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2024

35) CONTINGENT LIABILITIES (continued)

At the reporting date, the potential outcome of the FCA review, and any further litigation is uncertain, and accordingly at the date of approval of these financial statements, there exists only a possible economic outflow, the crystallisation of which is deemed remote in the short term. Consequently, in accordance with IAS 37, the Group has not recognised a provision. However, the Group continues to monitor legal and regulatory developments and will reassess the probability of economic outflow as more information becomes available.

Other than the above, the Group is not currently a party to any such claims or actions, there is currently no litigation or threatened litigation involving the Group and the Group does not expect the outcome of any such matter to have a material adverse effect on the consolidated financial statements of the Group.