

Registered Number 02470318

Lithia Motors Group UK Limited

Annual report and consolidated financial
statements for the year ended 31 December 2024



Lithia Motors Group UK Limited

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Lithia Motors Group UK Limited

Directors and advisors for the year ended 31 December 2024

Directors

D N Williamson

C Holzshu (resigned 4 July 2025)

T Miller (resigned 4 July 2025)

E C Impert

R J Thomas (appointed 2 September 2024)

R J Maloney (appointed 2 September 2024)

P D Wilbraham (resigned 23 September 2024)

Company secretary

M Finch (resigned 25 March 2024)

R J Maloney (appointed 25 March 2024)

Registered office

Loxley House

2 Oakwood Court

Little Oak Drive

Annesley

Nottingham

NG15 0DR

Independent auditor

KPMG LLP

Chartered Accountants and Statutory Auditor

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

Solicitor

Eversheds Sutherland LLP

Kett House

Station Road

Cambridge

CB1 2JY

Bankers

Bank of America N A

2 King Edward Street

London

EC1A 1HQ

HSBC Bank plc

8 Canada Place

London

E14 5HQ

Lithia Motors Group UK Limited

Strategic report for the year ended 31 December 2024

The directors present their Strategic report for Lithia Motors Group UK Limited (the 'company') and its subsidiaries (together the 'group') for the year ended 31 December 2024

Principal activities

The group's principal activity is the retail distribution of motor vehicles and related activities in the motor trade. The company is a holding company for subsidiaries operating in the motor trade.

Review of the business and developments during the year

On 31 January 2024, the group's holding company, Lithia UK Holding Limited, further increased their footprint in the UK motor retail vehicle market by acquiring the Motor and Leasing divisions of Pendragon PLC (Pendragon Newco 2 Limited) for a total consideration of £397m. The acquisition added around 160 locations to the UK business and strengthens the overall retail opportunity that the combined group can offer. This further expands Lithia's UK franchise representation by increasing the existing dealer network and also adds BYD, Citroen, Dacia, DS, Fiat, Ford, Genesis, Hyundai, Kia, MG, Peugeot, Renault and Vauxhall as well as an established contract hire and leasing business, Pendragon Vehicle Management.

Following the acquisition, the newly formed group has consolidated the back office functions as well as integrating systems leading to significant restructuring costs and synergies during the year.

As part of the wider group's strategic growth plans the group added a new franchise representation, Lotus, within its existing prestigious used car store in Bracknell and also divested two underperforming stores during the year.

The group has continued to grow its top line with total turnover up +5.5%. In total by segment, this was new cars +8.7%, used cars +1.4% and aftersales +9.2%. The group's portfolio of businesses has remained steady year on year with the growth in top line being due to stronger volumes in both new and used cars, together with model sales mix changes and growth in aftersales recovery rates and hours.

The group has returned an operating profit of £15.8m (2023: £29.8m) with exceptional costs of £4.8m (2023: £3.7m) and interest costs of £10.9m (2023: £11.0m). The exceptional costs relate to the restructure costs as mentioned above.

Following the actions taken during the year and post-acquisition of the Pendragon Newco 2 Limited group of businesses (by the group's parent undertaking), the directors are confident that the group is well positioned to return to much improved levels of profitability in 2026 and deliver on the vision of "leading the modernisation of personal transportation solutions wherever, whenever and however consumers desire".

Key Performance Indicators (KPIs)

The group measures performance of each dealership throughout the year against certain pre-determined KPIs including return on sales, as well as operating metrics based on sales volumes and profit margins.

Lithia Motors Group UK Limited

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

Key Performance Indicators (KPIs) (continued)

The group's principal financial and non-financial KPIs during the year were

	2024	2023
Financial		
Return on sales % (excluding exceptional items)	0.2	1.0
Operating profit £'000	15,819	29,815
Operating margin %	0.8	1.6
New car sales units	27,247	24,059
Used retail car sales units	21,217	19,299
Used trade car sales units	9,756	9,446
Non-Financial		
Staff attrition %	35.5	24.1

Principal risks and uncertainties

Risks to the business include a potential decline in new car registrations in the United Kingdom. This risk is partly mitigated by the sale of used vehicles and aftersales. Other risks include fluctuations in general economic conditions, such as interest rate increases, environmental and climate change concerns, legislation, the loss of key personnel, failure of our IT infrastructure or key systems and the impact of wars and climate on supply chains and global energy and commodity prices. The Board has met to consider these risks and uncertainties and will continue to monitor how they evolve.

Future developments

The group's operational focus is to continue to grow with both its existing and, following the acquisition of Pendragon Newco 2 Limited, new franchise partners both organically and through acquisition where real value opportunities arise. A key part of this growth plan is through customer and employee retention and continued investment in delivering an exceptional customer retail experience.

The group monitors external factors that could have an impact on the business both in the immediate and long-term future and takes decisions bearing in mind all potential impacts of, but not limited to, environmental concerns and future pandemics.

Lithia Motors Group UK Limited

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

Section 172(1) statement

The directors are fully aware of their responsibilities to promote the success of the company in accordance with section 172(1) of the Companies Act 2006

The directors of the company consider that they have responsibly and appropriately carried out their duties under the Companies Act 2006 including their duty to act in the way that they consider will most likely promote the success of the company for the benefit of its members as a whole, having full regard of the matters set out in section 172(1) of the Companies Act 2006

During the financial year the directors have acted in a manner that they believe has the best interests of the company, and all its stakeholders, as the main driving force behind all decisions taken. This includes the interests of the company's employees, shareholders, customers, suppliers and business partners and also the wider community and the environment. The company's reputation is core when making decisions. Acting in good faith and fairly between stakeholders, the directors, at all times, consider what is most likely to promote the success of the company for its members in the long term.

Employees

The group aims to be a responsible and fair employer, treating all colleagues equally and with respect and to provide fair remuneration and benefits. We aim to create an inclusive environment where all colleagues feel valued, have a sense of belonging and are supported to develop and grow with us regardless of gender, race, sexuality, disability, or background. Health and safety of all our colleagues is of the highest priority and the directors continually invest to ensure the highest of standards are maintained throughout the businesses. The wellbeing and mental health of all colleagues is of paramount importance to the group with investments made in the provision of trained mental health first aiders throughout the business.

Shareholders

The directors work very closely with the group's shareholders, informing them of key business initiatives and investments throughout the year and through regular monthly financial updates. All actions of the directors are taken with the long-term benefit of the shareholders in mind.

Customers

The satisfaction and welfare of our customers is paramount to the company culture that the directors instil throughout the business. Continuous training and communication of, and to, our colleagues aims to ensure the highest possible level of customer satisfaction and engagement is made with every single customer interaction.

Suppliers and business partners

Regular meetings are held with our manufacturer partners to ensure the company adheres to brand requirements. The company monitors its suppliers to ensure that all relevant regulations are met within their own manufacturing and employment frameworks.

Wider community and environment

The directors are aware of the impact of the company's operations within the local community and on the environment and consider these factors when taking decisions and making investments.

On behalf of the Board



R J Thomas
Director
19 December 2025

Lithia Motors Group UK Limited

Directors' report for the year ended 31 December 2024

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2024

Principal activities

The principal activities of the business are discussed in the Strategic report on page 2

Review of the business and future developments

The review of the business and future developments are discussed in the Strategic report on pages 2 and 3

Principal risks and uncertainties

The principal risks and uncertainties facing the group are discussed in the Strategic report on page 3

Financial risk management

a) Funding and liquidity risk

The group's policy is to ensure that funding requirements forecast by the group can be met within available banking and manufacturer funding facilities of the wider UK group to which the group has access. The bank facilities are through parent company undertakings rather than external to this group (Lithia Motors Group UK Limited)

The group holds motor manufacturer funding facilities with each of its franchise partners. These facilities incur charges that are indexed to the Bank of England Base Rate and are secured against vehicles held mostly on consignment, which can be returned to the manufacturer. The sizes of the facilities are reviewed by the group and manufacturers annually in line with operating needs.

The group continues to operate comfortably within its available manufacturer and shareholder funding facilities limits and its forecasts for the forthcoming fifteen months show this position continuing.

b) Interest rate risk

The group's interest rate practice is to manage the risk of interest rate fluctuations on the cash flows payable on the group's debt and manufacturer funding facilities.

c) Credit risk

An external credit risk company is used to check the credit ratings of corporate customers and limit the group's exposure to credit risk. Credit ratings are updated both throughout the year and also upon credit alerts received from the credit risk company.

d) Market risk

The directors monitor and consider, at all times, any events that may have an impact on macro-economic conditions and the potential effect caused to the UK new and used car retail markets.

Corporate governance

The company does not apply a corporate governance code. During the year, the company applied corporate governance as required by the ultimate parent undertaking, Lithia Motors, Inc.

Corporate governance of the Lithia Motors Group UK Limited group of companies relies on a combination of shareholder, board and management supervision together with strict financial, internal audit and risk management procedures.

Lithia Motors Group UK Limited

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

Corporate governance (continued)

The group has an Audit & Risk Control Forum ("ARC-F") The group's internal audit function performs a range of audits annually to provide assurance over the management of key risks, including financial, operational, regulatory and IT All internal audit reports are summarised for the ARC-F and issued in full to the CFO and other executive directors and the respective management teams Dealerships are also subject to annual health and safety audits and regular operational audits from manufacturers

The group also has a dedicated Financial Conduct Authority (FCA) compliance team This team specifically audit each dealership and the group's marketing activities for FCA compliance with regular follow up audits The risk of any outflow of monies in relation to the FCA's investigation into historic discretionary commission claims is considered to be less than probable by the Directors as disclosed in note 27 to the financial statements

Below the Board of Directors, the group has a management committee that regularly meets, normally every two months This committee consists of the group's UK based executive directors and its operational leadership team covering each discipline of the business and is chaired by the group's CEO The committee reviews all aspects of the group's activities and provides clear guidance and direction for the effective management of all parts of the business The executive directors also maintain a principal risks and uncertainties register that is updated and presented to the ARC-F on a regular basis

Further committees are established as required to oversee individual areas within the group's control structure

The group operates a delegation of authority matrix for its management teams below directorship level and this is monitored through monthly performance reviews at every dealership, where the local management teams meet with operational directors to review performance

Results and dividends

The results of the group for the year are set out in the consolidated profit and loss account on page 23

The directors have not declared nor paid a dividend during the year (2023 none)

Directors

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

D N Williamson

E C Impert

R J Thomas (appointed 2 September 2024)

R J Maloney (appointed 2 September 2024)

Qualifying third party indemnity provisions

No qualifying third-party indemnity provision was in force during the financial year ended 31 December 2024 or at the date of this report

Post balance sheet events

On 30 May 2025, the group sold two Porsche dealerships in London, realising a significant profit against the book values of the dealerships

Lithia Motors Group UK Limited

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

Post balance sheet events (continued)

During September 2025, the company entered into a buy-in contract with Rothesay for the JMGUK Pension Scheme, providing insurance against the scheme's liabilities and added security for the members

Going concern

The directors have adopted the going concern basis in preparing these financial statements after assessing the group's principal risks and expected banking, manufacturer and shareholder funding available to it

The group meets its day-to-day working capital requirements through a mixture of its banking and shareholder facilities and manufacturer stock funding lines

Following the capitalisation of the parent undertaking loan (£91,192,000) on 28 February 2024 into new share capital the year end consolidated balance sheet has net current assets of £78,737,000 (2023 net current liabilities of £16,951,000)

The directors have assessed the group's ability to continue trading for the twelve months following the approval of these financial statements by preparing detailed cash flow and profit forecasts, including considering a "severe but plausible" downside scenario and models the impact on the trading results for the group. The group meets its day-to-day working capital requirements through a mixture of its banking facilities, manufacturer stock funding lines and support provided by ultimate parent, Lithia Motors Inc. Subsequent to the year end, the group has access to a £150,000,000 syndicated revolving credit facility (RCF) arranged between its immediate parent, Lithia UK Holding Limited, and a syndicate of lenders comprising Bank of America, BMW Financial Services and Lloyds Bank. This facility replaces the previous £100 million RCF syndicate with Bank of America. As at 31 December 2024, £36,000,000 of the facility was drawn.

As a result, the directors are confident that the group and the company will have sufficient funds to continue to meet their liabilities as they fall due for at least one year from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis.

Employees and equal opportunities

The group is committed to an active equal opportunities policy from recruitment and selection, through training and development, appraisal and promotion to retirement.

It is the group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex and sexual orientation. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit.

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

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the group as a whole.

Political donations

During the year, the group made no political contributions (2023 £nil)

Lithia Motors Group UK Limited

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

Climate-related disclosure report

Introduction

The Climate-related Financial Disclosures Regulations 2022 require the group to disclose information on the four areas ('pillars') regarding its governance, risk management, strategy and metrics and targets in relation to climate-related matters

The group meets the relevant threshold of >500 employees and >£500m of turnover and therefore sets out below the relevant climate-related disclosures

The group's approach

The group's sustainability strategy is set to align to, and be in accordance with the approach to corporate sustainability set by its ultimate parent company, Lithia Motors, Inc. The approach for the group in the UK is to ensure the delivery of the overall Lithia Motors, Inc sustainability agenda, underpinned by a suitable governance system which will also enable the group to ensure that it delivers results and monitor and report on performance effectively

The group has three principal environmental goals: increase green cars on the road, operate sustainable stores, and extend vehicle life cycles. These three environmental goals will help address the climate-related issues critical to the social, physical and economic wellbeing of the communities in which the group operates. Sustainability is a factor important in our future success. Our principal environmental goals are set out in more detail below

(i) Increase Green Cars on the Road

As a global automotive retailer with a unique customer ecosystem, our parent company through its Lithia & Driveway operation holds a strong position to drive the adoption of more sustainable mobility options, including electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs). With our vast inventory and expert team members, we are working hard to meet the needs of those consumers who are interested in reducing carbon emissions via their personal transportation choices

(ii) Operate Sustainable Stores

We are committed to deploying sustainable store practices and technologies that boost profitability while reducing our carbon footprint across our network. To support this focus, our leaders and team members are encouraged to take personal ownership of decisions and energies that result in leaner, greener store operations. To improve constantly, we're committed to encouraging, and investing in, key actions and projects that prioritize renewable energy adoption, energy efficiency, and waste management. Our approach to operating sustainable stores in the UK includes the following

- **Energy Monitoring and Management** – consideration of the installation and maintenance of real-time energy management systems, use data insights to identify and act on energy-saving opportunities, review performance trends to support energy-efficiency improvements,
- **Smart Controls Integration** – implement smart lighting and heating controls that adjust based on certain conditions, standardise use of automated building management systems,
- **Preventative Maintenance & Repairs** – perform regular inspections and maintenance of energy-critical systems, ensure timely repair of energy-intensive operational equipment, e.g. workshop compressors,
- **Mechanical System Upgrades** – transition where possible to energy-efficient mechanical systems, prioritise replacements during renovations or scheduled upgrades,
- **Renewable Energy Integration** – install on-site solar generation systems where feasible, design systems to allow for future battery storage to manage demand and improve resiliency,
- **EV Charging Management** – monitor and manage EV charging infrastructure to reduce peak demand charges, implement load balancing or timed charging protocols to align with off-peak utility hours,
- **Waste Management and Recycling** – improve incidence of recycling of single use plastics, review our procurement activities to set our recycling expectations across our businesses, including the review of supplier packaging to further target a reduction in single use plastics forming part of packaging or product supplied wherever possible

Lithia Motors Group UK Limited

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

Climate-related disclosure report (continued)

Operating sustainable stores also means effective climate risk management. Effective climate risk management involves mapping climate risk and developing mitigatory measures to future-proof our business from both physical risk (how a changing climate impacts on our assets) and transition risks (which include the impact of changing regulation, technology and markets, and reputational risks linked to our actions). De-carbonisation requires the calculation and reporting of carbon inventories. By driving the agenda on climate risk management and de-carbonisation, the group aims to build climate resilience within its businesses by formulating strategies that address both climate mitigation and climate adaptation.

(iii) *Extend Vehicle Lifecycles*

Our business positions us to provide products and services throughout our customers' entire vehicle-ownership lifecycle by facilitating trade-ins, maintenance, and resales. By offering refurbished vehicles and affordable servicing options, customers gain access to reliable transportation at a lower cost, and we promote increased sustainable mobility. Other green components of our vehicle processes reside within the service/office facilities across our network and include maximising service retention and recycling solvents, oils and tyres.

The group's main climate risks are associated with both acute and chronic weather changes together with the shift away from Internal Combustion Engine (ICE) vehicles. The group currently complete Flood Risk Assessments (FRA's) for all our properties and in 2025 we will look to build on this to try and manage further climate-related risks. The group currently transfers its climate-related risk to operations (flood, wind) out to third party insurance carriers. The carriers also advise on flood related risk to operational sites, surveying at risk locations and suggesting mitigations where appropriate.

The automotive industry is predicted to experience rapid change in the years to come, including advances in electric vehicle production, driverless technology, and subscription business models. Certain manufacturers and governments have declared commitments to various electric vehicle and zero emissions goals, for example, the U.K. government has proposed a ban on the sale of gasoline engines in new cars and new vans that would take effect as early as 2030 and a ban on the sale of gasoline hybrid engines in new cars and new vans as early as 2035. The overall impact of these options on the automotive industry is uncertain, and given our reliance on the manufacturers, we have not been able to set targets or metrics at this point in time.

Non-Financial and Sustainability Information Statement

Climate related financial disclosures have been made in the climate related disclosure report section of the Directors' Report.

Governance

The UK Board are responsible for the implementation of the overall corporate sustainability strategy set by Lithia Motors Inc. The UK Board considers the group's strategy with regards to climate-related risks affecting its dealerships in the UK. To assist the Board the group monitors, measures and reports on all climate-related risks and activities affecting the group's physical dealerships. The Director of Internal Audit's responsibilities include the reporting of all risks affecting the group, including climate-related risks. The Group Insurance Risk Leader also works closely with the Group's insurance providers to identify and mitigate the potential impact of these risks through relevant insurance products and pro-actively putting in place measures to mitigate the impact of any such climate-related incidents.

The Group Insurance Risk Leader shares knowledge and activities and ensure that the Board, through the Audit and Risk Control Forum ("ARC-F") receive as much information as possible on the latest climate-related risks that may affect the overall business.

The Group's real estate management team ensures that the group is undertaking sustainability measures within its physical buildings to reduce its overall environmental footprint.

Lithia Motors Group UK Limited

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

Climate-related disclosure report (continued)

Governance (continued)

The Group's Audit and Risk Control Forum ("ARC-F") meets regularly to discuss risks affecting the business, including, inter alia climate-related risk, and review the potential impact of each identified risk, as recorded on the Corporate Risk Register, and updates the directors at regular management meetings of risks, mitigation activities and sustainability initiatives. As part of its work, the ARC-F considers the likelihood and impact of climate-related risk, scoring climate related risk on a risk matrix.

The Group also has climate-related risk exposure to the supply of vehicles from its OEM partners that could severely impact its ability to trade within large sectors of its business. The Board and Operational directors work closely with their respective manufacturer partners to keep aligned with their strategic approach to the risks posed.

Risk management

The group recognises the importance of managing the risks associated with climate-related changes. It has embedded climate-related risks into its overall framework of corporate risk and these are reviewed and discussed at Board and below level. The group is acutely aware of the significant risks associated with climate-change and the increasing likelihood of the risks occurring in both the short and medium to longer term.

Strategy

Applying climate change scenarios as detailed in the table below has enabled an assessment of the effects of each identified risk on our operations and financial planning -

Scenario	Description
Below 2°C by 2100	<ul style="list-style-type: none">Climate change mitigation initiatives are taken seriously 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 impact will be benign.
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.Business as usual continues in the short term, but owing 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, nothing or little is done to address climate change, and business as usual is maintained over the next few decades.The increase in global emissions will result in multiple climate tipping points being reached, meaning physical risk will be at their greatest impact.

Lithia Motors Group UK Limited

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

Climate-related disclosure report (continued)

The following table outlines the climate-related risk and opportunities relevant to the group, risk description, anticipated time frame (short-term – 1 to 2 years, medium-term - 3 to 5 years and long-term – 5+ years) and mitigation actions being undertaken. The impact and rating grades as either minor, moderate or significant (none currently graded as significant')

Area	Risk	Time horizon and scenario	Impact and rating
Policy & Legal	Increased reporting requirements and adverse energy regulation due to climate change The Group is impacted by regulation introduced to reduce energy use and emissions, which incur cost and resource to ensure the Group remains compliant with additional motor vehicle and climate change related reporting	Medium Term	Moderate
	Carbon pricing mechanisms The potential introduction of a carbon tax in the UK for the motor vehicle sector could increase vehicle manufacturing and transportation costs, and could have an adverse effect on revenue and profitability	Medium Term	Moderate
Market Risks	Changing consumer preferences (such as to BEVs) and increased sensitivity to ESG A reduction in consumer spending could have an adverse effect on revenue and profitability. With environmental awareness growing in importance, customers may have changed their preferences to purchase more sustainable alternatives, including BEVs	Medium Term	Minor
	Increased costs of raw materials and energy Increases in raw material costs in supply chains could adversely affect the profitability of the Group, with climate change likely to result in increased raw material costs, supply disruptions and delayed deliveries. Increased energy costs could impact the Group	Longer Term	Minor
	Availability of raw materials A reduced supply of vehicle components could result in a supply of vehicles and parts not meeting the Group's demand, leading to delays and disruptions, impacting our revenue streams	Longer Term	Moderate
Reputation Risks	Cost of capital linked to sustainability criteria With the increasing importance of ESG and sustainability, stakeholder concern for developing our ESG programme is likely to increase, although this is mitigated by being a subsidiary of a US listed entity. Failing to proactively communicate how the Group overall will reduce our environmental impact could result in the loss of potential capital, whether debt or equity	Short Term	Moderate
	Loss of revenue linked to damaged reputation Reputational damage from a customer perspective could be material and significantly affect the business's financial performance. Customers could switch to our competitors, who are performing better in relation to ESG and sustainability	Short Term	Moderate
Technology Risks	The operational impact of the shift to lower emissions alternatives & BEVs Shifting the product range to more efficient and sustainable products is likely to be a gradual process until 2035. We anticipate increasing demand for BEVs, in all timeframes, and are ready for this change from a sales perspective. However, equally, we are aware of the impact this may have on aftersales revenue. BEVs have fewer parts, use fewer fluids, do not possess exhaust systems and exhibit lower wear from use (for example, regenerative braking decreases wear on brake pads). We expect total 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 plan to take advantage of this BEV specialisation over our independent competitors, who may need more preparation time to deal with widespread BEV servicing demands	Short Term	Moderate

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

Climate-related disclosure report (continued)

	<p>Costs to transition to lower emissions technology and BEVs BEVs are already increasing their market share annually. Newer sustainable technology will come onto the market over the coming years. Adopting or deploying new practices or processes is likely to come at a cost to the Group. However, we expect changes to occur gradually over time, and 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.</p>	Short Term	Moderate
Resource Efficiency	<p>On-site renewable energy Mitigating carbon pricing through investing in renewable energy is an opportunity. By installing renewable solar PV at group sites, energy costs can be further reduced. The Group total carbon footprint can be reduced by procuring renewable energy for its sites for the remainder of its energy use.</p>	Short Term	Moderate
	<p>Energy efficiency in operations Investment in resource efficiency across the Group will lower energy intensity and lead to cheaper and more consistent operating costs, enhancing operational efficiency. This will be accomplished by decreasing energy, water, and waste across the Group. The power needed for the Group's workshops, heating, ventilation, air conditioning, and lighting are its primary energy uses.</p>	Short Term	Moderate

For each of the risks identified, the Group recognises that investment in and commitment to being an eco-friendlier and sustainability driven group brings significant opportunities to continue to grow the Group within the changing environment caused by climate change.

The Group is required to comply with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 amended sections 414C, 414CA, and 414CB of the Companies Act 2006 (UK Climate-related Financial Disclosures (CFD)). The Group is compliant with the new mandatory financial disclosure requirements under UK CFD, and our disclosures are consistent with all of the UK-CFD recommendations.

Within the UK-CFD overview table, we have also included disclosures for each of the recommended disclosures, identifying whether we consider such disclosures to be either consistent with the recommendations of the UK-CFD, or where disclosures have only been partially made or omitted, a further description of any steps taken or planned to ensure our disclosures are consistent in the future, including relevant timeframes.

UK-CFD OVERVIEW

Recommendation	Recommended Disclosure	Summary of progress/measures planned to ensure future consistency with the recommendation	Disclosure level
Governance			
Describe the organisation's governance around assessing and managing climate-related risks and opportunities	a) A description of the governance arrangements of the company in relation to assessing and managing climate-related risks and opportunities	<p>The board of our parent company, Lithia Motors, Inc is responsible for our climate ambition, which we now align to the Lithia and Driveway corporate strategy, and the approach to climate related risks and opportunities in the UK, is reviewed in this context. The Board is ultimately responsible for setting the Group's risk appetite and for risk management and internal control systems in the UK, delegating authority to the ARC-F in setting the Group's risk appetite and implementing appropriate oversight of climate related risks and opportunities risks.</p> <p>The Board as a whole is ultimately accountable for the Group's climate strategy and approach to UK-CFD, however the Board has established the ARC-F to assist the Board, and ensure alignment where practicable with the overall sustainability strategy of Lithia Motors Motors, Inc.</p>	Full

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

Climate-related disclosure report (continued)

Governance (continued)			
		The ARC-F meets at least twice a year and receives reports from senior managers to ensure that consideration is given to meeting the Group's specific climate risk (CR) KPIs and ongoing CR commitments, including greenhouse gas (GHG) emissions reduction targets and plastics recycling initiatives	Full
Risk Management			
Disclose how the organisation identifies, assesses and manages climate-related risks	b) A description of how the Group identifies, assesses, and manages climate-related risks and opportunities	Environmental is included as a principal risk as part of our risk management overview processes. Climate change will be considered as part of the environmental risk and is not considered to be a standalone principal risk. The ARC-F will review, assess and consider any climate related risks which may impact upon our operations, and report to the executive directors and the Board where necessary. The business is subject to regular risk identification, assessment and review, which includes consideration of environmental and climate related risk. Climate risk is considered a sub-risk to our main environmental risk.	Full
	c) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the Group	Environmental is included as a principal risk as part of our risk management overview processes. Climate change has been considered as part of the environmental risk and is not considered to be a standalone principal risk. The ARC-F will continue to review, assess and consider any climate related risks which may impact upon our operations and report ultimately, the Board where necessary.	Full
Strategy			
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	d) A description of, (i) the principal climate-related risks and opportunities arising in connection with the operations of the Group, and (ii) the time periods by reference to which those risks and opportunities are assessed	Material climate related risks and opportunities are described in the table above on pages 11 and 12	Full
	e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Group	The Group is well positioned to continue providing products and services to our customers, while managing our own climate-related risks and opportunities. We have considered the impact of climate change scenarios on the Group and have not identified any material impact on the Group's financial results, going concern or viability. However, impact from climate change is constantly evolving and the Group will continue to monitor the risks and consequent impacts on its business.	Full

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

Climate-related disclosure report (continued)

Strategy (continued)			
	f) An analysis of the resilience of the business model and strategy of the Group, taking into consideration different climate-related scenarios	<p>The ARC-F consider the resilience of the organisation's strategy, in the context of its applicability to Lithia UK</p> <p>Currently, the organisation's strategy is sufficiently flexible and adaptable to address any prevailing climate related risks, as demonstrated by the three key environmental goals detailed above at pages 8 and 9</p>	Full
Metrics and Targets			
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	g) A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	The ARC-F aims to review and set tangible, appropriate targets for the Group, aligned to the overall climate strategy of its parent company	Full
	h) The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	The Group reports on energy and carbon emissions providing a dataset from which to target reductions in our overall carbon emissions	Full

Lithia Motors Group UK Limited

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

Climate-related disclosure report (continued)

Metrics and targets

The group measures the likely impact of all risks as part of its ARC-F reviews. The risks are taken into account when considering new investments, whether into new dealerships, OEM partnerships or refurbishment of existing properties. The group will continue to develop metrics and financial targets based on climate-related risks and continue to develop climate-related considerations into its core culture values.

Streamlined Energy & Carbon Reporting (SECR)

The following summarises the energy usage, associated emissions and energy efficiency actions and energy performance for Lithia Motors Group UK Limited under the government policy Streamlined Energy & Carbon Reporting (SECR), as implemented by the Companies (Directors' report) Regulations 2018.

It also summarises the methodologies utilised for all calculations related to the elements reported under Energy & Carbon.

Under the SECR legislation the group is mandated to include energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented during the most recent financial year. An organisational boundary has been applied for the purposes of the reporting.

The data covers Lithia Motors Group UK Limited and all of its subsidiary undertakings.

Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for this year of reporting are 3,786.08 tCO₂e (2023: 3,063.57 tCO₂e), resulting from the direct combustion of 17,957,470 kWh of fuel (2023: 14,825,571 kWh). This represents a carbon increase of 23.58% from last year.

Scope 2 indirect emissions (purchased electricity) for this year of reporting are 2,629.59 tCO₂e (2023: 2,543.50 tCO₂e) resulting from the consumption of 12,721,447 kWh (2023: 12,304,221 kWh) of electricity purchased and consumed in day-to-day business operations. This represents a carbon increase of 3.38% from last year.

The group's operations have an intensity metric of 63.07 tCO₂e (2023: 50.25 tCO₂e) per floor area'000m². This represents an increase in the operational carbon intensity 25.51% from last year.

Energy efficiency improvements

The group are committed to year-on-year improvements in their operational energy efficiency. As such, a register of energy efficiency measures has been compiled, with a view to implementing these measures over the next five years.

Lithia Motors Group UK Limited

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

Streamlined Energy & Carbon Reporting (SECR) (continued)

Measures undertaken in 2024

- **Electric Vehicle (EV) chargers**
The group has completed 50+ EV charger installations across company sites, to ensure the business is prepared for increasing EV sales and in line with OEM standards
- **LED upgrades**
Five LED upgrades were completed. Over 95% of the group's dealerships now have full LED coverage. As part of the group's continuous integration upgrades all of the group's dealerships are planned to be fully covered
- **Daylight savings sensors upgrade**
Daylight savings sensors have now been fitted to all external lighting fixtures that were previously left on during the day. The linking of all external lighting systems to the CCTV Remote Monitoring Centre has enabled the automatic switch off/on of lights when out of hours. This will reduce emissions for the group's scope 2 electricity consumption and incur costs savings for the business. During 2024, the two businesses acquired in 2023 had upgrades
- **Solar PV**
A solar photovoltaic (PV) array was installed at a dealership in April 2024
- **Heating, Ventilation and Air Conditioning (HVAC) upgrade**
A full HVAC upgrade was installed in a dealership. This included upgrading all HVAC systems to improve site energy efficiency and reduce the use of natural gas

Measures to be addressed in 2025

- **EV charger installation**
The group will continue with its proactive approach to EV charger installation, using a mix of Alternating Current and Direct Current charging to help future-proof the site-charging sales mix
- **EV charger back-of-house system**
The group will adopt a back-of-house EV charging system that will track usage and monitor trends. This will improve understanding of site usage patterns and downtime
- **LED lighting**
The group will continue LED lighting installations to cover all remaining dealerships during their CI upgrades
- **Solar PV**
The wider group will install a solar PV system on the roof of a dealership

Reporting methodology

Scope 1, 2 and 3 consumption and CO₂e emission data has been developed and calculated in line with the 2019 UK government environmental reporting guidance

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

Lithia Motors Group UK Limited

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

Streamlined Energy & Carbon Reporting (SECR) (continued)

Intensity metrics have been calculated using total tCO₂e figures and the selected performance indicator for both individual sources and total emissions were then divided by this figure to determine the tCO₂e per metric

- Occupied floor area ('000m²) 101.73 (2023 111.58)
- Total turnover (£m) 1,994 (2023 1,891)
- Full time equivalents (FTE) 2,931 (2023 2,788)

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved

- so far as the directors are aware, there is no relevant audit information of which the group's and company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditor is aware of that information

Independent auditor

The group has passed an elective resolution under section 487 of the Companies Act 2006 to dispense with the formal requirement to reappoint auditors annually

On behalf of the Board



R J Thomas
Director
19 December 2025

Lithia Motors Group UK Limited

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 its financial statements comply with the Companies Act 2006. They are 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 Lithia Motors Group UK Limited

Opinion

We have audited the financial statements of Lithia Motors Group UK Limited ("the Company") for the year ended 31 December 2024 which comprise the Consolidated profit and loss account, Consolidated statement of comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement and related notes, including the accounting policies in note 3

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 loss for the year then ended,
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities 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's 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").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and the Company's available financial resources and/or metrics relevant to debt covenants over this period was

- the current outlook for the UK macroeconomic environment and the impact on the demand for, and profitability of, the Group's products and services

We considered whether these risks could plausibly affect liquidity in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks, individually and collectively, against the level of available financial resources indicated by the Group's financial forecasts.

Independent auditor's report to the members of Lithia Motors Group UK Limited

(continued)

Going concern *(continued)*

We considered whether the going concern disclosure in note 3 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, dependencies and related sensitivities. We also assessed the completeness of the going concern disclosure.

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,
- 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's or the Company's ability to continue as a going concern for the going concern period,
- we found the going concern disclosure in note 3 to be acceptable.

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 inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud,
- reading Board and Risk Control Group minutes,
- considering remuneration incentive schemes and performance targets for directors,
- using analytical procedures to identify any unusual or unexpected relationships.

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, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular,

- the risk that Group and component management may be in a position to make inappropriate accounting entries, and
- the risk that new and used vehicle revenue for the year is misstated as a result of revenue being recorded in the wrong period.

We did not identify any additional fraud risks. We also performed procedures including

- identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Independent auditor's report to the members of Lithia Motors Group UK Limited

(continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-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. We also discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

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 and taxation legislation 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. We identified the following areas as those most likely to have such an effect: health and safety, GDPR, employment law and Financial Conduct Authority (FCA) guidelines. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and 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.

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 these 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,
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Lithia Motors Group UK Limited

(continued)

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 18, 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's and the 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 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/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit

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



Sarah Tannock-Kitchen (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

19 December 2025

Lithia Motors Group UK Limited

Consolidated profit and loss account for the year ended 31 December 2024

	Note	2024 £000	2023 £000
Turnover	5	1,994,411	1,890,564
Cost of sales		(1,825,467)	(1,725,234)
Gross profit		168,944	165,330
Selling and distribution costs		(86,862)	(79,019)
Administrative expenses		(66,263)	(56,496)
Operating profit	6	15,819	29,815
Exceptional items	7	(4,786)	(3,751)
Profit before interest and taxation		11,033	26,064
Interest payable and similar expenses	11	(10,896)	(10,965)
Profit before taxation		137	15,099
Tax on profit	12	(1,404)	(5,388)
(Loss)/profit for the financial year		(1,267)	9,711

The accompanying notes form part of these financial statements

Lithia Motors Group UK Limited

Consolidated statement of comprehensive income for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
(Loss)/profit for the financial year		(1,267)	9,711
Other comprehensive income - Re-measurements of net defined benefit obligation	21	(5,559)	(8,075)
Total tax on components of other comprehensive income	12(b)	1,390	2,019
Total comprehensive (expense)/income for the financial year		(5,436)	3,655

The accompanying notes form part of these financial statements

Lithia Motors Group UK Limited

Consolidated balance sheet as at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	13	24,402	29,218
Tangible assets	14	155,751	155,741
		180,153	184,959
Current assets			
Stocks	16	283,494	304,915
Debtors	17	123,123	86,018
Cash at bank and in hand		3,930	12,760
		410,547	403,693
Creditors - amounts falling due within one year	18	(331,810)	(420,644)
Net current assets/(liabilities)		78,737	(16,951)
Total assets less current liabilities		258,890	168,008
Provision for other liabilities	19	(2,542)	(2,400)
Post-employment benefits	21	7,054	12,038
Net assets		263,402	177,646
Capital and reserves			
Called-up share capital	22	188,692	97,500
Retained earnings		74,710	80,146
Total equity		263,402	177,646

The notes on pages 30 to 59 are an integral part of these financial statements

The financial statements on pages 23 to 59 were approved by the board of directors on 19 December 2025 and were signed on its behalf by



R Thomas
Company Director

Lithia Motors Group UK Limited
Registered Number 02470318

Lithia Motors Group UK Limited

Company balance sheet as at 31 December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Shares in group undertakings	15	51,511	51,511
		51,511	51,511
Current assets			
Debtors	17	150,146	219,390
Cash at bank and in hand		-	347
		150,146	219,737
Creditors - amounts falling due within one year	18	-	(162,774)
Net current assets		150,146	56,963
Total assets less current liabilities		201,657	108,474
Provision for other liabilities	19	(1,763)	-
Post-employment benefits	21	7,054	12,038
Net assets		206,948	120,512
Capital and reserves			
Called-up share capital	22	188,692	97,500
Retained earnings		18,256	23,012
Total equity		206,948	120,512

The company's result for the financial year amounted to a loss of £587,000 (2023 loss of £3,039,000)

The notes on pages 30 to 59 are an integral part of these financial statements

The financial statements on pages 23 to 59 were approved by the board of directors on 19 December 2025 and were signed on its behalf by



R Thomas
Company Director

Lithia Motors Group UK Limited
Registered Number 02470318

Lithia Motors Group UK Limited

Consolidated statement of changes in equity for the year ended 31 December 2024

	Called-up share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2023	97,500	76,491	173,991
Total comprehensive income for the year			
Profit for the year	-	9,711	9,711
Other comprehensive expense for the year	-	(6,056)	(6,056)
Total comprehensive income for the year	-	3,655	3,655
Balance as at 31 December 2023	97,500	80,146	177,646
	Called-up share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2024	97,500	80,146	177,646
Total comprehensive expense for the year			
Loss for the year	-	(1,267)	(1,267)
Other comprehensive expense for the year	-	(4,169)	(4,169)
Total comprehensive expense for the year	-	(5,436)	(5,436)
<i>Share issue in year</i>	91,192	-	91,192
Balance as at 31 December 2024	188,692	74,710	263,402

The accompanying notes form part of these financial statements

Lithia Motors Group UK Limited

Company statement of changes in equity for the year ended 31 December 2024

	Called-up share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2023	97,500	32,107	129,607
Total comprehensive expense for the year			
Loss for the year	-	(3,039)	(3,039)
Other comprehensive expense for the year	-	(6,056)	(6,056)
Total comprehensive expense for the year	-	(9,095)	(9,095)
Balance as at 31 December 2023	97,500	23,012	120,512

	Called-up share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2024	97,500	23,012	120,512
Total comprehensive expense for the year			
Loss for the year	-	(587)	(587)
Other comprehensive expense for the year	-	(4,169)	(4,169)
Total comprehensive expense for the year	-	(4,756)	(4,756)
Share issue in year	91,192	-	91,192
Balance as at 31 December 2024	188,692	18,256	206,948

The accompanying notes form part of these financial statements

Lithia Motors Group UK Limited

Consolidated statement of cash flows for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Net cash from operating activities	24	28,169	14,836
Taxation paid		(1,400)	(6,439)
Net cash generated from operating activities		26,769	8,397
Cash flow from investing activities			
Acquisitions of dealerships (net of cash acquired)		-	(29,261)
Purchase of tangible assets	14	(10,888)	(16,374)
Proceeds from disposals of tangible assets		698	179
Net cash used in investing activities		(10,190)	(45,456)
Cash flow from financing activities			
Interest paid	11	(10,696)	(8,767)
Repayment of overnight facility		-	(11,000)
Drawdown of bank loans		-	15,000
Repayment of bank loans		-	(40,000)
(Repayment)/receipt of amount owed to Lithia UK Holding Limited		(14,713)	88,078
Net cash (used in)/raised from financing activities		(25,409)	43,311
Net (decrease)/increase in cash and cash equivalents		(8,830)	6,252
Cash and cash equivalents at the beginning of the year		12,760	6,508
Cash and cash equivalents at the end of the year	24	3,930	12,760
Cash and cash equivalents consist of.			
Cash at bank and in hand		3,930	12,760
Cash and cash equivalents		3,930	12,760

The accompanying notes form part of these financial statements

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1 12 (b) of FRS 102 not to present the company statement of cash flows

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

1 General information

The principal activity of Lithia Motors Group UK Limited (the 'company') and its subsidiaries (together 'the group') is the retail distribution of motor vehicles and related activities in the motor trade

The company is a private company limited by shares and is incorporated in England, United Kingdom. The address of its registered office is Loxley House, 2 Oakwood Court, Little Oak Drive, Annesley, Nottingham, NG15 0DR

2 Statement of compliance

The group and individual financial statements of Lithia Motors Group UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4

The company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account and other comprehensive income

Going concern

The directors have adopted the going concern basis in preparing these financial statements after assessing the group's principal risks and expected banking, manufacturer and shareholder funding available to it

The group meets its day-to-day working capital requirements through a mixture of its banking and shareholder facilities and manufacturer stock funding lines

Following the capitalisation of the parent undertaking loan (£91,192,000) on 28 February 2024 into new share capital the year end consolidated balance sheet has net current assets of £78,737,000 (2023 net current liabilities of £16,951,000)

The directors have assessed the group's ability to continue trading for the twelve months following the approval of these financial statements by preparing detailed cash flow and profit forecasts, including considering a "severe but plausible" downside scenario and models the impact on the trading results for the group. The group meets its day-to-day working capital requirements through a mixture of its banking facilities, manufacturer stock funding lines and support provided by ultimate parent, Lithia Motors Inc. Subsequent to the year end, the group has access to a £150 million syndicated revolving credit facility (RCF) arranged between its immediate parent, Lithia UK Holding Limited, and a syndicate of lenders comprising Bank of America, BMW Financial Services and Lloyds Bank. This facility replaces the previous £100 million RCF syndicate with Bank of America. As at 31 December 2024, £36 million of the facility was drawn

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

Going concern (continued)

As a result of the above, the directors are confident that the group and the company will have sufficient funds to continue to meet their liabilities as they fall due for at least one year from the date of approval of these financial statements and have therefore prepared the financial statements on a going concern basis

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions

The company has taken advantage of the following exemptions in its individual financial statements

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows, and
- from disclosing the company key management personnel compensation, as required by FRS 102, paragraph 33.7

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings. Each subsidiary undertaking has adopted the group's accounting policies. All intra-group transactions, balances and unrealised profits and losses on transactions between group companies have been eliminated.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the balance sheet, the acquired identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands. The company's functional and presentation currency is pound sterling.

Revenue recognition

Turnover comprises the value of sales of motor vehicles and parts, commissions receivable from financing agreements and income from servicing and repairing of vehicles. Value added tax and discounts are excluded.

Turnover from the sale of goods and commissions receivable is recognised upon transfer to a third party of economic benefits arising from the use of an asset or completion of service work. In practice this means that turnover is recognised when vehicles are invoiced and physically dispatched or when the service or repair has been undertaken. For agency vehicle sales the agency commission is recognised when the vehicles are invoiced on behalf of the OEM and the vehicle physically dispatched. In respect of commissions receivable from financing agreements, the revenue is recognised in the period in which the related product is sold and receipt of payment assured.

Rebates

Any rebates received from suppliers for achievement of set targets are recognised in the profit and loss account (cost of sales) only when the target has been achieved and the amount of rebate payable confirmed by the supplier.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

Exceptional items

The group classifies certain one-off charges or credits that are of a non-recurring nature and that have a material impact on the group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the group.

Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and contribution pension plans. The group also provides a car purchase and loan scheme to certain employees, the related vehicles are available for sale by the group and therefore reflected as stock.

Pensions

The group operates one defined benefit scheme and a defined contribution pension scheme.

Defined benefit scheme

Trustees administer the defined benefit scheme and the funds are independent of the group's assets. The scheme is a legacy closed scheme to which the group no longer accepts new entrants.

The asset/liability recognised in the balance sheet in respect of the scheme is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial valuations of the scheme are carried out every three years. The last actuarial valuation was as at 5 April 2023.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurements of net defined benefit obligation'.

The cost of the defined benefit scheme is recognised in the profit and loss account as employee costs, except where included in the cost of an asset, comprises

- the increase in pension benefit liability arising from employee service during the period, and
- the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. The cost is recognised in the profit and loss account as a finance expense within interest and similar expenses.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

Defined contribution scheme

The defined contribution scheme is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

Taxation

Current tax is the amount of corporation tax payable provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Business combinations and goodwill

Business combinations are accounted for using the purchase method as at the acquisition date, being the date on which control is transferred to the group.

Goodwill arising on acquisition, being the difference between the fair value of net assets acquired and the consideration paid, is recognised in the balance sheet as an intangible fixed asset and amortised over the directors' estimate of its useful life. Transaction costs incurred are excluded from the calculation of goodwill and written off in the year of acquisition. As the directors expect the useful life of the goodwill to be greater than ten years, the group amortises goodwill over ten years as required by FRS 102.

On acquisition, goodwill is allocated to cash generating units (CGU) on a franchise basis, which represents the smallest group of assets with largely independent cashflows. This is the level at which goodwill is monitored for internal purposes.

Impairment excluding stocks and deferred tax assets

i) *Financial assets (including trade and other debtors)*

Financial assets not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii) Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss recognised for goodwill is not reversed. Impairment losses recognised for other assets is reversed only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on tangible fixed assets in equal annual instalments over their expected useful economic lives as follows:

Freehold and long leasehold buildings	-	2% per annum
Short leasehold land and buildings	-	over term of lease
Plant and machinery	-	10% - 33% per annum
Computer equipment	-	20% - 33% per annum
Furniture, equipment and motor vehicles	-	10% - 33% per annum

Where a fixed asset has been acquired but not yet in use, the asset is capitalised but not depreciated until the month in which it begins operational usage.

No depreciation is provided on freehold and long leasehold land as it is deemed to have an indefinite life. The profit or loss on disposal of tangible fixed assets is recognised by reference to their carrying amount.

Shares in group undertakings

Shares in group undertakings are stated at cost less provision for impairment in the financial statements of the company. Provision against the underlying value of the group investments in subsidiaries is made where, in the opinion of the directors, there is impairment to the value of the underlying business.

Leased assets

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Stock

Stock is valued at the lower of cost and net realisable value. Cost is based on actual purchase price, excluding value added tax and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition for sale. Stock includes interest-bearing consignment stock, the corresponding liabilities of which are included in creditors. The interest cost related to consignment stock is disclosed as stocking loan interest within interest payable and similar expenses.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

Stock (continued)

In relation to consignment stock, where it is considered that the group does not have full control over that stock it is excluded from the balance sheet as the risks and rewards have not yet transferred to the group. This is a change from prior periods where all non-interest bearing stock was excluded. The directors do not consider this change in policy to be material in nature to warrant a prior year re-statement. Net realisable value is based on estimated selling price less further costs to be incurred to completion and disposal. Provision is made where necessary for obsolete, slow moving and defective stocks.

Trade and other debtors

Trade and other debtors are recognised and measured at their original invoiced amount less provision for any uncollectable amounts. An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off when they are identified.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable are shown within borrowings in current liabilities.

Provisions

The group provides in full for liabilities when it has a legal or constructive obligation arising from a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

3 Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds

Related party transactions

The group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the group financial statements

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

Critical accounting judgements

Exceptional items

The group classifies certain one-off charges or credits that are of a non-recurring nature as exceptional. This can involve management judgement in determining whether an item is one-off and/or non-recurring in nature as well as the materiality of the relevant items

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

4 Critical accounting judgements and estimation uncertainty (continued)

Estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of goodwill and other fixed assets

The group tests for impairment annually by applying procedures to ensure that its assets are carried at no more than their recoverable amount. The procedures require estimates and assumptions to be made.

The group is required to assess whether an impairment loss arises on goodwill if a trigger event occurs. As part of this testing, the recoverable amounts of cash generating units (CGUs) have been estimated based on value-in-use calculations. The use of this method requires the estimation of future cash flows expected to arise from the continuing operation of the CGU and the choice of suitable discount rates in order to calculate the present value of the forecast cash flows. Allocation of goodwill into individual CGUs is determined on a franchise basis.

The group's property portfolio is reviewed for impairment at each year-end by reference to third party valuations.

Stock

As stocks are carried at the lower of cost and net realisable value this requires the estimation of the eventual sales price of goods to customers in the future. A degree of judgement is applied when estimating the impact on the carrying value of stock of factors such as obsolete, slow moving and defective stocks. The quantity, age and condition of stocks are regularly measured and assessed as part of a range of reviews and stock counts undertaken throughout the year and across the group.

Post-employment benefits

The present value of the defined benefit pension liabilities recognised on the balance sheet is dependent on a number of assumptions including inflation assumptions, discount rate, rate of increase in pensions in payment and revaluation rate for deferred pensioners. The net interest expense or income is dependent on the interest rates of high-quality corporate bonds. The assumptions are based on the conditions at the time and changes in these assumptions can lead to significant movements in the estimated obligations.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

5 Turnover

All turnover of the group's subsidiary undertakings is derived from retail and commercial motor trade activities transacted from dealerships within the United Kingdom

An analysis of turnover by category is as follows

	2024 £'000	2023 £'000
New car sales	958,609	881,483
Used car sales	863,663	851,421
Aftersales	172,139	157,660
	1,994,411	1,890,564

Included within new and used car sales is commissions receivable from financing agreements of £22,299,000 (2023 £20,031,000)

6 Operating profit

Operating profit is stated after charging/(crediting)

	2024 £'000	2023 £'000
Depreciation of tangible fixed assets (note 14)	10,180	9,169
Loss on sale of fixed assets	-	365
Net provisions provided/(released) (note 19)	92	(304)
Amortisation of goodwill (note 13)	4,816	3,252
Stocks recognised as an expense	1,742,810	1,645,807
Impairment of stocks (note 16)	1,814	3,141
Write off of trade debtors	347	540
Operating lease charges - land and buildings	13,631	11,787
Operating lease charges - plant and machinery	256	313
Services provided by the company's auditor		
- the audit of parent company and consolidated financial statements	546	410

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

7 Exceptional items

	2024 £'000	2023 £'000
Restructure costs	4,786	-
Costs related to sale of business	-	1,839
Write off of demolished freehold buildings	-	1,447
Acquisition costs	-	465
	4,786	3,751

Following the acquisition of Pendragon Newco 2 Limited by the group's parent undertaking, the combined group has undergone significant streamlining and restructuring of its central functions together with migration of its DMS system onto the one common platform

8 Company profit and loss account

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 and consequently a profit and loss account for Lithia Motors Group UK Limited is not presented. The company's result for the financial year amounted to a loss of £587,000 (2023 loss of £3,039,000)

9 Employees

The group average monthly number of employees, including the executive directors employed by the group, within each category of persons was

	2024 Number	2023 Number
Sales	696	650
Aftersales	1,544	1,403
Administration	691	826
	2,931	2,879

	2024 £'000	2023 £'000
The costs incurred in respect of these employees were		
Wages and salaries	119,533	109,833
Social security costs	12,277	12,613
Other pensions costs (note 21)	3,696	2,479
	135,506	124,925

The company has no employees (2023 none)

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

10 Directors' emoluments

	Total directors		Highest paid director	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Aggregate emoluments	794	2,738	738	2,331
Pension contributions	60	26	11	17
	857	2,764	749	2,348

The emoluments stated above are on an accruals basis

The emoluments disclosed are in respect of all serving directors during the year and have been apportioned above between the group and Pendragon Newco 2 Limited based on the respective services to each group of companies. In respect of all the directors that served during the year, £857,000 has been borne by Lithia Motors Group UK Limited and £1,063,000 has been borne by Pendragon Newco 2 Limited

There are no retirement benefits accruing to the executive directors under defined benefit schemes (2023 none)

Key management compensation

The directors consider the only key management are the directors disclosed above (executive and non-executive)

11 Interest and similar expenses

Interest payable	2024 £'000	2023 £'000
Bank loans and overdrafts	-	469
Interest paid to parent undertaking	775	2,467
Stocking loan interest	10,696	8,298
	11,471	11,234

Finance expenses	2024 £'000	2023 £'000
Pension credit (note 21)	(575)	(269)

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

12 Tax on profit

(a) Tax charge included in profit and loss	2024 £'000	2023 £'000
Current tax		
UK corporation tax at 25.0% (2023: 23.5%)	1,679	73
Adjustments in respect of prior years	(1,735)	304
Total current tax	(56)	377
Deferred tax:		
Pension deficit	144	7,222
Accelerated capital allowances	(36)	1,479
Intangible fixed assets	-	(395)
Other short-term temporary differences	(1,934)	58
Losses	1,665	(3,186)
Adjustments in respect of prior years	1,621	(167)
Total deferred tax (note 20)	1,460	5,011
Tax on profit	1,404	5,388
(b) Tax credit included in other comprehensive income	2024 £'000	2023 £'000
Deferred tax:		
Credit relating to pension liability (note 20)	1,390	2,019
Total tax included in other comprehensive income	1,390	2,019

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

12 Tax on profit (continued)

(c) Reconciliation of tax charge

The tax assessed for the year is higher (2023 higher) than the effective standard rate of corporation taxation in the UK of 25.0% (2023 23.5%). The differences are explained below

	2024 £'000	2023 £'000
Profit before taxation	137	15,099
Profit before taxation multiplied by standard corporation tax rate in the UK at 25.0% (2023 23.5%)	34	3,548
Effects of		
Expenses not deductible for tax purposes	73	39
Permanent differences arising in respect of freehold property	207	964
Amortisation of goodwill	1,204	393
Net temporary differences effect of change in tax rates	-	307
Adjustments in respect of prior years	(114)	137
Total tax charge for the year	1,404	5,388

13 Intangible assets

Group	Goodwill £'000
Cost	
At 1 January 2024	68,045
At 31 December 2024	68,045
Accumulated amortisation	
At 1 January 2024	38,827
Charge for the year	4,816
At 31 December 2024	43,643
Net book amount	
At 31 December 2024	24,402
At 31 December 2023	29,218

As the directors expect the useful life of the goodwill to be greater than ten years, the group amortises goodwill over ten years. Management performed an impairment assessment, and no impairment loss was identified arising from the impairment test performed at the year end.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

14 Tangible assets

Group	Land and buildings		Plant and machinery £'000	Computer equipment £'000	Furniture, equipment and motor vehicles £'000	Total £'000
	Freehold and long leasehold £'000	Short leasehold £'000				
Cost						
At 1 January 2024	130,602	24,720	17,171	11,155	21,045	204,693
Additions	598	3,242	2,469	2,728	1,851	10,888
Transfer between categories	-	21	1,837	58	(1,916)	-
Disposals	-	(382)	(1,829)	(478)	(1,518)	(4,207)
At 31 December 2024	131,200	27,601	19,648	13,463	19,462	211,374
Accumulated depreciation						
At 1 January 2024	11,971	10,554	7,912	6,798	11,717	48,952
Charge for the year	2,029	1,933	2,244	1,735	2,239	10,180
Transfer between categories	-	-	1,405	47	(1,452)	-
Disposals	-	(302)	(1,346)	(448)	(1,413)	(3,509)
At 31 December 2024	14,000	12,185	10,215	8,132	11,091	55,623
Net book amount						
At 31 December 2024	117,200	15,416	9,433	5,331	8,371	155,751
At 31 December 2023	118,631	14,166	9,259	4,357	9,328	155,741

Company

The company has no tangible assets (2023 none)

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

15 Shares in group undertakings

Company	£'000
Cost at 1 January and at 31 December 2024	51,511
Provision at 1 January and at 31 December 2024	-
Net book amount at 31 December 2023 and 31 December 2024	51,511

As at 31 December 2024 subsidiary undertakings of the company are as follows

Subsidiary Undertaking	Class of Share	Principal Activity
Arden 2 Limited	100% Ordinary Shares	Non trading
Arden Aylesford Limited	100% Ordinary Shares	Non trading
Arden Maidstone Limited	100% Ordinary Shares	Non trading
Arden Tunbridge Wells Limited	100% Ordinary Shares	Non trading
Stratstone Automotive Limited	100% Ordinary Shares	Retail distribution of motor vehicles and the supply of related goods and services
Stratstone Cars Limited	100% Ordinary Shares	Retail distribution of motor vehicles and the supply of related goods and services
Stratstone Luxury Vehicles Limited	100% Ordinary Shares	Retail distribution of motor vehicles and the supply of related goods and services
JMGUK Pension Trustees Limited	100% Ordinary Shares	Trustee company for the group pension scheme
Stratstone Specialist Cars Limited	100% Ordinary Shares	Retail distribution of motor vehicles and the supply of related goods and services
Stratstone Sports Cars Limited	100% Ordinary Shares	Retail distribution of motor vehicles and the supply of related goods and services and owns property
Lancaster UK Limited	100% Ordinary Shares	Holding company for subsidiary companies, provides management services to the group and owns property
Wayside Trade Parts Limited	100% Ordinary Shares	Wholesale trade parts centres

All group subsidiary undertakings are wholly owned and have a registered address of Loxley House, 2 Oakwood Court, Little Oak Drive, Annesley, Nottingham, NG15 0DR

The following subsidiary undertaking of the company has a registered address of Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD

Subsidiary Undertaking	Class of Share	Principal Activity
JMG (Scotland) Limited	100% Ordinary Shares	Solely owns shares in JMG LP and acts as the General Partner of the entity

The company has guaranteed the liabilities of the following subsidiaries in order that they qualify for the exemption from audit under Section 479A of the Companies Act 2006 in respect of the year ended 31 December 2024, Arden 2 Limited, Arden Aylesford Limited, Arden Maidstone Limited, Arden Tunbridge Wells Limited, Stratstone Automotive Limited, Stratstone Cars Limited, Stratstone Luxury Vehicles Limited, JMGUK Pension Trustees Limited, Stratstone Specialist Cars Limited, Stratstone Sports Cars Limited, Lancaster UK Limited, Wayside Trade Parts Limited and JMG (Scotland) Limited

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

15 Shares in group undertakings (continued)

The group also owns 100% of the partnership interest of JMG LP. JMG LP owns freehold properties and sub-lets to Stratstone Automotive Limited, Stratstone Sports Cars Limited and Stratstone Luxury Vehicles Limited, group subsidiary undertakings, at open market rentals. JMG LP is a Scottish Limited Partnership of which the Partners are all part of Lithia Motors Group UK Limited. The results and balance sheet of JMG LP are consolidated into these financial statements. All other group subsidiary undertakings are wholly owned and are registered and operate in England and Wales.

Lancaster UK Limited, JMG (Scotland) Limited and JMG Pension Trustees Limited are held directly. The remainder of the subsidiary undertakings are held indirectly.

In the opinion of the directors, the value of the investments is not less than their carrying value.

16 Stocks

	Group 2024 £'000	Group 2023 £'000
Consignment vehicles	37,709	55,462
Motor vehicles	234,240	239,177
Parts and other stocks	11,545	10,276
	283,494	304,915

Consignment vehicles that are regarded as being effectively under the control of the Group are included within stocks on the balance sheet as the Group has the significant risks and rewards of ownership even though legal title has not yet passed. The corresponding liability is included in trade and other payables. Movements in consignment vehicle inventory and its corresponding liability within trade and other payables are not included within movements of stocks and payables as stated in the consolidated cash flow statement as no cash flows arise in respect of these transactions until the vehicle is either sold or purchased at which point it is reclassified within new and used vehicle inventory. Where consignment stock is considered that the group does not have full control over that stock it is excluded from the balance sheet as the risks and rewards have not yet transferred to the group. This is a change from prior years where all interest bearing consignment stock was included. The directors do not consider this change in policy to be material in nature to warrant a prior year re-statement.

Motor vehicles are stated after provisions for impairment of £1,814,000 (2023: £3,141,000).

Company

The company has no stock (2023: £nil).

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

17 Debtors

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade debtors	61,269	48,883	-	-
Amounts owed by group undertakings	16,279	-	150,146	215,086
Corporation tax	6,653	6,892	-	4,046
Deferred tax assets (note 20)	-	-	-	176
Other debtors	32,672	23,394	-	5
Prepayments and accrued income	6,250	6,849	-	77
	123,123	86,018	150,146	219,390

The amounts owed by group undertakings are unsecured, interest free, have no fixed repayment terms and are repayable on demand

Group trade debtors are stated after provisions for impairment of £832,000 (2023 £767,000)

Company trade debtors are stated after provisions for impairment of £nil (2023 £nil)

18 Creditors - amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Amounts owed to parent undertaking	-	90,545	-	90,545
Amounts owed to group undertakings	-	-	-	72,229
Trade creditors	98,273	149,563	-	-
Vehicle stocking loans	194,129	138,853	-	-
Other taxation and social security	5,659	3,977	-	-
Other creditors	20,813	26,797	-	-
Accruals	12,936	10,909	-	-
	331,810	420,644	-	162,774

The amounts owed to group undertakings are unsecured, interest free, have no fixed repayment terms and are repayable on demand

The amounts owed to parent undertakings were to provide funding to the group during the period following acquisition by Lithia UK Holding Limited and establishment of the Bank of America funding lines. They were due for repayment 12 months after inception and carried commercial rates of interest. The balance on the loans as at 28 February 2024 of £91,192,000 was converted into new issued share capital in Lithia Motors Group UK Limited.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

18 Creditors - amounts falling due within one year (continued)

When considering vehicle stocks from a funding risk view point the group splits the funding into that which is funded by the vehicle manufacturers through their related finance arms and that funded through third party stock finance facilities and bank borrowings. Financing for stock other than through bank borrowings is shown within creditors in the balance sheet.

The third party stock facilities have prescribed limits and can be used to fund virtually any vehicle. Any undrawn amount is therefore directly relatable to the ability of the group to increase inventory and fund it accordingly. In contrast, manufacturer limits vary with the manufacturer's requirements (depending on the amount of stocks each manufacturer wishes to put into the network, which varies depending on the time of year and level of production) and are therefore not directly related to the group's liquidity.

The key contractual terms of the facilities (both manufacturer and third party) are

- The facilities are usually structured as an agency to purchase vehicles on behalf of the funder
- Those vehicles are immediately sold back to the group on deferred payment terms
- Legal title to the vehicles thus remains with the funder as the funder has purchased the vehicles (via the dealer as agent) and has an unpaid invoice (either in part or in full) outstanding from the company
- The unpaid invoice is therefore trade credit and is accounted for as a trade payable in the financial statements
- The payment terms for the invoice vary with the type of vehicle
 - A new vehicle invoice typically requires no upfront deposit payment and remains outstanding for varying periods up to 360 days
 - A used vehicle invoice typically requires an immediate payment of c 10% i.e. so that the effective "loan to value" given for the vehicle is c 90%. As a used vehicle depreciates with age and mileage, periodic instalment payments might also be required
- Interest is payable in respect of the unpaid invoice. Most new vehicle invoices from manufacturers have an interest free period followed by commercial rates of interest. Interest rates from third party stock funders are at a commercial rate from the start.

Payment of any outstanding amounts is due on the earlier of the sale of the vehicle by the group to a customer, or upon the expiry of a pre-determined maturity period. The maturity period varies by funder and by type of vehicle but is up to 360 days in respect of new vehicles and 330 days in respect of used vehicles.

Manufacturer facility agreements are tied to the franchise agreement i.e. for as long as the franchise agreement is operational the manufacturer will provide funding facilities to enable the franchisee to sell the product. Other than that, the normal provisions regarding immediate termination due to an insolvency event or change of control would apply.

Third party facility agreements are uncommitted and can be terminated immediately upon default or upon written notice by either party, those notice periods vary by agreement but can be from 30-120 days. In practice, if notice is given, no new contracts for funding individual vehicles would be entered into by the funding partner and the facility in respect of each individual vehicle would be paid down over time as normal i.e. on the earlier of the normal maturity of the facility for a particular vehicle or upon sale of the vehicle to a customer. Despite the uncommitted nature of the agreements, most relationships with funders are of a long standing nature.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

19 Provisions for other liabilities

Group	At 1 January 2024 £'000	Provided during the year £'000	Utilised £'000	At 31 December 2024 £'000
Deferred tax (note 20)	2,380	70	-	2,450
Closure provisions	20	92	(20)	92
	2,400	162	(20)	2,542

Closure provisions

Closure provisions have been provided in respect of businesses sold or closed in respect of any residual costs that may arise

Company	Transfer from debtors £'000	Provided during the year £'000	Utilised £'000	At 31 December 2024 £'000
Deferred tax (asset)/liability (note 20)	(176)	1,939	-	1,763
	(176)	1,939	-	1,763

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

20 Deferred tax (liabilities)/assets

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deferred tax (liabilities)/assets comprise.				
Accelerated capital allowances	(2,917)	(2,852)	-	-
Intangible fixed assets	172	172	-	-
Tax losses	-	3,185	-	3,185
Other short-term timing difference	2,058	124	-	-
Deferred tax (liabilities)/assets	(687)	629	-	3,185
Deferred tax liability on pension balance	(1,763)	(3,009)	(1,763)	(3,009)
Net deferred tax (liabilities)/assets	(2,450)	(2,380)	(1,763)	176
Movements during the year are as follows:				
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
At 1 January	(2,380)	1,083	176	2,196
Acquisitions	-	(471)	-	-
Amount charged to profit and loss (note 12a)	(1,460)	(5,011)	(3,329)	(4,039)
Amount taken from other comprehensive income relating to pension liability (note 12b)	1,390	2,019	1,390	2,019
Net deferred tax (liabilities)/assets at 31 December	(2,450)	(2,380)	(1,763)	176

All deferred tax assets and liabilities have been measured at 25%. The group has no unrecognised deferred tax assets.

No deferred tax is recognised in relation to the undistributed reserves of subsidiary entities on the basis that such distributions would be exempt from corporation tax and withholding taxes in accordance with UK tax law. In accordance with UK tax law the group is not required to deduct UK income tax on the payment of distributions to its shareholders. Distributions paid by the company may be subject to tax on the recipient.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

21 Post-employment benefits

Group

The group operates a closed pension scheme and one principal defined contribution pension scheme. The assets of the schemes are held separately from those of the group in independent trustee administered funds.

Details in respect of the principal pension schemes are set out below.

JMGUK Pension Scheme

The group participates in the JMGUK Pension Scheme ('the scheme') which was closed to future accrual on 1 December 2009. Lithia Motors Group UK Limited is legally responsible for the group pension plan and accordingly recognises the entire net defined benefit cost in its financial statements.

Asset-backed funding arrangement

In 2014 Lithia Motors Group UK Limited (the "Group") established a Scottish Limited Partnership ("JMG LP" or the "Partnership") with the scheme. Under this arrangement, properties with a fair value of £21.45 million were transferred to the Partnership from group companies Lancaster UK Limited and Stratstone Automotive Limited. Both transfers were affected via a 20-year sale and leaseback arrangement to JMG LP.

The scheme's interest in the partnership entitles it to an annual distribution in the form of rental payments for 20 years. The annual contributions were set at £1.35 million per annum and increase by 13.14% every 5 years. In addition to these contributions, the group may have to pay additional cash sums to the scheme as part of the triennial valuation deficit recovery plan. As the scheme, based on the latest triennial valuation of 5 April 2023, was in surplus on a technical provisions basis no distributions or payments are currently due to the scheme under this arrangement.

The partnership is controlled by the group and its results are consolidated by Lithia Motors Group UK Limited. The group's balance sheet and comprehensive income are unchanged by the establishment of the partnership. The investment held by the scheme in the partnership does not qualify as a plan asset for the purposes of the group's consolidated financial statements and is therefore not included within the fair value of plan assets. The value of the properties transferred to the partnership remains included within the group's fixed assets on the balance sheet. In addition, the group retains full operational flexibility to extend, develop and substitute the properties within the partnership.

The last full triennial valuation was signed on 28 November 2023 for the period ended 5 April 2023. This valuation was rolled forward to 31 December 2024 in the valuation of the defined benefit obligation.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

21 Post-employment benefits (continued)

Present values of scheme liabilities, fair values of scheme assets and deficit in scheme

	2024 £'000	2023 £'000
Fair value of scheme assets	129,296	145,583
Present value of scheme liabilities	(122,242)	(133,545)
Asset in scheme	7,054	12,038

The group is recognising an asset of £7,054,000 (2023 asset £12,038,000) in the scheme. As per the latest triennial valuation there are no further recovery plan contributions required from the company due to the surplus position of the scheme and the directors consider that the group will continue to benefit from this position and ultimately recover any surplus through refund to the company.

Reconciliation of group scheme assets and liabilities

	Assets £'000	Liabilities £'000	Total £'000
At 1 January 2024	145,583	(133,545)	12,038
Interest income/(expense)	6,778	(6,203)	575
Actuarial (losses)/gains	(15,533)	9,974	(5,559)
Benefits paid, death in service insurance premiums and expenses	(7,532)	7,532	-
At 31 December 2024	129,296	(122,242)	7,054

The actual return on the scheme assets over the year ended 31 December 2024 was a loss of £8,755,000 (2023 loss of £151,000)

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

21 Post-employment benefits (continued)

Total charge recognised in comprehensive income

	2024 £'000	2023 £'000
Net interest income	(575)	(269)
Past service cost	-	-
Total credit recognised in comprehensive income (note 11)	(575)	(269)

Other comprehensive income	2024 £'000	2023 £'000
Return on scheme assets	(15,533)	(6,876)
Experience gains arising on the scheme liabilities	97	2,823
Effects of changes to the demographic and financial assumptions underlying the present value of the scheme liabilities	9,877	(4,022)
Actuarial losses recognised in other comprehensive income	(5,559)	(8,075)

The fair value of plan assets was:	2024 £'000	2023 £'000
Diversified growth funds	38,614	25,487
Fixed income funds	12,816	-
LDI investments	47,124	89,337
Cash and cash equivalents	30,742	30,759
Total assets	129,296	145,583

None of the fair values of the assets shown above include any of the group's own financial instruments or any property occupied by, or other assets used by, the group

Assumptions	2024 % p.a.	2023 % p a
Inflation assumption	3.25	3.17
Discount rate	5.50	4.78
Rate of increase in pensions in payment (RPI)	3.05	3.01
Revaluation rate for deferred pensioners (CPI)	2.95	2.77

Mortality Table	2024	2023
Base table	101% S3PMA(m)/ 96% S3PFA_M(f)	101% S3PMA(m)/ 96% S3PFA_M(f)
Future improvements	CMI 2023 core model, with 1.25% long term improvement rate	CMI 2022 core model, with 1.25% long term improvement rate

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

21 Post-employment benefits (continued)

The mortality assumptions adopted imply the following life expectancies at age 65

	2024 Years	2023 Years
Male currently aged 45	22.6	22.6
Female currently aged 45	25.1	25.1
Male currently aged 65	21.3	21.4
Female currently aged 65	23.7	23.6

Estimate of contributions to be paid to the scheme

The best estimate of contributions to be paid by the employer to the scheme for the year beginning 1 January 2025 is £nil (2024 paid £nil)

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In June 2025, the Department for Work and Pension (DWP) announced that the Government will introduce legislation to give pension schemes affected by the Virgin Media ruling the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Based on the directors' previous assessment that no further investigation was required they believe that the DWP announcement confirms their belief that no additional liabilities will arise from the Virgin Media case and therefore the defined benefit obligation has not been adjusted.

Jardine Motors Group UK Defined Contribution Pension Plan

This scheme provides pensions that depend on contributions made by both employer and employee, and future growth of the funds. A fund is allocated to each individual member of the pension plan.

The year-end group balance sheet includes neither a pension liability nor a pension asset in relation to this scheme.

During the year the group has contributed £3,696,000 (2023 £2,479,000) to the schemes.

Total pension schemes

Total pension costs in the year of £3,696,000 (2023 £2,479,000) comprise contributions to all pension schemes (note 9).

Company

The surplus in the Jardine Motors Group UK Pension Scheme includes no value for the investment held by the Scheme in the Partnership as a plan asset. The directors have assessed the probability of the scheme being in deficit at the upcoming formal actuarial valuation until the end of the lease term to be significantly low and that future contributions from the Partnership to be unlikely such that any value placed on the scheme's interest in the Partnership is not material for the company and hence zero value has been recognised.

At 31 December 2024 the surplus was £7,054,000 (2023 surplus £12,038,000)

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

22 Called-up share capital

Group and company	Ordinary shares No	Share capital £'000
Allotted and fully paid.		
At 1 January 2024	97,500,000	97,500
Shares issued 28 February 2024	91,191,717	91,192
At 31 December 2024	188,691,717	188,692

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company

On 28 February 2024, the company issued 91,191,717 ordinary shares of £1 each to its parent undertaking, Lithia UK Holding Limited for consideration of £91,192,000

23 Financial instruments

The group and company have the following financial instruments

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Financial assets that are debt instruments measured at amortised cost:				
Trade debtors	61,269	48,883	-	-
Amounts owed by group undertakings	16,279	-	150,146	215,086
Other debtors	32,672	23,394	-	5
	110,220	72,277	150,146	215,091
	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Financial liabilities measured at amortised cost:				
Amounts owed to parent undertaking	-	(90,545)	-	(90,545)
Amounts owed to group undertakings	-	-	-	(72,229)
Trade creditors	(98,273)	(149,563)	-	-
Vehicle stocking loans	(194,129)	(138,853)	-	-
Accruals	(12,936)	(10,909)	-	-
Other creditors	(20,813)	(26,797)	-	-
	(326,151)	(416,667)	-	(162,774)

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

24 Cash flow from operating activities

	2024 £'000	2023 £'000
(Loss)/profit for the financial year	(1,267)	9,711
Tax on profit (note 12a)	1,404	5,388
Interest payable (note 11)	11,471	11,234
Finance expenses (note 11)	(575)	(269)
Exceptional items (note 7)	4,786	3,751
Operating profit	15,819	29,815
Amortisation of intangible assets (note 13)	4,816	3,252
Depreciation of tangible fixed assets (note 14)	10,180	9,169
Loss on sale of fixed assets	-	365
Pension contributions	-	(28,620)
Exceptional items (cash)	(4,786)	(2,304)
Other provisions less payments	72	(1,805)
Decrease/(increase) in stocks	21,421	(44,269)
Increase in debtors	(21,065)	(15,324)
Increase in creditors	1,712	64,557
Cash flow generated from operating activities	28,169	14,836

Analysis of changes in net debt

	At 1 January 2024 £'000	Cash flow £'000	At 31 December 2024 £'000
Cash at bank and in hand	12,760	(8,830)	3,930
Cash and cash equivalents	12,760	(8,830)	3,930

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

25 Related party transactions

The group paid interest payable on the intercompany loan from the parent company which is fully disclosed in note 11

For the period 1 February 2024 to 31 December 2024, the group sold vehicles to the Pendragon Newco 2 Limited group of companies totalling £19,500,000 and purchased vehicles from the same group totalling £36,669,000. These transactions have not been eliminated from these financial statements

26 Financial commitments

(a) Future capital expenditure

The group does not have any committed future capital expenditure (2023 £nil)

The company does not have any committed future capital expenditure (2023 £nil)

(b) Operating leases

At 31 December the group had total future minimum lease payments under non-cancellable operating leases which expire as follows

	Land and buildings 2024 £'000	Other 2024 £'000	Land and buildings 2023 £'000	Other 2023 £'000
Within one year	13,627	184	11,498	312
Within two to five years	46,324	368	39,234	68
After five years	46,344	-	42,813	-
	106,295	552	93,545	380

The majority of leases of land and buildings are subject to rent reviews at intervals of five years

Company

The company does not hold any operating leases (2023 £nil)

27 Contingent liabilities

Following restructure of the facility in April 2025, the company and its subsidiary undertakings are jointly obligors to its parent company, Lithia UK Holding Limited, syndicated revolving credit facility of £150m. The syndicate is between Bank of America, BMW Financial Services and Lloyds Bank

At 31 December 2024, there was a group drawing of £36,000,000 against the previous Lithia UK Holding Limited revolving credit facility with Bank of America only

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

27 Contingent liabilities (continued)

There have been a number of letters of claim, and complaints escalated to the Financial Ombudsman Service (FOS), in each case organised by claims management companies and claimant law firms against the group and other motor retailers in relation to finance commission disclosure issues, including in relation to discretionary finance commission structures. Although discretionary commission structures were prohibited by the FCA in January 2022, prior to that date they were standard industry practice and the FCA were fully aware of them. It is the view of the directors that the company fully complied with the FCA regulations applicable at the relevant time.

Three cases against lenders went to the Supreme Court subsequent to the year ended 31 December 2024, and in one case the Supreme Court found that the commission was unfair. The Supreme Court noted the assessment of fairness in future cases will depend on a number of factors, including but not limited to, the size and nature of the commission, the level of disclosures of the commission, any concealment of a commercial relationship between the lender and the dealer, and the claimant's level of commercial sophistication.

The directors believe that it is possible, but not probable that a future outflow may occur related to these matters. As such no provision has been recorded in the financial statements.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited vs NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 5 June 2025, the Department of Work and Pensions (DWP) announced that the Government will introduce legislation to give pension schemes affected by the Virgin Media ruling the ability to retrospectively obtain written actuarial confirmation that historic benefit changes meet the necessary standards. Based on the directors' previous assessment that no further investigation was required, they believe that the DWP announcement confirms their belief that no additional liabilities will arise from the Virgin media case and therefore the DBO has not been adjusted.

28 Post balance sheet events

In April 2025, the parent undertaking, Lithia UK Holding Limited, restructured its syndicated revolving credit facility of £150m. The syndicate is between Bank of America, BMW Financial Services and Lloyds Bank.

On 30 May 2025, the group sold two Porsche dealerships in London, realising a significant profit against the book values of the dealerships.

During September 2025, the company entered into a buy-in contract with Rothesay for the JMGUK Pension Scheme, providing insurance against the scheme's liabilities and added security for the members.

Lithia Motors Group UK Limited

Notes to the financial statements for the year ended 31 December 2024

29 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Lithia UK Holding Limited

The ultimate parent undertaking and controlling party is Lithia Motors, Inc, a company incorporated in United States of America. The full address is 150 North Bartlett Street, Medford, Oregon, 97501

Lithia Motors, Inc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements

The consolidated financial statements of Lithia Motors, Inc can be obtained from the address below and from the Lithia Motors investor relations website

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