



We keep  
our customers  
moving smarter.

Annual Report and Accounts

2024



# A new name and a refreshed purpose.



The Board has adopted a refreshed corporate purpose – “**to keep our customers moving, smarter**” which embodies our ambition for the next phase of our strategic journey.

We continually innovate to provide new products, greater simplicity and efficiency benefits across an increasing range of mobility solutions.

## We're Moving Smarter.

**Avril Palmer-Baunack**  
Chairman



## Introducing ZIGUP

ZIGUP is the new corporate name and brand for the leading FTSE250 integrated mobility provider, previously called Redde Northgate plc.

The name change took effect in May 2024, following a shareholder vote.

It reflects the changes that have taken place since 2020 in the business and in the markets in which we operate.

 [Read about our new brand](#)  
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Doing business in a responsible manner, aware of the impact we have on the world we live in.

Find out more on our website by scanning the QR code



## Highlights of the year

### Financial highlights

#### Underlying profit before tax

£180.7m

+8.9%

#### Underlying EPS

61.4p

+10.4%

#### Total revenue

£1,833.1m

+23.0%

#### ROCE

14.5%

+0.4ppt

### Operational highlights

#### Fleet size ('000)

128.2

-1.9%

#### Utilisation

91%

-1ppt

#### Non-GAAP statement

Throughout this report, we refer to underlying results and measures. The underlying measures allow management and other stakeholders to better compare the performance of the Group between the current and prior year without the effects of one-off or non-operational items.

Underlying measures exclude intangible amortisation from acquisitions, certain adjustments to depreciation and certain one-off items such as those arising from restructuring activities and the tax impact thereon. Specifically, we refer to disposal profit(s).

This is a non-GAAP measure used to describe the adjustment in depreciation charge made in the year for vehicles sold at an amount different to their net book value at the date of sale (net of attributable selling costs).

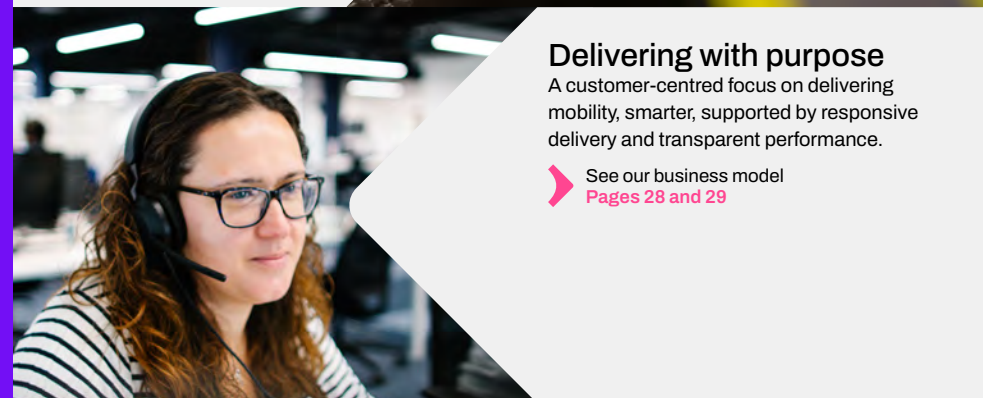
A reconciliation of GAAP (reported) to non-GAAP (underlying) measures is included on pages 51 to 52. A further explanation of alternative performance measures and a glossary of terms used in this report can be found on pages 203 to 205.



### Capturing structural trends

Leveraging trends of outsourcing mobility needs and changing consumer expectations, together with adopting technology delivering resource efficiency and energy transition.

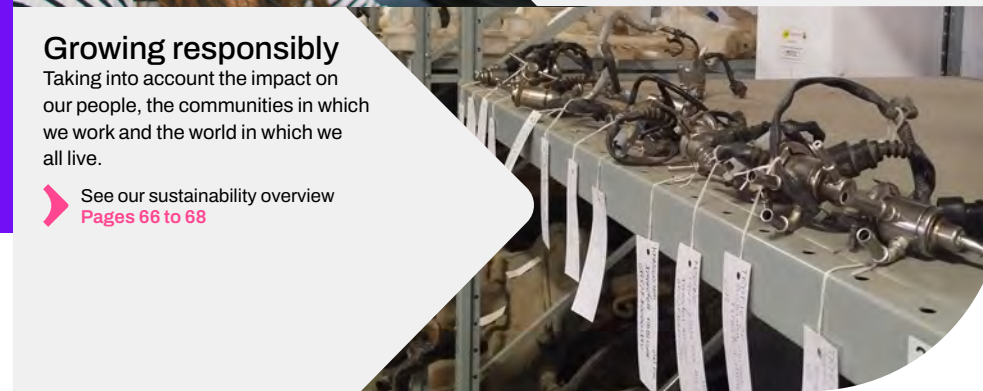
▶ See our structural trends  
Pages 26 and 27



### Delivering with purpose

A customer-centred focus on delivering mobility, smarter, supported by responsive delivery and transparent performance.

▶ See our business model  
Pages 28 and 29



### Growing responsibly

Taking into account the impact on our people, the communities in which we work and the world in which we all live.

▶ See our sustainability overview  
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# Strategic report.

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# Overview.



# Delivering for all our stakeholders.

## Our vision

To be the leading supplier of mobility solutions and automotive services.



## A refreshed purpose

We keep customers moving, smarter.

We are focused on placing the customer at the centre of our business, offering a broad range of services that can be flexed and tailored to the needs of each customer.

▶ See our customers  
Page 7



## Our culture

Supported by a strong Group culture and identity.

Our corporate values promote an inclusive and supportive culture of teamwork, integrity and support.

▶ See more on supporting our people  
Page 32



## Strategy

Our strategy centres on leveraging the benefits of ownership of a range of complementary businesses, which together deliver integrated mobility solutions across the vehicle lifecycle.

▶ See our strategy  
Pages 16 to 17

## Remuneration

We reward our colleagues and business leaders against a range of relevant financial metrics, and where appropriate also against a number of personal and strategic objectives.

▶ Read our Remuneration report  
Pages 110 to 122

## Stakeholders

We look to create sustainable value, investing in the business for the benefit of our diverse stakeholder groups and our social environment.

▶ Read more on our stakeholders  
Pages 30 to 31



# What we do.

We have grown both organically and through acquisition to become a market leading provider of a diverse range of related services which customers increasingly choose to take as an integrated mobility solution.



## Vehicle provision

Vehicle rental, service and maintenance across the UK, Spain and Ireland to a range of blue-chips, public sector and corporate fleets.

Very broad fleet options including small to large panel vans, customised vans, e-LCVs and specialist vehicles including refrigerated, traffic management and support.



## Fleet support and services

Management of the performance, compliance and maintenance of commercial fleets such as service scheduling, telematics, driver liaison, training and downtime management.

Additional fleet support services, EV fleet consulting, plus EV charging and solar installation for businesses and consumers.



## Claims support and accident management

End-to-end handling of any accident claim on a UK customer fleet or policyholder's behalf from initial incident reporting to repair and insurer management.

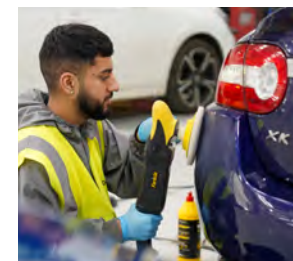
Legal support services for vehicles, drivers and passengers involved in a motor incident such as personal injury claims or uninsured loss recovery.



## Replacement vehicle

Replacement vehicle provision following an accident, either through credit hire arrangements or direct hire for insurer's own policyholders.

Like-for-like replacement vehicles in event of a non-fault accident, or where customer has subscribed to upgraded courtesy car policy.



## Bodyshop repair

Vehicle damage repairs, for cars and LCVs including structural, aluminium and body repairs.

Vehicle damage repairs for cars and LCVs, including plastic welding, structural and aluminium body repairs, together with mobile repair, glass repair and replacement services.



## Vehicle disposal

Extensive range of used vans and cars offered to businesses and private individuals through retail sites in UK, Spain and Ireland and online auction platforms, with comprehensive aftersales support.

Principal disposal route for the Group's fleet, also used by other fleet operators for fleet disposals.

# Our customers.

We keep our customers mobile through meeting their regular mobility needs or by servicing and supporting them when unforeseen events occur.

We are trusted by customers across many sectors and industries, building long term, growing relationships through being trusted for customer excellence and efficiency.

We partner with a broad range of leading motor insurers, fleet operators and leasing companies, as well as a diverse customer base from government agencies and blue-chip companies to SMEs.



## Corporates from blue-chip to SMEs

Renting vehicles to corporate customers from the largest of blue-chips through to SMEs.

A broad cross section of industries from support services to infrastructure, construction and logistics.

Fleet management services to corporate fleets ranging from below 25 vehicles to over 1,000.

Incident management to corporate and dealership fleets.



## Public Sector

An accredited public sector provider through a number of framework agreements.

Providing rental vehicles to many government agencies, NGOs and local councils.

Specialist 'blue light' recovery services to 12 emergency services in the UK.

Support to National Highways on major incident management.



## Insurance and leasing

Working with many of the UK's leading insurers and insurance brokers.

Supporting fleets of many of the largest contract hire and leasing companies in the UK.

Extensive product range from incident management to claims and repair handling.

Providing complete management of an accident and claim across both credit and direct hire and repair.



## Consumers

Principally a B2B provider, also offering certain vehicle solutions direct to consumers, as well as engaging with individual drivers and policyholders.

Supporting accident claims handling for individual referrals from our insurance partners.

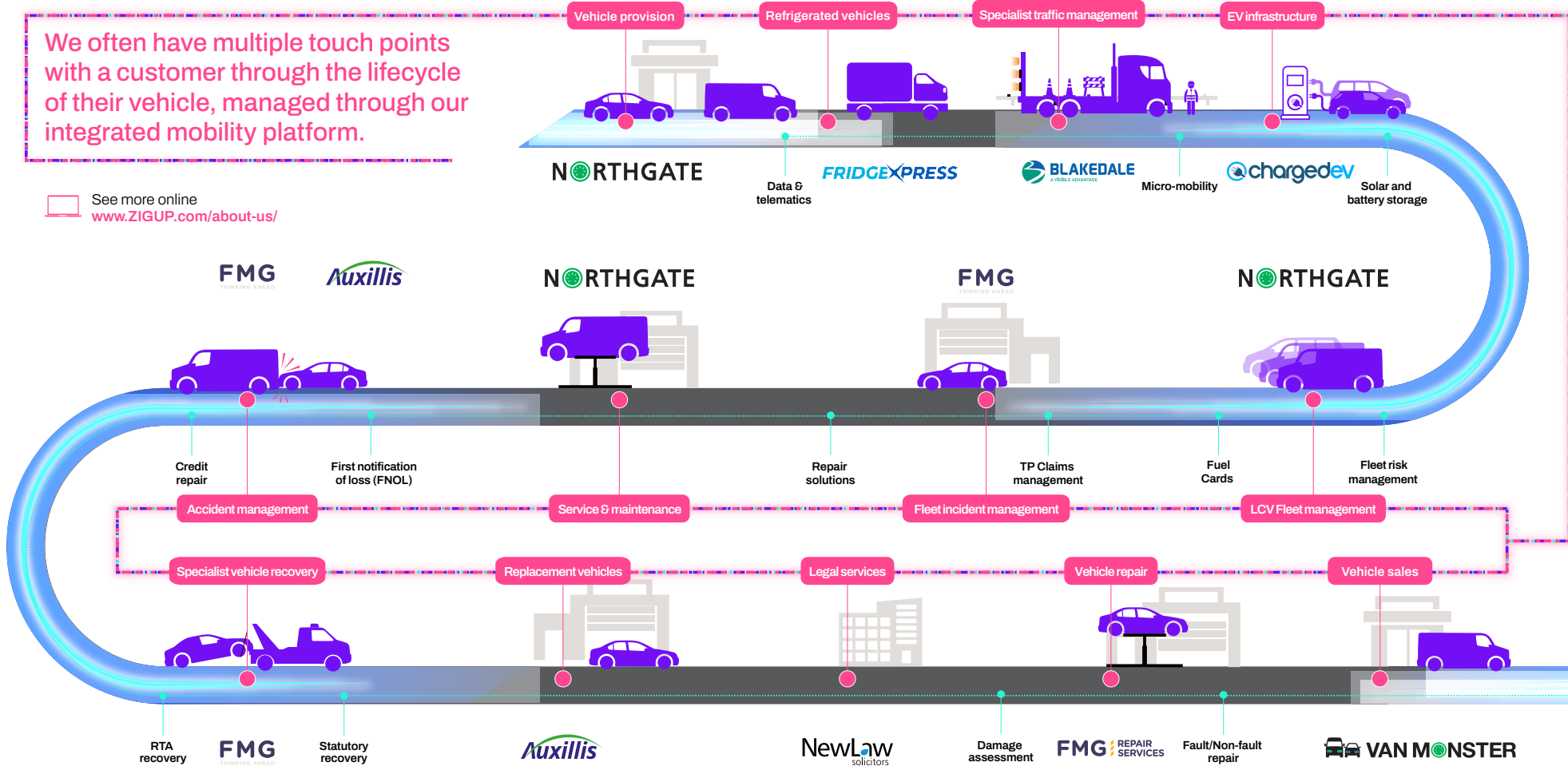
In Spain, renting vehicles and providing workshop services to retail customers.

Installation and support for EV charging infrastructure across the UK to retail customers.

# Supporting our customers.

We often have multiple touch points with a customer through the lifecycle of their vehicle, managed through our integrated mobility platform.

See more online [www.ZIGUP.com/about-us/](http://www.ZIGUP.com/about-us/)





# Ensuring customer proximity.

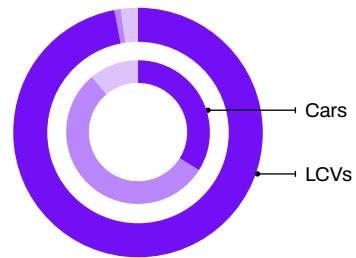
Our operational scale and reach provides significant benefits and greater responsiveness for our customers.

We provide vehicles from a very broad range of automotive manufacturers to give our customers the greatest choice, with a growing number of EV and hybrid models.

### Group fleet ('000)

UK&I Rental	46.6
Spain Rental	65.1
Claims & Services	16.5
<b>Total</b>	<b>128.2</b>

### Vehicle fuel types



- Diesel
- Petrol
- EV and hybrid

### Rental locations

120

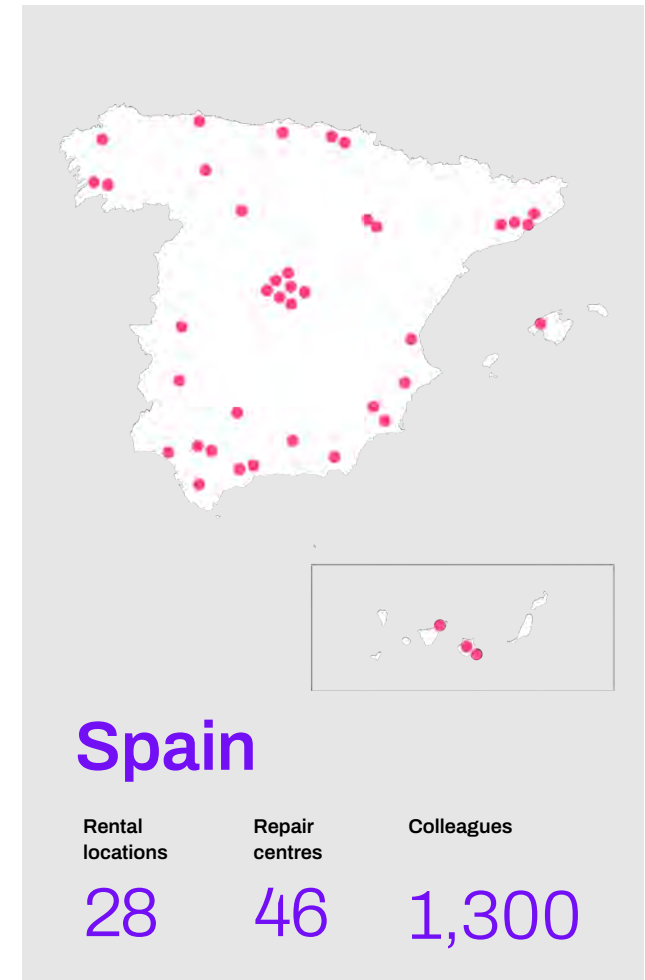
### Repair centres

163

### Colleagues

7,900

Total Group sites of 184 includes those where rental and repair centres are in a shared location



# Our markets.

## Overview

ZIGUP operates across a number of disparate but connected markets where customers have a variety of routes to access both passenger and commercial vehicles, and to accident and incident management services, including claims and repair; but very few players can provide an integrated service for most or all of the customer needs.

Within our diverse markets, ZIGUP has developed a market-leading reputation as a large, integrated specialist operator focused on the LCV fleet rental segment across the UK, Ireland and Spain, together with provision of accident claims, hire and repair services of all vehicle types to large corporate and insurance partners in the UK.

ZIGUP's owned end to end mobility services offering is a key asset in this context. This includes a substantial vehicle fleet totalling nearly 130,000 vehicles, over 1,400 claims handlers and one of the largest combined branch network and repair capabilities across its geographies.

Our platform provides our customers both with greater flexibility and cost benefits, derived from the greater efficiencies and national presence that our platform affords; and our clients can minimise operational friction, and benefit from greater responsiveness by choosing to take multiple services from us.

**Our market opportunity**

Our customer base is growing as the Group increases its share in the segments it operates in; from acquisitions and also as a result of underlying market growth as outsourcing continues to grow (see page 26).

Clients are attracted to the multiple services they can access from ZIGUP's integrated platform, the simplicity this brings to complex processes, and our specialist technical expertise.

ZIGUP has relationships with over 40 automotive OEMs and is one of the largest single purchasers of LCVs in the UK and Europe, outside of the traditional OEM dealership networks. This strong supply-side relationship network means that the business typically has early access to new vehicle supply at scale.

While the left-hand drive markets, including Spain, have recovered much of their new vehicle supply chain liquidity post-COVID-19, the right-hand drive market of UK and Ireland is improving but remains substantially under-supplied.

This has continued to have consequences for both the new vehicle market and also for used vehicle pricing, although these are expected to gradually normalise in the medium term.

With the implementation of the ZEV mandate in the UK in early 2024, designed to support vehicle decarbonisation, there is greater emphasis from OEMs on selling EVs with a potential cap on the number of ICE vehicles they can sell if EV demand is weak. An ability to acquire both EV and ICE vehicles offers an attractive solution for manufacturers.

**LCV rental**

There are many businesses in the UK and Europe offering such leasing and rental services, from single-location through to large multinational operators, where LCV supply is part of a larger offering of a broad range of vehicle types.

Fleet customers from UK, Ireland and Spain have traditionally chosen to own their vehicles directly, but have increasingly taken out multi-year long term lease contracts or rented products for portions of their fleet.

Rental offers greater flexibility in managing fleet size with lower capital expenditure compared to ownership; and as part of the sharing economy, renting reduces resource consumption and contributes to sustainable development.

This is combined with the benefits that ZIGUP can offer customers in terms of additional fleet services, efficiencies, and vehicle supply and choice, including advice on managing the fleet's net zero transition.

Our EV charging infrastructure business operates in a highly fragmented UK marketplace, and differentiates itself through being a nationwide provider, with both commercial and home installation capabilities, and significant partnerships with key energy and company car scheme providers.

**Accident management and repair**

The UK market is highly competitive, with a broad range of participants ranging from smaller single garage service centres and bodyshops, through to large independent national chains, as well as in-house operations within large insurance companies. In recent years, these in-house operations have been viewed as non-core by insurers and major fleet providers, increasingly aligned with the outsourced model used by insurance brokers and smaller operators.

There has therefore been a growing trend to outsource such requirements to networks of independent repair centres or to regional or nationwide bodyshop group operators, such as ZIGUP.

We differentiate ourselves from our peers in the breadth and quality of services we offer from our platform, however there are large competitors within the different elements of accident and claims management and repair.

In Spain, the legal framework does not support credit hire and repair services, and repair centres tend to be more local operations.

**UK LCV registrations**

**341,000**  
2023

**Spain LCV registrations**

**141,000**  
2023

**Number of UK RTA claims**

**2.2m**  
2023 annual average

**UK registered EV and hybrid vehicles**

**1.8m**  
2023

**Number of UK bodyshops**

**3,250**  
2023

References to 2023 represent the 2023 calendar year.



# Well positioned for future growth.



The business has achieved meaningful progress this year in both strategic and continuous improvement as the leading provider of integrated mobility solutions for a broad range of customers.

**Avril Palmer-Baunack**  
Chairman

## Overview

Improving vehicle supply conditions across our markets enabled the refreshing of older cohorts of our fleets and was complemented by investment in growing our operational footprint. We have also invested in our people, with enhanced training and infrastructure support to help them deliver the best customer experience, and through expansion of our apprentice programme to support the next generation of technicians.

We have positioned ourselves to capitalise on future growth opportunities across our geographies. With technology innovation ranging from more connected vehicles and repair processes to greater EV use cases and micro-mobility solutions, we see outstanding opportunities to better support our customers with ever more joined-up solutions.

## Refreshed strategic framework

Our businesses operate in markets undergoing significant structural change, and benefit from secular trends such as greater outsourcing, connectivity and a growing focus on sustainability and low carbon energy transition. It is an exciting time for the automotive and mobility sectors.

The new strategic pillars of Enable, Deliver and Grow reflect the ambition and energy that I and my Board colleagues see whenever we engage with leaders across the business.

They provide a framework for the business to embrace opportunities both externally and internally, and ensure they are aligned to our strategic vision as the leading provider of integrated mobility solutions delivering customer service excellence.

## Capital allocation

We are a business operating in a sector where leverage is an essential element of the capital structure and financial firepower brings substantial purchasing capacity and flexibility. This can often be a competitive advantage when responding rapidly to new vehicle supply, or taking advantage of inorganic opportunities.

Our disciplined and conservative capital allocation approach to leverage has brought great benefits and remains an important priority for the Board. We enjoy strong support from our lenders who are attracted to our significant asset base, allied to a prudent leverage target profile lower than all major industry peers.

Shareholder returns are also important constituents of our capital allocation framework. Our strong financial performance meant that the Board felt it appropriate in July 2023 to launch our third £30m buyback programme since 2021. This completed in June 2024 and has in total acquired some 10% of the Group's ordinary share capital. We will keep further share repurchase opportunities under review.

The Board sees significant opportunities for the business and remains highly optimistic for the Group's ability to deliver continued underlying growth, for which the Group has a strong track record.

Reflecting this optimism, the Board has proposed a final dividend of 17.5p, which together with the interim dividend of 8.3p, represents an 7.5% increase over the prior year.

### Sustainability

We recognise our significant responsibility to assist our customers in reducing carbon emissions in their transportation activities. Additionally, we play a crucial role in the supply chain for many leading insurance and leasing partners. We therefore serve as both a direct and indirect enabler of the energy transition.

Over the past year, we have made considerable strides in building out a robust framework and effective approach to our ESG reporting based on sound ESG principles and practices and guided by a double materiality assessment. This helps us consider the impact we have on the planet and the communities we operate in. As a Board, we have approved ESG commitments and new environmental policies, helping the operations make consistently thoughtful and responsible decisions.

### Our people

The Board recognises the value and magnitude of the dedication and efforts of all of our colleagues across the UK, Ireland and Spain in achieving the progress that the business has made over the past year. This comes through clearly when we visit operations across the Group.

We understand the importance of a Group culture that promotes the best behaviours and a positive work environment that values the contribution of all our people. The new ZIGUP brand will support further progress on developing a unified Group identity. Its brand characteristics of being expert, trusted, agile and imaginative are ones which are well established in the business and we see demonstrated by our colleagues every day.

Employee engagement is an important indicator of a positive and supportive culture and our overall engagement score in our employee survey remains strong and growing at 75%.

### Board and governance

We benefit from the diverse skillset and experience of our Non-Executive Directors, including depth across automotive, technology and people. I will continue to explore further opportunities to enhance the breadth and skills of the Board.

We ensure we properly understand the perspectives of our key stakeholders through both direct Board engagement and the Group's investor relations programme. The strong support from shareholders for our Remuneration policy at the 2023 AGM was greatly welcomed and was a reflection of the importance placed on engagement and consultation with major shareholders and other key stakeholders.

The business has recently introduced an Executive Committee to focus on the strategic oversight of growth opportunities and investment decisions. This Committee will enhance the strategic analysis of the increasing number of opportunities we see before us and help shape the next phase of growth.

### Looking forward

The Group has a healthy prospect pipeline across our businesses and demand for our services remains robust.

The Board are confident that our proposition will continue to offer sustainable returns and that we will benefit from our differentiated position in the market.

### Avril Palmer-Baunack

Chairman

10 July 2024

### CASE STUDY


## A brand new us

This annual report showcases our recent name change and new brand, which received endorsement from over 99% of shareholders voting at our General Meeting on 15 May 2024. These changes bring a forward-looking and modern feel to our Group profile.



This rebranding should be seen in the context of significant progress over the past four years since we brought vehicle rental, accident management and repair businesses together, including the six acquisitions undertaken since 2020 and a significant expansion of our product and service offerings.

The new brand better reflects the strength and depth of the enlarged group of businesses which are working together in a more seamless way to provide a differentiated proposition to our customers. This was further enhanced by a closer alignment of our UK and Irish and Claims & Services businesses through a unified reporting structure introduced in March 2024.

 Read more about our new brand  
Page 18



# Moving smarter.



## Organisational realignment

In March 2024 we undertook a UK and Ireland focused management reorganisation, bringing everything under a simplified reporting structure. This will help us to deliver an increasingly unified service to customers, and enhance our cross-selling opportunities.

We also introduced a group-wide Executive Committee to focus on the strategic oversight of growth opportunities and investment decisions.

▶ See our governance structure  
Page 90

## Strategic refresh

While the core strategy remains the same, the new strategic pillars reflect the ambition and energy of the Group and its forward looking approach to the next phase of growth.

This provides a refreshed framework for the business to embrace opportunities and projects both externally and internally. It will ensure all our actions are aligned to our strategic vision as the leading provider of integrated mobility solutions delivering customer service excellence.

▶ See our strategy  
Page 16

## Brand launch

The new brand was launched in May 2024. It better reflects the strength and depth of the enlarged group of businesses which are working together in a more seamless way to provide a differentiated proposition to our customers.

This launch comes alongside a refreshed corporate purpose “to keep our customers moving, smarter” which embodies our ambition for the next phase of our strategic journey.

▶ See our new brand  
Page 18

# Strategic refresh.

## Organisational re-alignment

The management reorganisation brought the UK&I Rental and Claims & Services businesses together into a more streamlined reporting structure. This reflected the work undertaken since 2020 to integrate our branch networks nationwide, where now the majority of our branches have both Northgate and Auxillis teams onsite and increasingly working as one team, together with better alignment of the businesses acquired since 2020.

By bringing these businesses together, it is enabling us to simplify our customer offer, so we make it easy for our customers to access products and services right across our Group.

We also introduced an Executive Committee to focus on the strategic oversight of growth opportunities and investment decisions. Comprising of the leaders of the UK&I, Claims & Services and Spain businesses, alongside Strategy and HR, this Committee will help us make informed strategic decisions as we pursue growth and investment opportunities across our geographies, products and into new areas.

## Strategic framework

ZIGUP's corporate strategy has been focused on delivering differentiated mobility solutions across the vehicle lifecycle, through an integrated platform. Since 2020, we have delivered significant cost savings, operational efficiencies, new large contract wins and embraced new opportunities through six acquisitions that have delivered meaningful value and enhanced capabilities.


We believe now is the time to step into the next stage of growth. We are helping our customers "move smarter" and this includes increasingly present more of our products and services as packaged services, moving the thinking away from simple verticals such as van hire and accident management.

Our new strategic framework recognises our progress in automotive technologies and mobility solutions, our core focus on delivering a differentiated customer experience and the growing opportunities we see as an integrated business. It also reflects our commitment to investment in infrastructure and training to ensure that our colleagues develop the technical skills and expertise that best support our customer proposition, now and in the future.

Alongside a growing focus on sustainability throughout automotive and mobility supply chains, this framework will help us to deliver greater value to customers and grow our business capabilities, responsibly.



Our strategic pillars

Pillar one:  
**Enable** 

Joined up, sustainable mobility solutions.


Develop products, services and operational capabilities which embrace technologies to enable increasingly connected smart mobility within our customer proposition.

**Through this:**

We ensure our people and facilities are equipped with the right tools and skillsets to work in an increasingly complex and connected mobility environment.

We develop imaginative mobility products which use the power of digital and connected technologies to provide greater efficiencies and insights for customers.

Investment in our infrastructure to ensure we are well placed to benefit from advances in technology and the automotive energy transition.

Pillar two:  
**Deliver** 

A differentiated and responsible customer experience.

A broad range of leading, complementary services, trusted to provide customer service excellence which exceeds expectations, and delivering industry-leading responsiveness and operational efficiency.

**Ensuring we:**

Have customer service excellence at the heart of our integrated product and services offering.

Maintain a reputation for expert and reliable delivery of support to ensure customer mobility.

Seek continuous improvement across our network of modern and increasingly energy efficient branch operations and vehicle fleets.

Pillar three:  
**Grow** 

Broadening customers and markets, and an expanded product offering.


Exploring opportunities to responsibly grow the business breadth, size and capabilities, including into both complementary and new products and geographies.

**Achieved through:**

Expanding relationships with our existing customers, built on trust, partnership and shared benefits of scale and benefits of the integrated mobility platform.

Extending our customer base and our operational footprint across our current regions through differentiated products and services.

Being agile in exploring opportunities in complementary and new products and geographies.

 See how our strategy supports our ESG framework  
Page 66

# A brand new us



## Introducing ZIGUP.

The new corporate brand was introduced at our leadership conference and subsequently supported by over 99% of shareholder votes at a General Meeting.

We wanted a single, memorable word which supported our revised corporate purpose of moving smarter. We also wanted this to work brilliantly in different languages and across different geographies. A brand that gives a sense of modernity, positivity and that works digitally, reflecting our agility and forward thinking.

This is supported by a symbol which is part of our new visual identity and will be used both internally and externally to connect people back to brand.





# Our brand characteristics.

## We are agile.

We have a huge breadth of talented colleagues; experts in their field who work across teams through connected businesses to help us deliver on our promises. We use our knowledge to understand, anticipate and deliver solutions that adapt to the changing needs of our customers.

## We are imaginative.

As experts in mobility, we understand that we too need to stay flexible. Adapting to the changing landscape to be able to provide an evolving suite of products, services and solutions that align to our customers' present and future needs.

## We are reliable.

As a business enabler for our customers, we take great responsibility for being reliable, consistent, and helpful in everything we do. We work together so customer get to see the best of us, always.

## We are experts.

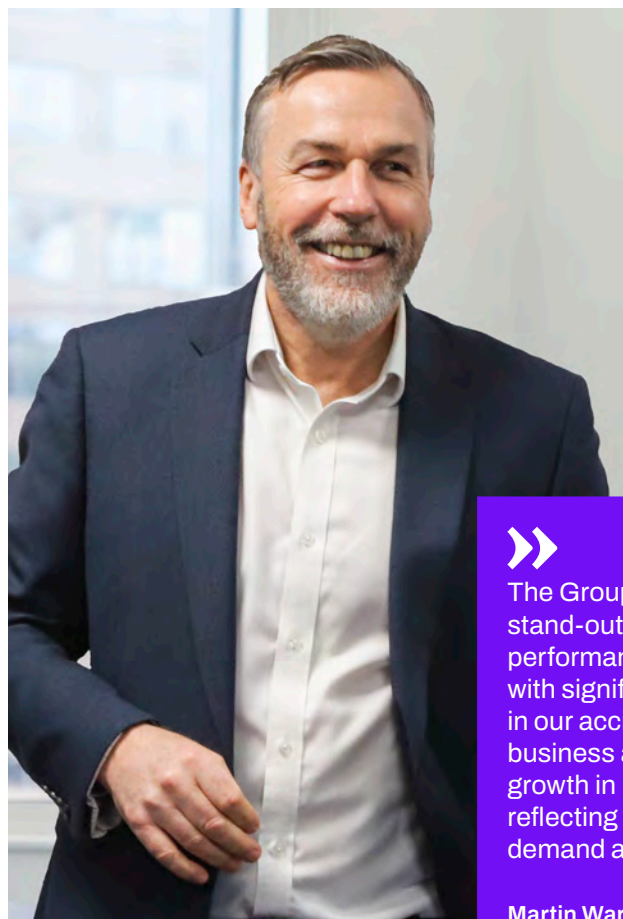
Always thinking ahead, staying curious and looking for new ways to make our customers' lives easier, now and in the future. Constantly thinking of new ways to add value. We build partnerships with our customers and work with them to understand their needs, answering tomorrow's questions, today.



We recognise the value attached to our well-known operating brands to stakeholders and so will continue to operate through them. We instead have created a visible connection back to our new ZIGUP name, so that there is a connection to the values and attributes of the ZIGUP Group.



# Making strategic progress.



The Group has delivered stand-out operational performances across many areas with significant volume growth in our accident management business and rental revenue growth in both UK&I and Spain reflecting continued strong demand across our geographies.

**Martin Ward**  
Chief Executive Officer

## Group overview

The importance of customer experience remains at the heart of the Group's commercial proposition and has been a key driver of the Group's performance in recent years. Our strategic and operational actions this year have focused on continuing to enhance our delivery of a differentiated and market leading suite of end-to-end mobility services for our customers. This commitment to the client proposition has driven strong growth in underlying profit before tax of 8.9%.

Continued volume growth in our Claims & Services business and in rental revenue in both UK&I and Spain together reflect the ongoing strong demand across our geographies and the attractiveness of our integrated mobility platform. This is underpinned by the structural trends of growth in outsourcing, and increasing connectedness within the mobility environment and also in vehicles themselves. This connectedness enhances the benefits for customers taking multiple services from us, reducing operational friction, and the potential for greater cost efficiencies from further growth of the platform.

We have also introduced greater process automation and are developing further digital tools to expand the customer proposition and streamline our organisational structure, delivering simplified customer relationships and focused account management priorities.

Vehicle supply dynamics improved throughout FY2024, enabling greater fleet replacement. This is where our strong balance sheet gives us a competitive advantage and flexibility in quickly responding to fleet opportunities.

The shortfall in industry supply continues to impact parts availability and supports long-term residual values.

Alongside fleet, we have made significant investments into our locations, people and processes which are designed to grow capacity, build efficiencies and improve the customer journey. We are very mindful of the importance of long-term customer retention through providing high quality value-added services. We have sought to mitigate cost inflation through procurement activity and changes to processes within branches; these have been supported by careful pricing increases.

Our new strategic framework and brand refresh was launched in May 2024 including the new corporate name, ZIGUP plc. It reflects our growth aspirations and forward-looking purpose, focused on keeping our customers mobile, smarter.

## Vehicle supply

A continued rebound in automotive production has supported greater vehicle supply availability and improved future visibility. As a result, average UK lead times from order to delivery reduced from over 150 days in early 2023 to below 50 days by the end of the financial year, closer to historic levels. While list prices have continued to rise, the frequency and scale of increases has reduced, along with greater manufacturer incentives to support high volume purchases. Spain has seen a similar trend and a return to 2019-lead times for most vehicles.

In both markets, residual values have softened as expected over the course of the year, but there remains a shortfall of vehicles in the used market in the short term. We expect residual markets to remain strong due to this shortfall in used supply combined with higher pricing of new vehicles and also potentially more limited volumes of traditional LCVs as manufacturers move away from ICE production.

Model availability also improved in the second half of the year with an increase in the supply of smaller vans into the UK which are in high demand, increasing to a quarter of new vehicle supply. With the implementation of the ZEV mandate in the UK in early 2024 designed to support vehicle decarbonisation, there is greater emphasis from OEMs on selling EVs.

As a result, these are becoming more commonly bundled with petrol and diesel (ICE) vehicles for volume sales. This has created attractive opportunities for purchasers of our scale and we expect to benefit from access to greater bundled volumes and support on internal combustion engine vehicles from OEMs impacted by limitations from the ZEV mandate.

**Strategic progress**

Since 2020, our corporate strategy has been focused on delivering the benefits of our end-to-end range of products and services, which together offer differentiated mobility solutions across the vehicle lifecycle, through an integrated platform and which has achieved substantial underlying revenue growth over this period.

In early 2024 we put in place a simplified reporting structure and established an Executive Committee in order to better assess and capitalise on the breadth of opportunities before us. Alongside the rebranding exercise we also introduced a refreshed strategic framework under three new pillars, with progress under these described below:

**Enable: Joined up, sustainable smarter mobility solutions**

This encompasses developing sustainable products, services and operational capabilities that embrace technologies which enable increasingly connected mobility within our customer proposition.

Within UK&I Rental we have been focused on improving workshop and branch productivity and connectivity, with customer-focused digital apps and providing more data insights and emissions data to fleet customers to support their fleet management and reporting requirements. In Spain Rental we are preparing for the launch of an enhanced e-auction platform for fleet disposals to improve the experience for prospective used vehicle purchasers, and we have migrated our telematics offering to a next-gen provider to maximise the use of data intelligence.

Investment within our Claims & Services business has included further deployment of robotics within claims process management, connected analytics within the bodyshops, along with tooling such as plastic bumper welding to reduce the cost to repair and level of waste.

**Deliver: A differentiated and responsible customer experience**

Deliver is centred around being trusted by our customers to provide expert advice and service that exceeds expectations, delivering industry-leading responsiveness and operational efficiencies.

Throughout all businesses we have been reinforcing our 'customer first' culture with enhanced training and tools to support the customer experience. Against the backdrop of constrained vehicle availability, the rental businesses have worked tirelessly and customers have understood the challenges facing the sector. Our strong feedback routes have reflected the significant efforts made to keep our customers mobile, with Auxillis NPS at over 65% and 'Excellent' UK&I rental Trustpilot scores significantly above industry levels.

Further enhancements include simplifying access to the full range of products and ancillary services and streamlining and digitalising processes and customer channels, such as a direct hire booking app.



**CASE STUDY**

**New branch locations**

We have recently opened nine new locations across the business, from Inverness to Cadiz and added over 230,000 sq ft of branch-based capacity including service locations, bodyshops and new rental branch operations.

The strategic aim is to create a mix of larger sites that can generate more capacity for our growing services, combined with a work environment that is appealing and provides the right experience for our customers.

Our expanding property network and investment in modern equipment including taking a growing number of EV repairs, also delivers workflow efficiencies, enabling us to be more productive.

For further details on our website [www.ZIGUP.com/case-study/newbranches](http://www.ZIGUP.com/case-study/newbranches)





We believe these actions will help grow our share of wallet from existing customers as we provide a broader range of services through a single touchpoint and with a more holistic view of a customer's total needs. This has already been seen at Blakedale where the top three customers each grew their fleets over 30% with us and we broadened the range of vehicles provided. Spain has invested in a new CRM system to better monitor and respond to customer requirements, and expanded to two-shift workshop patterns to increase capacity.

**Grow: Broadening customers and markets, and an expanded product offering**

We are continually exploring opportunities to responsibly grow the business's breadth, size and capabilities, including into both complementary and new products and geographies.

During the year we opened nine new facilities across the UK and Spain, expanding the footprint and increasing capacity in a number of key locations. We will add further locations in the coming year and continue to explore inorganic opportunities to grow the business, focused on achieving long term earnings growth and sustainable shareholder value.

Claims & Services added further specialist segments to its customer base and continued to expand the number of customers taking more than one service from us on multi-year contracts. Our product offering was further expanded through the acquisition of FridgeXpress at the start of the year adding refrigerated solutions to the UK rental proposition.

This was enhanced both by the launch of a corporate-focused car rental solution and the introduction of a broad range of micro-mobility rental solutions offering light electric vehicles suitable for urban and pedestrian-focused areas such as waste management and parks, where a number of our customers have contracts. Our pipeline across the business remains very strong.

**Supporting sustainability**

For customers, our Drive to Zero programme supports fleet owners in identifying the right strategy and first steps in utilising EVs, or improving their fleet management and driver behaviour to reduce emissions. Over the year, we held 10 open days and driving courses with over 300 customers attending with the opportunity to test out new vehicles.

In the UK&I, e-LCVs on hire more than doubled in the year to c.1,000 units with a number of fleets renting EVs at scale; the largest now has over 100 EVs and continues to grow with more orders after the year end. In Spain, the business won EU grants to support the purchase of 500 additional EVs and 3,000 telematics units. The business is also preparing a fleet software tool to allow managers to continually assess the potential to migrate vehicles on their fleet to EVs. Our ChargedEV business added solar and battery solutions to its product portfolio, and we have developed a range of key partnerships with energy providers to offer bundled solutions for domestic and commercial customers.

Within our business, we have also made clear progress in meeting our sustainability ambitions. Over 90% of our company cars will be EV or hybrid vehicles by the end of the current year, we diverted 99% of our waste from landfill, switched to a more sustainable paint supply and introduced a new waste and resource efficiency policy to promote the greater use of circular economy principles. EV charging is now installed in 75% of our UK sites and in most of our Spanish urban sites, and over a third of all employees have undertaken EV awareness learning modules.

The Sustainability Committee completed its first full year of meetings, setting out our future ambitions through a suite of measurable ESG commitments and targets and putting performance dashboards across the Group in place, driving action towards more energy-efficient operations and behaviours. Spain piloted a carbon reduction analytical tool to support the costing of carbon reduction expenditure and we have refined our approach to Scope 3 emission measurement, utilising Green NCAPs Life Cycle Assessment methodology to determine embodied vehicle emissions more accurately, one of our three largest categories. Finally, we have also developed a Group Policy Framework and updated key ESG policies to support a more unified approach to governance.

**Our people**

Our people are critical to our continued growth, and we invest in their training and career journeys as we know these are key elements in maximising retention in a challenging labour market. One third of roles filled in the year were sourced internally, with the majority achieved through promotion. Our key people-engagement metric rose again, up 1ppt to 75% on a strong 83% engagement.

Notably, there was a 13ppt increase to 75% in those stating they understood the Group's success criteria and their role in it, and over 80% felt the Group was well positioned for growth. The number of industry awards won across the business is testament to the talent and commitment of our people.

Our apprentice schemes are a key route for us to develop new technical talent, and there are now over 400 apprentices and trainers working in the Group. Over the past year, the retention rate for apprentices exceeded 90%, reflecting the importance we placed on providing clarity and support for a career with ZIGUP from the start. Over 2,000 days of technical training were undertaken across the Group, as we ensured all of our workshop and bodyshop teams were properly equipped to manage what is an increasingly technical and connected automotive environment.

**Strong financial capacity and sustainable shareholder returns**

We adopt a conservative and long-term value-oriented approach to capital allocation, which is appropriate for the industry in which we operate and where leverage is a natural part of the business model. We have a strong balance sheet which provides the business with the ability to be both long-term in our organic investment approach and highly responsive to the increasing range of fleet acquisition opportunities as well as agile in our approach to M&A opportunities.

EBITDA of £446m for the year delivered substantial cashflow to support business growth, progressive dividends and share buybacks. Our balance sheet and business model is attractive to lenders, with a diverse customer base and an asset-backed profile supported by £1.3bn of vehicle fleet compared to net debt of £742m. Leverage remained well within our 1-2x target range, finishing the year at 1.5x, in line with the prior year while also enabling substantial investment in the fleet and returns to shareholders.

Given our continued confidence in the outlook for the business, subject to shareholder approval, the Board has proposed a final dividend of 17.5p per share (2023: 16.5p) to be paid on 27 September 2024 to shareholders on the register as at close of business on 30 August 2024, bringing the total dividend to 25.8p (2023: 24.0p), a 7.5% increase on the prior year.

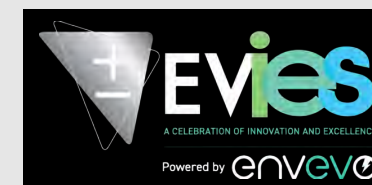
The Board continues to view share buybacks as a useful element within our capital allocation framework alongside a progressive dividend and will keep further share repurchase activities under review. The third £30m tranche of our buyback programme was completed in June 2024 and in total across all three programmes has acquired 25.3m shares since 2022, equating to 10% of ordinary share capital as a risk-free enhancement of shareholder returns.

**Martin Ward**

Chief Executive Officer

10 July 2024

**Notable awards won in the year**





# How we create value.



# Refreshed strategic framework, strong value proposition.

## Markets

We operate in markets undergoing significant transformation, both through changing business models and customer expectations for smarter and increasingly sustainable mobility.

Across vehicle provision and claims and incident management segments, we have a strong reputation for trusted and expert advice and customer service.

▶ See our markets  
Page 10

## Strategy

Our new strategic pillars of Enable, Deliver, Grow seek to best position us to harness key structural trends and maximise business opportunities in our marketplaces.

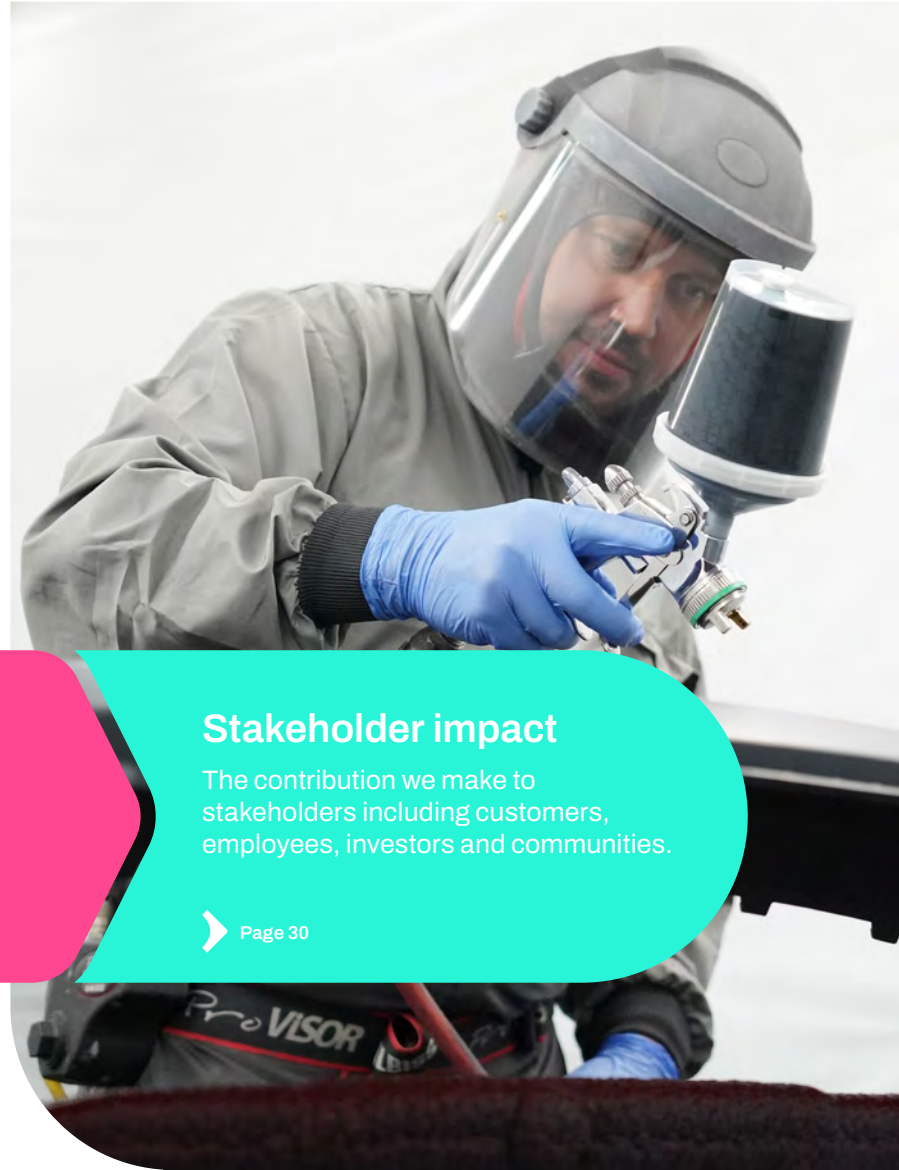
By embracing new technologies and smarter integrated mobility, we will deliver the best customer experience, growing our product offering and customer base.

▶ See our strategy  
Page 16

## Value proposition

We offer a broad range of mobility solutions throughout the vehicle lifecycle on an integrated platform, provided through a nationwide presence in the UK, Ireland and Spain.

In our markets, this differentiated proposition is highly valued by a broad range of customers and strategic partners. Our scale delivers significant advantages, including greater responsiveness and the ability to support the largest of customer fleets and policy holder groups.



We seek to take advantage of the structural trends prevalent in our markets, delivering sustainable value and positive impact for all our stakeholders.

## Structural trends

from changing consumer expectations and technology to resource efficiency and energy transition.

▶ Page 26

## Our business model

How we generate revenues, our key resources and core competencies.

▶ Page 28

## Stakeholder impact

The contribution we make to stakeholders including customers, employees, investors and communities.

▶ Page 30

# Structural trends



## Structural trends impacting our markets.

**Competencies key**

- Integrated mobility platform
- Systematic claims and repair
- Future automotive skills development
- Vehicle lifecycle management and execution
- Supporting energy transition
- Nationwide customer service

### Consumer experience



#### Shifting consumption and behaviour

How consumers view and then purchase goods and services has transformed over the past 20 years with the substantial growth in online shopping, and rapid delivery services. This has prompted growing awareness and concern about the environmental impact of consumption and logistics, with campaigns to “shop local” and for zero carbon deliveries. E-commerce companies are increasingly seeking to decarbonise their transportation and logistics, especially in urban areas.

Relevant core competencies



#### Changing customer service expectations

Customers are developing much higher service expectations across their interactions with businesses in all sectors, expecting connected customer journeys with consistent and seamless interactions across organisations, departments and sales channels. Customers also look for better personalisation of services and data as technology advances, expecting companies to understand and adapt to their changing needs and preferences.

Relevant core competencies

### Technology and skills



#### Transformative technology and increased outsourcing

Advances in technology applications are driving significant organisational change. Opportunities from digitalised processes increase the ability for efficiencies, better understanding of data and can offer competitive differentiation. Recent uncertain economic conditions have further expanded demand for outsourcing solutions, with businesses seeking out external expertise for non-core areas. The trend is also shifting towards building strategic partnerships with fewer outsourcing companies.

Relevant core competencies



#### Employment and skills gap

Changes in business models and rapid technology advances have led to a rise in skills gaps in areas needed to create the digital, electrified and sustainable mobility of the future. This can be seen in areas such as vehicle repair and is shaping organisational training programmes. This reflects the greater necessity for vocational training to manage increasingly complex vehicles combined with the transition to electrification.

Relevant core competencies





# Structural trends impacting our markets.

### Competencies key

- Integrated mobility platform
- Systematic claims and repair
- Future automotive skills development
- Vehicle lifecycle management and execution
- Supporting energy transition
- Nationwide customer service

**Resource efficiency**

**Natural resource management and circularity**

**Sustainable mobility**

The global economy is consuming a diminishing supply of non-renewable natural resources. This is driving an increasing focus on efficient resource management and pursuing circular economy principles, including shared ownership, outsourcing and repurposing.

There are many high-value materials in vehicles which are already captured and recycled, but this is being extended across the supply chain, with an increasing focus on minimising landfill and reuse or repair of non-degradable elements such as plastics.



Mobility remains a fundamental societal need but unconstrained growth in mobility is increasingly unsustainable if it translates into an increase in traffic and in carbon emissions. Around 60% of the world's population lives in cities and urban areas where 70% of greenhouse gas emissions are generated.

The densification of living and traffic congestion are a growing issue for cities to tackle, dealing with challenges like air pollution. Delivering cleaner, safer, more inclusive mobility systems allied to affordability and accessibility are key to future sustainable mobility development.

Relevant core competencies



**Energy transition**

**Lower carbon vehicles**

**Climate change infrastructure transition**

Significant global research and expenditure has been focused on finding lower carbon alternatives to ICE vehicles. Technology research has expanded from focusing principally on EV battery technology through to other solutions such as rapid battery replacement and alternative fuels, as issues of range and payload continue to remain a significant challenge.

New OEMs are emerging with technology solutions, putting pressure on the traditional market leaders and may redefine this market space, including an erosion of traditional dealership and servicing business models.

Policymakers are increasingly confronted by real and perceived trade-offs between energy security, affordability and sustainability, giving rise to a slower and more disorderly energy transition, creating uncertainty in many business sectors, including automotive.

There is currently insufficient public investment in charging infrastructure, in both urban and rural areas. This is compounded by increased charging costs related to rising energy prices, all of which has undermined lower carbon total cost-of-ownership savings.

Relevant core competencies



Relevant core competencies





## Our business model

Structural trends

Our business model

Stakeholder impact

# We capitalise on our key strengths.

We generate revenues by providing **vehicles** and **other mobility services** through an integrated and differentiated service across the vehicle lifecycle.

### Breadth and flexibility

With national networks across the UK, Ireland and Spain, we provide a significant capability for customers requiring national coverage and experience to manage the demands of a large fleet or policyholder base.



Integrated mobility platform

### End-to-end service offering

Our integrated platform enables us to provide a seamless suite of mobility services to B2B customers across the whole lifecycle, ensuring that we maximise customer revenues.



Vehicle lifecycle management and execution

### Operational scale

Customers benefit from our responsiveness and ability to provide a seamless suite of services at scale, helping keep them mobile.



Systematic claims and repair



Nationwide customer service

### Trusted expertise

Our expertise in EVs and charging infrastructure supports businesses embarking on their net zero journeys.



Future automotive skills development



Supporting energy transition


▶ They are supported by core competencies set out on [Page 29](#)

Our business model continued



# Our core competencies and resources.

Our scale and longstanding expertise across vehicle rental, incident and claims management and repair provides significant value to our customers.




### Integrated mobility platform

The development and operation of an integrated platform delivering a seamless suite of mobility services to B2B partners and their customers and policyholders across the vehicle lifecycle. Simplifying their procurement and operational processes and achieving greater cost efficiencies.

**20m**  
Policyholders supported

**900,000**  
Vehicles under fleet management




### Systematic claims and repair

Longstanding expertise and development of an industry-leading, highly structured and fully documented claims and repair processes, delivering cost and audit transparency for all parties involved in a claim and repair.

**600**  
Total repair network

**197,000**  
Vehicles repaired in FY2024




### Future automotive skills development

Remaining at the forefront of advancing automotive technology through industry-leading training and two IMI accredited technical training centres. A vocational recruitment and training team, supporting our unparalleled commitment to developing and mentoring the next generation of vehicle technicians.

**87,000**  
Training hours in FY2024

**400**  
Apprentices




### Vehicle lifecycle management and execution

Deep understanding of the market dynamics and expertise in the management of purchasing, holding and disposal of large-scale LCV and car fleets through market cycles in the UK, Ireland and Spain, achieving lower hire costs for both rental and replacement vehicle fleets/customers.

**128,200**  
Vehicles

**31,100**  
Vehicles purchased in FY2024




### Supporting energy transition

Enabling LCV fleet transitions towards low carbon mobility with industry-leading advisory and EV vehicle capabilities through to turnkey charging installation and management services.

**5,800**  
EVs and hybrid vehicles

**9,600**  
Charging points installed in FY2024



### Nationwide customer service

Customer-focused branch and quality assured repair networks and delivery teams trusted to be the direct point of contact and primary engagement for customers of our outsourcing partners. Highly responsive turnaround times, supported by 24/7 customer service centres.

**1,400**  
Customer service centre employees

**24/7**  
Customer service team

All statistics are as at 30 April 2024 unless otherwise stated



# Delivering stakeholder value and positive impact.

Understanding value chain impacts and stakeholder expectations is critical to our long-term success.

### Customers and consumers

Customers and consumers are central to our business; from sole traders, large multi-national fleet owners and their drivers or policyholders of our insurance partners.

We strive to provide the highest levels of customer service and a flexible range of mobility solutions to keep them mobile and focused on what is important to them.

We aim to build long lasting customer relationships and collect direct feedback, feedback from partners as well as through surveys such as TrustPilot which we review at both branch and business level.

### Partners and suppliers

We seek to build mutually beneficial relationships with all our partners and key supply chain partners, enabling us to focus on every step in the full supply chain and to operate efficiently. We have responsible business and supplier policies and commit to working in a transparent and consistent way.

We engage on a regular basis, including regular meetings to review performance and improvement plans, and collaborate where there are issues to improve delivery and customer service.

Key partners and suppliers have designated account managers; dialogue increasingly includes reviews of sustainable alternatives for products and adherence to our policies.

### Government and regulators

We look to engage with governments and regulators to maintain a constructive dialogue and ensure we understand an ever-changing landscape for mobility.

Policies relating to the EV transition is a key focus, together with operational safety compliance aspects and personal data handling.

On policy matters we engage principally through our active participation with industry bodies including BVRLA in the UK and AEDIVE in Spain.

### Sustainable mobility solutions

#### A voice for our customers and industry

ZIGUP is highly active member of the UK industry body, BVRLA, with a key voice on issues around commercial vehicle regulation, including the 2022 Van Plan and 2024 launch of the ZEV Van Plan. This has helped shape government approach to infrastructure and support for energy transition in particular, representing views from our customers and the industry as a whole.

See the case study at: [www.ZIGUP.com/case-study/regulatorychange](http://www.ZIGUP.com/case-study/regulatorychange)

#### Tailored accident support

Working alongside Direct Line Group and Motability Operations, providing tailored accident and response support for people with disabilities.

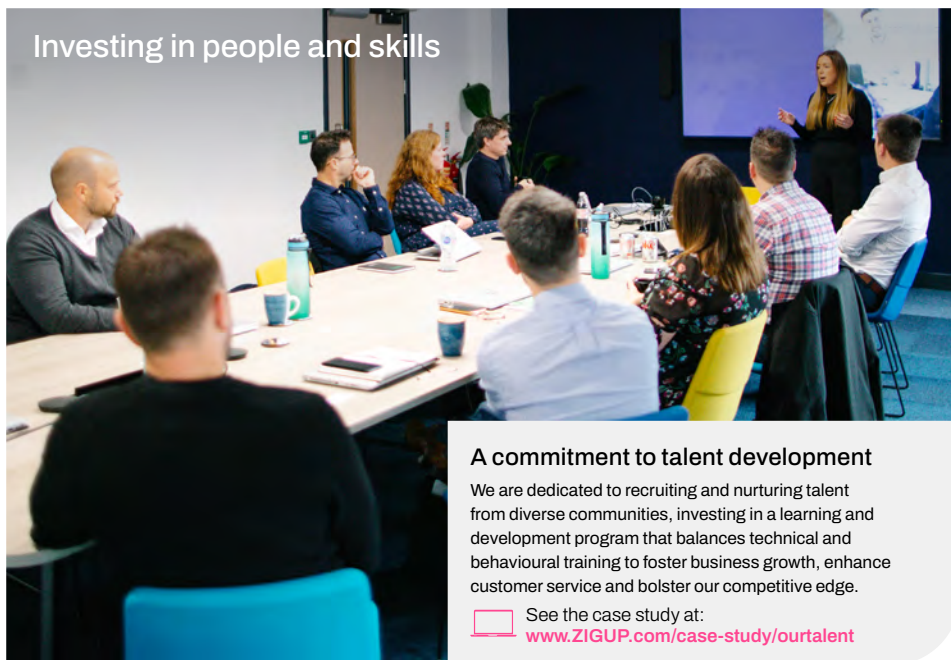
See the case study at: [www.ZIGUP.com/case-study/tailoredsupport](http://www.ZIGUP.com/case-study/tailoredsupport)



Structural trends

Our business model

Stakeholder impact



Investing in people and skills

**A commitment to talent development**

We are dedicated to recruiting and nurturing talent from diverse communities, investing in a learning and development program that balances technical and behavioural training to foster business growth, enhance customer service and bolster our competitive edge.

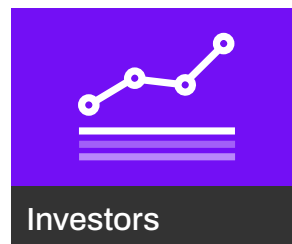
See the case study at: [www.ZIGUP.com/case-study/ourtalent](http://www.ZIGUP.com/case-study/ourtalent)



**Smart charging infrastructure**

Supporting customers through the installation of smart EV charging infrastructure, user-friendly charging interfaces and effective usage tracking.

See the case study at: [www.ZIGUP.com/case-study/smartcharging](http://www.ZIGUP.com/case-study/smartcharging)



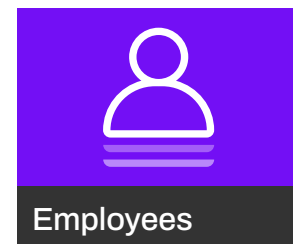
**Investors**

We are committed to promoting investor confidence and understanding, to enable both equity investors and lenders make informed decisions.

We seek regular dialogue with market participants to communicate our strategy and business objectives and maintain regular dialogue with lending institutions. The CFO maintains regular dialogue with key lenders of the Group.

Engagement is supported by the award-winning corporate website.

Our Executive Directors met with over 80% of our major active shareholders in FY2024, and we hosted an in-depth session on the Claims & Services division in January 2024.



**Employees**

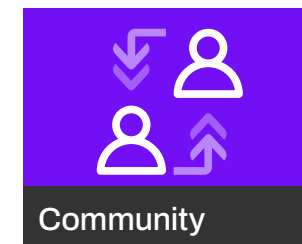
With over 7,900 people across three countries and 184 locations, our colleagues are central to our business performance and our ability to provide customer service.

We are focused on attracting and retaining talent in competitive markets and ensuring colleagues fulfil their potential.

We promote a transparent, two-way communication approach with our colleagues, through townhalls, internal communications and in-person events such as the recent leadership conference and other site visits.

We also engage in formal communications through an Employee Engagement Forum and the Have Your Say survey.

We are continually looking to develop our team members with appropriate development opportunities.



**Community**

We engage with the local communities in each major location we have a presence, including local schools, business groups and community organisations.

We aim to positively impact our communities by encouraging our employees to volunteer locally, both individually and as part of team activities.

We seek out and engage directly with community group leaders and enterprises to determine how we can best support social and environmental projects.

Activities includes the loan of vehicles, volunteering and fundraising activities.

# Our people are central to our offering.

Our continued success is achieved through our people’s hard work and dedication with their growth in knowledge, prosperity, health, and wellbeing being central to this.

As a large employer of over 7,900 people, we create significant economic value for society, investing in the productive capacity of the economy. We remain at the forefront of advancing automotive technology through industry-leading technical training, development, and apprenticeship schemes.

We are committed to providing a secure and safe working environment and service for all our people and customers and giving back to our communities.

### Recruiting and developing talent

We recruit and nurture talent from diverse communities, offering progression routes that allow all our people to realise their potential. A balanced technical and behavioural training mix can drive business growth, improve our competitive edge, and reinforce our values.

### Developing our people

In the past three years, we have invested significantly in a group-wide learning and development programme to empower our employees to learn, innovate, and provide exceptional customer service.

We have created specific learning and development pathways, including a comprehensive resource library with over 144 courses to support self-directed learning. Additionally, we have developed 34 short courses facilitated by our internal trainers, which have been attended by approximately 2,220 individuals, marking a 300% increase from the previous year. Thanks to our enhanced learning and development resources, we have successfully provided 87,000 hours of training across the Group.

**+300%**

Increase for attendance on our short courses

**+67%**

Increase in facilitated learning hours



### Management development and succession planning

We aim to promote from within our own talent pool, where there’s a high degree of organisation-specific knowledge in business-critical activities. We continue to advance our in-house leadership programme with five development pathways. These pathways are strongly linked to our succession planning, which helps us identify and retain talented individuals.

Building a culture where people get every opportunity to earn more continues to be our focus. And whilst we will always encourage fresh talent to join our business, around a third of our roles over the past 12 months were filled internally, many of which were promotions. This year, we’ll continue to invest in and encourage our people to step into bigger and broader roles with greater earning potential.

### Early careers

We continually invest in developing and promoting an early careers programme that attracts young people to our industry and provides them with an inspiring and rewarding career. We believe that high-quality and rewarding apprenticeships and trainee experiences will reduce the number of internal vacancies and secure a talent pipeline to support our ambitious business growth plans.

Our commitment to this is reflected in the growing number of apprentices and trainees we have taken on in the UK, Ireland, and Spain this year, which has increased to 403, up 49% from last year. During the last two years, the average age of our technicians has fallen from 54 to 46 years of age, reflecting our commitment to creating a sustainable workforce.

The key to retaining apprentices and trainees is to create an environment where they can develop and thrive. To enable this, we designed mentor training in the UK, which was formally recognised by the Chartered Management Institute. In FY2024, our total apprentice attrition was 10%, meaning we retained approximately 90% of apprentices, significantly higher than the national average.

We sponsor the WorldSkills Competition to promote a culture of excellence and quality in our apprentices, drive interest in the automotive sector, and, importantly, showcase our outstanding female vehicle technicians.

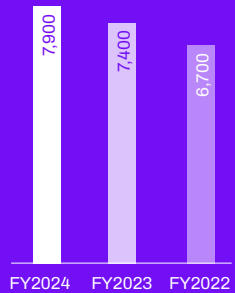
ZIGUP won two industry awards for its apprenticeship scheme, the North Yorkshire Apprentice Awards: Large Employer Apprentice of the Year, and the North East HR&D Awards: Excellence in Apprenticeships award.

**90%**

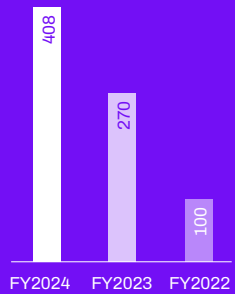
of our apprentices retained

Our people in numbers

Number of employees



Number of apprentices



Headcount and apprentices as at 30 April 2024

**87,000**  
hours of training provided in FY2024

Technical skills and capability

There are increasing skills gaps in the electric vehicle mobility ecosystem, particularly in repair and maintenance. The need to remain at the forefront of advancing automotive technology has shaped our organisational training programmes, with vocational training and instruction programmes becoming increasingly essential to service and repair complex vehicles.

Our IMI approved training centres along with the training team in Spain, have undertaken and coordinated over 2,000 days of technical training. This has helped our technicians develop their skills and knowledge, ensuring we continue providing our customers the best possible service.

2,900 people completed EV Awareness e-Learning training. This year, 175 technicians were trained to level 3 across the UK in IMI EV and hybrid vehicles, covering 95% of technicians in the UK rental business. In FMG RS 151 technicians completed BS10125 kitemark reaccreditation courses.

In FY2025, we will increase deployment level 4 training across the organisation, enabling technicians to work on EV and hybrid vehicle high-voltage systems and components. In addition, we will continue to advance our group-wide technical capabilities.



**700**  
Technicians at 30 April 2024

**175**  
Number of EV-trained technicians in FY2024

**2,900**  
Employees completed EV awareness training in FY2024



**Wellbeing, reward and recognition**

We deeply value our employees' mental, social, and financial wellbeing.

Our commitment is fostering a workplace where they feel engaged, truly valued, and cared for. We are actively promoting our Employee Assistance Programme, which offers 24/7 access to health services, an online GP, counselling, and support services.

**Financial wellbeing**

We have made larger pay increases to colleagues at lower salary levels (between 3% and 9%) and a capped 3% rise at mid- to senior-level levels. This is testament to our commitment to supporting our employees in investing in our Group. We continued to make awards under our SAYE and Free Shares programmes for the second consecutive year. The SAYE encourages share ownership at no financial risk and under the Free Share scheme we awarded £500 worth of shares to all eligible employees. Both schemes provide a tangible financial benefit to our colleagues.

We introduced Wagestream, a platform to improve workers' financial wellbeing by giving them access to fair financial services based on flexible pay. This platform lets people track their earnings in real-time to understand how much they will get paid, helping them plan and budget better.

The platform also makes it easy for our people to put money into a savings pot, earning a 5% monthly boost to their balance. In the first month of being rolled out, 28% of UK employees enrolled, with 53% of our colleagues who enrolled having already set up a savings pot.

**£500**  
Free shares awarded to all eligible employees

**Employee engagement and inclusion**

**Employee engagement**

The opinions of our people count so we are always looking to engage with them to create a more positive working environment and employment experience. Over 6,350 colleagues completed our engagement survey, representing 83% of the workforce. This year, the overall employee satisfaction rating increased by 1ppt to 75% (for further details see page 88).

One of the most significant improvements in the survey was our people's enhanced understanding of the Group's success criteria and the role they can play in contributing to it. This increased by 13ppts to 75%. Additionally, 82% of respondents believe that the Group is well-positioned for growth over the next two years.

**Diverse and inclusive culture**

We believe that by prioritising our values, building a more diverse and inclusive culture better positions us to boost employee engagement and productivity, and have an advantage in attracting and retaining skilled talent. We have evaluated our recruitment and development processes.

As a part of this, we reviewed all job advertisements to avoid exclusionary language, reconfigured interviews to minimise bias and expanded training programs to include inclusive leadership and unconscious bias.

**Developing our approach to ED&I**

In FY2025 we will build on this by developing targeted recruitment strategies focused on reaching more diverse talent pools. This is part of a wider plan to develop a comprehensive strategy where diversity is recognised, valued and celebrated, proactively advancing equality and inclusive practices.



**Workforce composition**

Group workforce	2024			2023		
	Male	Female	Total	Male	Female	Total
UK and Ireland	4,309	2,250	6,559	4,055	2,068	6,123
Spain	906	441	1,347	846	411	1,257
<b>Total</b>	<b>5,215</b>	<b>2,691</b>	<b>7,906</b>	<b>4,901</b>	<b>2,479</b>	<b>7,380</b>

Senior managers	2024			2023		
	Male	Female	Total	Male	Female	Total
Directors	12	4	16	5	3	8
Senior managers	18	14	32	32	15	47

Information as at 30 April 2024. Senior managers comprise members of the Executive Committee and the Group Management Boards.

## Charity and community

We encourage and support our people to generate positive social impact in their communities, through volunteering and working in partnership with local charities. We are proud to be board members of Darlington Cares, a local initiative dedicated to improving the community where we are headquartered. We delivered over 300 volunteering hours to help transform Stanhope Park, and we were honoured for this work with a Contribution to the Environment award.

We participate in the Darlington Employers Environment Partnership (DEEP), which champions the Darlington business community in achieving a just transition to net zero and reducing environmental impact. We hosted an EV open day at our Darlington head office in collaboration with DEEP and Darlington Council, including a visit from the Mayor of Darlington.

Our business in Spain recently organised two tree-planting events in Malaga and Coruña. These events were part of the Northgate Forests initiative, launched in 2022 to promote environmental sustainability. So far, we have planted 3,000 trees in various locations, including Girona, Madrid, Gijón, and Bilbao. These two most recent planting events have contributed to the initiative's success in offsetting a total of 670 tonnes of CO<sub>2</sub>.

**3,000**  
Trees planted through our forests initiative





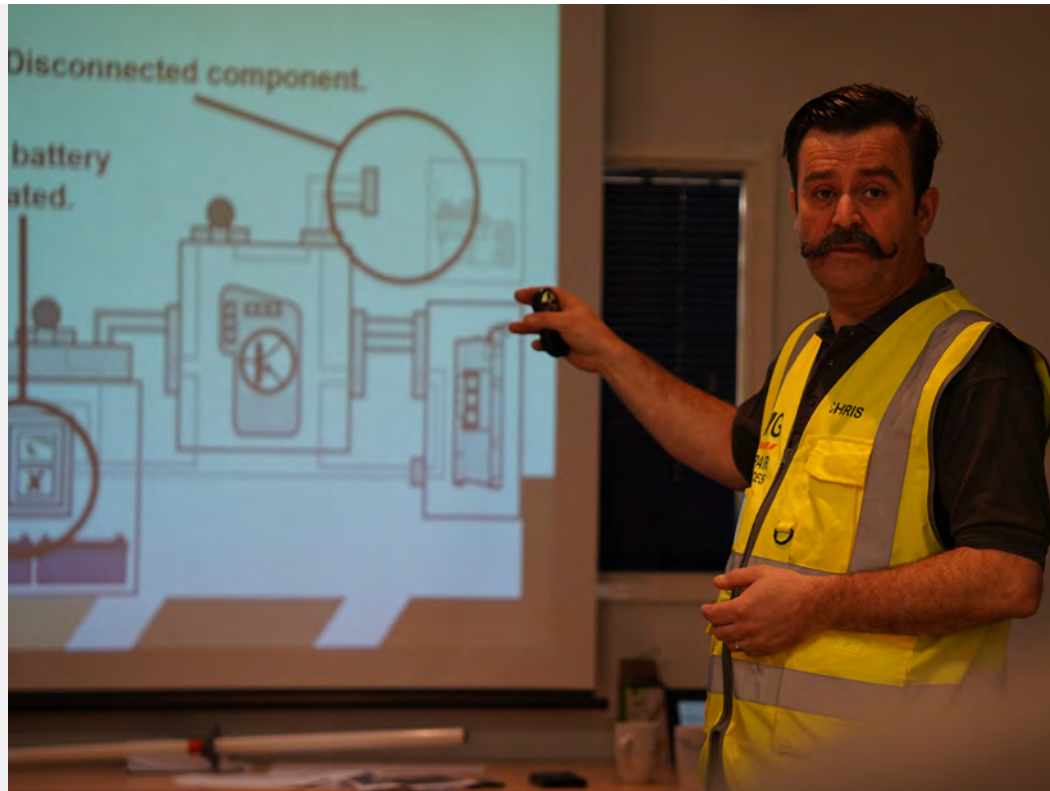
CASE STUDY

# Growing our technical talent pool.

Watch our apprentices video



There are increasing skills gaps in the electric vehicle mobility ecosystem, particularly in repair and maintenance. The need to remain at the forefront of advancing automotive technology has shaped our organisational training programmes and encouraged us to significantly invest in developing and promoting an early careers programme that attracts young people to our industry.



### IMI Approved Training Centres

In the UK, there are 2 IMI approved technical training centres in the UK, providing accredited training to our operational teams.

We continue to invest in these facilities, having installed Advanced Driver Assistance Systems calibration equipment to train vehicle repair technicians and created a dedicated EV training room.

### Investing in the next generation of vehicle technicians

Our continuing commitment to early career is reflected in the growing number of apprentices and trainees we have taken on in the UK, Ireland, and Spain this year, which has increased to 403, up 49% from last year.

2,000

Days of technical training in FY2024

403

Apprentices, up 49% from last year

### Core competencies

- Systematic claims and repair
- Integrated mobility platform

- Future automotive skills development
- Nationwide customer service



# Financial performance.

## We use our KPIs to assess and monitor the performance of the Group and to measure progress against how we execute our strategy.

### Our core financial KPIs

Our core financial KPIs measure progress of our strategic priorities in delivering profitability, revenue and returns.

#### Risk key

- |                              |                                  |                                |
|------------------------------|----------------------------------|--------------------------------|
| 1. The world we live in      | 4. Our people                    | 7. Recovery of contract assets |
| 2. Our markets and customers | 5. Regulatory environment        | 8. Access to capital           |
| 3. Fleet availability        | 6. Technology and digitalisation |                                |

#### Growth

Revenue (excluding vehicle sales)

**£1,520.6m**  
+13.7%

2024	£1,520.6m
2023	£1,336.9m
2022	£1,093.6m

#### How we calculate it

Underlying revenue includes hire of vehicles and claims and services revenue but does not include sale of vehicles at end of rental life.

#### Why it matters

Underlying revenue measures levels of Group activity across internal organic growth and acquisitions and excludes the distorting effect of revenues from vehicle disposals which can vary depending on timing of fleet replacement.

#### How we performed

Underlying revenue growth included increased volumes from annualisation of prior year contract wins and new business wins in Claims & Services and managed pricing increases across the rental businesses.

#### Risks

1, 2, 3, 4, 6, 7, 8

#### Profit

Underlying profit before tax

**£180.7m**  
+8.9%

2024	£180.7m
2023	£165.9m
2022	£151.3m

#### How we calculate it

Underlying PBT is stated excluding exceptional items and other recurring amounts including amortisation on acquired intangibles and certain adjustments to depreciation.

#### Why it matters

Underlying PBT is our key measure of profitability and performance and identifies the success in delivering business growth, efficiencies and operating margins.

#### How we performed

Underlying PBT grew due to an increase in disposal profits, rental profits and Claims & Services profits, partially offset by higher interest costs.

#### Risks

1, 2, 3, 7

#### Returns

Underlying earnings per share

**61.4p**  
+10.4%

2024	61.4p
2023	55.6p
2022	50.8p

#### How we calculate it

Underlying EPS is calculated as underlying profit after tax, divided by the weighted average number of ordinary shares excluding shares held in treasury and employee trusts.

#### Why it matters

Underlying EPS is a key measure of value creation and helps the Board consider how to allocate capital including returns to shareholders.

#### How we performed

Growth in underlying EPS came through growth in profit after tax together with the positive impact of the share buyback programme.

#### Risks

1, 2, 3, 7

#### Capital allocation

ROCE

**14.5%**  
+0.4ppt

2024	14.5%
2023	14.1%
2022	13.9%

#### How we calculate it

ROCE is calculated as underlying operating profit divided by average capital employed.

#### Why it matters

In a capital intensive business ROCE measures how efficiently the Group allocates capital; it also provides a comparable metric across the Group's divisions.

#### How we performed

The improvement in ROCE reflected our focus on maintaining strong cost control and a disciplined capital allocation approach.

#### Risks

1, 2, 3, 7

### Remuneration

Our financial metrics form the majority of the elements within Executive Director and leadership team performance compensation: 75% of annual bonus is based on PBT targets and 25% from non-financial objectives, including both operational and environmental elements whose outcomes are seen within our non-financial KPIs; Long term incentives granted prior to FY2024 are focused equally on PBT and EPS targets with those granted FY2024 onwards weighted 75% on EPS targets and 25% on TSR. (Read more in the **Remuneration report – pages 110 to 122**).

## Non-financial KPIs

Our non-financial KPIs consider both operational performance and how we manage sustainable growth.

### Risk key

- |                              |                                  |                                |
|------------------------------|----------------------------------|--------------------------------|
| 1. The world we live in      | 4. Our people                    | 7. Recovery of contract assets |
| 2. Our markets and customers | 5. Regulatory environment        | 8. Access to capital           |
| 3. Fleet availability        | 6. Technology and digitalisation |                                |

Operational		Customer		People		Environment	
<b>Fleet size ('000)</b>	<b>Utilisation</b>	<b>Customer experience rating<sup>1</sup></b>	<b>Recommend our service</b>	<b>Employee engagement</b>	<b>Attrition</b>	<b>Hire fleet emissions (gCO<sub>2</sub>/km)</b>	<b>Intensity ratio</b>
128.2	91%	4.2	89%	75%	24%	263	13
-1.9%	-1ppt	-0.2pt	+3ppt	+1ppt	-1ppt	-1.4%	-24%
<b>How we calculate it</b>		<b>How we calculate it</b>		<b>How we calculate it</b>		<b>How we calculate it</b>	
The growth in our fleet across both rental and accident management segments, while rental utilisation looks at the average percentage of the Group's rental fleets on hire in the year.		We look at a range of customer feedback channels including Trustpilot and other surveys to provide an aggregated picture of how customers find our service provision.		How our people perceive the support, recognition and reward they receive for their efforts and in turn, the impact this has on their desire to remain with ZIGUP and build a rewarding career.		The emission intensity of our operations relative to revenue (excluding vehicle sales) and the average fuel economy of our total fleet.	
<b>Why it matters</b>		<b>Why it matters</b>		<b>Why it matters</b>		<b>Why it matters</b>	
Fleet growth is a key indicator of achieving growth, while rental utilisation reflects operational and asset efficiency.		High levels of customer service are key to ensuring customer and contract retention, and feedback helps us to identify areas where we can do better.		If we engage well with our people and they feel valued, they are more likely to remain with us, which has wide-ranging benefits for skills, retention and customer service.		Year on year increases in the provision of more fuel-efficient and low emission vehicles will enhance the environmental sustainability of our operations and reduce our carbon footprint.	
<b>How we performed</b>		<b>How we performed</b>		<b>How we performed</b>		<b>How we performed</b>	
The fleet size reduced in UK&I and Claims & Services mainly due to the availability of new vehicles, whilst the fleet was grown in Spain where this issue is not as pronounced. Maintaining rental utilisation above 90% is a key operational target, with 91% close to optimal level.		While the Group customer experience score reduced marginally, it was pleasing to see an increase in score within UK&I from 3.9 to 4.7 following the launch of the Customer First initiative.		Our key people engagement metric has increased again, up 1 ppt to 75%, and the attrition rate improved by 1 ppt to 24%, reflecting the positive impact of our efforts to enhance our employee value proposition.		Usage of more efficient vehicles and a reduction in distances travelled has resulted in a 15% reduction in Scope 1 and 2 emissions. This coupled with growth in revenue which is not linked to our fleet, reduced carbon intensity by 24%.	
<b>Risks</b>		<b>Risks</b>		<b>Risks</b>		<b>Risks</b>	
1, 2, 3		2, 3, 4, 6		4, 5		1, 2, 3	

## Strategy

Our strategic priorities are centred around operational efficiency, business growth and expansion into new areas and technologies; we have quantifiable metrics against these, both in terms of financial performance and returns, and non-financial KPIs which underpin different aspects of our strategic progress – these form part of regular Executive and Board review.

1 The customer experience rating is a weighted average scoring of a number of different satisfaction scores such as Trustpilot and Google reviews with a maximum scoring of 5.



# Continued underlying growth, responsibly delivered.



By keeping our customers moving smarter, our integrated mobility platform delivers value to our stakeholders. The Group continues to demonstrate its financial strength, with growth across both vehicle provision and claims and services, strongly positioning the Group to seize future opportunities as they arise.

**Philip Vincent**  
Chief Financial Officer

## Group revenue and EBIT

Year ended 30 April	2024 £m	2023 £m	Change £m	Change %
Revenue – Vehicle hire	649.3	610.5	38.8	6.4%
Revenue – Vehicle sales	312.5	152.9	159.6	104.4%
Revenue – Claims and services	871.4	726.3	145.0	20.0%
<b>Total revenue</b>	<b>1,833.1</b>	<b>1,489.7</b>	<b>343.4</b>	<b>23.0%</b>
Rental profit	109.7	102.3	7.4	7.2%
Disposal profit	61.9	51.5	10.4	20.2%
Claims and services profit	51.4	44.5	6.9	15.4%
Corporate costs	(10.6)	(11.6)	1.1	(9.4%)
Underlying operating profit	212.4	186.7	25.7	13.8%
Income from associates	1.3	2.5	(1.2)	(48.6%)
<b>Underlying EBIT</b>	<b>213.7</b>	<b>189.2</b>	<b>24.5</b>	<b>13.0%</b>
Underlying EBIT margin <sup>1</sup>	14.1%	14.2%		(0.1ppt)
<b>Statutory EBIT</b>	<b>195.1</b>	<b>202.0</b>	<b>(6.9)</b>	<b>(3.4%)</b>

<sup>1</sup> Calculated as underlying EBIT divided by revenue (excluding vehicle sales)

## Revenue

Total Group revenue, including vehicle sales, of £1,833.1m was 23.0% higher than prior year while revenue excluding vehicle sales of £1,520.6m (2023: £1,336.9m), was 13.7% higher than the prior year.

Hire revenues increased 6.4% mainly due to pricing actions to address cost inflation; average rental VOH was 1.6% lower than the prior year. Spain was able to grow VOH due to wider availability of new vehicles, whereas the UK reduced the rentable fleet as the oldest vehicles were deflected with less vehicles being available to replace them. Claims and services revenue growth of 20.0% reflected increased volumes from new business wins.

Vehicle sales revenue increased by 104.4% driven by a 102.2% increase in vehicles sold as we deflected our oldest cohort of vehicles.

**EBIT**

Statutory EBIT reduced by 3.4%, while underlying EBIT of £213.7m increased 13.0% compared to the prior year; reflecting higher disposal profits and volume growth in Claims & Services. Statutory EBIT included a credit of £46.5m in the prior year for adjustments to depreciation rates which was £nil in the current year, amortisation on acquired intangible assets of £18.6m (2023: £20.2m) and other exceptional items of £nil (2023: £13.5m).

Rental profit increased £7.4m to £109.7m (2023: £102.3m) with a £4.1m increase in UK&I and an £3.2m increase in Spain. Claims & Services saw volume growth particularly in fleet management services, coupled with efficiencies in repair services resulting in an £5.7m increase in underlying EBIT, including income from associates, to £52.7m (2023: £47.0m).

Total disposal profits for the year of £61.9m were 20.2% higher than the prior year with 36,800 vehicles sold (2023: 18,200) with residual values softening in the UK as expected, whilst continuing to be strong in Spain and remaining higher than pre-COVID-19 levels in both businesses.

**Underlying financial highlights**

**Revenue**

£1,520.6m

+13.7%

2023: £1,336.9m

**EBIT**

£213.7m

+13.0%

2023: £189.2m

**Profit before tax**

£180.7m

+8.9%

2023: £165.9m

**Earnings per share**

61.4p

+10.4%

2023: 55.6p

**Fleet assets**

£1.30bn

+11.8%

2023: £1.16bn

**EBITDA**

£446.3m

+8.3%

2023: £412.2m

**Net debt**

£742.2m

+6.9%

2023: £694.4m

**ROCE**

14.5%

+0.4ppt

2023: 14.1%

**Dividend per share**

25.8p

+7.5%

2023: 24.0p

All measures noted above represent underlying results.

UK&I Rental

Year ended 30 April	2024 £m	2023 £m	Change
Revenue – Vehicle hire <sup>2</sup>	<b>384.4</b>	367.7	4.6%
Revenue – Vehicle sales	<b>226.9</b>	104.9	116.2%
Total revenue	<b>611.4</b>	472.6	29.4%
Rental profit	<b>59.8</b>	55.6	7.4%
Rental margin %	<b>15.5%</b>	15.1%	0.4ppt
Disposal profit	<b>34.0</b>	37.8	(9.9%)
Underlying EBIT	<b>93.8</b>	93.4	0.4%
EBIT margin % <sup>3</sup>	<b>24.4%</b>	25.4%	(1.0ppt)
ROCE %	<b>15.1%</b>	16.3%	(1.2ppt)

Year ended 30 April	2024 ('000)	2023 ('000)	Change %
Average VOH	<b>45.1</b>	48.9	(7.7%)
Closing VOH	<b>43.8</b>	46.5	(5.8%)
Average utilisation %	<b>91%</b>	93%	(2ppt)

<sup>2</sup> Including intersegment revenue of £9.2m (2023: £9.9m)

<sup>3</sup> Calculated as underlying EBIT divided by revenue (excluding vehicle sales)

Highlights

Rental revenue rose 4.6% compared to the prior year, including strong growth in specialist vehicle operations and ancillary revenues. Together with carefully managed pricing actions this more than offset headwinds from limited LCV supply. With demand remaining robust across all customer sectors, the business worked to maximise availability to deliver on customer requirements, including growing customer interest in e-LCVs where vehicles on rent more than doubled.

The acquisition of FridgeXpress added refrigerated vehicle solutions to the overall customer proposition, which is increasingly offered to rental customers through more unified relationship management. Ancillary revenues grew 15% with continued take-up of telematics and Blakedale grew its specialist fleet by over 35% to 600 vehicles. These combined efforts coupled with a strong focus on cost discipline contributed to rental margins rising 0.4ppt across the year.

Rental fleet totalled 46,600 at the end of April 2024, 8% lower than the prior year as we chose to defleet vehicles, but with much greater supply visibility developing through the year. Vehicle supply improved in the second half of the year, allowing for greater fleet replacement activity with over 10,000 new vehicles purchased and a reduction in closing fleet age (excluding leased fleet) from a peak of 36.7 to 34.0 months at the end of the year. Our financial capacity has delivered opportunities to acquire vehicles at scale, including supporting OEMs operating under the new ZEV mandate.

LCV residual values softened but continue to be well above historic levels, reflecting both increased list prices for new vehicles and continued undersupply. Disposal profits were £34.0m (2023: £37.8m) with increased volumes of LCV sales offset by lower PPUs including defleeting of Auxillis cars (these have more predictable depreciation with minimal PPUs) through expanding the lower cost Van Monster online platform.

The business has also invested in its locations, processes and people with a clear focus on delivering an improved customer experience and maximising vehicle and workshop availability. Trustpilot scores have improved significantly to 4.7, well above industry averages of 3.3 in the van rental category. Two new locations were opened alongside a refocus of Van Monster branch operations.

A car rental initiative targeting a new customer channel was launched in the year. The business also launched a micro-mobility solution and widened ancillary services offered in Ireland. ChargedEV added solar and battery installation solutions and saw a 50% increase in domestic and a 150% increase in commercial installations, helped by new key energy sector and facilities management partnerships.

Rental business

Vehicle hire revenue in UK&I was £384.4m (2023: £367.7m), an increase of 4.6%. A 13.3% increase in average revenue per vehicle reflected fleet mix, rate increases, and was partially offset by a 7.7% reduction in average VOH.

Average VOH of 45,100 was 3,800 lower than the prior year reflecting the continued shortage in supply of new LCVs.

UK&I's minimum term proposition accounted for 42% of average VOH (2023: 37%). The average term of these contracts is approximately three years, providing both improved visibility of future rental revenue and earnings, as well as lower transactional costs.

Rental margin was 15.5% compared to 15.1% in the prior year. Margin reflects the change in business mix and was maintained through operating efficiencies and by increasing hire rates to offset cost inflation.



### Management of fleet and vehicle sales

The closing UK&I rental fleet was 46,600 compared to 50,800 at 30 April 2023. During the year, 10,900 vehicles were purchased (2023: 4,800) and 15,900 vehicles were defleeted (2023: 8,600). The leased fleet increased by 500 vehicles.

The average age of the fleet (excluding leased vehicles) was 34.0 months at the end of the year which was a 1.7 month decrease from 30 April 2023 as we have begun to recycle the older cohorts of the fleet upon supply availability improving in early 2024.

A total of 22,200 vehicles were sold in UK&I during the year which was 118% higher than the prior year (2023: 10,200) including 7,000 cars and other non-fleet vehicles (2023: 300) including those which had been defleeted from the Claims & Services fleet and sold via Van Monster.

Disposal profits of £34.0m (2023: £37.8m) decreased 9.9% compared to prior year with an expected reduction in residual values being partially offset by increases in sales volumes.

### Spain Rental

Year ended 30 April	2024 £m	2023 £m	Change
Revenue – Vehicle hire	<b>274.0</b>	252.7	8.4%
Revenue – Vehicle sales	<b>84.5</b>	47.3	78.8%
Total revenue	<b>358.5</b>	300.0	19.5%
Rental profit	<b>50.0</b>	46.7	6.9%
Rental margin %	<b>18.2%</b>	18.5%	(0.3ppt)
Disposal profit	<b>27.8</b>	13.7	102.7%
Underlying EBIT	<b>77.8</b>	60.4	28.7%
EBIT margin % <sup>4</sup>	<b>28.4%</b>	23.9%	4.5ppt
ROCE %	<b>14.2%</b>	12.9%	1.3ppt

Year ended 30 April	2024 ('000)	2023 ('000)	Change %
Average VOH	<b>55.7</b>	53.6	4.1%
Closing VOH	<b>57.6</b>	54.7	5.2%
Average utilisation %	<b>91%</b>	92%	(1ppt)

4 Calculated as underlying EBIT divided by revenue (excluding vehicle sales)

### Highlights

Continued positive market conditions helped Spain Rental achieve rental revenue growth of 8.4% with total revenues up 19.5%. Our differentiated rental proposition, focused on the customer experience, encouraged strong demand for the flexible rental solution in what is a higher interest rate environment for customers. Revenue growth was supported by much improved access to vehicle supply and rate increases achieved for both flex and minimum term offerings which helped to mitigate cost inflation.

Recent new business lines have continued to develop, with rental fleet supplied through our B2C digital offering up over 110% and revenues from third party servicing in our workshops rising over 50%. The telematics service was consolidated through a partnership with a market leading provider, with 11,400 vehicles (+46%) equipped by the end of the year.

Rental margin of 18.2% remained close to the prior year record of 18.5%. This followed the normal seasonal profile where a higher volume of repair costs are typically booked within the second half. Margins were supported by a clear focus on mitigating cost inflation through hire rates, whilst optimising utilisation levels and strong cost discipline, including a greater saving from using green recycled parts in repairs.

The vehicle supply market was relatively stable throughout the year, allowing 17,600 fleet purchases from a broad range of OEMs. Closing VOH was up over 5% and the average age of the fleet fell to 30.1 months in April 2024, down 2.8 months from the peak in November 2022. The increase in disposal profits to £27.8m (2023: £13.7m) was principally due to vehicle sales volumes of 14,500, 84% higher than in the prior year, together with continuing strength in residual values. This was reflected in disposal PPUs rising 10% to £1,900.

Investment in new locations saw the León branch open in the first half, followed by a new branch in Barcelona and the relocation and expansion of the Cadiz branch. This capacity growth was also supported by a recruitment drive for workshop technicians in a tight labour market.

EV and hybrid vehicles within the fleet increased 65% over the year, as part of a range of low carbon initiatives. This included a partnership with Iberdrola to provide an end-to-end vehicle and green energy infrastructure offering. The business also won grants (EU funds programme) to support buying EVs and installing telematics in fleet vehicles to help optimise fuel efficiency.

## Rental business

Hire revenue in Spain increased 8.4% to £274.0m (2023: £252.7m), driven by the increase in average VOH and managed increases in pricing. Closing VOH increased 5.2% to 57,600.

Spain's minimum term proposition accounted for 36.6% (2023: 35%) of average VOH. The average term of these contracts is approximately three years, providing greater certainty of future generated revenues.

The rental margin was 0.3ppt lower than the prior year at 18.2%, with pricing increases partially offsetting cost inflation.

The increase in hire revenue resulted in a 6.9% increase in rental profits to £50.0m (2023: £46.7m).

## Management of fleet and vehicle sales

The closing Spain rental fleet was 65,100 compared to 61,400 vehicles at 30 April 2023. During the year 17,600 vehicles were purchased (2023: 13,200) and 13,900 vehicles were de-fleeted (2023: 9,400 vehicles).

The average age of the fleet at the end of the year was 30.1 months, 2.6 months lower than at the same time last year, as vehicle availability has improved and we replaced the oldest of our fleet.

A total of 14,500 (2023: 7,900) vehicles were sold in Spain during the year, 83.5% higher than the prior year reflecting a higher rotation of the fleet with new vehicles being more readily available.

Disposal profits of £27.8m (2023: £13.7m) increased 102.7% due to the increased number of vehicles sold and continued strength in residual values, resulting in an increase in PPU on disposals to £1,900 (2023: £1,700).

## Claims & Services

Year ended 30 April	2024 £m	2023 £m	Change
Revenue – Claims and services <sup>5</sup>	<b>882.3</b>	738.9	19.4%
Revenue – Vehicle sales <sup>6</sup>	<b>77.9</b>	31.0	151.7%
Total revenue	<b>960.3</b>	769.8	24.7%
Gross profit	<b>171.0</b>	151.5	12.9%
Gross margin % <sup>7</sup>	<b>19.4%</b>	20.5%	(1.1ppt)
Operating profit	<b>51.4</b>	44.5	15.5%
Income from associates	<b>1.3</b>	2.5	(48.6%)
Underlying EBIT	<b>52.7</b>	47.0	12.1%
EBIT margin % <sup>7</sup>	<b>6.0%</b>	6.4%	(0.4ppt)
ROCE %	<b>17.6%</b>	15.9%	1.7ppt

<sup>5</sup> Including intersegment revenue of £10.9m (2023: £12.5m)

<sup>6</sup> Including intersegment revenue of £76.9m (2023: £30.3m)

<sup>7</sup> Gross profit margin calculated as underlying gross profit divided by total revenue. EBIT margin calculated as underlying EBIT divided by total revenue excluding vehicle sales

## Highlights

Claims and services revenue increased 19.4% on the prior year, with increased volumes from existing customers together with new contracts going live early in the financial year. These included full-service contracts for Abacai insurance and Lex Autolease which quickly reached expected activity levels. Externally owned fleet vehicles covered by our repair and claims management services now total over 900,000, broadly equally split between insurer and other fleets.

One of our key insurance partners extended their credit and direct hire multi-year contracts out to 2026, and other renewals included a blue-light incident management contract, reflecting the breadth of our offering and customer base. In the first half, the business also expanded its product offering to one of its largest insurance partners, adding repair capacity support to a new specialist customer segment. Vehicle sales of £77.9m reflect recycling of the car fleet, the majority of which was sold through Van Monster.

The business has worked hard to manage cost inflation, making progress in productivity metrics, including in our repair centres. Improving timeframes within parts supply chains helped reduce repair lead times, also resulting in average replacement hire lengths moderating closer to historic levels.

Our key customer partners appreciate the challenges presented by cost inflation and labour shortages, with agreements on price increases in place. This was also reflected in industry guide to retail charges noting a 12% increase in repair labour rates in the first half. EBIT grew over 12% while EBIT margin of 6.0% was 0.4 ppts lower than the prior year. This principally reflects greater direct hire and repair, and fleet management services within the product mix rather than cost inflation, as the business worked hard to achieve supply chain cost efficiencies, such as for paint and vehicle parts.

There remains a pipeline of contract opportunities in active discussion across the product and margin range, as existing and potential customers see the benefit of working with a trusted, multi-service and expert partner.

The business has invested in its processes and people, introducing a greater use of robotics and new client facing apps and client digital interfaces to further digitalise and automate highly process-driven activities within claims management. At the same time the business continues to support its people with enhanced training and expansion of our apprentice scheme, where there are now over 135 apprentices within the business. Repair capacity was also expanded through investment in three new bodyshop repair facilities as well as workshop tools supporting higher productivity and parts reuse.

## Revenue and profit

Revenue for the year (excluding vehicle sales) increased 19.4% to £882.3m (2023: £738.9m) reflecting the full impact of recent contract wins. These favourable variances were offset by a reduction in credit hire length in comparison to the prior year. The prior year was affected by macro challenges in supply chains for parts and labour with those conditions seeing improvement in the current year.

Gross margin of 19.4% declined 1.1ppt (2023: 20.5%) due to volume mix across each business within the segment.

EBIT increased 12.1% to £52.7m reflecting both growth in repairs services driven by parts and paints margins coupled with technician efficiency and fleet management services with full year impacts of recent contract wins. EBIT margin lowered slightly to 6.0% versus 6.4% in the prior year due to volume mix.

## Management of fleet

The total fleet in Claims & Services was 16,500 vehicles at the end of the year (2023: 18,500) and the average fleet age (including leased vehicles) was 16 months (2023: 15 months). This reflects the lower fleet holding period than in the rental businesses due to the different usage of vehicles and the optimal holding period of this vehicle mix.

## Group PBT and EPS

Year ended 30 April	2024 £m	2023 £m	Change £m	Change
Underlying EBIT	<b>213.7</b>	189.2	24.5	13.0%
Net underlying finance costs	<b>(33.0)</b>	(23.3)	(9.7)	41.7%
Underlying profit before taxation	<b>180.7</b>	165.9	14.8	8.9%
Statutory profit before taxation	<b>162.1</b>	178.7	(16.6)	(9.3%)
Underlying effective tax rate	<b>23.0%</b>	22.6%	–	0.4ppt
Underlying EPS	<b>61.4p</b>	55.6p	5.8p	10.4%
Statutory EPS	<b>55.2p</b>	60.3p	(5.1)p	(8.5%)

## Profit before taxation

Underlying PBT was 8.9% higher than prior year reflecting the higher EBIT across the Group. Statutory PBT was 9.3% lower than the prior year, with £nil net adjustment for changes to depreciation rates on the older fleet compared to £46.5m credit in the prior year.

## Exceptional items

During the year, there were no items that were recognised as exceptional items. Exceptional costs in the prior year of £13.5m arose from the impairment of goodwill and other intangibles of NewLaw.

Amortisation of acquired intangibles is not an exceptional item as it is recurring. However, it is excluded from underlying results in order to provide a better comparison of performance of the Group. The total charge for the year was £18.6m (2023: £20.2m). Depreciation rate adjustments of £nil (2023: £46.5m credit) on vehicles purchased before FY2021 have been excluded from underlying results in order to better compare results over time as explained further on the following page.



### Depreciation rate changes

When a vehicle is acquired, it is recognised as a fixed asset at its cost net of any discount or rebate received. The cost is then depreciated evenly over its rental life, matching its pattern of usage down to the expected future residual value at the point at which the vehicle is expected to be sold net of directly attributable selling costs.

Accounting standards require a review of residual values during a vehicle's useful economic life at least annually, with changes to depreciation rates being required if the expectation of future values changes significantly.

Matching of future market values of vehicles to net book value (NBV) on the estimated disposal date requires significant judgement for the following reasons:

- Used vehicle prices are subject to short term volatility which makes it challenging to estimate future residual values;
- The exact disposal age is not known at the point at which rates are set and therefore the book value at disposal date is not certain; and
- Mileage and condition are the key factors in influencing the market value of a vehicle. These can vary significantly through a vehicle's life depending upon how the vehicle is used.

Due to the above uncertainties, a difference normally arises between the NBV of a vehicle and its actual market value at the date of disposal. Where these differences are within an acceptable range they are adjusted against the depreciation charge in the income statement. Where these differences are outside of the acceptable range, changes must be made to depreciation rate estimates to better reflect market conditions and the usage of vehicles.

Residual values have increased significantly in recent years due to the disruption of new vehicle supply that has increased demand for used vehicles. Uncertainty to the extent and longevity of this buoyancy in residual values meant that there were a number of vehicles on our fleet where the depreciated book value was below or very close to the expected residual value at disposal. In line with the requirements of accounting standards and as previously disclosed, a decision was made to reduce depreciation rates from 1 May 2022 on certain vehicles remaining on the fleet which were purchased before FY2021.

The actual phasing of the adjustment will change if these vehicles are held for a longer or shorter period than anticipated. The depreciation rate change is expected to impact the statutory income statement over the remaining holding period of those vehicles as follows:

£m	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Reduced depreciation	55.1	38.3	15.7	4.1	–	113.2
Reduced disposal profits	(8.5)	(38.3)	(40.5)	(22.3)	(3.6)	(113.2)
<b>Updated expected impact on statutory EBIT</b>	<b>46.6</b>	<b>–</b>	<b>(24.8)</b>	<b>(18.2)</b>	<b>(3.6)</b>	<b>–</b>
Previously expected impact on statutory EBIT	46.5	12.7	(28.3)	(26.4)	(4.5)	–

No further depreciation rate changes have been made on the existing fleet since the impact on EBIT was outlined last year. The updated phasing of the adjustment relates to an updated expectation of refreshing the older fleet more quickly than originally envisaged. This has been the case in the current year due to better availability of new vehicles than previously expected.

The impact of the changing depreciation rates on this component of the fleet will re-phase statutory EBIT over this five-year period but will have no impact on underlying results, no overall impact on statutory profit over the life of the fleet and does not impact cash.

Depreciation rates on vehicles purchased in FY2025 will be set based on management's best estimates of future residual values when those vehicles are sold, with holding periods ranging from 12 to 60 months.

### Interest

Net underlying finance charges increased to £33.0m (2023: £23.3m) due to higher average debt and the increase in floating interest rates over the year. Interest rates are significantly sheltered due to holding approximately 65% of borrowing as fixed rate debt.

### Taxation

The Group's underlying tax charge was £41.6m (2023: £37.6m) and the underlying effective tax rate was 23.0% (2023: 22.6%). The statutory effective tax rate was 22.9% (2023: 22.1%).

### Earnings per share

Underlying EPS of 61.4p was 5.8p higher than prior year, reflecting increased profits in the year and a 1.5p in year impact of the share buyback programme. Statutory EPS of 55.2p was 5.1p lower, reflecting the movement in underlying EPS being offset by the movement in exceptional items and credits recognised in the prior year with respect to deprecation rate adjustments which are not included within the underlying results.

### Business combinations

In May 2023 the Group acquired 100% of the equity capital of Fridgexpress (UK) Limited for provisional consideration of £5.0m. The provisional fair value of net assets acquired was £2.9m resulting in the recognition of £2.1m of goodwill.

### Share buyback programme

The Group completed its initial £60m share buyback programme in December 2022. A further £30m share buyback programme commenced in August 2023 and was completed in June 2024. During the year to 30 April 2024, 7,104,291 shares were purchased for a total consideration of £24.9m.

### Group balance sheet

Net assets at 30 April 2024 were £1,043.4m (2023: £994.6m), equivalent to net assets per share of 459p (2023: 434p). Net tangible assets at 30 April 2024 were £816.4m (2023: £752.9m), equivalent to a net tangible asset value of 359p per share (2023: 328p per share).

The calculations above are based on the number of shares in issue at 30 April 2024 of 246,091,423 (2023: 246,091,423) less treasury shares of 18,981,862 (2023: 16,877,571).

Gearing at 30 April 2024 was 90.9% (2023: 92.2%) and ROCE was 14.5% (2023: 14.1%).

### Group cash generation

Year ended 30 April	2024 £m	2023 £m	Change £m
Underlying EBIT	213.7	189.2	24.5
Depreciation and amortisation <sup>8</sup>	232.6	223.0	9.6
<b>EBITDA</b>	<b>446.3</b>	412.2	34.1
Net replacement capex <sup>9</sup>	(280.2)	(155.6)	(124.6)
Lease principal payments <sup>10</sup>	(65.0)	(65.1)	0.1
<b>Steady state cash generation</b>	<b>101.1</b>	191.5	(90.4)
Working capital and non-cash items	(5.6)	(0.3)	(5.3)
Growth capex <sup>9</sup>	(1.7)	(122.6)	120.9
Taxation	(33.4)	(36.6)	3.2
<b>Net operating cash</b>	<b>60.4</b>	32.0	28.4
Distributions from associates	2.0	3.1	(1.1)
Interest and other financing cash flows	(28.0)	(20.6)	(7.4)
Acquisition of business	(4.1)	(10.0)	5.9
<b>Free cash flow</b>	<b>30.3</b>	4.5	25.8
Dividends paid	(56.2)	(52.2)	(4.0)
Payments to acquire treasury shares	(24.9)	(53.0)	28.1
Add back: Lease principal payments <sup>11</sup>	65.0	65.1	(0.1)
<b>Net cash generated (consumed)</b>	<b>14.2</b>	(35.6)	49.8

<sup>8</sup> Depreciation and amortisation excludes £nil (2023: £46.5m) of depreciation adjustment credits and £18.6m (2023: £20.2m) of amortisation of acquired intangibles both excluded from underlying results

<sup>9</sup> Net replacement capex is total capex less growth capex. Growth capex represents the cash consumed in order to grow the fleet or the cash that is generated if the fleet size is reduced in periods of contraction (excluding leased fleet)

<sup>10</sup> Lease principal payments are included so that steady state cash generation includes all maintenance capex irrespective of funding method

<sup>11</sup> Lease principal payments are added back to reflect the movement on net debt

### Steady state cash generation

Steady state cash generation reduced to £101.1m compared to prior year (2023: £191.5m). Increases in underlying EBIT have been offset by increases in net replacement capex as we recycle the fleet.

### Net capital expenditure

Net capital expenditure increased by £3.7m at £281.9m reflecting a differing mix between net replacement capex and growth capex as detailed below.

Net replacement capex was £280.2m, which was £124.6m higher than in the prior year. This was due to both volume increases as well as increases in average replacement cost due to change in mix of vehicles and the impact of price inflation. Net replacement capex was £77.4m higher in UK&I, £81.3m higher in Spain and £34.1m lower in Claims & Services.

Growth capex of £1.7m (2023: £122.6m) included £48.5m to grow the fleet size in Spain offset by a £46.8m inflow in UK&I and Claims & Services where the fleet size was reduced.

### Free cash flow

Free cash flow increased by £25.8m to £30.3m (2023: £4.5m) with growth in underlying EBITDA and a reduction in financing of acquisitions offset by movements in net capital expenditure as explained above, increases in working capital and increases in interest and other financing due to higher interest rates throughout the year.

Free cash flow is stated after taking account of investments that have been made in the year which will return future cash flow at a sustainable rate of return ahead of our cost of capital. This includes investment in net replacement capex of £280.2m, lease payments of £65.0m, growth capex of £1.7m, the acquisition of FridgeXpress of £4.1m and working capital in Claims & Services.

Removing the impact of growth capex in the year, the underlying free cash flow of the Group was £32.0m compared to £127.1m in the previous year due to the increase in net replacement capex.

### Net cash generation

Net cash generated of £14.2m (2023: £35.6m consumed) includes £56.2m of dividends paid (2023: £52.2m) and £24.9m (2023: £52.9m) for treasury shares purchased under the share buyback programme. Leverage has been maintained at 1.5x (2023: 1.5x).

### Net debt

Net debt reconciles as follows:

As at 30 April	2024 £m	2023 £m
Opening net debt	694.4	582.5
Net cash (generated) consumed	(14.2)	35.6
Other non-cash items	75.1	57.8
Exchange differences	(13.1)	18.5
<b>Closing net debt</b>	<b>742.2</b>	694.4

Closing net debt increased by £47.8m in the year driven by net cash consumed, non-cash items and exchange differences. Other non-cash items consist of £73.3m of new leases acquired and £1.8m of other items. Foreign exchange movements reduced net debt by £13.1m.

### Borrowing facilities

As at 30 April 2024 the Group had headroom on facilities of £244m (2023: £290m), with £582m drawn (net of available cash balances) against total facilities of £826m as detailed below:

	Facility £m	Drawn £m	Headroom £m	Maturity	Borrowing cost
UK bank facilities	493	251	242	Nov 26	6.1%
Loan notes	320	320	–	Nov 27-Nov 31	1.3%
Other loans	13	11	2	Nov 24	4.9%
	<b>826</b>	<b>582</b>	<b>244</b>		<b>3.5%</b>

The other loans drawn consist of £10m of local borrowings in Spain which were renewed for a further year in November 2023 and £0.5m of preference shares.

The above drawn amounts reconcile to net debt as follows:

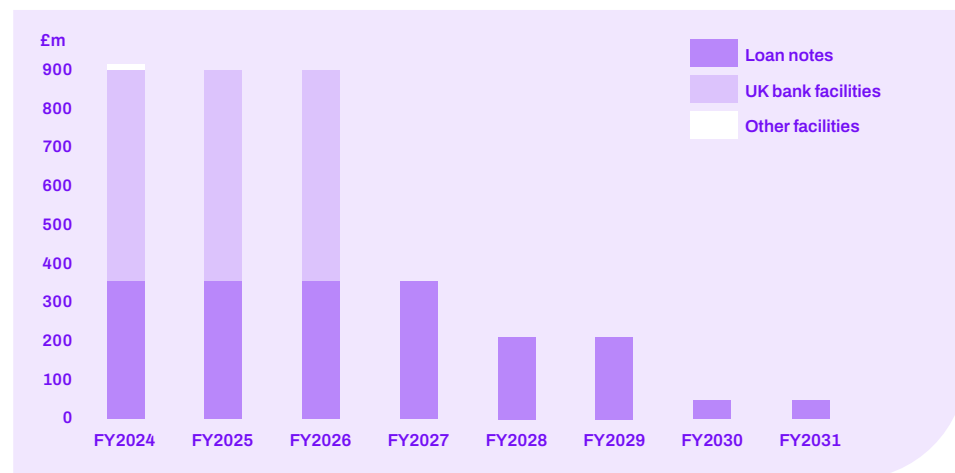
	Drawn £m
Borrowings	582
Unamortised finance fees	(5)
Leases	165
<b>Net debt</b>	<b>742</b>



The overall cost of borrowings at 30 April 2024 is 3.5% (2023: 3.1%).

The margin charged on bank debt is dependent upon the Group's net debt to EBITDA ratio, ranging from a minimum of 1.45% to a maximum of 3.25%. The net debt to EBITDA ratio at 30 April 2024 corresponded to a margin of 1.95% (2023: 1.95%).

**Maturity of facilities**



The split of net debt by currency was as follows:

As at 30 April	2024 £m	2023 £m
Euro	522.2	388.0
Sterling	224.9	313.2
<b>Borrowings and lease obligations before unamortised arrangement fees</b>	<b>747.1</b>	701.2
Unamortised finance fees	(4.9)	(6.8)
<b>Net debt</b>	<b>742.2</b>	694.4

There are three financial covenants under the Group's facilities as follows:

As at 30 April	Threshold	2024	Headroom	2023
Interest cover	3x	<b>8.3x</b>	£132m (EBIT)	10.6x
Loan to value	70%	<b>41%</b>	£429m (Net debt)	42%
Debt leverage	3x	<b>1.5x</b>	£195m (EBITDA)	1.5x

The covenant calculations have been prepared in accordance with the requirements of the facilities to which they relate.

**Dividend and capital allocation**

Subject to approval, the final dividend proposed of 17.5p per share (2023: 16.5p) will be paid on 27 September 2024 to shareholders on the register as at close of business on 30 August 2024.

Including the interim dividend paid of 8.3p (2023: 7.5p), the total dividend relating to the year would be 25.8p (2023: 24.0p). The dividend is covered 2.4x by underlying earnings.

The Group's objective is to employ a disciplined approach to investment, returns and capital efficiency to deliver sustainable compounding growth. Capital will be allocated within the business in accordance with the framework outlined below:

- Funding organic growth
- Sustainable and growing dividend
- Inorganic growth
- Returning excess cash to shareholders

The Group plans to maintain a balance sheet within a target leverage range of 1.0x to 2.0x net debt to EBITDA, and during periods of significant growth net debt would be expected to be towards the higher end of this range. This is consistent with the Group's objective of maintaining a balance sheet that is efficient in terms of providing long term returns to shareholders and safeguards the Group's financial position through economic cycles.

## Treasury

The function of the Group's treasury operations is to mitigate financial risk, to ensure sufficient liquidity is available to meet foreseeable requirements, to secure finance at minimum cost and to invest cash assets securely and profitably. Treasury operations manage the Group's funding, liquidity and exposure to interest rate risks within a framework of policies and guidelines authorised by the Board of Directors.

The Group uses derivative financial instruments for risk management purposes only. Consistent with Group policy, Group Treasury does not engage in speculative activity and it is Group policy to avoid using more complex financial instruments.

## Credit risk

The policy followed in managing credit risk permits only minimal exposures with banks and other institutions meeting required standards as assessed normally by reference to major credit agencies. Group credit exposure for material deposits is limited to banks which maintain an A rating. Individual aggregate credit exposures are also limited accordingly.

## Liquidity and funding

The Group has sufficient funding facilities to meet its normal funding requirements in the medium term as outlined in the borrowing facilities section above. Covenants attached to those facilities as outlined above are not restrictive to the Group's operations.

## Capital management

The Group's objective is to maintain a balance sheet structure that is efficient in terms of providing long term returns to shareholders and safeguards the Group's financial position through economic cycles.

Operating subsidiaries are financed by a combination of retained earnings and borrowings.

The Group can choose to adjust its capital structure by varying the amount of dividends paid to shareholders, by issuing new shares or by adjusting the level of capital expenditure.

## Interest rate management

The Group's bank facilities, other loan agreements and lease obligations incorporate variable interest rates. The Group seeks to ensure that the exposure to future changes in interest rates is managed to an acceptable level by having in place an appropriate balance of fixed rate and floating rate financial instruments at any time. The proportion of gross borrowings (including leases arising under HP obligations) held in fixed rates was 65% at 30 April 2024 (2023: 62%).

## Foreign exchange risk

The Group's reporting currency is Sterling and 80% of its revenue was generated in Sterling during the year (2023: 78%). The Group's principal currency translation exposure is to the Euro, as the results of operations, assets and liabilities of its Spanish and Irish businesses are translated into Sterling to produce the Group's consolidated financial statements.

The average and year end exchange rates used to translate the Group's overseas operations were as follows:

	2024 £:€	2023 £:€
Average	<b>1.16</b>	1.15
Year end	<b>1.17</b>	1.14

## Going concern

Having considered the Group's current trading, cash flow generation and debt maturity including severe but plausible stress testing scenarios (as detailed further in the notes to the financial statements) the Directors have concluded that it is appropriate to prepare the Group financial statements on a going concern basis.

## Philip Vincent

Chief Financial Officer

10 July 2024

## GAAP Reconciliation

## Consolidated income statement reconciliation

Year ended 30 April	Footnote (below)	Statutory 2024 £m	Adjustments 2024 £m	Underlying 2024 £m	Statutory 2023 £m	Adjustments 2023 £m	Underlying 2023 £m
Revenue	(a)	1,833.1	(312.5)	1,520.6	1,489.7	(152.8)	1,336.9
Cost of sales	(b)	(1,400.2)	312.5	(1,087.7)	(1,054.1)	106.3	(947.8)
<b>Gross profit</b>		<b>432.9</b>	<b>-</b>	<b>432.9</b>	<b>435.6</b>	<b>(46.5)</b>	<b>389.1</b>
Administrative expenses	(c)	(239.1)	18.6	(220.5)	(236.1)	33.7	(202.4)
<b>Operating profit</b>		<b>193.8</b>	<b>18.6</b>	<b>212.4</b>	<b>199.5</b>	<b>(12.8)</b>	<b>186.7</b>
Income from associates		1.3	-	1.3	2.5	-	2.5
<b>EBIT</b>		<b>195.1</b>	<b>18.6</b>	<b>213.7</b>	<b>202.0</b>	<b>(12.8)</b>	<b>189.2</b>
Finance income		0.6	-	0.6	0.1	-	0.1
Finance costs		(33.6)	-	(33.6)	(23.4)	-	(23.4)
<b>Profit before taxation</b>		<b>162.1</b>	<b>18.6</b>	<b>180.7</b>	<b>178.7</b>	<b>(12.8)</b>	<b>165.9</b>
Taxation	(d)	(37.1)	(4.5)	(41.6)	(39.5)	1.9	(37.6)
<b>Profit for the year</b>		<b>125.0</b>	<b>14.1</b>	<b>139.1</b>	<b>139.2</b>	<b>(10.9)</b>	<b>128.3</b>
Shares for EPS calculation (Note 11)		226.3m		226.3m	230.8m		230.8m
Basic EPS		55.2p		61.4p	60.3p		55.6p

Footnotes	Footnote (below)	Adjustments 2024 £m	Adjustments 2023 £m
<b>Adjustments comprise:</b>			
Revenue: sale of vehicles	(a)	(312.5)	(152.8)
Cost of sales: revenue sale of vehicles net down	(a)	312.5	152.8
Depreciation adjustment (Note 28)		-	(46.5)
Cost of sales	(b)	312.5	106.3
<b>Gross profit</b>	(a)+(b)	<b>-</b>	<b>(46.5)</b>
Exceptional items (Note 28)		-	13.5
Amortisation of acquired intangible assets (Note 28)		18.6	20.2
Administrative expenses	(c)	18.6	33.7
<b>Adjustments to EBIT</b>		<b>18.6</b>	<b>(12.8)</b>
<b>Adjustments to PBT</b>		<b>18.6</b>	<b>(12.8)</b>
Tax on exceptional items (Note 28)		(4.5)	(2.1)
Other tax adjustments		-	4.0
<b>Tax adjustments</b>	(d)	<b>(4.5)</b>	<b>1.9</b>
<b>Adjustments to profit</b>		<b>14.1</b>	<b>(10.9)</b>



## Cash Flow Reconciliation

Year ended 30 April	2024 £m	2023 £m
<b>Underlying EBIT</b>	<b>213.7</b>	189.2
Add back:		
Depreciation of property, plant and equipment	231.3	175.1
Depreciation adjustment not included in underlying EBIT	–	46.5
Loss on disposal of assets	(0.1)	0.2
Intangible amortisation included in underlying operating profit (Note 13)	1.4	1.2
<b>EBITDA</b>	<b>446.3</b>	412.2
Net replacement capex	(280.2)	(155.6)
Lease principal payments	(65.0)	(65.1)
<b>Steady state cash generation</b>	<b>101.1</b>	191.5
Working capital and non-cash items	(5.6)	(0.3)
Growth capex	(1.7)	(122.6)
Taxation	(33.4)	(36.6)
<b>Net operating cash</b>	<b>60.4</b>	32.0
Distributions from associates	2.0	3.1
Interest and other financing costs	(28.0)	(20.6)
Acquisition of business net of cash acquired	(4.1)	(10.0)
<b>Free cash flow</b>	<b>30.3</b>	4.5
Dividends paid	(56.2)	(52.2)
Purchase of treasury shares	(24.9)	(53.0)
Add back: Lease principal payments	65.0	65.1
<b>Net cash generated (consumed)</b>	<b>14.2</b>	(35.6)
<b>Reconciliation to cash flow statement:</b>		
Net decrease in cash and cash equivalents	(17.7)	(3.9)
<b>Add back:</b>		
Receipt of bank loans and other borrowings	(33.1)	(96.8)
Principal element of lease payments	65.0	65.1
<b>Net cash generated (consumed)</b>	<b>14.2</b>	(35.6)

## Cash Flow Reconciliation

Year ended 30 April	2024 £m	2023 £m	
<b>Reconciliation of capital expenditure</b>			
Purchases of vehicles for hire	553.6	398.2	
Proceeds from disposals of vehicles for hire	(288.0)	(128.4)	
Proceeds from disposal of other property, plant and equipment	(1.4)	(0.7)	
Purchases of other property, plant and equipment	15.7	7.4	
Purchases of intangible assets	2.0	1.8	
<b>Net capital expenditure</b>	<b>281.9</b>	278.2	
Net replacement capex	280.2	155.6	
Growth capex	1.7	122.6	
<b>Net capital expenditure</b>	<b>281.9</b>	278.2	
	UK&I Rental 2024 £000	Spain Rental 2024 £000	Group sub-total 2024 £000
Underlying operating profit <sup>1</sup>	93,788	77,789	171,577
<i>Exclude:</i>			
Vehicle disposal profits	(34,017)	(27,834)	(61,851)
<b>Rental profit</b>	<b>59,771</b>	<b>49,955</b>	<b>109,726</b>
Divided by: Revenue: hire of vehicles <sup>2</sup>	384,448	274,016	658,464
<b>Rental margin</b>	<b>15.5%</b>	<b>18.2%</b>	<b>16.9%</b>
	UK&I Rental 2023 £000	Spain Rental 2023 £000	Group sub-total 2023 £000
Underlying operating profit <sup>1</sup>	93,382	60,440	153,822
<i>Exclude:</i>			
Vehicle disposal profits	(37,746)	(13,730)	(51,476)
Rental profit	55,636	46,710	102,346
Divided by: Revenue: hire of vehicles <sup>2</sup>	367,694	252,691	620,385
Rental margin	15.1%	18.5%	16.5%

1 See Note 5 of the financial statements for reconciliation of segment underlying operating profit to Group underlying operating profit.

2 Revenue: hire of vehicles including intersegment revenue (see Note 5 of the financial statements).

# Risk management.

# Managing risks to support our strategy and stakeholders.

Our risk management strategy supports our ability to respond to the changing needs of our stakeholders and the dynamics of the markets we operate in. The purpose of our risk management strategy is to identify risks which could affect us achieving our strategic objectives and mitigate these to an acceptable level.

## Risk focus

The risks facing the Group continue to be wide ranging, with both external and internal factors providing uncertainty and requiring careful management across the year.

During the year, the macro environment stabilised with inflation and interest rates levelling off, but the outlook remains cautious and the impact to our business will continue to be carefully monitored. Vehicle supply conditions have improved throughout the year, allowing the fleet to be refreshed but holding back growth. The global cyber environment has seen threats becoming more frequent and sophisticated, increasing the need to maintain resilience.

The Group Risk Committee meets formally on a quarterly basis, with the risk management process embedded across the Group and the Board overseeing its work. This enables risks to be identified from a top down and bottom up perspective with appropriate management of these risks throughout the Group. A description of principal Board decisions made during the year is included within the Section 172 statement on pages 82 to 85.

## Identifying and managing risks

The Board and Executive Directors recognise the importance of identifying and actively monitoring the impact of strategic, operational and financial risks.

The Board has overall responsibility for risk management with a focus on determining the nature and extent of exposure to the principal and emerging risks the business is willing to take in achieving its strategic objectives. This includes reviewing the risk appetite in each area of risk. The risk appetite is assessed in the context of our business model and the external environment in which we operate.

The Board and Executive Directors oversee the continual process for identifying, evaluating and managing the significant risks the Group faces. The Board is also responsible for ensuring the appropriate risk management process is in place and that it accords with risk management guidance including a three lines of defence approach. The Board has performed a robust assessment of the principal and emerging risks facing the Group during the year.

The Executive-led Group Risk Committee is facilitated by the Group Head of Internal Audit and includes senior management from across the Group. It is responsible for facilitating the identification of risks including emerging risks and overseeing management of those principal risks throughout the Group in order to achieve our performance goals within the context of risk appetite.

On behalf of the Board, the Audit Committee takes responsibility for overseeing the effectiveness of internal control systems which are embedded into our risk management systems.

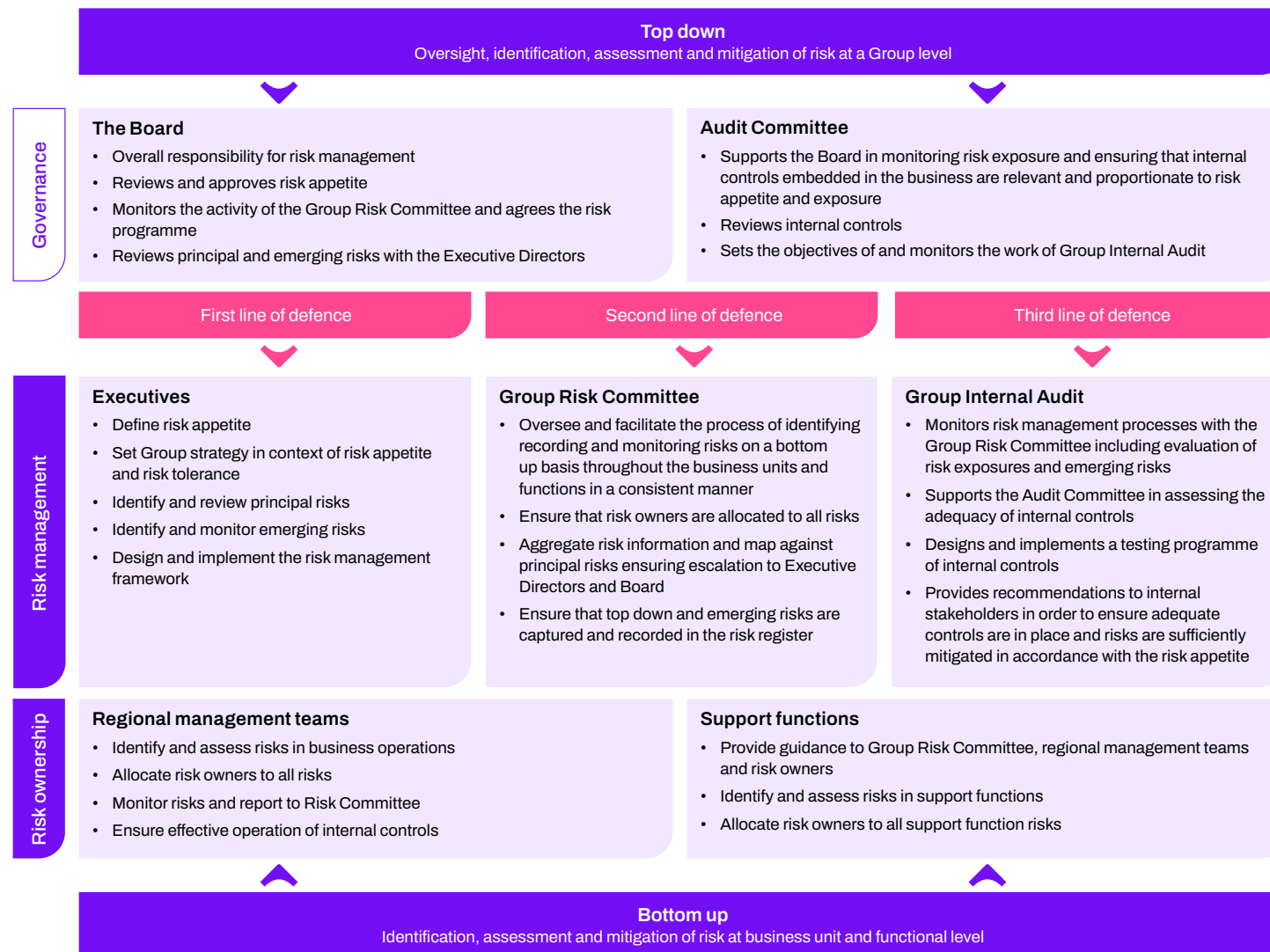
Ultimate responsibility for oversight of risk management rests with the Board. The Executive Directors assess top down risk exposures against the context of the Group's strategy and the effective day to day management of risk is embedded within our operational business units and forms an integral part of how we work. This bottom up approach allows potential risks to be identified at an early stage and escalated as appropriate, with mitigations put in place to manage such risks. Each business unit maintains a comprehensive risk register. Changes to the register are reviewed quarterly by the Group Risk Committee, with significant and emerging risks escalated to the Board.



# Risk management framework.

There is a formal governance structure underpinning our approach to risk management.

The Group ensures that there are robust processes in place in order to achieve effective risk management. This involves the identification, evaluation, control and continuous monitoring of risk posed to the business. These processes ensure that we have appropriate measures to manage our exposure to risk in order to operate within the Group's risk appetite.



# Risk appetite.

The Board is responsible for overseeing the risk appetite of the Group. Executive Directors set the risk appetite of the Group based on the level of risk that the Group is willing to take in order to deliver against strategic, operational and financial objectives.

The risk appetite processes ensure that risks are consistently managed across the Group with decisions being made regarding the right level of risk, and that the appropriate resources and controls are put in place at each level of risk. This also ensures that risks are escalated appropriately and proportionately in line with overall appetite.

## 1. Set acceptable risk level

Potential impacts are assessed against a combination of likelihood and risk impact with the tolerance being categorised from risk-averse to positive.

An example of an area of risk-averse tolerance would be our approach towards seeking to comply with all relevant laws and regulations.

An example of where the Group has an open or positive tolerance to risk would be in seeking strategic growth opportunities, including acquisitions, which may require accepting a higher level of risk in order to achieve returns against our strategic objectives.

## 2. Compare risk assessment

Risk appetite will vary across different types of risk, and therefore appetite is further analysed between underlying, operational and strategic risks where tolerance for accepting risk will vary.

## 3. Determine action

Principal risks including inherent and mitigated risk are measured against the risk appetite framework to ensure that they are within tolerance of overall risk appetite. If principal risks are outside or towards the top end of risk appetite tolerance, measures will be taken including taking further mitigating actions or increasing oversight or controls. If risks are below the risk appetite tolerance level then action should be taken to consider being more open towards risk in order to facilitate achievement of our strategic objectives including higher returns or growth.

## 4. Describe potential impacts

Risk appetite is assessed for potential impacts across different impact categories:

- Financial risk
- Operational disruption
- Legal and regulatory compliance
- Health and safety
- Environment
- Reputational risks: considered separately across each identified stakeholder group

Risk appetite impact category	Averse	Minimal	Cautious	Open	Positive
Financial		Operational		Strategic	
Operational disruption	Operational				
Legal & regulatory	Underlying				
Health & safety	Underlying				
Environment	Underlying				
Reputation	Operational		Strategic		

Risk appetite	Risk tolerance	Explanation
Averse	Very low	Activities undertaken will only be those considered to carry very low or virtually no residual risk.
Minimal	Low	Activities will only be undertaken where they have a low degree of residual risk. Preference for very safe business delivery with the potential for benefit or higher return not a key driver.
Cautious	Medium	Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent so that the residual risk is medium. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit or realise an opportunity.
Open	High	Activities themselves may potentially carry, or contribute to, a high degree of residual risk. Willing to consider wider range of options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money.
Positive	Very high	Willing to be innovative and to consider opportunities offering higher business rewards despite elevated levels of inherent risk even if those activities carry a very high residual risk.

# Identifying and managing risks.

The Board maintains a focus on effective risk management, which flows all the way through the organisation. The risk appetite is set at different tolerances depending on the impact categories, as mentioned previously. The culture of the organisation is consistent with risk appetite and ensures all activities, from day to day operations to high level strategic decisions, are performed in line with this approach.

The assessment of principal risks are based on the perceived impact on the Group's ability to achieve its strategic objectives and the likelihood of their occurrence, taking into account controls that have been put in place to mitigate any impact.

## Principal risks

Recognising that all business activity involves elements of risk, the Group maintains a policy of continuously identifying and reviewing risks that represent a threat to the business, or that may cause future financial results to differ materially from expected results. Our approach is not intended to eliminate risk entirely, but to manage our risk exposures across the business, whilst at the same time making the most of our opportunities.

The Directors have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. For each risk we state what it means for us and what we are doing to manage it. The change in risk is assessed using the aggregation of bottom up risks which have been mapped against principal risks and also the top down view as well as emerging risks. The risk level change represents the assessed risk exposure as at 30 April 2024 compared to the same point in the previous year.

The Board is dedicated to ensuring the Group operates in a responsible and sustainable manner. Guided by the Sustainability Committee, the Group previously launched a range of sustainability commitments supported by our ESG strategy and framework and approach to data collection and reporting. Further information on our ESG strategy can be found on pages 66 to 68. While we view climate change as a significant risk for the business, we believe that it is not individually a principal risk, but is more appropriately addressed within our underlying risk categories for short to medium term impacts; and then separately through our TCFD risk assessment for its longer-term implications, as set out on pages 69 to 79. This better reflects the risks and opportunities which will arise over the longer term.

The risks specified are not intended to represent an exhaustive list of all potential risks and uncertainties. The risk factors outlined should be considered in conjunction with the Group's system for managing risk, described on pages 54 to 56 and in the Corporate Governance Report on pages 96 to 99.

## Emerging risks

In addition to principal risks, the Board considers emerging risks which may impact the Group. The Group considers an emerging risk to be one that does not currently have a material impact on the business but has the potential to impact future strategy or operations. The Group's approach to managing emerging risk exposure is to:

- identify potential emerging risks; using horizon scanning techniques, published external research and peer or competitor review;
- assess these risks taking into account our industry sector and market position, and our strategy, to determine relevance;
- consider the potential impact of each risk on each risk appetite impact category, taking into account the likelihood of the risk occurring and the speed with which it may manifest; and
- regularly monitor these risks and develop actions to address them where appropriate.

The Board considers climate-related matters, including the recommendations from the TCFD as emerging risks. Our assessment around this area continues to develop and will be continually monitored. As those risks become significant in likelihood and impact within the same time horizon of the principal risk assessment, they will be integrated into the recording of principal risks and the overall risk management framework of the Group.

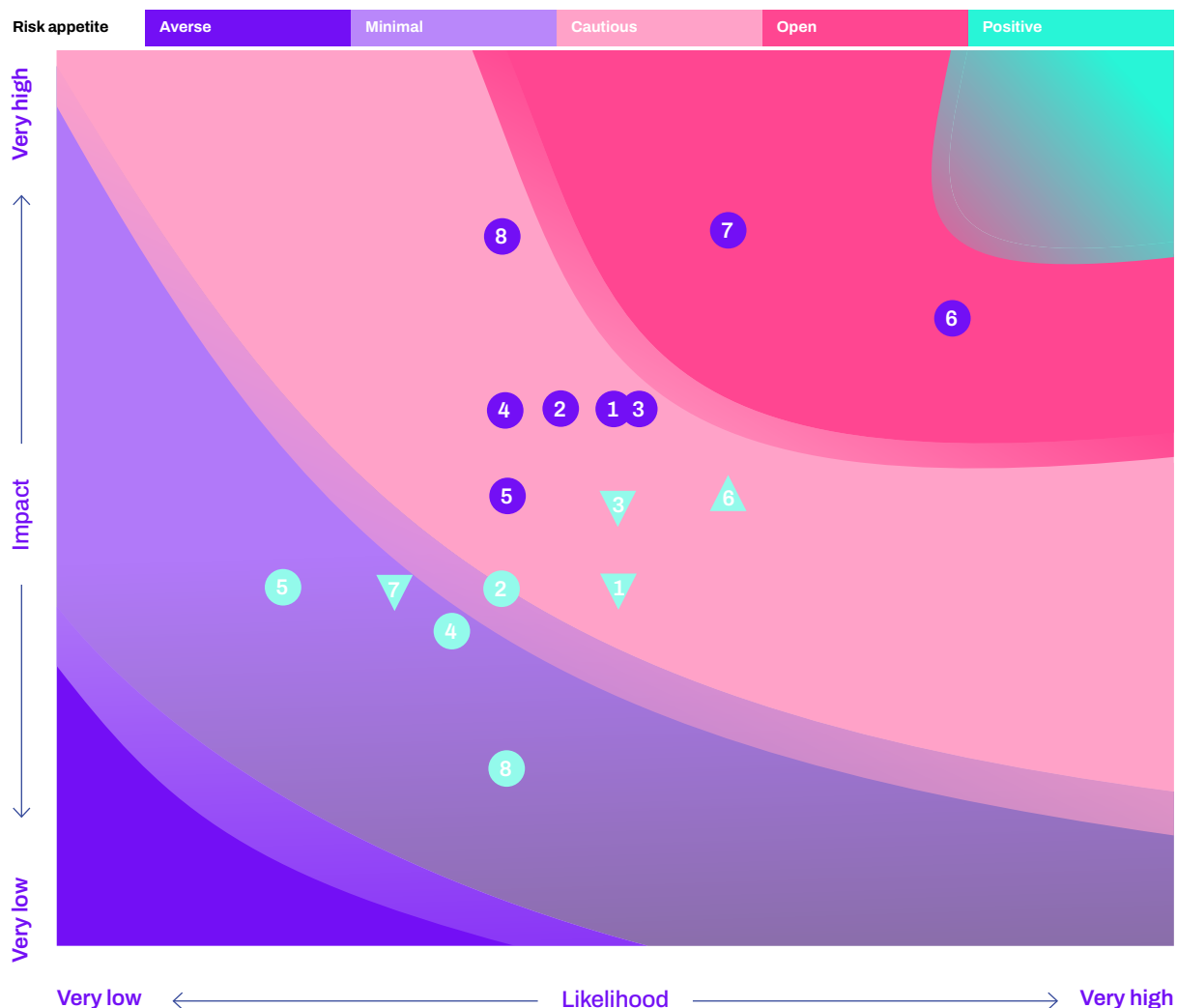


# Our principal risks.

The Group risk register records over 700 individual risks which are aggregated into 25 key risks and are allocated against the six risk appetite categories (see page 56) and mapped to the eight individual principal risks (categorised into strategic, financial and operational risks, although most risks have an impact across all three categories).

- Risk**
- 1 The world we live in
  - 2 Our markets and customers
  - 3 Fleet availability
  - 4 Our people
  - 5 Regulatory environment
  - 6 Technology and digitalisation
  - 7 Recovery of contract assets
  - 8 Access to capital

- Key**
- Inherent risk
  - Residual risk (unchanged from prior year)
  - ▲ Residual risk (risk scoring increased from prior year)
  - ▼ Residual risk (risk scoring reduced from prior year)






# Risk trend.

**Mitigated risk**

- ✓ within appetite tolerance
- ✗ outside of appetite tolerance

**Risk trend**  
Evaluation is defined as management's assessment of whether the risk factor has:

**INCREASED**  **DECREASED**  **NOT CHANGED** 

Type of risk	Risk	Appetite tolerance	Mitigated risk	Risk trend	Change explanation
Strategic risks	1 The world we live in	Cautious to open	✓	↓	<ul style="list-style-type: none"> <li>Demand for our rental services remains high, above the level of new vehicle supply</li> <li>Volumes have continued to grow in the Claims &amp; Services business</li> <li>Inflationary pressures have eased during the year and continue to be managed against the cost base and through pricing actions</li> </ul>
	2 Our markets and customers	Minimal to open	✓	=	<ul style="list-style-type: none"> <li>No major customer losses and the customer base continues to be diversified across sectors with no reliance on individual customers of size</li> <li>The opportunities and services created through our integrated mobilities platform improves the attractiveness of our offering and the retention of customers, reinforced by our new Company purpose</li> <li>We continue to build a platform and relationships that will facilitate the transition away from ICE vehicles for the Group and its customers</li> </ul>
Operational risks	3 Fleet availability	Minimal to open	✓	↓	<ul style="list-style-type: none"> <li>Supply restrictions have started to ease, allowing the fleet to be refreshed and operational performance and customer service to be maintained</li> <li>We expect that improved supply will reduce pressure on new vehicle inflation</li> <li>Residual values have reduced in line with expectations but remain above pre-COVID-19 levels</li> </ul>
	4 Our people	Averse to open	✓	=	<ul style="list-style-type: none"> <li>Improved employee engagement scoring reflects the measures taken to improve communication, training and development of our people.</li> <li>Continual review and widening of benefits including free shares, employee allowances and financial wellbeing initiatives</li> <li>Routes to employee markets continue to be supported by in-house recruitment and the vacancy filler platform used across the Group</li> </ul>
	5 Regulatory environment	Averse	✓	=	<ul style="list-style-type: none"> <li>No material changes to laws and regulations</li> <li>No material changes to contractual obligations</li> <li>Horizon scanning and planning for future changes to laws and regulations</li> </ul>
	6 Technology and digitalisation	Minimal to open	✓	↑	<ul style="list-style-type: none"> <li>As widely reported in the media, global cyber threats are becoming increasingly frequent and sophisticated</li> </ul>
Financial risks	7 Recovery of contract assets	Cautious to open	✓	↓	<ul style="list-style-type: none"> <li>Bulk settlements of non-protocol claims have been received in the year and more insurers have moved to protocol arrangements, increasing certainty of recoverability</li> </ul>
	8 Access to capital	Cautious to open	✓	=	<ul style="list-style-type: none"> <li>Debt facility amounts and maturities remain adequate for funding Group strategic objectives</li> </ul>

# Strategic risks.

**Risk trend**

Evaluation is defined as management's assessment of whether the risk factor has:

**INCREASED**  **DECREASED**  **NOT CHANGED** 

## 1 The world we live in Risk trend

The successful delivery of our strategy is influenced by the world we live in, and we need to adapt to a changing global environment. Changes in both economic and environmental conditions in the countries that the Group operates in or are linked to, through our supply chain, could affect how we deliver our services or change the cost base of the business.

### Influencing factors

- Changes in economic conditions including economic growth forecasts, exchange rates, interest rates and inflationary pressures
- Influences of global conflicts on global supply chains
- The impact that environmental conditions such as extreme weather could have on our operations, as well as our impact on the environments in which we operate

### Controls and mitigating activities

- The Group's business model and balance sheet strength provides resilience to economic downturns, with the flexibility of our offer being attractive in times of uncertainty
- In the event of a downturn, the Group can manage its fleet flexibly, generating cash and reducing debt by reducing vehicle purchases or accelerating disposals
- The cost base related to management of insurance claims and services is flexible and can be scaled back in response to a downturn in revenue
- Pricing structures remain under review in context of cost inflation with minimum return thresholds protecting margins
- Credit risk of new and existing customers is continually assessed and the Group has a diversified customer base without overreliance on an individual or group of customers across any sector
- The Group maintains close relationships with key suppliers to ensure continuity of supply and diversifies the supplier base in periods when supply becomes restricted
- Foreign exchange exposure is minimised through sourcing supplies in the same currency as the revenue is generated. Translation risk is managed through holding a proportion of borrowings in Euro in order to hedge against the investment in Euro net assets

## 2 Our markets and customers Risk trend

We operate in markets undergoing significant transformations both through changing business models and customer expectations for smarter and increasingly sustainable mobility. If the Group does not respond to behavioural, structural, legal, or technological changes in our markets there is a risk that demand for our services will reduce. Changes to the insurance market or loss of a key insurance referral partner could adversely impact the Group's revenues.

### Influencing factors

- Structural changes to the rental and insurance and legal services markets such as consolidation, digitalisation or vertical integration could impact on the viability of the business model if we are not agile enough to respond to those trends
- Changes to regulations for operation of ICE vehicles and widening of low-emission zones will change the way in which mobility services will need to be delivered
- Price competition for an equivalent service, could impact our ability to attract and retain customers at appropriate rates of return
- Increases in insurance referral rates or cost increases which cannot be passed on through claims could impact viability of returns
- Loss of a major customer or insurance referral partner could diminish returns if the cost base is not managed appropriately


### Controls and mitigating activities

- Our strong reputation for trusted and expert advice and customer service improves retention of existing customers and attractiveness to new customers by differentiating our offer from other market participants
- Continued evolution of the fleet towards non-ICE vehicles with development of supplier relationships and investments in supporting infrastructure
- Continual benchmarking of pricing and service offer compared to competitors and other market participants. Pricing controls over target levels of returns and discount authorities protect margins
- Minimising the concentration of business customers and maintaining long term relationships with insurance partners with a large proportion of revenue coming from contracts with customers, greater than one year in length



# Operational risks.

<b>Risk trend</b>	<b>INCREASED</b>	<b>DECREASED</b>	<b>NOT CHANGED</b>
Evaluation is defined as management's assessment of whether the risk factor has:			

**3 Fleet availability** Risk trend 

Failure to secure sufficient access to fleet at appropriate pricing would impact on our ability to meet operational and customer service delivery, overall returns and our ability to grow organically.


An increase in fleet holding costs either through higher new vehicle pricing or lower residual values, if not recovered through pricing increases or operational efficiencies, would adversely affect returns.

**Influencing factors**

- Over recent years, global vehicle supply has been restricted following COVID-19 and geopolitical conflict which has reduced the availability of vehicles and influenced vehicle pricing. Whilst supply has improved, it still remains below pre-COVID-19 levels
- Residual values continue to be affected by the vehicle supply interruption and are influenced by other economic conditions

**Controls and mitigating activities**

- Flexibility over asset management means that in the short term the Group can mitigate the shortage of supply of new vehicles by ageing out the fleet
- The business model supports high levels of utilisation and vehicles returned from customers are redeployed within the fleet
- The Group maintains close relationships with key suppliers to ensure continuity of supply and has diversified the supplier base in order to broaden access to new vehicles
- The Group minimises vehicle holding costs by flexibly managing the fleet so that vehicles can be defleeted at the optimal point in their lifecycle through our own sales channels. We manage vehicle sales through our own retail sales network and online sales channels

**4 Our people** Risk trend 

We rely on the expertise and experience of our people in order to stay at the forefront of changes to our markets and to maintain and deliver high levels of customer service. Failure to attract, retain, develop and motivate this talent would impact the Group's ability to meet its strategic objectives.

We also understand our responsibility to keep our people safe through appropriate health and safety risk management to maintain trust with our employees and reputation across all stakeholders.

**Influencing factors**

- External pressures in the labour market creates issues in attracting and retaining talent and therefore delivery of the operating model and commercial proposition
- The diverse operations of the Group growing organically and inorganically across a wide geographical area increases the challenge of fostering a shared culture in line with strategic objectives
- Not safeguarding employees' health and welfare and failure to invest in our workforce will lead to high levels of staff turnover, which will affect customer service, operational efficiency and overall delivery of the Group's strategy

**Controls and mitigating activities**

- Employee engagement with Group management through the Employee Engagement Forum and employee surveys
- Internal communications establish values which are aligned to Group strategy and we undertake regular communication of the strategic progress through various platforms including the launch of the new brand and strategy and how that best serves our people
- Ongoing benchmarking of reward and benefits against the comparable employment market
- Regular performance reviews including personal development and tailored training as well as introduction of a mentoring programme
- Regular engagement with employees and access to health and wellbeing initiatives
- Widening of rewards and benefits including share ownership, financial wellbeing initiatives and improved annual and family leave
- Group health and safety team develops policy and processes to ensure safe working practices and monitors compliance with those policies
- Continual development of Group health and safety initiatives to promote an ongoing safe working environment

# Operational risks continued.

<b>Risk trend</b>	<b>INCREASED</b>	<b>DECREASED</b>	<b>NOT CHANGED</b>
Evaluation is defined as management's assessment of whether the risk factor has:			

## 5 Regulatory environment Risk trend

The Group must comply with all laws and regulations; certain activities within the Group are regulated, therefore ongoing compliance with regulations is required to ensure continuity of business.

Legal cases relating to the provision of credit hire and insurance-related services have provided a precedent framework which has remained stable for several years. Legal challenges or changes in legislation could undermine this framework with consequences for the markets in which the Group operates.

### Influencing factors

- Changes to the legislation or regulatory environment in any of the Group's markets could impact revenue and profitability, particularly within the credit hire, insurance and legal services businesses
- Inadequate operation of systems to monitor and ensure compliance with regulations could expose the Group to fines and penalties, or operating licences could be suspended and also adversely impact our reputation across all stakeholder groups

### Controls and mitigating activities

- In-house legal and compliance team continuously monitoring regulatory and legal compliance
- Horizon scanning and monitoring of legal and regulatory developments
- Policies and procedures and compliance monitoring programmes
- Training in relation to relevant legislation, regulatory responsibilities and Group's policies and procedures
- External advisors are retained where necessary

## 6 Technology and digitalisation Risk trend

The Group relies on technology to ensure the safe continuity of business operations, and advances in technology offer opportunities to leverage efficiencies in processes and enhanced service delivery, with stakeholders continuing to seek deeper digital engagement. Failure of existing systems, lack of development in new systems or poor integration of new systems, could result in a loss of commercial agility and/or harm the efficiency and continuity of our operations.

The global threat of cyber-attacks is increasing as attacks are becoming more frequent and sophisticated. Unsuccessfully defending against data theft or cyber-attacks, could cause significant business interruption and reputational harm across all stakeholders.

### Influencing factors


- Inadequate IT systems can be at risk from failed processes, systems or infrastructure and from error, fraud or cyber-crime
- The Group's business is dependent on the safe and efficient processing of a large number of complex transactions and stakeholder interactions. The effective performance and availability of core systems is central to the operation of the business
- Growth through inorganic acquisitions increases the complexity and diversity of operations, IT systems and infrastructure
- Cyber attacks are becoming increasingly frequent and sophisticated. The Group remains vigilant to changes in the cyber threat landscape and continues to review the technology deployed to defend against these threats

### Controls and mitigating activities

- Investments in key IT platforms and systems to ensure continued operational performance and delivery
- Changes to key IT systems are considered as part of wider Group change programmes and are implemented in phases where possible with appropriate governance structures put in place to oversee progress against project objectives
- Ongoing monitoring of the continuity of IT systems with access to support where required
- Back-up and recovery procedures for key systems including disaster recovery plans
- Operation of information security and data protection protocols to ensure that data is held securely, and is adequately protected from cyber-attacks or other unauthorised access

# Financial risks.

<b>Risk trend</b>	<b>INCREASED</b>	<b>DECREASED</b>	<b>NOT CHANGED</b>
Evaluation is defined as management's assessment of whether the risk factor has:			

**7 Recovery of contract assets** Risk trend 


Our credit hire and repair business involves the provision of goods and services on credit. The Group receives payment for the goods and services it has provided after a claim has been pursued against the party at fault (and the relevant third party insurer). This process can take a long period of time before claims are agreed and settled.

**Influencing factors**

- Recovery of insurance claims requires the orderly running of insurance markets with claims being settled on commonly agreed terms
- Due to the relative strength of insurance companies, they could influence the speed of settlement of claims in order to secure better terms
- Settlement of claims is normally reached through mutual agreement. Settlement through court arbitrations can be lengthy and relies on efficient operation of the court process

**Controls and mitigating activities**

- Services are only provided to customers after a full risk assessment process to ensure that the claim will be legally recoverable from a third party
- The Group manages collection risk by standardising terms with third party insurers (protocol agreements) where possible, which reduces collection risk under shorter payment terms. The proportion of claims under protocol terms has increased in the year to c.70%
- Other claims are managed through specialist teams in order to settle claims or managed through a court arbitration process

**8 Access to capital** Risk trend 

The Group needs access to sufficient capital to maintain and grow the fleet and fund working capital requirements.

Investors increasingly require businesses to demonstrate that they act in a responsible and sustainable manner prior to granting access to financing facilities.

**Influencing factors**

- Debt markets can be volatile in terms of liquidity and pricing
- Failure to maintain or extend access to credit and fleet finance facilities or non-compliance with debt covenants could affect the Group's ability to achieve its strategic objectives or continue as a going concern

**Controls and mitigating activities**

- Debt facilities are diversified across a range of lenders and close relationships are maintained with key funders of the Group to ensure continuity of funding
- Debt facilities have been put in place to provide adequate headroom and maturities in order to support the strategy of the Group
- The Group continually monitors cash flow forecasts to ensure adequate headroom on facilities and ongoing compliance with debt covenants
- The Group maintains leverage within stated policy and the business model allows cash to be generated through economic cycles
- The impact of access to capital on the Group's viability is considered in the viability statement on page 64



# Viability statement.

Equipped with a new name and brand, and supported by a refreshed strategic framework, to better reflect and position our combined Group as we continue our journey of sustainable growth.

## Assessment of prospects

Our business model and strategy are central to understanding the prospects of the Group, details of which can be found on pages 16 to 17 and 28 to 29. In the year, the Group launched a new brand and name, with ZIGUP encompassing the strength and depth of the Group. To better reflect the future of the Group, a new purpose was developed underpinning a refreshed strategic framework, subject to the ongoing monitoring and development described below. The Group is well established within the markets it operates in, details of which can be found on pages 10 to 11, and has proven resilient through the difficult economic conditions in recent years. Strong momentum continued throughout the year ended 30 April 2024.

In the year, the Board retired the previous strategic framework and introduced “Enable, Deliver, Grow” as the next phase of our strategy. The Board maintains a measured approach to strategic risk whilst continuing to explore growth opportunities intended to add long term value to the Group, both organically and inorganically. The Board continually assesses the changes in the risk and emerging risks to the Group including climate-related impacts, further details of which can be found on pages 54 to 57. The Group pursues only those activities which are acceptable in the context of the risk appetite of the Group as a whole.

## The assessment process and key assumptions

The Group's prospects are assessed through its strategic planning process. This process includes an annual review of the ongoing strategic plan, led by the CEO, together with the involvement of business functions in all territories.

The Board engages closely with the Group's management teams throughout this process and challenges delivery of the strategic plan during regular Board meetings. Part of the Board's role is to challenge the plan to ensure it is robust and makes due consideration of the appropriate external environment.

The Directors have assessed the viability of the Group over a three-year period to 30 April 2027, considering the Group's current position and a robust assessment of the potential impact of the principal risks outlined in the Strategic Report.

The three-year period was selected as this represents the normal investment cycle of the Group. With the exception of minimum term rental contracts, there is no fixed period over which revenue is contracted, in line with the flexibility offered to customers. Within the rental business, vehicles are normally held for up to five years, with an average holding period of three years. Within the insurance claims and services business, there is no fixed investment cycle. The viability of the business is underpinned by its commercial relationships with insurance partners. Commercial terms are continuously reviewed with insurance partners, with three years representing an average review cycle of material terms. The three-year period used for assessing viability is therefore aligned to how capital is employed in the business, the maturity of key commercial relationships and, therefore, how returns on investment are reviewed.

The plan makes certain assumptions about the normal level of capital recycling likely to occur, and therefore considers whether additional financing will be required.

The first year of the financial forecast forms the Group's operating budget. Subsequent years are forecast from this year, based on historical experience and expected measures within the overall strategic plan.

Based upon this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 30 April 2027.

## Assessment of viability

To assess the Group's viability, the three-year strategic plan was stress-tested against various scenarios and other sensitivities.

## Sensitivity analysis of our strategy

A detailed three-year strategic review was conducted which considers the Group's cash flows, dividend cover assuming operation of stated policy, and headroom against borrowing facilities and financial covenants, under the Group's existing facilities. These metrics were subjected to sensitivity analysis to assess the Group's ability to deliver its strategic objectives.

## Financial position

The Group's £475m principal banking facility has a maturity date of November 2026. The strategic plan assumes that these facilities will be renewed at a similar level before April 2027. Private placement loan notes of €375m give a longer profile of maturities spread across 6, 8 and 10 years. Headroom against the Group's existing banking facilities at 30 April 2024 was £244m as detailed on page 48. This compares with headroom of £290m at 30 April 2023 and reflects the continued investment in the fleet for growth and replacement of some of the more aged vehicles. Given the financial strength of the Group and strong relationships with lenders, we do not anticipate any material deterioration in the credit status of the Group or restricted access to debt capital markets, and we are therefore confident that debts facilities will continue to be made available to support the execution of the Group's strategy.

Taking into account the planned financing assumptions, the Group's facilities will provide sufficient headroom to fund the capital expenditure and working capital requirements during the planned period.

The Directors have further considered the resilience of the Group, considering its current position and the principal risks facing the business. The plan was stress-tested for severe but plausible scenarios as follows:

- No further growth in vehicles on hire with rental customers
- A 1% reduction in pricing of rental hire rates
- A 2% increase above plan assumptions in the purchase cost of vehicles and other operating expenses not passed on to customers
- A 5% reduction to assumptions in the plan for the residual value of used vehicles
- A 10% reduction in insurance claims and services revenue in aggregate, either through lower demand or through ending the commercial relationship with a group of key insurance partners
- A prudent working capital view reflecting the impact of a slow-down in collections of historic insurance claims.

The above scenarios took into account the effectiveness of mitigating actions that would be reasonably taken, such as reducing variable costs that are directly related to revenue, but did not take into account further management actions that would likely be taken, such as a change to the indirect cost base of the Group or a reduction in capital expenditure and ageing out of the vehicle fleet, both of which would generate cash and reduce debt.

## Conclusions relating to viability and going concern

After considering the above sensitivities and reasonable mitigating actions, sufficient headroom remained against available debt facilities and the covenants attached to those facilities. The Directors have a reasonable expectation that the Group will continue to be able to meet its obligations as they fall due and continue to be viable over the period to 30 April 2027. The Directors also considered it appropriate to prepare the financial statements on the going concern basis, as explained in the Basis of preparation paragraph in Note 2 of the Financial Statements.

# Sustainable mobility.





# A framework for delivering a sustainable business.

## Our approach

Throughout the year, we have made significant progress in establishing the necessary framework for an effective approach to ESG. This robust foundation is a testament to our commitment to meeting the growing customer demands on ESG, navigating the challenges of the current business environment, and complying with the increasingly stringent suite of EU and UK sustainability reporting regulations. Our focus on a lasting ESG strategy inspires confidence in our ability to adapt and thrive in the future.

Our governance framework and methodical approach to ESG principles ensure a high level of accountability, transparency, and equity. Our robust set of policies, procedures, and management systems are integral in effectively managing sustainability risks and capitalising on opportunities.

## Leadership

Our Board plays a strategic role in overseeing ESG matters. The CEO holds executive accountability, while the CFO, as the Chairman of the Sustainability Committee, has a delegated responsibility. The CFO acts as a bridge between the Sustainability Committee and the Executive Committee who in turn reports into the Board, ensuring the Board is well-informed about key environmental, social, and governance issues. Other key roles in managing ESG matters include the Group Head of ESG, the Head of Group Safety and Environment in the UK, and the Director of Development and Sustainability in Spain.

## Sustainability committee and working groups

The Sustainability Committee draws on the diverse expertise of cross-functional teams from various business units and functions. Their invaluable advice and contributions were instrumental in shaping the ESG commitments of the Group, a testament to our collaborative approach to sustainability strategy development.

The Sustainability Committee met on six occasions in the year. Its goal is to assess the significant issues affecting our ability to generate economic, environmental, and social value. The Sustainability Committee evaluates the steps taken to address important risks and opportunities and suggests alternative programmes to enhance social and environmental performance. Key outcomes of the Committee this year included the approval of ESG commitments, policies covering environmental and social matters, and support for the development of a communication and engagement plan.

## Delivering sustainable outcomes for society

ZIGUP's purpose is to keep people moving smarter. As a leading provider of responsible and integrated mobility solutions, we consistently strive to deliver positive environmental, social and economic outcomes to our stakeholders.



# ESG framework.

## Embedding sustainability

We have set forth clear and measurable ESG commitments and targets. These commitments are aligned with our goal of creating sustainable value for our stakeholders. By embedding these commitments into our business model, operations, and culture, we aim to consistently reduce our environmental impact, foster positive social outcomes, and uphold our responsibility as a business.

## Mobilising our people

We have clearly defined responsibilities and accountabilities for each ESG commitment and have established a set of balanced metrics to measure progress towards achieving them. While it's important to have clear direction and accountability from leadership, involving employees at all levels in implementing these plans is crucial. In FY2025, we will create a learning curriculum to provide employees with the skills, knowledge, and confidence to take meaningful action to reduce environmental impact and contribute to positive social change. We will also aim to integrate ESG-related outcomes into employee evaluations to foster a culture that supports our purpose and acknowledges and rewards the right behaviours.

### CASE STUDY

#### Applying our double materiality assessment

Understanding how an issue affects us internally and externally has helped us create a more effective sustainability framework and report on issues more meaningfully to stakeholders.

By identifying significant ESG issues, we can prioritise the most important concerns and provide greater corporate transparency to our stakeholders.


Read about our process and outcomes in more detail in the Sustainability section of our website [www.ZIGUP.com](http://www.ZIGUP.com)

## Keep our customers moving smarter.










### Ambition



## Environment:

Enabling lower-impact mobility


Aspect	Commitment
Carbon emission reduction	10% absolute reduction in Scope 1 and 2 emissions by 2027
Resource efficiency	Embed circular economy principles in our operations
Environment	Environment impact reductions across our sites
Working with suppliers	Work with key suppliers to set sustainability targets
Climate change transition	Enabling a just transition towards low carbon mobility

### Our Progress

- 15% reduction in GHG emissions since FY2023
- 90% of sites have installed low-energy LED lights, and we created an energy monitoring dashboard
- 99% of our waste was diverted from landfill and we introduced a new waste and resource efficiency policy
- 67% of our current company cars are EVs or hybrids
- 1,000 e-LCVs hired in the UK, more than doubling since FY2023



### In FY2025, we plan to

- Develop Group level emission reduction business plans
- Embed circular economy principles across the Group
- Publish our net zero transition plan
- Have over 90% of our company cars to be EV or hybrid



## Social:


Delivering social value

Aspect	Commitment
Health and safety	Work towards the goal of no harm or injuries
Wellbeing and reward	Foster a mutually supportive workplace
Equity, diversity and inclusion	Recruit and nurture talent from diverse communities
Charity and community	Generate positive social impact in the community
Early careers	Invest in the development of an early careers programme
Technical skills	Invest in vehicle repair training and technology



- 7% reduction in our Accident Frequency Rate from 1.8 (FY2023) to 1.7 (FY2024)
- We introduced Wagestream to improve employees' financial wellbeing with flexible pay access
- The employee satisfaction rating increased by 1ppt to 75%, with a 83% survey return rate
- 87,000 hours of training provided to our people across the Group
- 49% increase in apprenticeships from 270 (FY2023) to 403 (FY2024)
- 2,000 hours of technical training to keep us at the forefront of advancing automotive technology
- We provided over 300 hours of support to the Darlington Cares community initiative

- Develop targeted recruitment strategies to reach more diverse talent pools
- Leverage our group-wide training resources to foster a culture of continuous development
- Expand the deployment of level 4 high-voltage EV training



## Governance:

Growing responsibly

Aspect	Commitment
ESG oversight	Ensure effective Board oversight of ESG
Sustainable value creation	Reinforce sustainable value creation within our strategy
Responsible culture	Foster ethical and responsible behaviour across ZIGUP
Customers first	Foster a customer-centric continuous improvement culture
Stakeholder engagement	Maintain accountability by reporting on our ESG impacts

- A cross-functional Sustainability Committee, supported by working groups, was incorporated
- We set out our ambitions through a suite of environmental, social, and governance commitments
- A Customer First charter was developed within the UK&I Rental business, with appointed customer champions overseeing its delivery
- We have developed a Group Policy Framework to support a more unified approach to governance across the Group

- Enhance ESG reporting and analysis to prepare for upcoming regulations
- Ensure greater integration of ESG targets into individual performance appraisals

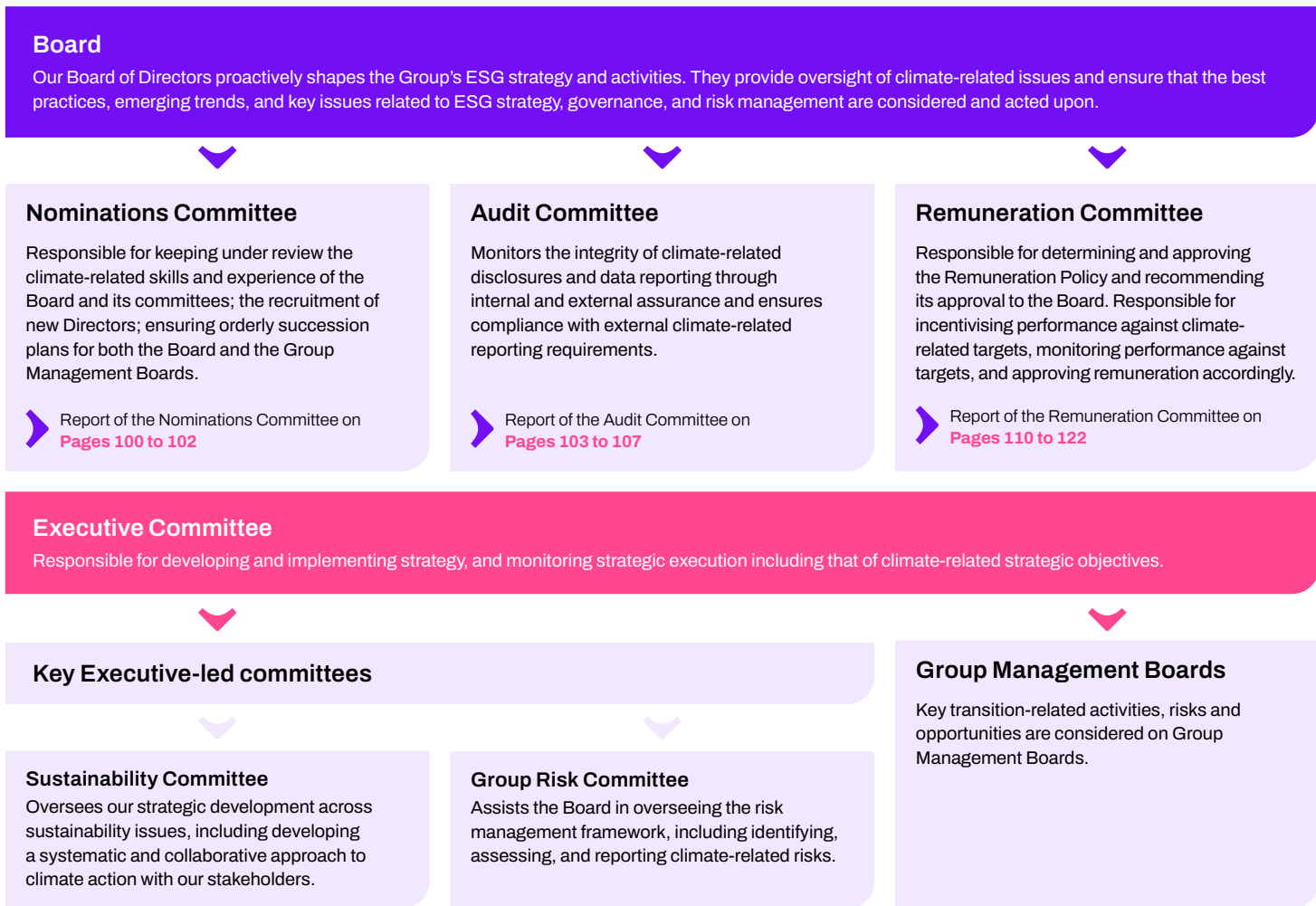
# Climate change governance framework.

We aim to improve transparency and encourage stakeholder discussions about this important issue. This section summarises our carbon emissions and outlines our steps to manage climate-related risks, and take advantage of opportunities in an unpredictable global emissions environment.

This report was prepared in line with the UK Climate-Related Financial Disclosures Guidance and associated annexes, specifically annex 1. As ZIGUP is not a financial or appropriate sector-specific company, no additional guidance was incorporated. Reasonable assurance is obtained over Scope 1, Scope 2, and Scope 3 emissions. All sector guidance and associated annexes have been included, incorporating recommended disclosures.

### Climate governance

Our sustainability strategy is integral to our financial planning, which the Board oversees. The CEO and CFO provide regular updates at board meetings, detailing the progress made on this strategy, including key activities, implementation, and progress against emissions reduction targets.



## Implementing our climate strategy.

The transport sector is responsible for the largest proportion of GHG emissions in Europe and the UK. In the EU, road transport is the biggest emitter in the transport sector, accounting for nearly three-quarters of transport-related GHG emissions.

Decarbonising vehicles will primarily involve replacing those that run on fossil fuels with electric vehicles or hydrogen fuel cells. This shift will disrupt the automotive supply chain and significantly change mobility services.

Manufacturers are pursuing a transition to EVs, and some major OEMs have announced that they will stop investing in new ICE platforms or end the production of ICE vehicles by 2030.

Governments and cities continue to introduce policies that encourage the decarbonisation of road transport. The ZEV mandate became law in the UK in January 2024. This mandate sets out the percentage of new zero-emission cars and vans that manufacturers will be required to produce each year up to 2030. By 2030, 80% of new cars and 70% of new vans sold in the UK will be zero-emission, increasing to 100% by 2035.

Our long term climate commitment is to be net zero by 2050. The pace of our transition to net zero will be determined by the factors covered and overall customer sentiment on the suitability of alternative drive trains for their operational activities.

We are working with our customers to enable a smooth transition towards lower carbon mobility.

With our end-to-end support, in-house expertise, and capabilities, we provide many support services to our customers, many of whom have set ambitious net zero targets and are looking for expert support to make meaningful progress. We are also active within our supply chain with collaborations and supporting policy initiatives to help accelerate the transition.

At present, we operate from 184 sites, including workshops, bodyshops and branches, along with offices and customer service centres across the UK, Ireland and Spain. This diverse geographic spread means we have flexibility and resiliency within our operations and can share learnings between our business segments and across locations.

The Group is working on transitioning to a fully non-ICE fleet. This is in line with national and EU regulations. We aim to have a fully non-ICE fleet in the UK and Ireland by the mid-2030s and in all countries by the mid-2040s.

## Reducing value stream emissions

### CASE STUDY

#### Drive to Zero

We are working with our customers to enable a smooth transition towards lower-carbon mobility. With our end-to-end support, in-house expertise, and capabilities, we provide a broad array of support services to our customers, many of whom have set ambitious net zero targets and are looking for expert support to make meaningful progress.

See the case study at:  
[www.ZIGUP.com/case-study/DrivetoZero](http://www.ZIGUP.com/case-study/DrivetoZero)

This move will allow us to reduce our carbon emissions across our entire value chain significantly. We are also investing in skills training and infrastructure to support this transition.

Our commercial strategy plans are aligned with this transition, which is reflected in our Drive to Zero value proposition to customers.

From the starting point of our FY2022 baseline, we are committed to using 100% renewable electricity and to an absolute Scope 1 and Scope 2 emission reduction target of 10% by 2027. The absolute GHG emission reduction target is ambitious when considered in the context of our growth plans.

We expect our business to be positively impacted by transitioning to a 1.5 degree world.



# Climate risk management.

The outcome of climate change is uncertain and will depend on the movement of global temperature and the specific regulatory responses.

The effects will be wide-ranging, including the impacts of weather patterns (physical risks) and the regulatory and societal effects of transitioning to a low-carbon economy (transition risks). Opportunities are expected to arise as more customers seek advice and products to support the transition towards low-carbon mobility. A thorough annual risk and opportunities assessment is undertaken to review the potential impacts of climate outcomes on our business. Our assessment covered key timeframes (as defined in Table 1), which link to our fleet renewal cycles, key sector regulations and policies, and our net zero commitment. We assigned timeframes to each risk and opportunity based on expected material impact and quantified the impact where possible. A material climate impact is defined as a percentage of the risk materiality point (RMP) value of £4m, as defined by our Enterprise Risk Management (ERM) framework; medium to high financial impact is greater than 12.5% of RMP.

We have embedded risk management processes across the business and report regularly to the Board. Climate transition issues are considered fundamental to our commercial success, and such risks and opportunities are assessed both against

relevant financial planning horizons and aligned with our Customer strategy and demand requirements. Climate-related risks are discussed in in table 3 on page 74.

Our risk identification, assessment, methodology and appetite is reviewed at least on a quarterly basis. Where climate risks extend outside the timeframe of our ERM process, they are assessed using the same methodology but are considered within the longer term context of our sustainability strategy and targets and under the scrutiny of the Sustainability Committee, which is chaired by the CFO.

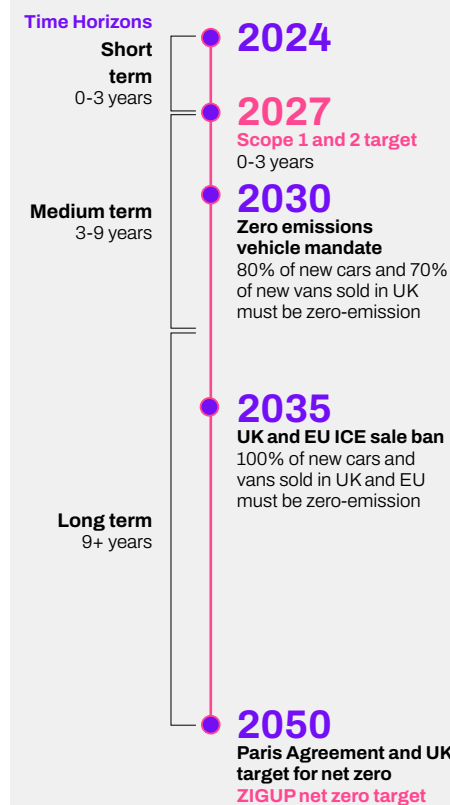
Further details on material impacts and mitigation activities can be found in the risk table [Page 74](#)

As set out in the risks table on page 74, our mitigation and resiliency measures appropriately manage the risks identified within our scenario analysis. Our risk management process captures climate-related matters, and in turn, these form part of our Group Risk Register, which the Board reviews. The Board is responsible for the Group’s overall approach to risk management and internal control, including ensuring the design and implementation of appropriate risk management and internal control systems. This comprises assessing the effectiveness of these systems, which includes regular reviews to ensure that the Group is identifying, considering and, as far as practicable, mitigating the risks for the business.

### Risk assessment

Risks		Opportunities		
Sample hazard exposure	Severity	Likelihood	Impact contribution	Scale
High (>15%)	Critical	Virtually certain	Significant	5
	High	Likely	High	4
Moderate (10-15%)	Moderate-high	More likely than not	Moderate-high	3
	Moderate	About as likely as not	Moderate	2
Low <10%)	Low	Unlikely	Low	1
	None	Very unlikely	None	0

Table 1. Risk assessment timeframes



## Climate outcome scenarios.

In FY2023, we first reported on how scenario analysis enhanced our understanding of physical and transition risks to our business over short, medium and long-term time horizons.

This year we have provided a comprehensive overview of the potential impacts on the Group and its stakeholders under different climate scenarios. The potential climate outcomes considered this year when reviewing climate risks and opportunities range from an orderly transition scenario that limits global warming to 1.5°C to an adaptation scenario where emissions continue the current pathway, which leads to around 4°C warming. Qualitative assessments for each of these climate scenarios are outlined in Table 2 on page 73.

Physical risk exposure was assessed under two future states of the world using the latest Intergovernmental Panel on Climate Change (IPCC) scenarios specified in their sixth assessment report. The IPCC Shared Socio-economic Pathways (SSPs) are a natural choice as these scenarios are widely recognised, based on credible scientific databases, and are used to inform our global climate policy. As expected, the Group has minimal exposure to most of these hazards due to the operational profile of our business. When scenario pathways diverge, we expect physical risks to materialise around 2023-2040.

Transition risks were explored by applying IEA Global Energy and Climate (GEC) model scenarios and National Grid Future Energy Scenarios, which align with the Group's long term net zero commitment. The IEA scenarios assessed three states of global change. The IEA and National Grid scenarios were selected due to their sectoral-specific analysis and industry dependencies. The National Grid scenarios also apply specifically to the UK market, providing tailored insights into the potential future changes to our UK strategy and feeding into our wider organisational strategy.

► For more information see table on [Page 74](#)



# Climate outcome scenarios.

Table 2: Climate outcome scenario

	1.5°C Orderly transition	2.0°C Disorderly transition	4.0+°C Adaption
	An orderly transition to a low-carbon economy occurs over the long term as sufficient regulatory action is taken to limit the rise in global temperature, resulting in significant transition risks while minimising physical risks.	A disorderly transition with delays to government pledges and stringent policies being introduced post-2030, causing maximum transition risk while limiting physical risk to a relatively low level.	This is where the current CO <sub>2</sub> emissions level will approximately double by 2050, and the global economy will grow, fuelled by exploiting fossil fuels and energy-intensive lifestyles.
<b>Government</b>	Governments and cities have introduced policies that encourage the decarbonisation of road transport. By 2032, all new light-duty vehicles sold, including vans, will be low-emission vehicles. The number of car lanes reduced in urban environments to give greater space to public transport, pedestrians and cyclists.	Phasing out of ICE vehicles delayed with limited political will to strictly enforce the ZEV mandate. Inadequate investment in public charging infrastructure to support effective e-LCV operation.	Global policies and investment have shifted towards adapting to a new climate and responding to global geopolitical and environmental instability. Changing global weather patterns causing severe chronic and acute physical risks.
<b>Suppliers</b>	Most large OEMs have ended ICE production by 2030, with limited availability of ICE LCVs. Increased competition from China will have stimulated affordable EV ownership. Accelerating innovation in battery technologies has reduced the need for critical minerals, increasing supply chain resilience, and security.	Significant increases in carbon prices will be implemented from 2030 onwards to discourage the use of materials produced by carbon-intensive nations. Limited innovation in new battery production and technologies will increase battery demand, further driving the demand for critical minerals and steep increases in costs from 2030.	Global economic instability and geopolitical issues have hindered the supply chain's desire to reduce emissions, with limited investment in innovative low-carbon solutions. Significant changes in weather patterns and events impact global supply chains, resulting in sizeable price increases.
<b>Operations</b>	Low-emission LCVs optimised to meet varied operational requirements are readily available. Continued investment in training and infrastructure advances the electric vehicle mobility ecosystem, and the breadth and depth of job opportunities are growing alongside it.	Despite continuing demand, the limited availability of ICE LCVs results in longer replacement cycles, increased maintenance costs, and lower resale values. A growing EV skills gap undermines confidence in the industry's ability to service, maintain, and repair low-emission vehicles.	Operations in some parts of Spain are becoming unviable due to excessive energy costs for cooling the facilities. To avoid the hottest parts of the day, restricted operating hours are introduced in the summer. Many facilities in the south of England and Spain require costly water efficiency measures to address high utility costs.
<b>Customers</b>	Europe has become the global leader in vehicle electrification with a regulation-driven market supported by positive customer demand trends. Customers' desire to achieve their carbon reduction targets has reinforced their demand for low-emission LCV fleets.	There is a lack of confidence in the suitability of low-emission LCVs to meet operational requirements, which is compounded by insufficient policy incentives to decarbonise and issues regarding the suitability of charging infrastructure for LCVs. Cities and surrounding metropolitan areas have introduced draconian policies to ban all ICE vehicles in urban environments.	Unfettered growth in mobility has increased the number of vehicles on our roads, and CO <sub>2</sub> emissions have markedly increased, with many health problems due to poor air quality. Extreme heat events have accelerated the degradation of materials such as asphalt and concrete, impacting transportation speed and causing service delays.

Table 3: Climate-related risks

Risk rating*	Timeframe			Scenario sensitivity	Our response						
	Short	Medium	Long								
<b>Transition risks</b>											
<b>Fit for purpose e-LCVs</b> A limited supply of low-emission LCVs optimised to meet diverse operational requirements.	4	5	3	2	Orderly transition	1	2	3	4	5	We have long-standing relationships with established OEMs and are working closely with new entrants in the market to source a range of e-LCVs that can meet our customers' diverse operational requirements.
					Disorderly transition	1	2	3	4	5	
					Adaptation	1	2	3	4	5	
<b>Vehicle charging</b> Insufficient investment in charging infrastructure and rising energy prices increase charging costs, undermining lower-carbon vehicle total cost-of-ownership savings.	3	4	3	2	Orderly transition	1	2	3	4	5	Our ChargedEV business is a top supplier and installer of Electric Vehicle Supply Equipment (EVSE), installing over 9,500 chargers in 2024. We support BVRLA's 2024 Van Plan to accelerate the uptake of zero-emission vans in the fleet industry.
					Disorderly transition	1	2	3	4	5	
					Adaptation	1	2	3	4	5	
<b>Profitability – EV lifecycle</b> Higher purchase costs, reduced maintenance revenues due to lower EV servicing costs, and residual value risk from declining second-hand sale values impact EV lifecycle profitability.	4	5	4	2	Orderly transition	1	2	3	4	5	We understand market dynamics and have expertise in managing large-scale vehicle fleets' purchasing, holding, and disposal during market cycles in the UK, Ireland and Spain.
					Disorderly transition	1	2	3	4	5	
					Adaptation	1	2	3	4	5	
<b>Skills gaps</b> Increasing skills gaps in the electric vehicle mobility ecosystem, particularly in repair and maintenance.	5	5	4	3	Orderly transition	1	2	3	4	5	We remain at the forefront of advancing automotive technology through continued investment in industry-leading training and 2 IMI accredited technical training centres.
					Disorderly transition	1	2	3	4	5	
					Adaptation	1	2	3	4	5	
<b>Vehicle-related emission taxation and policies</b> The UK Government's inconsistent approach to phasing out ICE vehicles, combined with the varied implementation of low-emission zones by local authorities, is creating significant uncertainty.	4	5	4	3	Orderly transition	1	2	3	4	5	We work closely with trade bodies, such as the BVLRA in the UK, the Society of the Irish Motor Industry, and FENEVAL in Spain. They aim to guide governments on the most effective ways to accelerate decarbonisation and transition towards low-carbon mobility.
					Disorderly transition	1	2	3	4	5	
					Adaptation	1	2	3	4	5	
<b>Increased reporting</b> Increasing reporting regulations and investor expectations on climate-related disclosures.	4	3	3	2	Orderly transition	1	2	3	4	5	We are developing a net zero transition plan. We plan to deploy a group-wide data collection platform in FY2025 to report on ESG and sustainability performance according to the EU Taxonomy, CSRD, and IFRS S1 and S2.
					Disorderly transition	1	2	3	4	5	
					Adaptation	1	2	3	4	5	
<b>Physical risks</b>											
Significant changes in weather patterns, with water stress, impact operations in Spain. The global supply chain suffers disruptions, resulting in sizeable price increases.	2	1	2	3	Orderly transition	1	2	3	4	5	Given our operational profile, we anticipate minimal exposure to both chronic and acute physical hazards. Under the adaptation scenario, risks will likely materialise around 2030-2040.
					Disorderly transition	1	2	3	4	5	
					Adaptation	1	2	3	4	5	

\* The risk rating comes from a combined assessment of likelihood, severity and resilience.



Table 4: Climate-related opportunities

Opportunities	Impact contribution	Timeframe			Scenario sensitivity	Our response
		Short	Medium	Long		
<b>Supporting the energy transition</b> Customers who have established ambitious transition plans may be willing to pay a premium to convert their fleet faster, enhancing market share and revenues.	4	3	3	5	Orderly transition Disorderly transition Adaptation	We help LCV fleets switch to low-carbon mobility with EVs, chargers, and management services. Our flexible rental terms and bundled services reduce capital expenditures and cut customers' ownership costs.
<b>Access to low-emission vehicles</b> Faster access to an extensive range of low-emission vehicles, including cars, LCVs and micro-mobility options to meet diverse operational requirements.	4	3	4	5	Orderly transition Disorderly transition Adaptation	We have long-standing relationships with established OEMs and are working closely with new entrants in the market to source a range of e-LCVs and micro-mobility options that can meet our customers' diverse operational requirements.
<b>Future automotive skills development</b> There is an increasing demand for training and skill enhancement across the automotive industry to keep pace with advancing vehicle technology.	3	4	3	2	Orderly transition Disorderly transition Adaptation	By remaining at the forefront of advancing automotive technology through industry-leading training programmes and facilities, we have the capacity to commercialise our expertise and offer training outside of our organisation.
<b>ZEV mandate</b> OEMs will require vehicle leasing and hire companies to purchase increasing numbers of EVs alongside ICE vehicles to avoid paying fines in the ZEV mandate.	4	3	2	0	Orderly transition Disorderly transition Adaptation	Our readiness to procure e-LCVs has stimulated OEMs to offer us larger volumes of ICE and EVs on commercially favourable terms.
<b>Nationwide service network</b> New EV manufacturers require a widespread service network and expertise to support the effective deployment of their vehicles.	3	4	3	3	Orderly transition Disorderly transition Adaptation	We have the UK's largest quality-assured repair and service networks, supported by 24/7 customer service centres. New EV OEMs can use this expertise and nationwide resources to strengthen their presence in the UK and Europe. In addition, existing OEMs are looking for support to augment their EV service capacity and capabilities.
<b>Data collection, analysis, and planning</b> With the intensification of ESG reporting and climate disclosure regulations, customers will require more support in reducing fleet-related GHG emissions.	2	3	4	5	Orderly transition Disorderly transition Adaptation	We are advancing our Drive to Zero value proposition to help customers decarbonise their vehicle fleets, by providing more effective GHG emission evaluation and mitigation planning.
<b>Energy efficiency</b> Save money, reduce GHG emissions and enhance our sustainability credentials by investing in energy efficiency measures and education programmes.	2	4	4	4	Orderly transition Disorderly transition Adaptation	We are committed to investing in LED lights, which significantly impact energy usage and help us reduce operating costs. We're implementing behavioural training programmes to reduce operating costs and promote better operating practices.



## Climate metrics and targets.

### Approach and methodology

We seek to enhance our disclosures through improved year-on-year reporting. This year, we will report on three years of Scope 3 data, starting from an FY2022 baseline. This section incorporates emissions data presented using the operational control approach, which is required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have included each facility under operational control within the figures. The Group has used the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), ISO 14064-1. We have used Defra's current conversion factors to arrive at the information supplied. An independent, UKAS-accredited, third party assessor has verified the GHG data.

### Reporting and baseline year

We have aligned our reporting and fiscal years, so the information presented covers the FY2024 period from 1 May 2023 to 30 April 2024. Following the introduction of FMG RS emissions data in FY2021, FY2022 was considered a suitable year to establish as our baseline year.

### Scope 1 and 2 analysis

New, more efficient ICE vehicles and an increasing proportion of EV and hybrid vehicles entering our fleet, along with a reduction in the distances travelled by our vehicles in the UK, have resulted in a 15% overall reduction in Scope 1 and 2 emissions. This, coupled with growth in revenue which is not linked to our fleet, reduced our carbon intensity by 24%. The amount of green energy we procure increased from 22% in FY2023 to 64% this year. We implemented a new methodology to calculate vehicle-related emissions for both FY2023 and FY2024. We will apply this updated methodology to evaluate our FY2022 baseline year and assess the impact of the carbon reduction targets that we set in FY2023.

**64%**  
of the energy we procure  
is from renewable sources,  
up from 22% in FY2023

### Scope 3 Analysis

96% of our Scope 3 emissions are within categories 2, 11 and 13. Scope 3, Category 2 – Capital goods are the embodied emissions within the vehicles we purchase. Since FY2022, this has decreased to 11% of our Scope 3 emissions (FY2022: 14%).

This year, we took a proactive step in our sustainability journey by changing our approach to calculating category 2 emissions. We now use Green NCAP's Life Cycle Assessment methodology, a more comprehensive and accurate method, to provide our stakeholders with a more detailed and transparent view.

It's important to note that the expected emissions from the fleet vehicles we dispose of (Category 11 – Use of sold products) have increased. This is due to the fact that we sold more vehicles than in previous years, leading to a significant rise from 43% of scope 3 emissions in FY2022 to 59% in FY2024.

We are delighted to share that the tail-pipe emissions from our vehicle fleet, when driven by customers, have decreased for a third consecutive year. This significant reduction, from 922,909 tCO<sub>2</sub>e in FY2022 to 837,484 tCO<sub>2</sub>e in FY2024, represents a 9% decrease. It is a testament to our unwavering commitment to sustainability, as we continue to purchase more fuel-efficient vehicles and increase the proportion of EV and hybrid vehicles on our fleet.

Greenhouse gas emissions			FY2024	(Restated) FY2023	(Baseline) FY2022
		Unit			
<b>Scope 1</b>	UK	tCO <sub>2</sub> e	<b>11,463</b>	13,337	16,586
Combustion of fuel and operation of facilities <sup>1</sup>	Non-UK	tCO <sub>2</sub> e	<b>3,432</b>	2,967	3,187
<b>Scope 2</b>	UK market-based <sup>2</sup>	tCO <sub>2</sub> e	<b>2,500</b>	–	–
Electricity, heat, steam and cooling	UK location-based	tCO <sub>2</sub> e	<b>3,262</b>	3,154	3,345
	Non-UK market-based <sup>2</sup>	tCO <sub>2</sub> e	<b>91</b>	–	–
	Non-UK location-based	tCO <sub>2</sub> e	<b>858</b>	1,011	939
Total Scope 1 and 2 market-based emissions	UK	tCO <sub>2</sub> e	<b>13,963</b>	16,304	19,931
	Non-UK	tCO <sub>2</sub> e	<b>3,523</b>	6,052	4,126
Total Scope 1 and 2 market-based emissions	Group	tCO <sub>2</sub> e	<b>17,486</b>	22,356	24,057
Revenue (excluding vehicle sales)	Group	£m	<b>1,521</b>	1,337	1,094
Intensity ratio <sup>3</sup>	Group	tCO <sub>2</sub> e per £m of revenue	<b>13</b>	17	22
<b>Scope 3</b>					
Category 2: Capital goods	Group	tCO <sub>2</sub> e	<b>371,400</b>	299,266	326,709
Category 11: Use of sold products	Group	tCO <sub>2</sub> e	<b>1,915,307</b>	1,350,438	1,001,566
Category 13: Downstream leased assets	Group	tCO <sub>2</sub> e	<b>837,484</b>	918,662	922,909
Other	Group	tCO <sub>2</sub> e	<b>134,293</b>	106,380	87,178
Total Scope 3 emissions	Group	tCO <sub>2</sub> e	<b>3,258,484</b>	2,674,745	2,338,362
Total Scope 1, 2 and 3 emissions	Group	tCO <sub>2</sub> e	<b>3,275,970</b>	2,697,101	2,362,419
<b>Energy consumption</b>					
<b>Scope 1</b>	UK	KWh	<b>53,520,146</b>	65,823,864	
	Non-UK	KWh	<b>13,710,956</b>	21,114,054	
<b>Scope 2</b>	UK	KWh	<b>15,750,431</b>	20,206,754	
	Non-UK	KWh	<b>4,344,797</b>	4,490,283	

1 FY2023 Scope 1 data has been recalculated in line with a refined methodology to calculate vehicle-related emissions used in FY2024 to ensure comparability between each year.

2 Market based values were not split by country in years prior to FY2024.

3 The intensity ratio was calculated using location-based Scope 2 emissions of 19,014 (2023: 22,356) to ensure consistency with previous years.

# Climate metrics and targets.

We monitor various performance metrics to reduce emissions from our operations and vehicles used by our customers. However, lack of data and inconsistent standards make reducing value chain emissions challenging. We plan to improve data collection and stakeholder engagement to drive our performance towards achieving our goals.

Metric	Scope 1 and 2, and Scope 3	EV resource and capability	Charging infrastructure	Low emission fleet
<b>Risk/opportunity</b>	<p><b>Risk</b> <b>Carbon pricing</b></p> <p><b>Opportunity</b> <b>Energy efficiency</b></p> <p>We monitor our greenhouse gas emissions to track exposure to carbon pricing, as they act as indicators of potential future regulatory costs.</p>	<p><b>Risk</b> <b>Skills gap</b></p> <p><b>Opportunity</b> <b>Future automotive skill development</b></p> <p>We must ensure that we are closing the skills gaps in the electric vehicle mobility ecosystem, particularly in repairing and maintaining low-emission vehicles.</p>	<p><b>Risk</b> <b>Availability of fit-for-purpose e-LCVs</b></p> <p><b>Opportunity</b> <b>Supporting the energy transition</b></p> <p>We, along with other installers, can help ensure sufficient charging infrastructure is in place to support the energy transition.</p>	<p><b>Risk</b> <b>Fit-for purpose e-LCVs</b></p> <p><b>Opportunity</b> <b>Supporting the energy transition</b></p> <p>Increase the supply of low-emission cars and optimised e-LCVs to meet diverse operational requirements.</p>
<b>Progress</b>	<p><b>Tonnes of CO<sub>2</sub>e</b></p>	<p><b>% of technicians trained to service and repair low-emission vehicles</b></p>	<p><b>Number of domestic and commercial EV chargers installed</b></p>	<p><b>% of low-emission vehicles in the fleet</b></p>
	<p><b>FY2024 performance</b></p> <p>Scope 1 and 2      Scope 3</p> <p><b>17,486</b>              <b>3,258,484</b></p>	<p><b>FY2024 performance</b></p> <p><b>95%</b></p> <p>of Northgate UK technicians trained to EV Level 3 in IMI EV and hybrid vehicles.</p>	<p><b>FY2024 performance</b></p> <p><b>9,600</b></p>	<p><b>FY2024 performance</b></p> <p><b>4.5%</b></p>
	<p><b>FY2023 performance</b></p> <p>Scope 1 and 2      Scope 3</p> <p><b>22,356</b>              <b>2,674,745</b></p>	<p><b>FY2023 performance</b></p> <p>This is the first year of reporting this statistic and therefore no comparator is presented.</p>	<p><b>FY2023 performance</b></p> <p><b>6,700</b></p>	<p><b>FY2023 performance</b></p> <p><b>3.6%</b></p>
<b>Comment</b>	<p>New, more efficient ICE vehicles and an increasing proportion of EV and hybrid vehicles entering our fleet, along with a reduction in the distances travelled by our vehicles in the UK, have resulted in a 15% overall reduction in Scope 1 and 2 emissions. Increased fleet size and vehicle use led to higher Scope 3 emissions.</p>	<p>We are remaining at the forefront of advancing automotive technology with our vocational training and instruction programmes.</p>	<p>Our target is to increase the number of EV chargers we install year on year, and we have expanded our pool of installers to achieve this.</p>	<p>In the UK, e-LCVs on hire more than doubled in the year to close to 1,000 units. In Spain, the business was awarded a Moves II Plan grant by the EU to support the purchase of 500 additional EVs and 3,000 telematics units.</p>



# Looking forward.

Status key: ● Further development needed ● On-track

TCFD Element	FY2024 Actions	Status	FY2025 Next steps
Governance	The Sustainability Committee discussed carbon reduction targets and the production of a net zero transition plan to be launched in FY2025.	<span style="color: orange;">●</span>	A supporting climate disclosure policy will be launched alongside the net zero transition plan.
	New Group ESG policies have been developed and communicated.	<span style="color: orange;">●</span>	
	A suite of ESG commitments has been developed, complemented by a broad spread of metrics.	<span style="color: orange;">●</span>	
Strategy	We have developed carbon literacy training material to improve the knowledge and skills of our people.	<span style="color: orange;">●</span>	The new carbon literacy training programme, which uses the new material, will be rolled out.
	We have undertaken site energy assessments to meet our obligations under the Energy Saving Opportunity Scheme (ESOS)	<span style="color: orange;">●</span>	We will submit our ESOS report to the Environmental Agency and incorporate its recommendation within our Transition Plan.
Risk management	We routinely assess the continuing suitability of business continuity plans to address many issues including severe weather events.	<span style="color: green;">●</span>	No further action is required.
	A suite in transition risk and opportunity metrics has been outlined in the report.	<span style="color: orange;">●</span>	The plan will outline our actions to address risks and opportunities related to the net zero transition.
Metrics and targets	Presentations were given at management boards to communicate the carbon targets we set.	<span style="color: orange;">●</span>	We are developing a communication plan to inform our stakeholders of the new suite of ESG commitments that have been developed.
	We calculated our Scope 3 footprint for both FY2023 and FY2024 this year, whilst also refining our methodology.	<span style="color: green;">●</span>	Continue to evaluate Scope 3 data and work towards the setting of a Scope 3 reduction target within the next two to three years.
	A GHG Management Plan was developed to prescribe the process and systems for effective GHG emission data gathering.	<span style="color: green;">●</span>	Use the prescribed methodologies with the plan to inform our disclosure to the emerging UK and EU sustainability reporting regulations.

# Non-financial and sustainability information statement.

We continue to evolve our non-financial disclosures in line with emerging recommendations and principles, ensuring we remain compliant with the reporting requirements in sections 414CA and 414CB of the Companies Act. The information is included by cross-reference and further non-financial information is available in our Sustainability report and on our website [www.zigup.com](http://www.zigup.com).

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information	
<b>Environmental matters</b>	<ul style="list-style-type: none"> <li>Environmental statement</li> <li>Health and safety policy</li> <li>Waste minimisation and recycling policy</li> <li>Whistleblowing policy</li> </ul>	<b>Stakeholder value and impact</b> pages 30 to 31	<b>Sustainability progress</b> pages 66 to 68
<b>Our people</b>	<ul style="list-style-type: none"> <li>The Respect Training eLearning package</li> <li>Responsible business policy</li> <li>Code of business conduct</li> <li>Whistleblowing policy</li> <li>Health and safety policy</li> </ul>	<b>Our people</b> pages 32 to 36 <b>Employee numbers by gender</b> page 34 <b>Diversity</b> pages 34 and 97	<b>Stakeholder value and impact</b> pages 30 to 31 <b>CEO's remuneration compared to employees</b> page 118 <b>Gender pay gap report published on qualifying entities' websites</b>
<b>Human rights</b>	<ul style="list-style-type: none"> <li>Modern slavery statement</li> <li>Code of business conduct</li> <li>Whistleblowing policy</li> </ul>	<b>Governance</b> page 88	<b>Ethics, anti-corruption and compliance</b> page 96
<b>Anti-corruption and anti-bribery</b>	<ul style="list-style-type: none"> <li>Code of business conduct</li> <li>Whistleblowing policy</li> </ul>	<b>Governance</b> page 96	<b>Ethics, anti-corruption and compliance</b> page 96
<b>Social matters</b>		<b>Our people</b> pages 32 to 36 <b>Charity and community</b> page 35	<b>Stakeholder value and impact</b> pages 30 to 31
<b>Policy embedding, due diligence and outcomes</b>		<b>Governance framework and structure</b> pages 92 to 93	<b>Board activity during the year</b> page 91 <b>Report of the Audit Committee</b> pages 103 to 107
<b>Principal risks and impact on business activity</b>		<b>Identifying and managing risks</b> pages 54 to 57	<b>Principal risks and uncertainties</b> pages 58 to 63
<b>Description of business model</b>		<b>Our business model</b> pages 28 to 29	<b>Our strategy</b> pages 16 to 17
<b>Non-financial key performance indicators</b>		<b>Operational highlights</b> page 2	<b>Key performance indicators</b> pages 38 to 39

# Companies Act (2006) climate-related financial disclosures.

Disclosures in compliance with the requirements of the UK Companies Act 2006 (as required by 414CA and 414CB) can be found in our report as follows:

Companies Act climate-related financial disclosure	Location of disclosure within this report
Governance arrangements for assessing and managing climate-related risks and opportunities	<b>Climate governance</b> page 69
How ZIGUP identifies, assesses and manages climate-related risks and opportunities	<b>Climate risk management</b> page 71
Integration of climate-related risk identification, assessment and management processes into our overall risk management process	<b>Identifying and managing risks</b> pages 54 to 57 <b>Climate risk management</b> page 71
Principal climate-related risks and opportunities arising in connection with our operations	<b>Climate-related risks</b> page 74 <b>Climate-related opportunities</b> page 75
The time periods by reference to which those risks and opportunities are assessed	<b>Climate risk management</b> page 71
The actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy in different climate-related scenarios	<b>Climate-related risks</b> page 74 <b>Climate-related opportunities</b> page 75
Resilience of our business model and strategy in different climate-related scenarios	<b>Climate-related risks</b> page 74 <b>Climate-related opportunities</b> page 75
Our targets to manage climate-related opportunities and performance against targets	<b>Climate metrics and targets</b> pages 76 to 78
Key performance indicators for assessing progress against targets	<b>Climate metrics and targets</b> pages 76 to 78 <b>Looking forward</b> page 79

# Promoting the success of the Company for the benefit of all.

In accordance with Section 172 of the Companies Act 2006 (Section 172), the Group and its Directors act in the way that they consider in good faith would most likely promote the success of the Company for the benefit of its members as a whole.

Throughout the Annual Report and Accounts, we provide examples of how the Group has taken into account the likely consequences of decisions in the long term, fosters and builds relationships with stakeholders, understands the importance of engaging with our employees and gives consideration to their interests, understands the impact of our operations on the communities in the regions where we operate and the environment we depend upon and attributes important to behaving as a responsible business.

The Board appreciates the importance of effective stakeholder engagement and considers its stakeholders' views in its decision making and in setting its strategy. The Board also understands the need to act fairly between the Group's members. Although the Board's decisions do not always impact all of the Group's stakeholders to the same extent, by having a process in place for decision making, the Board ensures that it has due regard for the interests of its stakeholders, including employees, customers, suppliers, shareholders and regulators, when taking decisions.

More details on stakeholder engagement can be found throughout the Annual Report and Accounts and in particular on page 30 "Our stakeholders". The following principal decisions and activities provide specific examples of how the Board and its Directors have complied with Section 172 and have considered, individually and collectively, stakeholder interests and impacts in making different decisions that support the implementation of the Group's strategy and the delivery of the Group's objectives now and in the longer term. Details of how the Group's Board and committees of the Board operate, their responsibilities, and the matters they considered during the year are contained in the Corporate Governance Report on pages 96 to 99.

## Key stakeholders



Customers and consumers



Partners and suppliers



Government and regulators



Investors



Community



Employees



The Group's continuing strength in financial performance is underpinned by our business model and refreshed strategic framework which is central to Board decision making. This is at a time when the Group and its stakeholders have continued to experience significant challenges both within the automotive industry and the wider macro environment.

Our strategic focus reflects our consideration of the interests of our key stakeholder groups. As the Group continues to grow organically and through acquisitions, the Board will continue to review the Group's performance and delivery of its strategy.

### Customers and consumers

- Our integrated proposition provides a broad customer offering across vehicle rental, vehicle data, accident management, vehicle repairs, fleet management service and maintenance, vehicle ancillary services and vehicles sales
- The Board has supported this strategy because it affords our customers greater simplicity and efficiency benefits through outsourcing to us, and we have seen that this approach has been central to our success in winning a number of large multi-year contracts in recent years
- Recognising the progress that the Group has made since 2020 and the need for the Group to move into the next stage of growth, the Board approved and oversaw the implementation of a revised strategic framework, purpose, corporate name, and corporate brand. On the 15 May 2024 the name change of the Company from Redde Northgate plc to ZIGUP plc was approved by shareholders at a General Meeting
- We regularly engage with our customers to understand their needs and enable them to receive the widest benefits of our proposition (whilst being mindful of supply chain and other economic challenges). As part of this, the Board has considered both the services customers look to receive, and the requirements that underpin demand for these services
- Our financial strength enables the Group to continue to provide both existing and new customers with a broader product offering. We continue to explore inorganic opportunities to further grow our services and product suite. We recognise the need to be agile and responsive in a challenging economic environment benefitting the customers and communities in which we operate

### Partners and suppliers

- The Board has taken care in reviewing current and future fleet supply conditions in the markets in which we operate. In Spain, vehicle supply has been stronger, and in UK&I, whilst supply has recovered more slowly, the ongoing strength of demand for used vehicle sales has continued to support residual values of used vehicles. The impacts of supply chain challenges, repair times and hire lengths continue to be managed successfully in the Claims & Services business
- The Board has also invested significant time and expertise considering the Group's pipeline of vehicles, as the Group has focused on building and managing relationships with OEM providers of EV and ICE vehicles to broaden and enhance our fleet proposition and provide versatility and diversity for our customers
- The Group regularly reviews its supply chain and maintains appropriate supplier codes of conduct, including compliance with the national living wage and supporting the welfare of the people who work for our suppliers. During the year, the Board reviewed and approved an updated Modern Slavery Statement, which builds on how we work with suppliers to ensure that there is a culture of ethical trading throughout our supply chain

## Our people

Effective recruitment, development and reward are essential to the continued success of the Group's businesses and strategy, enabling and incentivising our colleagues to deliver value and high levels of service to our customers.

- For the fourth year running the Group conducted its colleague Have Your Say Survey. In our 2024 survey, 82% of our people indicated their belief that the Group is in a strong position to succeed and grow and 87% of our people were proud of the services that they provide to our customers. Our people are highly motivated by the Group's successful communication and delivery of its strategy and its services, and this feeds through into better financial and customer performance
- Feedback from the employee engagement survey reflected the following key themes: the value that colleagues assign to the benefits enhancements they had received in the year; leadership support and a positive culture; confidence in the Group, its business and its opportunity for growth; pride in the services that we offer our customers; and recognition of the significant improvements in communications across the Group, which this year focused on the Group's revised strategic framework, purpose, corporate name and brand
- The Employee Engagement Forum, chaired by a senior member of the Group Management Board, met twice during the year and discussed the results of the colleague survey, the significant progress the Group has made, including in reward, learning and development, our apprenticeship programmes and supporting the mental health and wellbeing of our workforce
- Much of the engagement this year undertaken with colleagues centred around the Group's refreshed strategic framework, for example, a leadership event was held at which colleagues were invited to hear the Executive Committee present and discuss the refreshed strategic framework and purpose, new corporate brand, and corporate name. Since the leadership event, employee engagement centring around the refreshed strategic framework has included internal roadshows, town halls and team sessions, seeking to ensure our people had the opportunity to better understand their role in delivering the refreshed strategic framework and our refreshed purpose

The Board has made our people across the Group a focus of its decision making during the year:

**Our wider workforce:** The Board has placed a significant focus on our people, supporting decisions on pay and benefits for our wider workforce, including pay review increases (with pay increases for colleagues at lower salary levels of between 3% and 9%), the launch of our 2023 SAYE and the continuation of the Free Share programme both of which will continue into FY2025.

The employees of Blakedale and FridgeXpress who joined us following acquisition, now benefit from our workforce development and reward programmes, and have become part of our team delivering excellent services to our customers.

For further information on our people, please see our people and culture on pages 32 to 36.

**Learning, development, and accessibility:** The Board has supported our group-wide rollout of apprenticeship programmes, and broader learning and development opportunities. These include leadership and management training, our extensive e-learning Academy and an early careers strategy building brand awareness and relationships with schools and colleges. This year, to promote the automotive sector to young people, the Group partnered with the Careers and Enterprise Company to engage with schools and colleges, and held CV clinics and career advice sessions.

Recognising the financial pressures our colleagues face in the current economic climate, the Group has placed a strong emphasis this year on improving financial wellbeing. In partnership with HSBC, the Group has delivered face-to-face and online sessions educating employees on "Making the Most of Your Money". The Group also launched a new partnership with Charles Cameron, which provides independent, free mortgage advice to all employees, as well as Wagestream, which is a platform to improve workers' financial wellbeing by giving them access to fair financial services based on flexible pay.

In partnership with Movistaud Salud, an employee assistance programme was implemented which provides health services, counselling, and mental wellbeing support to our Spanish colleagues. As part of this programme, online health and wellbeing workshops were also administered in partnership with Sanitas.

**Diversity and inclusion:** The Board during the year reviewed and approved its Diversity and Inclusion Policy Statement, and in line with the recommendations of the Parker Review approved an ethnic diversity target for the Executive Committee and its members' direct reports of 10% to be achieved by 2027.

**Remuneration:** The Remuneration Committee this year reviewed and approved a new set of LTIP rules and supported a shareholder resolution at the 2023 AGM for the approval of the new rules.

Our focus on wider workforce remuneration ensures that we continue to attract and retain talent to the Group and consider the welfare of all our colleagues. The Group continues to benefit from these changes with retention stable and engagement remaining strong.

## Investors

Our unique proposition, continuing strong performance and financial resilience alongside a robust capital allocation approach offers an attractive proposition to equity investors and debt lenders.

- The Executive Directors maintain a regular dialogue with our shareholders on the Group's strategy and performance
- The Blakedale and FridgeXpress business have integrated well into with the Group since acquisition, growing their customer base and vehicle fleet since acquisition, and generating positive returns for the Group
- Our shareholders and other stakeholders have been extremely supportive of the decision making the Group has made in respect of our people, given the long term benefits this has for business performance and returns
- Our annual general meeting an important event in our calendar, offering a constructive opportunity to engage with shareholders, hear their views and answer questions about the Group. This year's AGM will be held on Tuesday 24 September 2024 and provides an opportunity for shareholders to ask questions to the Board in person and in advance. Further details are included in the Notice of annual general meeting
- The Group has maintained a conservative approach to capital allocation and leverage has remained well within our 1-2x target range, being 1.5x at 30 April 2024. The Board has declared a final dividend of 17.5p per share (FY2023: 16.5.p) to be paid on 27 September to shareholders on the register as at close of business on 30 August and, including the interim dividend of 8.3p (2023: 7.5p), this brings the total dividend for the year to 25.8p (2023: 24.0p), a 7.5% increase on the prior year
- On 28 July 2023, the Board decided to launch a £30m buyback programme of the Company's shares. The programme completed in June 2024, with 8,375,403 shares purchased in total
- The Group's strong financial profile supports our longstanding relationships with lenders, providing us with the financial flexibility to operate and grow our businesses and strategic proposition

The Board will continue to review the capital allocation priorities of the Group, taking into account the long-term interests of the Group and all of its stakeholders.

## Community

- Our focus on community includes those where we, our customers and suppliers work around the world, as well as the communities we serve. We prioritise positive dialogue with our community stakeholders as we believe they, collectively, provide our 'licence to operate'
- The Sustainability Committee also approved a volunteering policy to encourage employees to take an agreed amount of paid leave to support community projects
- The Group, during the year had made significant progress in its sustainability roadmap. The Board monitored progress towards the Group's Scope 1 and 2 targets, reviewed and approved the Group's ESG Strategy, and received updates from the CFO and Group Head of ESG at Board meetings on the work of the Sustainability Committee

### Further information

Further information on the Board's principal activities can be found in the governance section on pages 87 to 127. In accordance with our duty to do so under Section 172(1) of the Companies Act 2006, the Board, individually and collectively, has acted in a way that it considers, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole.

The Strategic Report was approved by the Board on 10 July 2024 and signed on its behalf by:

**Martin Ward**  
Chief Executive Officer  
10 July 2024

# Corporate governance.

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Driving a culture that ensures alignment of our purpose, values and strategy.

**Avril Palmer-Baunack**  
Chairman

Directors' attendance at Board and Committee meetings during the year is detailed as follows:

	Board	Nominations <sup>1</sup>	Audit <sup>1</sup>	Remuneration <sup>1</sup>
<b>Number of meetings</b>	10	2	4	4
Avril Palmer-Baunack <sup>2</sup>	9	2	3	3
Martin Ward	10	2	4	4
Philip Vincent	10	2	4	4
John Pattullo	10	2	4	4
Mark Butcher	10	2	4	4
Bindi Karia <sup>3</sup>	9	1	3	4
Mark McCafferty <sup>4</sup>	9	2	3	3
Nicola Rabson <sup>5</sup>	9	2	3	3

- Attendance at the Audit Committee, Remuneration Committee and Nominations Committee by directors who are not members of those committees is by invitation.
- Avril Palmer-Baunack was unable to attend one Board meeting, one Audit Committee meeting and one Remuneration Committee meeting on the same day owing to an external commitment.
- Bindi Karia was unable to attend one Board meeting, one Nominations Committee meeting and one Audit Committee meeting on the same day owing to an external commitment.
- Mark McCafferty was unable to attend one Board meeting owing to an external commitment.
- Nicola Rabson was unable to attend one Board meeting, one Audit Committee meeting and one Remuneration Committee meeting owing to an external commitment.

## Dear stakeholder,

On behalf of the Board, I am pleased to present our Corporate Governance Report for the year ended 30 April 2024. This section of the Annual Report and Accounts outlines the key areas of focus of the Board and its activities during the year and highlights the Group's broader corporate governance framework through which we build our business and form our decisions. Our Board is committed to the sustainable and responsible management of the Group's businesses as we continue to drive long term value creation for all our stakeholders.

## Our strategy and performance

Recognising the Group's customer markets are undergoing significant structural change, the Board approved and oversaw the implementation of a revised strategic framework, purpose, corporate brand, and corporate name, to ZIGUP plc.

To support this new strategic framework, a new organisational structure was implemented which brought the management of the UK&I businesses closer together, and introduced a new Executive Committee. A new strategic framework was introduced to embrace the changing environment in which the Company and its customers operate. The refreshed strategic framework will operate under the three strategic pillars: Enable, Deliver and Grow.

## 2024 Governance activities

- The Board during the year assessed and approved a refreshed strategic framework and purpose, including a new corporate brand and corporate name
- Established and approved the implementation of a new management structure, to support the refreshed strategic framework, which included the establishment of an Executive Committee
- Oversaw the Group's strong performance, strategic progress and capital allocation, including an acquisition within UK&I and the continuation of the share buyback programme
- Reviewed previous strategic decisions and investments and evaluated the outcomes to further improve governance processes
- Continued development of our Group sustainability and ESG strategy including approval of the Group's Scope 1 and Scope 2 targets
- Significant support and benefits delivered to colleagues across the Group with continued focus on employee engagement, particularly concerning the Group's refreshed strategic framework, purpose and new corporate brand and corporate name
- Commissioned an externally facilitated evaluation of the Board and its committees in compliance with the UK Corporate Governance Code

**Enable:** Joined up, sustainable smarter mobility solutions.

Developing sustainable products, services and operational capabilities that embrace technologies to enable increasingly connected mobility within our customer proposition.

**Deliver:** A differentiated and responsible customer experience.

A broad range of leading, complementary services, trusted by our customers to provide expert advice and service excellence that exceeds expectations, delivering industry-leading responsiveness and operational efficiency.

**Grow:** Broadening customers and markets, and an expanded product offering.

Exploring opportunities to responsibly grow the business's breadth, size and capabilities, including into both complementary and new products and geographies.

This strategic framework reflects the Group's progress in automotive technologies and mobility solutions, its focus on customer service and the growing opportunities the Group sees across its businesses together with the Group's commitment to investing in its infrastructure and training. The Group's strong platform and financial capacity allow it to plan for future growth, taking further advantage of structural trends in outsourcing, supplier rationalisation by customers and enabling greater connectivity through substantial technology advancements in both vehicles and customer engagement. Together with a growing focus on sustainability throughout automotive and mobility supply chains, these offer significant opportunities for the Group to deliver greater value to customers and grow its capabilities.

The Board continues to see strong performance, with good delivery against the Group's strategic milestones. That success enabled the Group to acquire FridgeXpress, a leading provider of specialist temperature controlled vehicles to a broad range of customers in the UK, continue the Group's share buyback programme and deliver increased interim and final dividends.

### Name change

At a general meeting on 15 May 2024 shareholders approved the Company's name change from Redde Northgate plc to ZIGUP plc.

The refreshed strategic framework is allied to a more modern and forward looking corporate brand reinforcing the Group's positive outlook under its new corporate name. The new brand and name better reflect the strength and breadth of the Group's current proposition, its continued focus on growth and its commitment to being a leading provider of responsible and integrated mobility solutions and automotive services under an updated purpose, "to keep customers moving, smarter".

### Sustainability

The Group continues to place importance on embedding ESG principles in its governance programme which underpins the Group's long-term success. During the year the Board approved the Group's Scope 1 and 2 targets and approved the Group's ESG Strategy. The CFO has responsibility for oversight of our climate change agenda and chairs the Sustainability Committee. Further information relating to the work of the Sustainability Committee and climate-related responsibilities, including TCFD, can be found on pages 66 to 79.

### Diversity and Inclusion

The Board recognises the value of diversity and inclusion to the Group and has made continued strides to address gender balance targets within its governance structures. The Board is made up of 37.5% female Directors, and the newly established Executive Committee, which reports into the Board, has female representation of 33%. The Company has recently adopted the recommendations of the 2023 Parker Review with regards to addressing participation of ethnically diverse colleagues at the Executive Committee level and their direct reports. The Board having discussed this matter, approved a target of 10% of ethnically diverse representation to be achieved by 2027. This target will be monitored each year and the Nominations Committee will monitor progress on an annual basis.

### Our people

#### Employee engagement

We were delighted to see that the Group's workforce maintained high levels of engagement this year. For the fourth year running the Group conducted its colleague 'Have Your Say Survey'. The Group noted continued high levels of colleague engagement across its workforce, scoring 75% which is a 1ppt improvement compared to the previous year. Key themes emerging included a clearer understanding from colleagues on how they could contribute to the organisation's success, coming from greater clarity around our purpose and strategy; positive sentiment regarding the connections and relationships colleagues have with their teammates; and a sense of pride in the service our colleagues provide to customers.

The Employee Engagement Forum, chaired by a senior member of the Group Management Board met twice during the year and discussed matters including FY2023 Group performance, the Group's approach to rewards and benefits, changes to employee benefits, the Company's strategy and the results of the Have Your Say Survey. For further information relating to the work of the Employee Engagement Forum see page 125 of the Directors' Remuneration report.

The Board continues to be committed to engaging with colleagues to better understand the challenges and opportunities facing the Group. Much of the engagement this year undertaken with colleagues centred around the Group's refreshed strategic framework; for example, a leadership event was held at which 200 colleagues were invited to hear the Executive Committee present and discuss the refreshed strategic framework and purpose, new corporate brand, and corporate name. Since this event, employee engagement centring around the refreshed strategic framework was enhanced through internal roadshows, town halls and team sessions, seeking to ensure our people had the opportunity to better understand their role in delivering our strategy and aligning to our refreshed purpose.

**Wider workforce pay and benefits**

In FY2024, the Group made pay increases to colleagues at lower salary levels (with increases between 3% and 9%) and a capped 3% rise at mid to senior levels. The Group also continued to deliver on its commitment to help our colleagues invest in the Company and promote their alignment with and participation in the Group’s strategy through participating in the SAYE scheme and the Group’s Free Share programme, under which all employees were provided with £500 of free shares in the Company’s Share Incentive Plan in October 2023, in addition to the £500 award made in December 2022. Currently, 1,800 colleagues participate in the SAYE scheme, representing 26% of the total workforce.

Recognising the financial pressures our colleagues face in the current economic climate, the Group has placed a strong emphasis this year on improving financial wellbeing. In partnership with HSBC, face-to-face and online sessions educating employees on “Making the Most of Your Money” has been delivered. The Company also launched a new partnership with Charles Cameron, which provides independent, free mortgage advice to all employees, as well as Wigestream, which is a platform to improve colleagues’ financial wellbeing by giving them access to fair financial services based on flexible pay.

In partnership with Movistaud Salud an employee assistance programme was implemented which provides health services, counselling, and mental wellbeing support to our Spanish colleagues. As part of this programme, online health and wellbeing workshops were also administered in partnership with Sanitas.

**Learning and development**

Over recent years, the Group has continually invested in its group-wide learning and development programme, with learning and development pathways being developed, comprising an extensive resource library and several short courses developed and run by internal training facilitators. The Group also continues to invest in developing and promoting its Early Careers Programme, and this was reflected in the growing number of apprenticeships and trainees we have in the UK, Ireland, and Spain this year which has increased to 66. In addition, to promote the automotive sector to young people, the Group partnered with the Careers and Enterprise Company to engage with schools and colleges, running CV clinics and career advice sessions. For further information on wider workforce benefits and learning and development initiatives deployed across the Group, see pages 32 to 36 of the Annual Report and Accounts.

**Stakeholder engagement**

The Board’s significant decisions during the year, and its considerations in making them, are set out on pages 82 to 85. They explain how the Board’s decision making during the year has promoted the success of the Company having regard, amongst other things, to those matters set out in Section 172 of the Companies Act 2006.

**Compliance with the UK Corporate Governance Code 2018 (the Code)**

The Company has complied with each of the provisions of the Code. During the year the Board also discussed and planned for the changes to the UK Corporate Governance Code, which will be effective for the financial year beginning on 1 January 2025.

**Board effectiveness**

As Chairman, I am responsible for ensuring that the effectiveness of the Board, its Committees and each individual Director is evaluated annually. In 2024 and in line with best practice, an externally facilitated evaluation was carried out. The conclusions of this evaluation were reported to the Board and positively highlighted that the Board and its committees continue to work together in a highly effective way. Further information relating to the Board evaluation can be found on pages 97 to 98 of the Corporate Governance Report.

**Avril Palmer-Baunack**

Chairman

10 July 2024

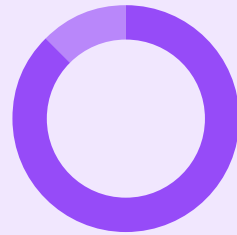
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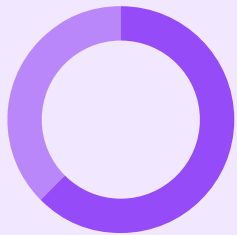
**Board independence as at 30 April 2024**

● Chairman independent on appointment	1
● Executive Directors	2
● Independent Non-Executive Directors	4
● Additional Non-Executive Director	1



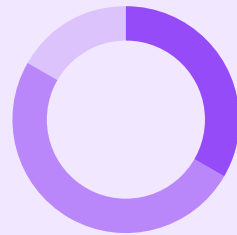
**Board ethnicity balance**

● White	7
● Ethnic minorities	1



**Board gender balance**

● Male	5
● Female	3



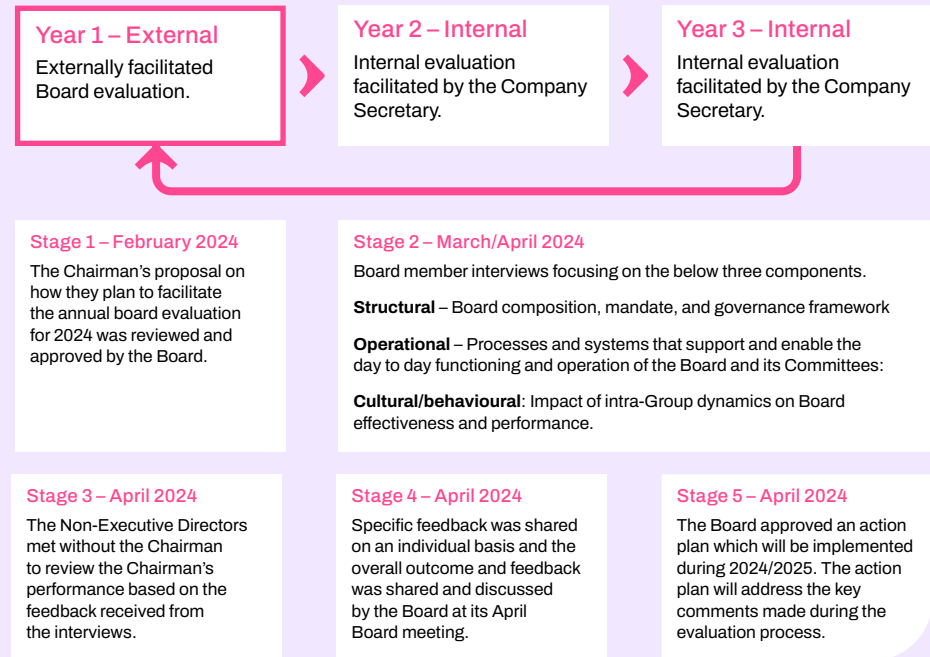
**Non-Executive Director (including Chairman) tenure as at 30 April 2024**

● 0-3 years	2
● 4-7 years	3
● 7+ years	1

1. Applying UK Office for National Statistics ethnicity categories of: Asian; Black; Mixed/Multiple Ethnic Groups; Other Non-White Ethnic Group, in alignment with the UK Listing Rules.

**External Board evaluation process conducted in FY2024**

An external Board evaluation was conducted in the year with the process followed as below. Further details of the outcome of the Board evaluation can be found on pages 97 to 98.



**ZIGUP**

Approval of ZIGUP – a new name and brand with a refreshed purpose and strategic framework.

**New Executive Committee**

FY2024 saw the establishment of an Executive Committee. Details of our new governance structure can be seen on page 92.



Our annual agenda reflects our strategy and gives us sufficient time to discuss and develop our strategic proposals and monitor Board performance. Below, we have set out some of the matters considered during the year, different stakeholder groups central to those decisions, as well as the outcomes. Our Section 172 statement on pages 82 to 85, illustrates how the Board considered stakeholder views and the outcome of those considerations.

	Matters considered	Stakeholders considered	Outcomes
<b>Strategy and execution</b>	<p>Strategy discussions included:</p> <ul style="list-style-type: none"> <li>Review of refreshed strategy, purpose, corporate brand, and corporate name</li> <li>Investments (including acquisitions) and strategic partnerships</li> <li>Succession planning and implementation of a new management structure, for the UK&amp;I and Claims &amp; Services businesses</li> </ul>	<ul style="list-style-type: none"> <li>Customers and consumers</li> <li>Employees</li> <li>Investors</li> <li>Partners and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Supported a refreshed strategic framework, which was launched in May 2024 and agreed a new corporate brand and corporate name</li> <li>Reviewed each businesses strategic update assessing the market, risks and opportunities</li> <li>Approved smaller investments that help deliver against our strategic milestones</li> </ul>
<b>Financial oversight and climate-related reporting</b>	<p>Scrutinised and monitored financial performance data and performance, including:</p> <ul style="list-style-type: none"> <li>Trading and performance</li> <li>Full year and half year results</li> <li>Going concern and viability statements</li> <li>Dividend payments and share buyback programme</li> <li>Annual Report including reporting against TCFD requirements</li> </ul>	<ul style="list-style-type: none"> <li>Customers and consumers</li> <li>Employees</li> <li>Investors</li> <li>Partners and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed in detail the Group's financial position, including working capital and net debt</li> <li>Agreed the budget for FY2024 including our three-year plan</li> <li>Declared the interim dividend and supported the proposal for the final dividend</li> <li>Approved the going concern assumption and viability statement</li> <li>Reviewed and approved the full year and half year financial results and Annual Report and Accounts</li> </ul>
<b>Operational management</b>	<p>We received regular updates from the Chief Executive Officer on:</p> <ul style="list-style-type: none"> <li>Group operations</li> <li>Capital project execution</li> <li>Employee engagement and incentivisation</li> <li>Strategic initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Customers and consumers</li> <li>Employees</li> <li>Investors</li> <li>Partners and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Challenged Group operations, including capital projects</li> </ul>
<b>Governance</b>	<p>Governance is at the heart of the Board agenda, including consideration of:</p> <ul style="list-style-type: none"> <li>Stakeholder engagement mechanisms</li> <li>Board effectiveness</li> <li>Our Governance framework</li> <li>Our Delegation of authority framework</li> <li>Policies and processes</li> </ul>	<ul style="list-style-type: none"> <li>Customers and consumers</li> <li>Employees</li> <li>Investors</li> <li>Partners and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Progressed actions from the last year's internally facilitated Board effectiveness review and this year commissioned an external Board evaluation review</li> <li>Implemented a new Group Policy Framework</li> <li>Reviewed investor feedback received from the Group's full year and half year results</li> <li>Implemented changes to improve the management structure and introduction of the Executive Committee</li> <li>Approved changes to simplify the Delegation of authority framework</li> <li>Approved updates to policies to ensure alignment with best practice</li> </ul>
<b>People and culture</b>	<p>The Board focused on:</p> <ul style="list-style-type: none"> <li>Employee engagement survey</li> <li>Diversity and inclusion</li> <li>Board and senior management succession</li> </ul>	<ul style="list-style-type: none"> <li>Employees</li> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed the feedback from the Group's employee engagement survey and supported the action plan</li> <li>Establishment of the Executive Committee to coincide with the Group's refreshed strategic framework and reviewed succession plans for senior management which led to the new management structure within the UK and Ireland and Claims &amp; Services businesses</li> </ul>
<b>Risk</b>	<p>The Board reviewed the Group's approach to risk management and completed deep dives of principal risks</p>	<ul style="list-style-type: none"> <li>Customers and consumers</li> <li>Employees</li> <li>Investors</li> <li>Partners and suppliers</li> <li>Community</li> </ul>	<ul style="list-style-type: none"> <li>Considered emerging risks</li> <li>Reviewed each principal risk to ensure they remained appropriate</li> <li>Approved the risk appetite for each principal risk</li> <li>Reviewed controls associated with principal risks</li> </ul>

## Governance structure and responsibilities

There is a clear and effective leadership structure in place for the Group. The Board has established three principal Board committees to assist on the execution of its responsibilities. These are the Audit Committee, Remuneration Committee and Nominations Committee. Each committee operates under its own terms of reference which are approved by the Board. The terms of reference are reviewed annually and can be found on the Company's website [www.zigup.com](http://www.zigup.com)

### Board

The Board's role is to ensure the long term sustainable success of the Group by setting our strategy through which value can be created and preserved for the mutual benefit of our shareholders, customers, employees and the communities we serve. The Board provides rigorous challenge to management and ensures the Group maintains an effective risk management and internal control system with oversight of the Group's risk management processes and key risks.

#### Nominations Committee

Responsible for keeping under review the skills and experience of the Board and its committees; the recruitment of new Directors; ensuring orderly succession plans for the Board, Executive Committee and the Group Management Boards; and for overseeing the implementation of the Board Diversity & Inclusion Policy. The Committee comprises the Chairman and independent Non-Executive Directors.

Report of the Nominations Committee on  
Pages 100 to 102

#### Audit Committee

Provides independent assessment of the financial affairs of the Group, reviews and provides oversight of financial reporting controls. Responsible for reviewing the effectiveness of the internal and external audit processes. The Committee comprises of Non-Executive Directors only.

Report of the Audit Committee on  
Pages 103 to 107

#### Remuneration Committee

Responsible for determining and approving the Remuneration policy and recommending its approval to shareholders. Responsible for setting the remuneration of the Chairman, Executive Directors, Executive Committee and the Group Management Boards. Having regard to pay across the workforce. Ensuring that workforce policies and practices are aligned with the Company's purpose, values, and long term strategy. The Committee comprises the Chairman and independent Non-Executive Directors.

Report of the Remuneration Committee on  
Pages 110 to 122

### Executive Committee

Responsible for the developing, implementing and monitoring the execution of strategic objectives as well as horizon scanning for further strategic opportunities.

#### Key Executive-led committees

##### Sustainability Committee

Responsible for defining the Group's strategy relating to sustainability matters and is responsible for governance over its programme, including climate-related reporting and for implementing the Group's sustainability strategy.

##### Group Risk Committee

Assists the Board in its oversight of the risk management framework and is designed to identify, manage and mitigate the risks that the Group faces in the operation of its businesses and the execution of its strategy.


#### Group Management Boards

Responsible for the day to day management of the business.

## Responsibilities of those charged with governance.

As at the date of this report, our Board comprised a Non-Executive Chairman, four Independent Non-Executive Directors, one additional Non-Executive Director and two Executive Directors. There is a clear division between Executive and Non-Executive responsibilities, which ensures accountability and oversight. The roles of Chairman and Chief Executive are separately held, and their responsibilities are well-defined and set out below. The Chairman and the other Non-Executive Directors meet routinely without the Executive Directors, and individual Directors engage with senior management and other members of the Group's workforce, during and outside Board meetings, in order to gain first-hand experience of our operations. The Board is supported by the Company Secretary, to whom all Directors have access for advice. The table below summarises the key responsibilities of each of the Director roles on the Board.

Individual	Role	Responsibilities
<b>Chairman</b>	<ul style="list-style-type: none"> <li>Oversees Board responsibilities</li> </ul>	<b>Board</b> <ul style="list-style-type: none"> <li>Monitoring progress against the strategy of the Group and ensuring long term success for the benefit of all stakeholders</li> <li>Ensuring that adequate resources are available so that strategic objectives may be achieved through the annual planning process and ongoing monitoring</li> <li>Reporting to and maintaining relationships with stakeholders</li> <li>Compliance with laws and regulations and good corporate governance and</li> <li>Ensuring that the Group's risk management and internal control systems (both financial and operational) are fit for purpose and operating as they should be</li> </ul>
<b>CEO</b>	<ul style="list-style-type: none"> <li>Develops and executes the strategic plan and manages risk</li> </ul>	
<b>Senior independent Director</b>	<ul style="list-style-type: none"> <li>Oversees governance procedures</li> </ul>	
<b>Committee Chairman</b>	<ul style="list-style-type: none"> <li>Oversees Committee responsibilities</li> </ul>	
<b>Non-Executive Director</b>	<ul style="list-style-type: none"> <li>Carries out Board responsibilities</li> </ul>	
<b>Company Secretary</b>	<ul style="list-style-type: none"> <li>Facilitates effective operation of the Board and Board committees</li> </ul>	
		<b>Executive Directors</b> <ul style="list-style-type: none"> <li>Ensuring the Group strategy is executed effectively through the Executive Committee</li> <li>Monitoring Group performance</li> <li>Managing the Group's financial affairs and</li> <li>Implementing the systems of internal control</li> </ul>
		<b>Executive Committee</b> <ul style="list-style-type: none"> <li>Developing and implementing strategy</li> <li>Overseeing operational plans</li> <li>Devising Group policies and procedures</li> <li>Monitoring operational and financial performance</li> <li>Assessing and controlling risk</li> <li>Prioritising and allocating Group resources</li> </ul>

 The full terms of reference of the Audit, Remuneration and Nominations Committees can be found on the Group's corporate website [www.ZIGUP.com](http://www.ZIGUP.com)

# Our leadership.

**Key**

**C** Chairman of Committee   **N** Nominations Committee   **A** Audit Committee   **R** Remuneration Committee



**Avril Palmer-Baunack**

Non-Executive Chairman

**N** **R**

**Joined Board** August 2019

**Key areas of expertise**

Avril has more than 25 years' experience in leading businesses in the automotive industry in a number of senior executive and non-executive roles and was appointed as Non-Executive Chairman in August 2019.

**Current external appointments**

Executive Chairman of Constellation Automotive Group.

**Previous experience**

Avril previously held roles as Non-Executive Chairman of Quartix plc, Non-Executive Chairman of Redde plc, Executive Chairman of Stobart Group and Chief Executive Officer of Autologic Holdings plc and Chief Executive Office of Universal Salvage plc.



**Martin Ward**

Chief Executive Officer

**Joined Board** February 2020

**Key areas of expertise**

Martin was appointed to the Board as CEO in February 2020 as the former CEO of Redde plc, having been on the Board of Redde plc since 2009, after joining a subsidiary of the Group as Managing Director in 2005. Martin has over 25 years' insurance industry and vehicle sector experience.

**Current external appointments**

None

**Previous experience**

Martin jointly founded the Rarrigini & Rosso Group in 1994, a leading independent wholesale motor fleet, property and risk management insurance business, which was later acquired by THB plc in 2003. Martin has an MBA from Durham University.



**Philip Vincent**

Chief Financial Officer

**Joined Board** July 2018

**Key areas of expertise**

Philip was appointed as CFO in July 2018. He has extensive experience in senior finance roles across a range of sectors worldwide.

**Current external appointments**

None

**Previous experience**

Philip was previously Regional Finance Director Asia Pacific of SABMiller plc and before that he was the Group Director of finance and control. Prior to SABMiller, Philip held several senior positions at BBC Worldwide, the largest commercial arm of the BBC, including three years as Group CFO and Board Director. Philip is a qualified Chartered Accountant, having trained with KPMG.



**John Pattullo OBE**

Senior Independent Director

**N** **A** **R**

**Joined Board** January 2019

**Key areas of expertise**

John was appointed to the Board as a Non-Executive Director in January 2019, Senior Independent Director in September 2019 and Chairman of the Remuneration Committee in May 2022 and has a wide range of experience in a number of executive roles in the consumer goods and logistics sectors and non-executive roles across a range of other industries.

**Current external appointments**

None

**Previous experience**

John was Chairman of V Group until December 2020. Other previous non-executive roles include Non-Executive Director of Wincaton plc, Senior Independent Director and Remuneration Committee Chairman of Electrocomponents plc, Chairman of NHS Blood & Transplant, Chairman of Marken Logistics and Chairman of In Kind Direct, a Prince's charity. Chief Executive Officer of Ceva Logistics Ltd between 2007 and 2012. Before that, John worked for Exel plc/DHL where he led the EMEA logistics business and, prior to that, held a number of senior global supply chain appointments with Procter & Gamble.

The Directors of the Company who were in office during the year and at the date of signing the financial statements are as noted within these pages.



# Our leadership continued.

## Key

**C** Chairman of Committee   **N** Nominations Committee   **A** Audit Committee   **R** Remuneration Committee



**Mark Butcher**  
Non-Executive Director

**N A R**

**Joined Board** September 2019

### Key areas of expertise

Mark was appointed to the Board as a Non-Executive Director and Chairman of the Remuneration Committee in September 2019; since 2020 he has chaired the Audit Committee. Mark has more than 20 years' public company experience including international accounting, corporate finance and banking transactions, as well as sitting on a number of public company boards.

### Current external appointments

Non-Executive Director of National Milk Records plc and Zyrtronic plc.

### Previous experience

Non-Executive Director of AssetCo plc from 24 October 2012 to 30 March 2023. Mark has more than 20 years' public company experience working predominantly for GPG (UK) Holdings plc, the UK investment arm of Guinness Peat Group plc, where he managed a significant proportion of group investments.



**Bindi Karia**  
Non-Executive Director

**N A R**

**Joined Board** May 2022

### Key areas of expertise

Bindi was appointed to the Board as a Non-Executive Director in May 2022. Bindi brings deep experience in technology and innovation having held senior board, investment and advisory roles across the technology ecosystem in Europe.

### Current external appointments

Venture Partner at Molten Ventures Plc, a European Technology Venture Capital Fund. Bindi is also an advisory board member of CognitionX, Humanity Health and Wrisk Ltd and a World Economic Forum member for the Digital Leaders of Europe. Bindi also serves on the University of East London Board of Governors, where she is also Chair of the Ethics Advisory Committee.

### Previous experience

Bindi has previously held a variety of senior technology roles, including as a Digital Advisory Board member at The Very Group and Centrica, as well as senior roles at Silicon Valley Bank, Microsoft Ventures and PwC.



**Mark McCafferty**  
Non-Executive Director

**Joined Board** February 2020

### Key areas of expertise

Mark was appointed to the Board as a Non-Executive Director in February 2020. Mark had previously joined the Board of Redde plc as Non-Executive Director in March 2009, chairing the Remuneration Committee for a large part of his tenure. He brings extensive sector management and commercial experience, having spent six years as CEO of Avis Europe plc.

### Current external appointments

Adviser to CVC Capital Partners, as well as Chairman of the Warwickshire CCC Board and Non-Executive Director of European Professional Club Rugby.

### Previous experience

Prior to Avis, Mark was Group Managing Director of Thomas Cook's global travel and foreign exchange business and before that spent seven years with Midland Bank International in corporate finance and international operations. He was CEO of Premiership Rugby for 14 years until July 2019. Mark previously held non-executive directorships with HMV Group plc, Umbro plc and Horserace Totalisator Board (Tote).



**Nicola Rabson**  
Non-Executive Director

**N A R**

**Joined Board** November 2022

### Key areas of expertise

Nicola was appointed to the Board as a Non-Executive Director in November 2022. Nicola is a well-known figure in the employment law world with significant experience advising public companies and other clients on people issues and governance, and on their strategic initiatives such as those relating to diversity and workplace culture.

### Current external appointments

Nicola is a partner in the London office of Linklaters LLP, a Trustee of the Global Media Campaign to End FGM, a Governor at Royal Russell School and Non-Executive Director at Kent Football Association.

### Previous experience

Nicola headed up the global employment and incentives practice of Linklaters LLP from 2014 until 2021 and has also sat on Linklaters LLP's Remuneration Committee and London Executive Committee. Nicola is qualified as a solicitor in England and Wales and is a CEDR accredited mediator.

UK premium listed companies are required by the FCA (the designated UK Listing Authority) to include a statement in their annual accounts on compliance with the principles of good corporate governance and code of best practice, being the UK Corporate Governance Code which was updated in July 2018. The provisions of the Code applicable to listed companies are divided into five parts, as set out below:

## 1. Board leadership and Company purpose

The Board's ultimate objective is the long term sustainable success of the Group. The Board assesses the basis on which the Company generates and preserves value over the long term. Opportunities and risks to the future success of the business have been considered and addressed, contributing to the delivery of the Group's strategy. Information on this can be seen throughout this Corporate Governance Report, the Directors' Report, each of the Board Committee reports, the Directors' Remuneration report and the Strategic report.

### Section 172

The Board is committed in its duties in relation to Section 172 of the Companies Act to promote the success of the Company. The Board seeks to understand the views of the Company's key stakeholders and how their interests and the matters set out in Section 172 are considered in Board discussions and decision making. A description on how the Board has evidenced this is included in the Section 172 statement on pages 82 to 85.

### How the Board monitors culture

The Board recognises that delivering for all our stakeholders, in line with our purpose to keep customers moving, smarter and our vision of offering an imaginative market leading customer proposition, is underpinned by our culture.

The Board regularly monitors the culture of the business in a number of ways:

- Through interaction with Executives, members of the leadership team, and other colleagues in Board meetings
- Through regular Board agenda items and supporting papers, covering culture indicators such as risk management, Group Internal Audit reports and follow-up actions, customer engagement, health and safety, whistleblowing, modern slavery, and regulatory breaches
- Through receipt of reports from Executives on a range of indicators, including staff engagement, retention, absence, gender pay, diversity, and the results of employee surveys

During the year, the Board was satisfied that the Group's workforce policies practices and behaviour were aligned with the Company's purpose, values, and strategy and that no correction was required by management. The Board reinforces our culture and values through its decisions, ensuring that decisions made are within the approved risk appetite of the Group and aligned with the Group's strategy

## Workforce engagement

The Employee Engagement Forum which is chaired by a senior member of the Group Management Board and helps the Board, the Executive Committee and the Group Management Board to understand the views of the workforce and to facilitate feedback between the workforce and the Board on an ongoing basis. This provides the Board with in-depth insight into how culture is embedded across our Group, and any issues that need to be addressed. The views of employees are measured through an annual employee engagement survey, which is designed to gauge how colleagues feel about the Group, how well they understand its direction, and their level of satisfaction and engagement with their work. An analysis of the results of the employee survey is presented to the Board. This year, the main focus of the Group's employee engagement mechanism was on discussing the Group's refreshed strategic framework, purpose, corporate brand and corporate name. For further information relating to employee engagement please see page 111 of the Directors' Remuneration report.

## Ethics, anti-corruption and compliance

Our Code of Conduct, applicable to employees of ZIGUP PLC, sets out our ethical standards and guidance on behaving responsibly. Our statement of compliance with the Modern Slavery Act 2015 is published on our website. Compliance training is conducted and tracked through our e-learning platform. The Group has a formal whistleblowing policy and procedures ensuring every employee can have a voice and a means to raise concerns to the Group. The Chairman of Audit Committee holds ultimate responsibility for managing any reports; in FY2024, no matters were identified as sufficiently material to be escalated for their attention. The Committee ensures that arrangements are in place for the proportionate and independent investigation of these and other matters via the relevant subject matter expert team.

## Shareholder engagement

Shareholders play a valuable role in safeguarding the Group's governance through means such as annual re-election/election of Directors, monitoring and compensating Director performance and constructive dialogue with the Board. The Company engages actively with analysts and investors and is open and transparent in its communications. The Board is updated regularly on the views of its shareholders through briefings and reports from those who have interacted with shareholders, including the Directors, the Head of Investor Relations and the Company's equity brokers.

The Board and the Company's investor relations team engage directly with investors through a variety of communication channels to ensure prompt and effective communication:

- The Annual General Meeting, which allows shareholders the opportunity to engage with the Directors and Chairmen of each of the Board committees
- Presentations and briefings given by the CEO and CFO, particularly at the time of announcing the Group's half year and full year financial results
- One to one meetings with institutional shareholders on a regular basis by the Chairman and Senior Independent Director
- CEO and CFO meet with shareholders following six-monthly results announcements or in the intervening period if necessary
- Direct shareholder consultations when considering matters of material impact to the Group, such as consultation on the Remuneration report and policy, or indirect engagement

- Annual and interim reports and results presentations which are available to all shareholders and also include the contact details for the Company Secretary
- This year the Company held investor meetings and internal roadshows in key business locations to discuss the Group's refreshed strategic framework, purpose, new corporate brand, and corporate name
- During the year the Group held an investor session to provide further insight into the Claims & Services division
- Our corporate website, which has a dedicated investor relations section and contact details

The Group's financial results and other news releases are published via the London Stock Exchange's Regulatory News Service or another Regulatory Information Service. In addition, these news releases are published in the Investor Relations section of the Group's website at: [www.zigup.com](http://www.zigup.com)

Shareholders and other interested parties can subscribe to receive these news updates by email by registering online via the website.

## 2. Division of responsibilities

The business is managed by the Board of Directors. More information about the members of the Board can be found on pages 94 to 95. An overview of the leadership of the Group, including the responsibilities and activities of each component, is outlined on pages 92 to 95.

### Information and communication

The Chairman ensures that all Directors are appropriately briefed so that they can discharge their duties effectively. Management accounts are prepared and submitted to the Board monthly. Before each Board meeting appropriate documentation on all items to be discussed is circulated. The Company Secretary is available to the Non-Executive Directors and can facilitate Board training events whenever required. The Non-Executive Directors meet without the Executive Directors present and the Senior Independent Director leads the evaluation of the Chairman.

Each reporting segment of the Group prepares monthly management accounts which include a comparison against their individual business plans and prior year performance. Management reviews any variance from targeted performance levels. These commentaries are consolidated and submitted to the Board. Year-to-date actuals are used to guide forecasts, which are updated regularly and communicated to the Board.

### Independence

Pursuant to those provisions of the Companies Act 2006 relating to conflicts of interest and in accordance with the authority contained in the Company's Articles of Association, the Board has put in place procedures to deal with the notification, authorisation, recording and monitoring of Directors' conflicts of interest and these procedures have operated effectively throughout the year and to the date of signing of this Annual Report and Accounts. During the year, the Board adopted a revised Conflicts of Interest Policy, which now includes procedures for recording and monitoring conflicts of interest at the senior management level.

Following the acquisition of Redde plc by the Group in 2020, Mark McCafferty joined the Board. Prior to this, he had completed 10 years' service on the Redde Board. As Mark has served on the Board for over nine years due to his previous service on the Redde plc board as set out in provision 10 of the Code, this is a matter that is relevant to the Board's determination of independence. Upon assessment against this criteria, Mark McCafferty is not considered to be independent.

The Board remains of the opinion that despite Mark not being considered independent he was objective throughout the year despite his previous relationship with the Redde business and that he continued to make thoughtful and valuable contributions to the Board and continued to constructively challenge management and other members of the Board as appropriate.

## 3. Composition, succession and evaluation

The Nominations Committee report (pages 100 to 102) sets out its activities during the year, including information on succession planning, diversity, and inclusion.

The Nominations Committee are confident that the Board is equipped with the right mix of skills and experience to deliver long term strategic objectives. The Directors have sufficient time to execute their duties. The Committee met twice in the year satisfying its terms of reference.

### Diversity

Embracing diversity, in all its forms, enables individuals to share their own perspectives which promotes inclusivity and supports good decision making by the Board. The Board recognises the many benefits of building a diverse leadership team. The FTSE Women Leaders Review also reflected the progress the Company made during the year. As a Board 37.5% of our representation is female. Whilst the Board recognises that the representation of women on the Board does not currently meet the UK Listing Rules target of 40%, the Nominations Committee alongside the Board will continue to monitor all aspects of diversity including gender.

### Board evaluation

In line with the Code requirements for an independent external review of Board effectiveness to be carried out every three years, this year's Board effectiveness review was carried out by Jillian Naylor of Equitura LLP an independent external consultant, supported by the Company Secretary. Ms. Naylor has no other connection with the Company. The review focused on three key areas: (i) structural (Board composition, mandate and governance framework); (ii) operational (processes and systems that support the day to day functioning and operation of the Board and its committees); and (iii) cultural and behavioural (impact of intra-Group dynamics on Board effectiveness and performance).

In order to gain rich insights, the facilitator held individual interviews with each Board member, along with consideration given to previous Board effectiveness review reports and data, terms of references for committees and relevant strategy, risk and control policies and frameworks. The final report was presented to the Board to facilitate a discussion around some of the Board's recommendations and to agree a set of actions for the year.

**Review of Chairman’s performance**

Led by the Senior Independent Director, the Non-Executive Directors met without the Chairman being present, to discuss her appointment as Chairman. They considered that she provided robust leadership for the Board, facilitated open and constructive challenge, and provided operational and sector experience.

The facilitator’s conclusions were that the Board is a highly effective Board that displays key strengths across all assessment criteria analysed in the review and that progression and impact had been achieved since the last external review, in respect of previously identified areas of focus.

Particular strengths were identified as:

- Inclusive Board with a strong collective sense of purpose
- Highly efficient, disciplined and outcome orientated Board with a balanced focus, delivering across all aspects of Board mandate
- A highly experienced Board with a broad and diverse range of skills, perspectives and experiences
- Open and respectful ethos within Board and committee settings which enables constructive challenge, decision making and individual contribution
- The Board and its committees support, enable and contribute to overall Board effectiveness
- The Board and its committees are very well supported by the Company Secretary and management in undertaking their functions

The recommendations of the facilitator and related progress thereto are noted below:

2024 recommendations	Progress
1. Continue to maintain focus on and exercise oversight over the Executive succession planning strategy that has progressed during 2023.	Succession planning for the Board, Executive Committee and Group. Management Boards is a standing item on the Nominations Committee agenda.
2. More strategic time together as a board outside of formal meetings to develop and identify growth opportunities, innovation, and technology development, utilising members’ expertise and experience.	A strategy session is due to be held shortly to review the Group’s new three-year strategic plan in greater detail.
3. Streamline the presentation of key risks, to further enhance efficiency and Board focus.	A revised risk reporting format will be delivered to quarterly Board meetings.

In addition, the Board ensured that the following actions were taken during 2024, following on from the 2022/2023 Board evaluation.

2023 recommendations	Actions
Increase Board focus on risk appetite and critical areas such as IT, and on medium and long term strategic debate.	The Board assumed direct oversight of risk from the Audit Committee, and both broad/sectoral and specific risks are regularly reported on and discussed at the Board.
Increased focus placed on learning and development across the Group including at leadership level.	The Board during the year had specific training on ESG focusing particularly on the changing regulatory and governance landscape as well as presentations on strategic matters. The Board also made a visit to the Group’s operations in Spain.
The Board recognises the importance of succession planning and maintaining a continued focus on diversity and inclusion on the Board and more widely in the Group’s businesses.	Significant progress was made at Board and senior management level in meeting the diversity levels expected of a Group of our size and nature.

**4. Audit and internal control**

The Audit Committee report on pages 103 to 107 describes the work of the Committee and how it discharges its roles and responsibilities.

The Board is accountable for the Group’s success and dealing with the challenges it faces. The Board reviews the results, risks and opportunities facing the Group. The Audit Committee plays a key part in this work, monitoring and evaluating the Group’s processes and internal controls and providing a layer of independent oversight over our key activities.

The Group’s systems of risk management and internal control ensure that our businesses operate within risk appetite levels approved by the Board. These are set out in the Identifying and managing risk report on pages 54 to 63.

**Internal control**

Although no system of internal controls can provide absolute assurance against material misstatement or loss, the Group’s own systems are designed to provide the Directors with reasonable assurance that, should any problems occur, these are identified on a timely basis and dealt with appropriately. Confirmation that the Board has performed an assessment of the risk management and internal control systems of the Group, as required by the UK Corporate Governance Code (the Code), is contained in the Identifying and Managing Risk Report on pages 54 to 57.



### Cyber security and data privacy

Regular training programs keep our employees informed about data protection and security risks and we operate rules and procedures in our contact centres to mitigate risks. We have ongoing investments to improve systems development and security, ensuring our technology remains strong and secure and we actively decommission outdated applications, platforms, and infrastructure to maintain an efficient and modern IT environment.

We continue to develop our security operations to provide visibility into security events and enable us to quickly address vulnerabilities. We perform periodic vulnerability assessments and penetration testing. We regularly review and test our incident plans, including business continuity and IT disaster recovery plans, to ensure resilience and preparedness.

### 5. Remuneration

The Directors' Remuneration report on pages 110 to 122 describes the work of the Committee during the year. It sets out how Executive remuneration is aligned to the Company's purpose, values, and strategy. It also shows how workforce remuneration and related policies have been considered in its decision making regarding Executive remuneration.

### Compliance with the Code

The Company is subject to the principles and provisions of the Code, a copy of which is available at [www.frc.org.uk](http://www.frc.org.uk).

For the year ended 30 April 2024, the Board considers that it has applied the principles and complied in full with the provisions of the Code except provision 10 (Independence of Non-Executive Director).

### Avril Palmer-Baunack

Chairman

10 July 2024



Succession planning has been a key focus this year, with the establishment of the Executive Committee, and will continue to be an evolving process.

**Avril Palmer-Baunack**  
Nominations Committee Chairman

### Committee membership

The members of the Committee are shown in the table below.

Details of their experience and qualifications are shown on [pages 94 to 95](#)

Committee membership	Number of meetings
Avril Palmer-Baunack	2/2
Mark Butcher	2/2
Bindi Karia*	1/2
John Pattullo	2/2
Nicola Rabson	2/2

\* Bindi Karia was unable to attend one committee meeting owing to an external commitment. Bindi Karia informed the Board in advance and had an opportunity to provide comments to the Committee Chairman ahead of the meeting.

### Dear stakeholder,

I am pleased to present the Report of the Nominations Committee (the Committee) for the year ended 30 April 2024. As a Committee our core responsibilities include promoting diversity and inclusion, reviewing the structure of the Board, its committees, the Executive Committee and Group Management Boards on a regular basis and ensuring effective succession plans are in place for the Board, its Committee, Executive Committee and Group Management Boards. The Committee leads the process for new Board appointments, ensuring there are formal, rigorous and transparent procedures in place for each appointment and an appropriate induction process for new Directors.

As we deliver our refreshed strategic framework and simplify our structure, the Committee has considered changes required to best position the Group for its next stage of development. The Board led the discussion regarding simplifying and enhancing our governance structures through the adoption of the Group's refreshed strategic framework and the introduction of an Executive Committee, which, as the business continues to grow and develop, is intended to support the CEO in the execution of the Group's strategy.

During the year, the Board and the Nominations Committee reviewed the composition of the Executive Committee and recommended the appointment of Emma Ayton as the Group's HR Director. Through this appointment and with the current composition of the Executive Committee the gender balance of the Executive Committee currently stands at 33%. Whilst we acknowledge that more work needs to be done to increase diversity across the Group as a whole as well as at the Executive Committee and its members' direct reports, we continue to believe that appointments and succession plans should be based on merit against objective criteria and within this context, due regard is also given to promoting diversity of gender, social and ethnic backgrounds, and cognitive and personal strengths. The Committee, and the Board will continue to monitor progress on all aspects of diversity.

### Committee purpose

The Committee assists the Board in reviewing the structure, size, skills, and experience of the Board, including climate-related skills and experience. It is also responsible for reviewing succession plans for the Group Directors, including the Chairman and the CEO and other senior managers. The Committee's role, authority, responsibilities, and scope are set out on pages 92 to 93 and in detail in its terms of reference which are available on the governance section of our website.

### Activity

Since May 2023, the Committee has:

- Reviewed succession plans for both the Board and its Committees
- Made recommendations to the Board in relation to Directors' annual reappointment and re-election at the Company's AGM
- Overseen the Group's diversity and inclusion agenda, its role in promoting an inclusive and high-performing culture as part of the Group's strategy, and progress in building a diverse talent pipeline

## Operation of the Nominations Committee

The Committee keeps the overall structure, size, and composition of the Board under continuous review, and is responsible for evaluating the balance of skills, knowledge and experience of the Board and its Committees.

## Board recruitment

Board appointments are made on merit against objective criteria. The Committee will evaluate the skills, experience and knowledge of the Board and the future challenges affecting the business (including climate-related issues), and in light of this, will prepare a description of the role and the attributes required for a particular appointment. This will include a job specification and an estimate of the time commitment expected. The Committee then compiles a shortlist taking account of known candidates and candidates suggested by the Group's Board, advisers and/or appointed recruitment consultants. The appointment process takes account of the benefits of diversity of the Board, including gender diversity, and in identifying suitable candidates, the Committee considers candidates from a range of backgrounds.

The Committee oversees succession planning for Directors and senior management, as well as broader consideration of the leadership needs of the business and senior management development.

We continue to support both the FTSE Women Leaders' Review and the Parker Review and following the appointment of Nicola and Bindi, the Board is compliant with the recommendations of the Parker Review. The Board has also made significant progress towards its target of meeting the Board Diversity Targets as set out in Listing Rules LR 9.8.6R(9) with women representing 37.5% (2023: 37.5%) of the Board.

## Induction

Given the strategic breadth and focus of the Group's activities, the Group carries out extensive inductions for its new Non-Executive Directors. On joining the Board, it is the responsibility of the Chairman and Company Secretary to ensure that all newly appointed Directors receive a full and formal induction, which is tailored to their individual needs based on experience and background. The induction programme focuses on the incoming Director getting to know and understand the full business of the Group. They meet with the Executive Director and senior management from each area of the business. Each new Board member is given training on the role and responsibilities of a Director including, but not limited to, the following:

- Duties under the Companies Act 2006 and compliance with the Code, Listing Rules, and other regulatory framework considerations
- Market Abuse Regulation including their responsibilities as a person discharging managerial responsibilities (PDMR) and other matters pertaining to the ZIGUP Securities Dealing Code
- Board and Committee procedures and constitutional documents including Matters Reserved for the Board and Committee Terms of Reference

Ongoing training needs are assessed as part of the Board effectiveness process and any training is typically arranged by the Company Secretary in consultation with the Chairman or relevant Board Committee Chairman.

## Independence of the Non-Executive Directors

During the year, the Committee considered the tenure and independence of existing Non-Executive Directors, and whether a Director's length of service had in any way impacted his or her ability to remain independent in character and judgement in performing his or her duties. The Board considers all the Non-Executive Directors except for Mark McCafferty and the Chairman, whose independence was not assessed, but who was independent on appointment, to be independent of management and free from any business or other relationship which could materially interfere with their ability to exercise independent judgement.

In accordance with the results of the independence assessment, and in line with the requirements of the Code, all Directors will retire at this year's AGM and, submit themselves for reappointment by shareholders. Ahead of the 2024 AGM, the Committee considered the performance and effectiveness of each Director as well as the findings from the external Board evaluation and the Committee concluded that all Directors were valuable members of the Board, provided constructive challenge and had the requisite skills and time to devote to the role and subsequently the Committee. Biographical details of the Directors, including their skills and experience, can be found on pages 94 to 95.

## Board diversity

The Board considers that its composition should be designed to ensure it has the best experience and skills to advance the Group's strategy for the benefit of all its stakeholders, and that as part of this the benefits of all aspects of diversity should be considered, including, but not limited to, gender and ethnicity. The Group maintains an appropriate diversity and inclusion policy for all of its workforce, including our senior management and the Board. Accordingly, the Committee will consider candidates on merit against objective criteria, with regard to the benefits of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths when identifying suitable candidates for appointment to the Board. The Board is also committed to operating in a way that supports diversity and inclusivity including ensuring appropriate consideration of diversity and inclusion in succession planning at senior management and Board level. When searches for an appointment to the Board are conducted by the Company with external search firms, these firms will identify and present a list of qualified potential candidates, including having regard to diversity.

The Board as part of its agenda oversees and monitors progress of the Company's diversity and inclusion agenda. In 2024 this included the Board endorsing an ambition for 10% representation of ethnically diverse groups within the Executive Committee and its members' direct reports, taking into account the Parker Review's 2023 report which requests all FTSE 350 companies to set a target for ethnic minorities in their senior management team and direct reports by 2027. The Board and the Nominations Committee will continue to monitor progress against the Company's chosen target on an annual basis.

As at 30 April 2024, one of the senior positions on the Board was held by a woman. The representation of women on the Board was 37.5% (this remains the case as at the date of this Annual Report and Accounts). Whilst the Board recognises that the representation of women on the Board does not currently meet the UK Listing Rules target of 40%, the Company notes the significant progress made through the appointment of Bindi Karia and Nicola Rabson and the need to maintain a balance of experience and continuity on the Board. As at 30 April 2024, the Board also included one Director from an ethnic minority background. The Nominations Committee and the Board, whilst mindful of the targets set by the Listing Rules, will continue to make appointments based on merit, having regard to diversity.

## Gender representation for Board and executive management as at 30 April 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in executive management <sup>1</sup>	Percentage of executive management
Men	5	62.5%	3	4	43%
Women	3	37.5%	1	3	50%

## Ethnic background of Board and executive management as at 30 April 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in executive management <sup>1</sup>	Percentage of executive management
White British or other (including minority-white groups)	7	87.5%	4	7	100%
Asian/Asian British	1	12.5%	–	–	–

1. Executive management includes the Executive Committee (the most senior executive body below the Board) and the Company Secretary, excluding administrative and support staff, as defined by the UK Listing Rules.

Gender and ethnicity data relating to the Board, the Executive Committee and Company Secretary is collected on an annual basis applying a standardised process managed by the Company Secretary and the Group's HR functions. Each Board member, Executive Committee member and the Company Secretary is requested to confirm, on a strictly confidential and voluntary basis, their ethnicity and gender identity (or specify they do not wish to report such data). The criteria of the standard form questionnaire are fully aligned to the definitions specified in the UK Listing Rules, with individuals requested to specify:

- (1) Self-reported gender identity. Selection from (a) male; (b) female; (c) other category/please specify; (d) not specified (due to local data privacy laws); or prefer not to say.
- (2) Self-reported ethnic background (classifications as designated by the UK Office of National Statistics). Selection from: (a) White British or other white; (b) Mixed or multiple ethnic groups; (c) Asian or Asian British; (d) Black; (e) Other ethnic group/please specify (f) not specified (due to local data privacy laws); or prefer not to say.

A breakdown of gender diversity across the Executive Committee and its members' direct reports is set out on page 34.

## Future priorities

In FY2025, the Committee intends to continue reviewing succession plans for the Board to make sure the Board continues to operate effectively and add value to the Group.

## Avril Palmer-Baunack

Chairman

10 July 2024





The Audit Committee continued to focus this year on risk assessment and management, internal controls and financial reporting processes, pursuant to the FRC's guidance on internal control.

**Mark Butcher**  
Audit Committee Chairman

### Committee membership

The members of the Audit Committee are shown below.

Details of their experience and qualifications are shown on pages 94 to 95

Committee membership	Number of meetings
Mark Butcher	4/4
Bindi Karia*	3/4
John Pattullo	4/4
Nicola Rabson*	3/4

The Code requires that at least one member of the Audit Committee (the Committee) should have recent and relevant financial experience. Currently, the Chairman of the Committee Mark Butcher fulfils this requirement. All members of the Committee are expected to be and are financially literate. The Committee is composed of independent Non-Executive Directors with relevant experience and proficiency in line with the requirements of the Code and the Committee's terms of reference.

\* Bindi Karia and Nicola Rabson were unable to attend one committee meeting owing to external commitments. They both let the Board know in advance and had an opportunity to provide comments to the Committee Chairman ahead of the meeting.

### Dear stakeholder,

On behalf of the Audit Committee (the Committee) and the Board, I am pleased to present the report of the Committee for the year ended 30 April 2024. The objective of this report is to provide an understanding of the work undertaken by the Committee during the year to ensure that the interests of the Group's stakeholders are protected through a robust system of internal controls, risk management and transparent financial reporting.

The report explains the role the Committee plays in the Group's governance framework, by supporting the Board in their assessment of the integrity of the Group's financial reporting and the adequacy and effectiveness of the Group's management of risk and internal controls.

The Board recognises the importance of risk management; therefore, the setting of risk appetite and the review of the risk register are carried out by the Board. Further information on the Group's risk management processes can be found on pages 54 to 57. The Committee continued to focus on its core areas of responsibility, namely protecting the interests of the Group, our shareholders and stakeholders through ensuring the integrity of the Group's financial information, audit quality and the effectiveness of internal controls throughout the year.

### Role

The Committee's role, authority, responsibilities and scope are set out on pages 92 to 93 and in detail in its terms of reference which are available on the Governance section of our website: [www.zigup.com](http://www.zigup.com)

### Meetings

The Committee is required to meet at least three times a year. Details of attendance at meetings held in the year ended 30 April 2024 are detailed in this report. Due to the cyclical nature of its agenda, which is linked to events in the Group's financial calendar, the Committee met four times during the year. The other Directors, together with the Group Head of Internal Audit and the external auditors, are normally invited to attend all meetings.

### Key focus

The Committee continues to support the risk management framework of the Group through regular review of internal controls and oversight of the work of internal audit.

The Committee reviewed management's assessment of the viability of the Group and the period over which viability should be assessed taking into consideration the impact of the economic environment, climate change and downside sensitivities, challenging those assumptions. The Committee is satisfied that the Group is viable, with further details provided within the viability statement found on page 64.

During the year, the Committee has considered the impact of the improving supply chain on residual values of used vehicles, the ageing of the fleet, and the cost of new vehicles. Such factors are important variables in the determination of appropriate depreciation rates for vehicles available for hire.

The Committee continued to review judgements made in determining the carrying amounts of claims due from insurance companies and self-insuring organisations, taking into account the progress that has been made in the year to reach bulk settlements over historic non-protocol claims, and move more insurers into protocol arrangements.

Following recent acquisitions, the Committee reviewed management's assessments of the fair values of net assets acquired, at the acquisition date and over the following 12 months' hindsight period. The Committee also continues to support the embedding of the Group's governance and internal control frameworks within those businesses.

The Committee reviewed and recommended the Board approve the Group's tax strategy and considers that this demonstrates the Group's commitment to tax transparency and its stated desire to pay the right amount of tax.

**Activity**

The main activities of the Committee are outlined below. The meeting in June primarily relates to the completion of the reporting cycle for the previous financial year, therefore the meeting held in June 2024 has been included below as it related to the year ended 30 April 2024.

September 2023	November 2023	March 2024	June 2024
<p><b>Key focus</b></p> <p>Reviewed the effectiveness of the FY2023 external audit and agreed the scope of the FY2024 audit work to be undertaken by PwC</p> <ul style="list-style-type: none"> <li>Reviewed and approved PwC's audit plan including an assessment of their independence</li> <li>Agreed the audit fee for FY2024</li> <li>Reviewed and confirmed endorsement of the Group's non-audit fee policy</li> <li>Reviewed and approved the Committee's terms of reference, prior to making a recommendation to the Board</li> </ul>	<p><b>Key focus</b></p> <p>Reviewed the interim financial statements to be issued in December 2023 and related reports prepared by management and PwC</p> <ul style="list-style-type: none"> <li>Reviewed management's assessment of going concern</li> <li>Reviewed management papers supporting the key judgment areas in the interim financial statements including depreciation rates, recoverability of contract assets and interim tax accounting</li> <li>Reviewed a paper on presentation of financial statements including consideration of exceptional items</li> </ul>	<p><b>Key focus</b></p> <p>Reviewed the quality and effectiveness of Internal Audit</p> <ul style="list-style-type: none"> <li>Reviewed and approved the Internal Audit Charter</li> <li>Set the programme of internal audits</li> <li>Reviewed the Group's corporate taxation arrangements and recommended that the Board approve the Group tax strategy</li> <li>Reviewed the Group's treasury arrangements and policies</li> </ul>	<p><b>Key focus</b></p> <p>Reviewed the FY2024 Financial Statements and related reports prepared by management and PwC</p> <ul style="list-style-type: none"> <li>Reviewed and approved the Group's "Fair Balanced and Understandable" statement</li> <li>Reviewed a management paper on the assessment of going concern and judgements supporting the viability statement</li> <li>Reviewed management papers supporting key judgements including depreciation rates and recoverability of contract assets</li> <li>Reviewed management papers on tax accounting and presentation of financial statements</li> <li>Reviewed and approved non-audit services provided by PwC. Made a recommendation to the Board to reappoint PwC as external auditor</li> </ul>

← At each meeting, the Committee received regular reports from the Group Head of Internal Audit and reviewed progress made by management in responding to their internal control recommendations. The Committee had regular discussions with the Group Head of Internal Audit and the external audit partner in the absence of management →

**Significant matters considered in relation to the financial statements**

The Committee reviewed the significant matters set out in this report in relation to the Group's financial statements for the year ended 30 April 2024. We discussed these issues at various stages with management during the financial year and during the preparation and approval of the financial statements.

Following review and consideration of the presentations and reports presented by management, we are satisfied that the financial statements appropriately address the critical judgements and key estimates, in respect of both the amounts reported and the disclosures made. We also reviewed these issues with the auditors during the audit planning process, the interim review and at the conclusion of the audit process. We are satisfied that our conclusions in relation to these issues are in line with those drawn by the auditors.

Overview of Internal financial controls

Risk management

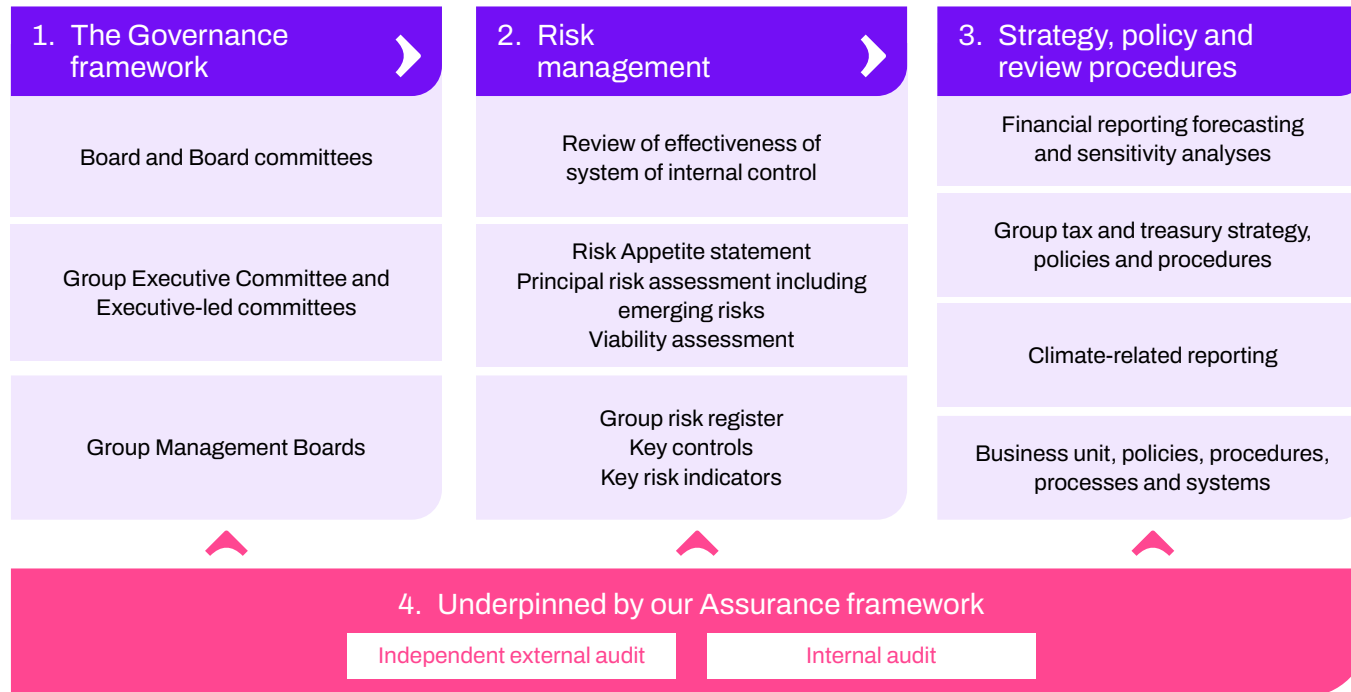
The Committee is responsible for overseeing the adequacy of internal controls and the work of Group Internal Audit. The Board determines the extent and nature of the risks it is prepared to take in order to achieve the Group's strategic objectives.

Following the Committee's review and recommendation, the Board agreed that internal controls (including risk management and managing climate-related emerging risks) continue to be effective. This was in accordance with the requirements of the FRC Guidance on risk management, internal control and related financial and business reporting. The Committee supported the Board's confirmation that no significant failings or weaknesses have been identified during the financial year. Processes are in place to ensure that necessary action is taken, and progress is monitored where areas for improvement are identified.

Internal financial controls

On an ongoing basis, the Committee reviews the adequacy and effectiveness of the Group's system of internal financial controls, with an overview of the framework shown on this page.

The Committee received detailed reports on the operation and effectiveness of the internal financial controls from members of the senior management team. The outcome of the external audit at year end and the half year review are considered in respect of internal controls. The Committee also receives updates on the policies and procedures in place and how these are being communicated to and complied with by the wider workforce.



- Our governance framework supports effective internal control through an approved schedule of matters reserved for decision by the Board and the Executive Committee, supported by defined responsibilities, levels of authority and supporting committees.
- The Board regularly reviews the Group's risk register, the schedule of key controls and key risk indicators. The Board also assesses the impact of emerging risks to the Group. Our risk management procedures are robust and can be viewed on pages 54 to 57.
- Comprehensive systems of financial reporting and forecasting are conducted frequently and include both sensitivity and variance analysis. A budgeting exercise and strategic review is conducted annually. Sensitivity analyses are included in both the strategic review and the rolling forecasts. Taxation is a complex area and is subject to frequent external review. The Committee provides oversight and recommendation to the Board to approve the Group tax strategy. Oversight of climate-related disclosures which are managed through the Sustainability Committee.
- The Treasury function ensures compliance with Group treasury policies set by the Board and reviewed by the Committee which cover liquidity risk, credit risk, interest rate risk, foreign exchange risk and capital management. Liquidity policy includes continual monitoring of the Group's debt facilities to ensure sufficient access to capital. All complex or large transactions are discussed in advance with the Board.
- During the year, no significant deficiencies had been raised by PwC through the course of the annual external audit nor through the work carried out by Group Internal Audit and overseen by the Committee.

**Significant financial judgements, key assumptions and estimates**

Any key accounting issues or judgements made by management are monitored and discussed with the Committee throughout the year. The table below provides information on the key issues discussed with the Committee during the year and the judgements adopted.

Matter	Key consideration	Progress to date	Conclusion
<b>Determining appropriate depreciation rates for vehicles available for hire</b>	Ensuring that depreciation rates are set appropriately.	<p>The Committee reviewed trends of vehicle residual values. In addition, we reviewed papers prepared by management at each reporting date which included a quantitative and qualitative assessment of the current and forecast trends in the used vehicle market, management of Group fleet and review of the Group's depreciation policy and accounting estimates in this context.</p> <p>We challenged and debated the assumptions and judgements made and were content with management's assessment.</p>	We agreed with management's assessment of depreciation rates to be applied to the existing fleet and their proposal for depreciation rates on new vehicle purchases to be applied in FY2025.
<b>Claims due from insurance companies and self-insuring organisations</b>	Ensuring that the carrying value of insurance claims represents the best estimate of the net claim value to be recovered.	<p>At each reporting date, the Committee reviewed papers prepared by management which included management's assessment of the expected net claim values at each reporting date.</p> <p>We challenged the underlying assumptions and significant areas of judgement and were satisfied with management's assessments.</p>	We concluded that the judgements made in determining net claim values as at 30 April 2024 were appropriate.
<b>Financial statements and other information</b>	Fair and balanced presentation of financial statements and other information including use of appropriate alternative performance measures.	<p>The Committee considered the presentation of the financial statements, including the presentation of reported results between underlying and statutory performance, as well as evaluating how financial results and alternative performance measures were used as part of the Strategic report.</p> <p>The Committee reviewed papers prepared by management at each reporting date which outlined management's judgement in assessing whether any items should be classified as exceptional items or otherwise excluded from underlying results to ensure that the judgements made were reasonable and were in line with stated policy.</p>	We concluded that the annual report and accounts, taken as a whole, were fair, balanced and understandable, and that the use of alternative performance measures was appropriate.

**External auditors**

The Committee reviews and makes recommendations regarding the appointment of the external auditors. In making this recommendation, we consider auditor effectiveness and independence including consideration of non-audit fees and length of tenure of the audit firm and senior members of the audit team.

**The Audit Firm**

The Committee confirmed compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, having last carried out a competitive tender and appointed PwC as Group auditors in 2015. Jonathan Greenaway has been the lead audit partner since the year ended 30 April 2022, following the rotation of the previous partner.

The Company is required to have a mandatory audit tender after 10 years and, as the Audit Committee considers the relationship with the auditors to be working well and remains satisfied with their effectiveness and the quality of audit work, their geographical and professional capabilities, the Audit Committee considers it to be in the best interests of the Company's shareholders for PwC to remain as the Group's auditors until 2025.

The Committee will shortly commence the audit tender process which is expected to be rigorous and objective and which will be conducted in compliance with applicable regulations. The timetable for the external audit process will be designed so as to permit sufficient time to plan for transition of non-audit services if there is a change of auditors and to enable any new auditor to fully prepare to assume responsibility for the audit across the Group. The tender process is expected to conclude in the year ending 30 April 2025 and it is intended that a resolution proposing the appointment of the selected auditor would be put to shareholders at the 2025 AGM.



## Non-audit fees

The Committee ensures that non-audit work may only be undertaken by the external auditor in limited circumstances. All non-audit services are subject to the Committee's prior approval. Non-audit services provided by our external auditors are subject to a cap equal to 70% of the average annual audit fee for the preceding three years.

Non-audit fees for services provided by PwC for the year amounted to £80,000 which included £68,000 for the review of the Interim financial statements. As the interim review work was required by legislation this is not included for the purposes of comparing non-audit fees to the 70% cap included in the FRC's guidance. A total of £12,000 for non-audit fees was incurred for reviewing a grant claim in Spain and providing access to the PwC accounting and corporate reporting platform. The level of non-audit fees is 1% of the three-year average audit fee.

## Auditor effectiveness

The Committee carries out an annual assessment of the external auditors which entails reviewing the effectiveness of the audit process and the objectivity and independence of the external auditors, both in terms of the engagement team and the firm as a whole. In order to perform this assessment, the following criteria are considered:

- the auditor's safeguards to independence including the independence letter which annually confirms their independence and compliance with the FRC Ethical Standard;
- the operation, and compliance with, the Group's policy on non-audit work being performed by the auditors;
- how the auditors identified risks to audit quality and how these were addressed, including the controls the auditors relied upon;
- the quality of the audit plan including identification of key risks, materiality assessment and scope of Group audit;
- how the auditors demonstrated professional scepticism and challenged management's assumptions where necessary; and
- assessment of the quality of the firm, including the outcome of the FRC's inspection of PwC's audit quality

In assessing how the auditors demonstrated professional scepticism and challenged management's assumptions, the Committee considered the depth of discussions held with the auditor, particularly in respect to challenging the Group's approach to its significant judgements and estimates. The Committee is satisfied with the level of challenge raised by the audit partner and the team during the year.

The Committee concluded that the audit process was operating effectively. Consequently, the Committee has recommended the reappointment of PwC as the Group's external auditor at the AGM in September 2024.

## FRC review

The Company received a letter on 29 January 2024 from the FRC noting that it had carried out a review of PwC's audit of the Group and Company's financial statements for the year ended 30 April 2023. The Committee were pleased with the outcome of the FRC's Audit Quality review which was graded as "good", being the highest rating achievable, and which reported no adverse findings, and highlighted good practice in relation to the assessment of the claims due from insurance companies and self-insuring organisations.

## Minimum standard

The FRC's "Audit Committees and the External Audit: Minimum Standard" (the Minimum Standard) was published in May 2023. The Committee's initial assessment is that this will not result in any significant changes from how the Committee currently operates. However, this is being reviewed further, including to the extent that there may be useful points to consider in relation to the assessment of the effectiveness of the audit process and to the audit tender process.

## Group Internal Audit

In fulfilling its duty to monitor the effectiveness of the Internal Audit function, the Committee has:

- reviewed the adequacy of the resources of the Group Internal Audit department;
- ensured that the Group Head of Internal Audit has direct access to the Chairman of the Board and to all members of the Committee;
- conducted a one-to-one meeting with the Group Head of Internal Audit without management present; and
- approved the Group Internal Audit programme and reviewed quarterly reports by the Group Head of Internal Audit, ensuring the Committee was satisfied with the quality of these reports.

The Committee concluded that the Group internal audit process had been conducted effectively and that the quality of audit and reporting was rated highly.

## Looking forward

In FY2025, the Committee will continue to support the Board as the business continues to grow organically and inorganically, embedding the Group's governance framework, financial reporting systems, risk management processes and internal controls.

## Mark Butcher

Audit Committee Chairman

10 July 2024

# Our remuneration.

We aim to align the total remuneration for our Executive Directors to our strategy through a combination of fixed pay, bonus and long-term incentives, underpinned by stretching performance targets.

## Components of our Executive Directors' remuneration.

### Total Executive remuneration (£'000)

Martin Ward CEO

2,211

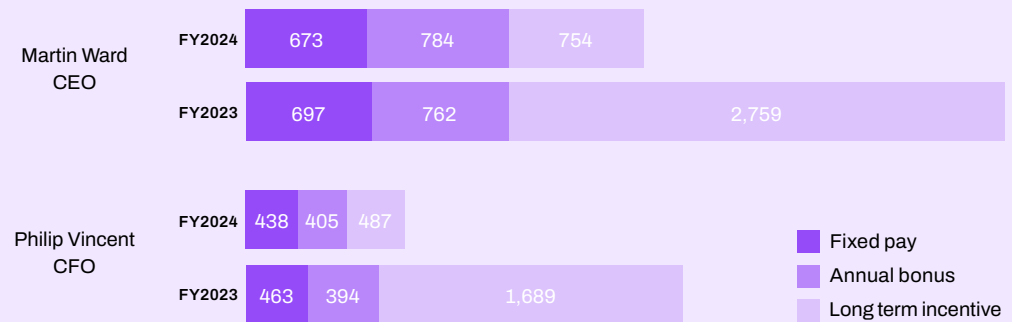
2023: 4,218

Philip Vincent CFO

1,330

2023: 2,546

### Fixed and variable Executive remuneration (£'000)



## Wider workforce pay, benefits and engagement.

Pay awards between

3 and 9%

at lower salary levels with increases for mid to senior levels capped at 3%

Free Share award in October 2023 of

£500

in addition to the award made in December 2022

New partnerships formed to offer health and financial wellbeing services to our employees

Employee participation in "Have your Say" survey

83%

+5% on responses in FY2023

Employees understand "what success looks like for my Company" and their role in delivering success

75%

+13% on responses in FY2023

## How was performance reflected in Executive pay for FY2024.

### How the Group performed in FY2024

#### Underlying PBT

**£180.7m**  
+8.9%

#### Underlying EPS

**64.1p**  
+10.4%

#### Charging points

**+40%**  
installed in our sites

#### Ratio intensity

**13**  
tCO<sub>2</sub>e per £m of revenue  
(excluding vehicle sales)

### Launch of new strategic pillars



### Performance-related outcomes for Executive Directors

#### FY2024 annual bonus targets

	Stretch target	Actual outcome	Outcome (% of max. award)	
75% PBT	£170.0m	<b>£180.7m</b>	100%	100%
25% strategic/non-financial objectives including sustainability and environmental goals			100%	100%

■ Martin Ward (CEO) ■ Philip Vincent (CFO)

#### Vesting of 2021 LTIP

	Stretch target	Actual	Outcome (% of max. award)	
PBT 50% of total LTIP	£145.0m	<b>£180.7m</b>	100%	100%
EPS 50% of total LTIP	44.2p	<b>61.4p</b>	100%	100%

■ Martin Ward (CEO) ■ Philip Vincent (CFO)

### Ensuring shareholder value

- 50% of the annual bonus is awarded in shares subject to a three year holding period
- Share ownership guidelines set at 200% of salary with a 2 year post employment holding period
- As at 30 April 2024 both Martin Ward and Philip Vincent met the target of holding shares equivalent in value of at least 200% of basic salary
- TSR targets introduced for the LTIP award made in the year, in order to create clear alignment between Executive Directors' interests and value created for shareholders

### Executive Directors' shareholding

Martin Ward	100% of target
Philip Vincent	100% of target



The policy revisions approved by shareholders at our 2023 AGM have been smoothly implemented and have supported another year of strong performance.

## John Pattullo

Remuneration Committee Chairman

### Committee membership

Members of the Remuneration Committee are shown below:

Details of their experience and qualifications are shown on pages 94 to 95

Committee membership	Number of meetings
John Pattullo	4/4
Mark Butcher	4/4
Avril Palmer-Baunack*	3/4
Bindi Karia	4/4
Nicola Rabson*	3/4

\* Avril Palmer-Baunack and Nicola Rabson could not attend one meeting in the year due to prior external commitments. They both informed the Committee in advance and had an opportunity to provide comments to the Committee Chairman ahead of the meeting.

### Dear stakeholder,

I am very pleased to introduce the Directors' Remuneration report for the year ended 30 April 2024. The Remuneration Policy was approved by shareholders at the meeting with 98.74% support, and I would like to thank shareholders for their support at the 2023 AGM and for their input into the Policy design as part of the shareholder consultation ahead of that meeting. The Committee is comfortable that the Policy operated as intended during the year and therefore there are no material changes for the year ahead.

### Performance of the Group

The Group has achieved strong underlying financial results during the year and there is good performance momentum and a strong pipeline to support the delivery of performance in future years. Improving vehicle supply conditions in Spain and the UKGI enabled further refreshing of our fleets and was complemented by investment in growing our operational footprint. We have broadened our rental and ancillary services offerings and our claims and services business enjoyed strong growth and has a strong pipeline. There was also an investment in increasing capacity and efficiency through the opening of nine new branches. We have also invested in our people, with enhanced training and infrastructure support. This is backed by our strong financial performance, including 23.0% growth in total revenue and 8.9% growth in underlying profit before tax. We have a strong balance sheet with a stable 1.5x leverage, supported by fleet assets of £1.3bn and over £240m facility headroom.

During the year, the Group has also launched our new name and new brand, to better reflect the strength and depth of the enlarged group of businesses within ZIGUP which work together to deliver a differentiated proposition to our customers. We have also launched the new strategic pillars of Enable, Deliver and Grow to provide a framework for the business to embrace external and internal opportunities, as well as to ensure they are aligned to our strategic vision as the leading provider of integrated mobility solutions delivering customer service excellence.

There have also been material returns to shareholders. The Board has proposed a final dividend of 17.5p which, together with the interim dividend of 8.3p, represents a 7.5% increase over the prior year. During the year, the company launched a share buyback programme of the Company's ordinary shares for up to a maximum aggregate consideration of £30m and the programme concluded on 13 June 2024.

### Remuneration outcomes for the year ended 30 April 2024 Annual bonus

The maximum annual bonus opportunity for the year was 125% of salary for the CEO and 100% of salary for the CFO. 75% of the award was based on underlying PBT, with actual performance for the year being £180.7m, which exceeded the maximum target. The remaining 25% was based on strategic and ESG targets. 50% of the annual bonus is awarded in shares and subject to deferral for three years.

Both the CEO and CFO received a maximum annual bonus award based on outcomes against financial and strategic objectives, as outlined further in the main body of the report. With respect to financial objectives, this approach is in line with the award outcome for those in the senior management teams who participate in Group bonus schemes. The Committee considered this outcome in the context of performance in the year, further detail of which is provided elsewhere in the Annual Report and Accounts, and determined that the outcome was appropriate and that no discretion was required.

### 2021 LTIP vesting

The 2021 LTIP awards were granted in August 2021 and based on appropriately stretching PBT and EPS targets. Following very strong delivery over the three-year performance period, the maximum target for both PBT and EPS has been exceeded and therefore the award is due to vest at 100% of maximum in August 2024. There were no windfall gains associated with this award as it was granted at a share price of 429p. Awards for Executive Directors are subject to a two-year holding period.



## Discretion

The Committee reviewed the formulaic incentive outcomes for FY2024 and is comfortable that the payouts reflect the underlying performance of the Group, the shareholder experience, and the wider stakeholder experience. The Committee did not exercise any discretion in the award of Directors' remuneration in the year.

## Operation of policy for FY2025

### Base salary

The Executive Directors' salaries have been increased by 3% to £646,457 for the CEO and £417,531 for the CFO. The salary increase is aligned with the rate applied to mid and senior management levels and below the average 4.2% pay increase across the Group.

### Pension

Executive Director pension levels are aligned to the majority of the UK workforce (currently 4% of salary) and remain unchanged since 1 January 2023.

### Annual bonus

There are no changes to the maximum opportunity for FY2025 (125% of salary for the CEO and 100% of salary for the CFO) or to the balance of performance measures. Half of any bonus earned net of taxes will be used by the Executive Directors to purchase shares, which will be subject to a three-year holding period and cannot be sold during that time. The annual bonus will continue to be based 75% on PBT performance and 25% on strategic and operational measures including ESG.

### Long term incentive plans

The Committee intends to grant LTIP awards of 150% of salary for the Executive Directors in line with the normal maximum award under the policy. Awards will continue to be based 75% on EPS performance and 25% on TSR performance versus the FTSE 250 (excluding investment trusts). The Committee intends to review the performance measures and weightings prior to each grant to ensure they remain appropriate. For the FY2025 LTIP grant, the Committee determined that it was appropriate to retain the current measures and weightings which were first put in place last year as it believes they strike the right balance of incentivising management to deliver improved financial performance while ensuring alignment with the shareholder experience.

The Committee will have the discretion to adjust the formulaic outcome of the bonus and LTIP awards to take into account the wider business performance and the shareholder experience.

We will also be seeking shareholder approval for an updated version of the Long-Term Incentive Plan rules at the 2024 AGM. While the key terms are unchanged, the document has been thoroughly reviewed to ensure it appropriately reflects best practice features and provides the necessary flexibility for future operations. Full detail will be included within the notice of AGM.

### Wider workforce pay and benefits

In FY2024, the Group made pay increases to colleagues at lower salary levels with increases between 3% and 9% and a capped 3% rise at mid- to senior-levels. The Group also continued to deliver on its commitment to help our colleagues invest in the Company and promote their alignment with and participation in the Group's strategy through the SAYE Scheme and the Group's Free Share programme under which all employees were provided with £500 of free shares in the Company's Share Incentive Plan in October 2023 in addition to the £500 award made in December 2022.

Recognising the financial pressures our colleagues face in the current economic climate, the Group has placed a strong emphasis this year on improving financial wellbeing. In partnership with HSBC, the Group has delivered face-to-face and online sessions educating employees on "Making the Most of Your Money". The Group also launched a new partnership with Charles Cameron, which provides independent, free mortgage advice to all employees, as well as Wagestream, which is a platform to improve colleagues' financial wellbeing by giving them access to fair financial services, based on flexible pay.

In Spain we partnered with a specialist provider to introduce an employee assistance programme which provides health services, counselling and mental wellbeing support to our colleagues. As part of this programme, online health and wellbeing workshops were also administered in partnership with Sanitas.

### Board engagement with wider workforce

The Group engages with the wider workforce in the business through the Employee Engagement Forum (the Forum), chaired by a senior member of the Group Management Board.

The Forum comprises members from across the Group to ensure a balanced representation of the workforce, and is attended by other members of senior management from time to time. The Forum meets at different locations across the Group to promote accessibility and met twice during the year.

During the year the Forum discussed the results of its fourth annual colleague survey, "Have Your Say". Key themes emerging included: a clearer understanding from colleagues on how they could contribute to the organisation's success, coming from greater clarity around our purpose and strategy; positive sentiment regarding the connections and relationships colleagues have with their teammates; and a sense of pride in the service our colleagues provide to customers. Some areas for improvement were also noted through the "Have Your Say" survey which included greater business collaboration and enhancements to systems and processes which would improve ways of working.

In FY2025 the Employee Engagement Forum will continue to review its activities to ensure that it remains an effective way of maintaining good dialogue between senior management and the wider workforce.

### Conclusion

The Committee believes it has successfully balanced its responsibilities to motivate senior leaders, support the broader workforce and align with the interests of all stakeholders. I hope to receive your support for the Annual Remuneration Report at the AGM in September.

### John Pattullo

Remuneration Committee Chairman

10 July 2024

## Annual Report on Remuneration

### Remuneration policy report

The table below summarises the current Directors' Remuneration Policy (that was approved by shareholders at the 2023 AGM) and how the Committee intends to implement it in FY2025. The full policy can be found within the 2023 Annual Report on the Company's website: [www.zigup.com](http://www.zigup.com)

When implementing the remuneration policy, the Remuneration Committee considers the six factors listed under Provision 40 of the UK Corporate Governance Code:

<b>Clarity</b>	A summary of the remuneration policy is set out below in a clear and transparent manner.
<b>Simplicity</b>	Remuneration structures are simple and market typical, whilst at the same time incorporating the necessary structural features to ensure a strong alignment to performance.
<b>Risk</b>	The remuneration policy has been designed to discourage inappropriate risk taking. Awards under the remuneration policy are subject to malus and clawback provisions. The performance conditions are reviewed annually to ensure that they remain suitable.
<b>Predictability</b>	Incentives are capped in the remuneration policy with outcomes clearly based on performance against defined performance metrics.
<b>Proportionality</b>	Variable pay is subject to a combination of financial and non-financial measures that are linked to Group strategy. LTIP holding periods and shareholding requirements (including post-exit) all ensure alignment to long term value creation and strategic goals.
<b>Alignment to culture</b>	We seek to align incentives to our Group values from time to time and the Policy for our Executive Directors is designed in accordance with the same principles that underpin remuneration for the wider employee population.

The table below summarises the key aspects of that policy.

Elements	Policy operation	Implementation for FY2025
<b>Fixed</b>		
Salary	Fixed remuneration, which reflects the role, skills, and opportunities.  Normally reviewed annually by the Committee, taking account of Group performance, individual performance, changes in responsibility, changes in the size and complexity of the business and levels of increase for the broader UK population.	<ul style="list-style-type: none"> <li>CEO – £646,457 (3% increase)</li> <li>CFO – £417,531 (3% increase)</li> </ul> <p>The salary increase of 3% is aligned with the rate applied to mid and senior management levels and below the average 4.2% pay increase across the Group, with the greatest increases applied to those at lower salary levels.</p>
Pension	Executive Directors receive pension provision in line with the wider workforce (currently considered to be 4% of base salary).	No change for FY2025. Pension allowance of 4% of salary.
Benefits	Car allowance, healthcare and life assurance.	No change for FY2025.
<b>Variable</b>		
Annual bonus	<p>Maximum opportunity: 150% of salary for CEO and 100% of salary for other executives.</p> <p>Half of any bonus earned net of taxes will be used by the Executive Directors to purchase shares which will be subject to a three-year holding period and cannot be sold during that time.</p> <p>There will normally be a financial underpin to the non-financial element of the bonus. The Committee will assess the payout under the non-financial element if the financial underpin is not met, and would normally expect to use discretion to reduce the non-financial element in these circumstances.</p> <p>Maximum: 100% payout. Target: No greater than 50% of maximum. Threshold: No greater than 25% of maximum. For performance below threshold, no bonus is payable.</p> <p>The Committee has the discretion to adjust the formulaic outcome where it considers it is not appropriate, taking into account such matters as it considers relevant including without limitation the underlying performance of the Company, investor experience, wider employee or stakeholder experience.</p> <p>Recovery and withholding provisions apply.</p>	<p>No change for FY2025.</p> <ul style="list-style-type: none"> <li>CEO maximum opportunity: 125%</li> <li>CFO maximum opportunity: 100%</li> </ul> <p>Performance measures are based 75% on financial (PBT) performance and 25% strategic and operational measures (including ESG).</p> <p>As in previous years, the targets are considered commercially sensitive and will be disclosed retrospectively.</p>

Elements	Policy operation	Implementation for FY2025																								
<b>Variable continued</b>																										
LTIP	<p>The maximum award in respect of a financial year is normally 150% of salary, although exceptionally awards of 250% of salary may be made, e.g. in recruitment, in line with the LTIP Rules.</p> <p>No greater than 25% of the grant vests for threshold performance increasing to 100% on a straight-line basis for maximum performance. For performance below threshold for a measure, the proportion of the award subject to that measure will lapse. Vested awards will normally be subject to an additional two-year holding period, during which time awarded shares may not be sold (other than to meet tax or social security obligations). The value of dividend equivalents accrued over the vesting period are added to awards on vesting at the discretion of the Committee. The Committee has the discretion to adjust the formulaic outcome where it considers it is not appropriate taking into account such matters as it considers relevant including without limitation the underlying performance of the Company, investor experience, wider employee or stakeholder experience.</p> <p>Recovery and withholding provisions apply.</p>	<p>No change for FY2025.</p> <ul style="list-style-type: none"> <li>Executive Directors – maximum opportunity 150% of salary.</li> </ul> <p>Performance measures are 75% EPS and 25% TSR versus the FTSE 250 (excluding investment trusts).</p> <p>EPS targets: the FY2025 EPS threshold is 57.1p (25% vesting) and maximum is 60.4p (100% vesting), with straight-line vesting in between.</p> <p>The Committee carefully considered the EPS targets in the context of the current and expected market conditions, the Group's internal forecasts and investor expectations. The Committee considers that the targets set are appropriately stretching in the context of the prevailing market conditions particularly as disposal profits are normalised and, if achieved, represent success for shareholders. The Committee will review performance at the end of the period to ensure that vesting outcomes are appropriate.</p> <p>TSR targets are median (25% vesting) and upper quartile (100% vesting), with straight-line vesting in-between.</p> <p>Awards will be subject to a two-year holding period after vesting.</p> <p>The value of dividend equivalents accrued over the vesting period are added to awards on vesting at the discretion of the Committee.</p>																								
<b>Share ownership requirements</b>																										
Share ownership requirements	<p>The Executive Directors are normally expected to accumulate a holding of ordinary shares of the Company equivalent in value to 200% of their basic annual salary.</p> <p>Executive Directors are expected to hold the lower of (1) shares held on cessation and (2) shares equivalent in value to 200% of salary at the time of cessation, for a period of two years from the date they cease to be an Executive Director.</p>	No change for FY2025.																								
<b>Non-Executive Directors</b>																										
Fees for the Chairman and Non-Executive Directors	<p>The Chairman is currently paid a consolidated single fee for all their responsibilities. The Non-Executive Directors are paid a basic fee. The Chairs of the main Board committees and the Senior Independent Director are paid an additional fee to reflect their extra responsibilities.</p>	<p>The proposed changes for Non-Executive Directors for FY2025 are set out below. The Chairman and base NED fee have been increased by 3% in-line with the increase awarded to the Executive Directors and other senior managers and below the average increase for the wider workforce.</p> <table border="1"> <thead> <tr> <th></th> <th>Fee as at 1 May 2023</th> <th>Fee as at 1 May 2024</th> <th>Increase</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>£200,000</td> <td><b>£206,000</b></td> <td>3%</td> </tr> <tr> <td>Base fee</td> <td>£56,650</td> <td><b>£58,350</b></td> <td>3%</td> </tr> <tr> <td>Senior Independent Director</td> <td>£10,000</td> <td><b>£10,000</b></td> <td>N/A</td> </tr> <tr> <td>Audit Committee Chairman</td> <td>£10,000</td> <td><b>£10,000</b></td> <td>N/A</td> </tr> <tr> <td>Remuneration Committee Chairman</td> <td>£10,000</td> <td><b>£10,000</b></td> <td>N/A</td> </tr> </tbody> </table>		Fee as at 1 May 2023	Fee as at 1 May 2024	Increase	Chairman	£200,000	<b>£206,000</b>	3%	Base fee	£56,650	<b>£58,350</b>	3%	Senior Independent Director	£10,000	<b>£10,000</b>	N/A	Audit Committee Chairman	£10,000	<b>£10,000</b>	N/A	Remuneration Committee Chairman	£10,000	<b>£10,000</b>	N/A
	Fee as at 1 May 2023	Fee as at 1 May 2024	Increase																							
Chairman	£200,000	<b>£206,000</b>	3%																							
Base fee	£56,650	<b>£58,350</b>	3%																							
Senior Independent Director	£10,000	<b>£10,000</b>	N/A																							
Audit Committee Chairman	£10,000	<b>£10,000</b>	N/A																							
Remuneration Committee Chairman	£10,000	<b>£10,000</b>	N/A																							

## Remuneration for the year ended 30 April 2024 (audited)

The table below sets out the remuneration received by the Directors in relation to performance in the year ended 30 April 2024 (and for long term incentive awards' performance periods ending in the year) and in the year ended 30 April 2023.

£000		Salary and fees	Taxable benefits	Annual bonus	Long term incentive	Pension <sup>3</sup>	Total	Total fixed	Total variable
M Ward	2024	628	20	784	754 <sup>1</sup>	25	2,211	673	1,538
	2023	609	19	762	2,759 <sup>2</sup>	69	4,218	697	3,521
P Vincent	2024	405	17	405	487 <sup>1</sup>	16	1,330	438	892
	2023	394	17	394	1,689 <sup>2</sup>	52	2,546	463	2,083
<b>Non-Executive Chairman</b>									
A Palmer-Baunack	2024	200	–	–	–	–	200	200	–
	2023	200	–	–	–	–	200	200	–
<b>Non-Executive Directors</b>									
J Pattullo	2024	76	–	–	–	–	76	76	–
	2023	76	–	–	–	–	76	76	–
M Butcher	2024	67	–	–	–	–	67	67	–
	2023	67	–	–	–	–	67	67	–
B Karia	2024	57	–	–	–	–	57	57	–
	2023	56	–	–	–	–	56	56	–
M McCafferty	2024	57	–	–	–	–	57	57	–
	2023	57	–	–	–	–	57	57	–
N Rabson	2024	57	–	–	–	–	57	57	–
	2023	27	–	–	–	–	27	27	–

1 For FY2024, the 2021 LTIP vests based on the achievement of EPS performance to 30 April 2024 and has been valued based on the average share price during the three-month period to 30 April 2024 of 364.40p and a vesting outcome of 100%. None of the value in the single figure table is attributable to share price appreciation. No discretion has been exercised in relation to share price changes. 2021 LTIP awards will be released in August 2024 subject to continued employment until that date and the post tax value of the shares will remain subject to a holding period for two years. No dividend equivalents have been allocated to the award on vesting.

2 The LTIP amounts shown in last year's report in respect of the LTIPs awarded in 2020 were calculated based on average share price during the three-month period to 30 April 2023 of 382.8p. The actual share price at vesting was 354.5p, and the values included in single figure has been updated to reflect the share price on vesting. No dividend equivalents were allocated to the award on vesting.

3 All pension entitlement was paid in cash.



**FY2024 salary**

When reviewing the base salary for the CEO and the CFO, the Committee took into account a number of factors, including the approach for our wider workforce population, individual performance and overall contribution to the business in the year. The salary increase of 3% for the CEO and the CFO are aligned with the capped 3% rate applied to mid and senior management levels and below the average 4% pay increase across the Group, with the greatest increases applied to those at lower salary levels.

	2024	2023	Increase
M Ward	£627,628	£609,348	3%
P Vincent	£405,369	£393,563	3%

**Pension and taxable benefits (audited)**

A breakdown of the taxable benefits received by Executive Directors is set out in the table below:

£000	M Ward	P Vincent
Car	15	15
Medical insurance	5	2

The Executive Directors are eligible for membership of a Group personal pension plan. In view of the Annual Allowance cap, all of their entitlements were paid to them in cash. Philip Vincent and Martin Ward both received an entitlement of 4% of base salary, which is in line with the pension provision for the wider UK workforce.

**Annual bonus for the year ended 30 April 2024 (audited)**

**Total opportunity**

The maximum bonus opportunity for the CEO was 125% of salary and for the CFO was 100% of salary. The bonus was based 75% on Group PBT and 25% on strategic objectives. The targets, performance against them and resulting payment are set out in the tables below.

**Financial objectives**

The element related to financial objectives (PBT performance) was awarded at 100% of 75% of the total bonus opportunity (93.75% of salary for M Ward and 75% of salary for P Vincent) as follows:

PBT performance	Threshold performance	Target performance	Maximum performance	Actual PBT performance
PBT 75% of total bonus	£162.4m	£166.2m	£170.0m	£180.7m

**Strategic objectives**

Awarded at 100% of 25% of the total bonus opportunity (31.25% of salary for M Ward and 25% of salary for P Vincent) as set out below. The Directors' strategic objectives were set by the Committee at the beginning of the financial year and were based on a robust framework of clear objectives directly aligned to the Board's strategic priorities for the year.

The strategic objectives and the performance against them for FY2024 are set out below:

Objective	Performance/achievement	Maximum scoring %
<b>Sustainability:</b> To continue roll out of charging points across the Group and LED installation across the UK estate demonstrated by increasing the number of charging points installed at our branches and offices by over a third and increasing the number of sites with LEDs by 50%.	Fully met. The number of charging points installed at our branches and offices increased by over 40%. The number of sites with LEDs increased by 118%.	6.25%
<b>Environment and carbon reduction:</b> To make significant progress across Scope 1 and Scope 2 KPI reporting across the business to measure performance against reduction targets. This may include, amongst other data, the regular production of a list of branch rankings of tCO <sub>2</sub> across the Group.	Fully met. The Group has made significant progress, including reporting now being in place for all branches to enable accurate monitoring of power consumption by branch. A Sustainability Committee was created with three subcommittees covering all elements of ESG. Targets set for each subcommittee were fully achieved in the year to support the Scope 1 and 2 reporting as well as broader requirements on ESG reporting and engagement.	6.25%
<b>Growth:</b> Continue to maintain organic growth of the Group through branch extension opening/or signing leases for a further three branches during the year.	Fully met. The Group has continued organic growth by opening nine sites during the financial year.	6.25%
<b>Strategy:</b> Sunset the existing Focus, Drive and Broaden strategy and develop, implement and communicate across the Group the next phase of our strategy.	Fully met. New strategic pillars of Enable, Deliver and Grow have been developed and communicated across the Group alongside the new brand launch.	6.25%
<b>Total</b>	25%	out of 25%

Based on performance to 30 April 2024, the annual bonus outcomes for Executive Directors during the year are shown on pages 110 to 122. The Committee is satisfied that no adjustments to the payouts are required, and that the outcome is reflective of underlying performance. Further detail is set out in the Statement by the Committee Chairman.

A summary of the bonus outcome is as follows:

Executive	% of maximum	% of salary	Bonus outcome (£000)	Awarded in cash (£000)	Awarded in shares (£000)
M Ward	100	125	784	392	392
P Vincent	100	100	405	202	203

50% of the bonus will be used to purchase shares. Shares are subject to a minimum deferral period of three years and are not subject to continued employment.

### Vesting of 2021 LTIP awards (audited)

The performance conditions related to the 2021 LTIP award are due to vest as follows:

Performance	Threshold target (25% vesting)	Stretch target (100% vesting)	Actual performance	Vesting achieved
PBT 50% of total LTIP	£130m	£145m	£180.7m	100%
EPS 50% of total LTIP	39.60p	44.20p	61.4p	100%
<b>Total</b>				<b>100%</b>

The Committee has fully considered the facts and circumstances of the awards and the performance delivered by the Group in this period. Overall, the Committee considers that the outcome of the 2021 award is fair in the context of exceptional performance and is not misaligned with shareholder experience. Accordingly, we have concluded that the vesting level is fair and have not used discretion to scale back the awards.

No dividend equivalents were included as part of the award.

There were no windfall gains associated with this award as it was granted at a share price of 429p.

Further detail is provided in the Remuneration Committee Chairman's letter.

The awards are due to vest in August 2024, subject to ongoing service conditions being met, and will be subject to a two-year holding period.

### LTIP awards made during the year (audited)

On 2 August 2023, the following LTIP awards were granted to Executive Directors:

	Type of award	Basis of award granted	Share price for award	Number of shares over which award was granted	Face value of award (£000)	% of face value that would vest on threshold performance	Vesting determined by performance over
M Ward	Nil cost option	150% of salary of £627,628	344.67p	273,143	941	25%	Three financial years to 30 April 2026
P Vincent	Nil cost option	150% of salary of £405,369	344.67p	176,416	608	25%	Three financial years to 30 April 2026

The share price for award was calculated based on a three-day average prior to the award grant (345p).

	Weighting	Threshold target (25% vesting)	Stretch target (100% vesting)
TSR versus FTSE 250 (excluding Investment trusts)	25%	Median	Upper quartile
EPS (final year of performance period)	75%	57.9p	61.5p

**Percentage change in remuneration levels**

The table below sets out the percentage change in base salary, value of taxable benefits and bonus for all the Directors compared with the average percentage change for employees of the Company.

	Average percentage change 2023–2024			Average percentage change 2022–2023			Average percentage change 2021–2022			Average percentage change 2020–2021		
	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus	Salary	Taxable benefits	Annual bonus
M Ward	3%	8%	3%	3%	(4%)	3%	15%	12%	28%	620%	387%	n/a
P Vincent	3%	3%	3%	3%	21%	3%	13%	8%	8%	2%	(14%)	n/a
A Palmer-Baunack	0%	n/a	n/a	0%	n/a	n/a	20%	n/a	n/a	31%	n/a	n/a
J Pattullo	0%	n/a	n/a	18%	n/a	n/a	3%	n/a	n/a	5%	n/a	n/a
M Butcher	0%	n/a	n/a	3%	n/a	n/a	3%	n/a	n/a	65%	n/a	n/a
Bindi Karia	1%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
M McCafferty	0%	n/a	n/a	3%	n/a	n/a	3%	n/a	n/a	466%	n/a	n/a
N Rabson	110%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Company employees	7%	(23)%	31%	(22%)	87%	(31%)	44%	(70%)	2015%	(6%)	11%	(87%)

1 The year-on-year change in pay for J Pattullo in 2022/23 relates to the additional fees paid in respect of taking on the Remuneration Committee Chairman role.

The above table shows the movement in the salary, taxable benefits and annual bonus for Directors compared to that for the average employee of ZIGUP plc as required under legislation. It does not reflect the total average for the Group. As there are less than 50 colleagues who are directly employed by ZIGUP plc, the average pay calculation can be easily skewed by a change in composition of staff and this is one of the reasons for the changes during the year. As set out in the Directors' Remuneration report last year the average increase in salary for the wider workforce was 4%.

Annual bonus for Company employees is the amount paid in each year, whereas the Directors' bonus is the amount earned in each period as the information on Company employees' bonus amounts is not available at the date of this report.

**Payments to past Directors and payments for loss of office (audited)**

There were no payments to past Directors whether for loss of office or otherwise during FY2024.

**CEO to employee pay ratio**

The table below sets out the ratio of the CEO's single figure of total remuneration to the total remuneration of the 25th percentile, median (50th percentile), and 75th percentile remuneration of our UK employees, in line with the regulations.

Option A of the Companies (Miscellaneous Reporting) Regulations 2018 has been used to calculate the ratio as it was considered to provide the most accurate basis of calculation. Full-time equivalent remuneration for all UK employees for the financial year has been used for pay periods across the year. Total remuneration has been prepared using the same methodology as the single figure table with the exception of the bonus. The bonus figure for employees is based on the amount paid in each year as the information on employees' bonus amounts is not available at the date of this report whereas the bonus included in the single figure table is the amount earned in each period.

Financial Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
<b>2024</b>	<b>Option A</b>	<b>84:1</b>	<b>71:1</b>	<b>50:1</b>
2023	Option A	171:1	142:1	101:1
2022	Option A	63:1	51:1	35:1
2021	Option A	57:1	45:1	30:1
2020	Option A	64:1	53:1	37:1
2019	Option A	47:1	38:1	26:1

Salary and total remuneration details for the relevant individuals are set out as follows:

£000	CEO	25th percentile	Median	75th percentile
<b>2024</b>				
Salary	628	25	29	38
Total remuneration	2,211	26	31	44

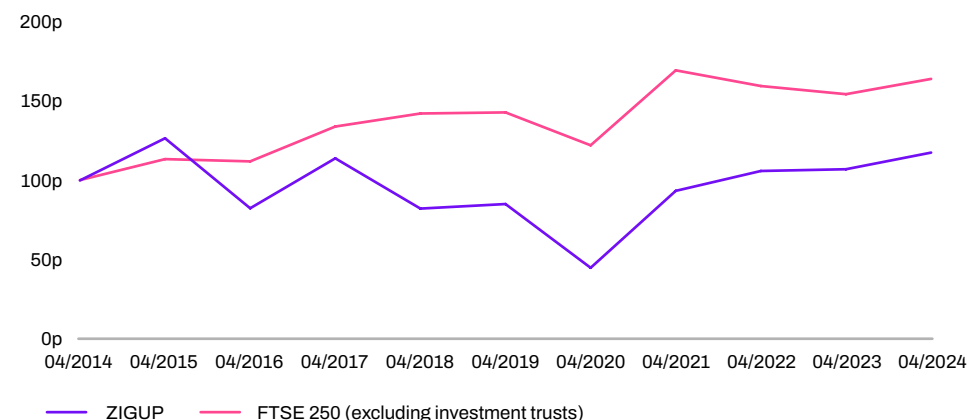
The employees at the 25th, 50th and 75th percentile have been determined by reference to average employee pay across the Group for the financial year being reported on.

Unlike the total remuneration for the majority of employees, total remuneration for the CEO is mostly dependent on, business performance and share price movements over time. As a result, the ratios may fluctuate significantly from year to year. The pay ratio is lower in 2024 when compared to 2023 primarily due to the value of the LTIP award vesting in each year. Although both the 2020 and 2021 LTIP awards vested in full, the 2020 award was made at an increased level compared to 2021 given the loss of value in legacy awards under the previous EPSP. This, combined with the strong share price growth throughout the period, resulted in the CEO's total remuneration being higher in 2023 than in 2024.

The Committee has responsibility for setting the remuneration of the Executive Directors and other senior management and reviews the wider policies and practices for our workforce. The Committee is satisfied that the median pay ratio is consistent with the Group's pay, reward and progression policies.

**Performance graph measured by TSR**

The graph below illustrates the performance of ZIGUP plc measured by Total Shareholder Return (share price growth plus dividends reinvested in shares) against a "broad equity market index" over a rolling ten-year period (the period covered by the graph below is 30 April 2014 to 30 April 2024). Consistent with the approach adopted in previous years, we show performance against the FTSE 250 (excluding investment trusts) of which we are a constituent. The mid-market price of the Company's ordinary shares at 30 April 2024 was 385p (28 April 2023: 376p). The range during the year was 312p to 391p.



**Total remuneration for CEO**

The total remuneration figure for the CEO during each of the previous 10 financial years is as follows:

Year ended 30 April	2015	2016	2017	2018	2019	2020	2021	2022	2023	<b>2024</b>
Total remuneration £000	1,138	1,214	821	490	1,032	1,319	1,200	1,440	4,218	<b>2,211</b>
Annual bonus (% of maximum)	90.3	34.1	-	-	72.4	-	100	100	100	<b>100</b>
Long term incentive (LTIP) vesting (% of maximum)	47.9	79.2	61.8	-	-	-	-	-	100	<b>100</b>

The total remuneration figure includes the annual bonus and LTIP awards which vested based on performance periods ending in those years. The annual bonus and LTIP percentages show the payout for each year as a percentage of the maximum. In years when there was a change of CEO, the figures shown are the aggregate for the office holders during that year and include any payments for loss of office. The CEO in office for each year can be found in previously published reports.



### Relative importance of spend on pay

£000	2023	2024	increase
Staff costs	270,776	297,484	9.9%
Dividends	52,220	56,179	7.6%
Share buybacks	52,927	24,878	(53)%

The table above shows the movement in spend on staff costs versus that on dividends and share buybacks, reflecting a significant return of capital to our shareholders and our significantly increased investment in the wider workforce.

### Outstanding share awards

The table below sets out details of Executive Directors' outstanding share awards.

#### M Ward

Scheme	Grant date	Exercise price (p)	Shares under option at 30 April 2023	Number of options/shares granted during the year	Vested during year	Exercised during year	Lapsed during year	Forfeited during year	Number of shares at 30 April 2024	End of original performance period	Vesting date	Exercise period
LTIP <sup>3</sup>	13.08.20	Nil	778,315	–	778,315	778,315	–	–	–	30.04.23	13.08.23	13.08.23 – 13.08.30
LTIP <sup>2</sup>	09.08.21	Nil	206,853	–	–	–	–	–	206,853	30.04.24	09.08.24	09.08.24 – 09.08.31
LTIP <sup>2</sup>	13.07.22	Nil	271,763	–	–	–	–	–	271,763	30.04.25	13.07.25	13.07.25 – 13.07.32
LTIP <sup>1</sup>	02.08.23	Nil	–	273,143	–	–	–	–	273,143	30.04.26	02.08.26	02.08.26 – 02.08.33
<b>Total</b>			<b>1,256,931</b>	<b>273,143</b>	<b>778,315</b>	<b>778,315</b>	<b>–</b>	<b>–</b>	<b>751,759</b>			

#### P Vincent

Scheme	Grant date	Exercise price (p)	Shares under option at 30 April 2023	Number of options/shares granted during the year	Vested during year	Exercised during year	Lapsed during year	Forfeited during year	Number of shares at 30 April 2024	End of original performance period	Vesting date	Exercise period
LTIP <sup>3</sup>	13.08.20	Nil	476,382	–	476,382	476,382	–	–	–	30.04.23	13.08.23	13.08.23 – 13.08.30
LTIP	09.08.21	Nil	133,601	–	–	–	–	–	133,601	30.04.24	09.08.24	09.08.24 – 09.08.31
LTIP <sup>2</sup>	13.07.22	Nil	175,525	–	–	–	–	–	175,525	30.04.25	13.07.25	13.07.25 – 13.07.32
LTIP <sup>1</sup>	02.08.23	Nil	–	176,416	–	–	–	–	176,416	30.04.26	02.08.26	02.08.26 – 02.08.33
<b>Total</b>			<b>785,508</b>	<b>176,416</b>	<b>476,382</b>	<b>476,382</b>	<b>–</b>	<b>–</b>	<b>485,542</b>			

1 Performance targets as set out above.

2 A proportion of these awards were adjusted and forfeited following the acquisition of Redde plc in order to remove the proportion not expected to vest based on forecast performance. No remaining performance conditions remain other than the on-going service obligation.

3 The market values on date of exercise were: For M Ward, £2,578,828 at exercise price of 331.33p on 25 August 2023 and for P Vincent £1,640,814 at exercise price of 344.43p on 12 August 2023.

All outstanding awards are structured as nil-cost options.

## SAYE

The Board believes that encouraging wider share ownership by all employees will have longer term benefits for the Group and therefore introduced a SAYE scheme (including international sub-rules for our colleagues in Spain and Ireland) in 2020, with the first savings period commencing in February 2021 and further savings period commencing in September 2022 and October 2023. The SAYE provides an effective way of achieving that aim at no financial risk to employees.

Under the SAYE, employees choose to make monthly savings amounts (which are paid to a financial institution) in return for options to buy shares in the Company at the option price and using savings accumulated over the savings period (three years). Employees can choose to cease saving and withdraw their money at any time allowing the related options to lapse.

Options over 1,016,823 shares were granted under the SAYE scheme, in October 2023, with approximately 905 employees contributing monthly savings under the schemes. The next offer to take part in the SAYE scheme is expected to be made later in 2024.

Philip Vincent participates in the SAYE scheme and was granted 6,691 options in August 2022. The Executive Directors are entitled to participate in the SAYE, but the Non-Executive Directors cannot participate in the SAYE.

## Share Incentive Plan: YourShare

The Share Incentive Plan, like the SAYE plan, is an all-employee plan with the operation of the International Share Incentive Plan entirely for those employees outside of the UK.

The Company awarded a grant of free shares up to the value of £500 to all Group employees in October 2023. Shares were granted under the Share Incentive Plan and 211,134 shares were granted under the International Share Incentive Plan, with approximately 7440 employees participating under both schemes. The next offer to take part in the Share Incentive Plan is expected to be made later in 2024.

The Executive Directors are entitled to participate in the Share Incentive Plan, but the Non-Executive Directors cannot participate in this scheme. Martin Ward and Philip Vincent were granted 154 free shares each on 2 October 2023.

## Sourcing of shares

A combination of newly-issued, treasury and market purchase shares (using a Guernsey employee benefit trust) may be used to satisfy the requirements of the Group's existing share schemes.

## Overall plan limits

All the Company's share schemes operate within the following limits: in any 10-calendar year period, the Company may not issue (or grant rights to issue) more than:

- a. 10% of the issued ordinary share capital under all the share plans; and
- b. 5% of the issued ordinary share capital under the executive share plans (LTIP, DABP and MPSP).

The dilution position as at 30 April 2024 was 1.1% under the LTIP, MPSP and DABP, and 0.9% under the SAYE and 0.7% under the Share Incentive Plan.

## Service contracts and letters of appointment

The table below gives details of the service contracts and letter of appointments for each member of the Board.

	Date of appointment	Date of current contract/letter of appointment	Notice from the Company	Notice from the individual	Unexpired period of service contract/letter of appointment
<b>Executive Directors</b>					
M Ward <sup>1</sup>	21 February 2020	22 December 2010	12 months	12 months	Rolling contract
P Vincent	16 July 2018	16 July 2018	6 months	6 months	Rolling contract
<b>Non-Executive Directors</b>					
A Palmer-Baunack	12 August 2019	12 August 2019	6 months	6 months	Rolling contract <sup>2</sup>
J Pattullo	1 January 2019	18 December 2020	3 months	3 months	Rolling contract <sup>2</sup>
M Butcher	23 September 2019	18 September 2019	3 months	3 months	Rolling contract <sup>2</sup>
B Karia	5 May 2022	5 May 2022	3 months	3 months	Rolling contract <sup>2</sup>
M McCafferty	21 February 2020	21 February 2020	3 months	3 months	Rolling contract <sup>2</sup>
N Rabson	9 November 2022	9 November 2022	3 months	3 months	Rolling contract <sup>2</sup>

1 Redde plc (as it was) contract rolled over.

2 The Non-Executive Directors' contracts are typically entered into for an anticipated term of three years, which is extended by the Board for further terms as appropriate.

## Directors' shareholding and share interests

The Executive Directors are required to build up a shareholding equivalent to 200% of salary, to be achieved primarily through the retention, after tax, of shares acquired on exercise of options granted under the LTIP and shares acquired through bonus deferral, until such time as their share ownership requirement has been met. Directors are not required to go into the market to purchase shares, although market purchases are encouraged and any shares so acquired would count towards meeting the guidelines.

The Chairman and Non-Executive Directors do not have a shareholding guideline although the holding of shares in the business is encouraged. Details of the Directors' interests in shares are shown in the table below:

### Share interests (audited)

Number of shares:

	Beneficially owned at 30 April 2024	Vested but not exercised LTIP	Unvested LTIP	% shareholding guideline achieved at 30 April 2024
M Ward	2,261,513	–	751,759	Fully met
P Vincent	450,393	–	485,542	Fully met
A Palmer-Baunack	110,442	–	–	N/A
J Pattullo	60,000	–	–	N/A
M Butcher	34,676	–	–	N/A
B Karia	0	–	–	N/A
M McCafferty	11,007	–	–	N/A
N Rabson	5,684	–	–	N/A

Both Martin Ward and Philip Vincent have met the shareholding policy guideline as they hold shares with a value in excess of 200% of basic annual salary.

Martin Ward exercised 778,315 awards during the year and Philip Vincent exercised 476,382 under the LTIP. Martin Ward's shareholding includes 178,737 shares awarded in July 2023, July 2022 and July 2021 under the deferred element of the annual bonus scheme and 279 shares awarded under the 2023 and 2022 SIPs. Philip Vincent's shareholding includes 99,591 shares awarded in July 2023, July 2022, July 2021 and September 2020 under the deferred element of annual bonus scheme, and 279 shares awarded under the 2023 and 2022 SIP. The annual bonus deferred shares vested immediately but are held in a nominee account for three years following the date of award in accordance with the scheme rules.

No changes in the above interests have occurred between 30 April 2024 and the date of this report.

## The Remuneration Committee

The members of the Committee during the year and their attendance at Committee meetings during the year are listed on page 110.

The CEO and CFO attend meetings by invitation and assist the Committee in its deliberations, except when issues relating to their remuneration are discussed. Directors are not involved in deciding their own remuneration. The Company Secretary acts as secretary to the Committee.

### Remuneration advisers

In 2022, the Committee reviewed its remuneration advisory arrangements and conducted a competitive selection process to appoint a new remuneration adviser to the Committee. Following the selection process, the Committee appointed Deloitte LLP as remuneration adviser to the Committee on 6 September 2022. Since its appointment, Deloitte LLP has provided independent advice to the Committee on certain remuneration matters. The total fees paid to Deloitte LLP in respect of its services to the Committee during the year were £54,000 excluding VAT. The fees are charged on a time spent and expenses basis.

Deloitte LLP is a signatory to the Remuneration Consultants' Code of Conduct. During the year Deloitte LLP did not provide any other services to the Company. The Committee is satisfied that advice received from Deloitte during the year was objective and independent and that all individuals who provided remuneration advice to the Committee had no connections with ZIGUP or its Directors that may impair their independence. The Committee's terms of reference are available on the Company's website: [www.zigup.com](http://www.zigup.com)

The Committee is responsible for making recommendations to the Board on the remuneration packages and terms and conditions of employment of the Chairman and the Executive Directors of the Company, as well as the Company Secretary, and under the new Code group operating board immediately below the Executive Directors. The Committee also reviews remuneration policies and practices generally throughout the Group. In accordance with the policy, the Committee has sought to ensure that the incentive structure will not raise ESG risks by inadvertently motivating irresponsible behaviour and will take account of ESG matters generally in determining overall remuneration policy and structure. The Committee is able to consider corporate performance on ESG issues when setting the Executive Directors' annual objectives and remuneration.

## Statement of shareholder voting and shareholder feedback

The following table sets out the votes received from shareholders for the Directors' Remuneration report at the 2023 AGM:

Directors' Remuneration report 2023 – Resolution 3	Total number of votes	Votes %
<b>Votes cast</b>		
For	159,494,928	86.62
Against	24,628,102	13.38
Total votes cast (excluding votes withheld)	184,123,030	
Votes withheld	47,592	
Total votes cast (including votes withheld)	184,170,622	

The following table sets out the votes received from shareholders for the Policy at the 2023 AGM:

Directors' Remuneration Policy 2023 – Resolution 4	Total number of votes	Votes %
<b>Votes cast</b>		
For	181,801,834	98.74
Against	2,322,108	1.26
Total votes cast (excluding votes withheld)	184,123,942	
Votes withheld	46,680	
Total votes cast (including votes withheld)	184,170,622	

Votes withheld are not included in the final proxy figures as they are not recognised as a vote in law.

We gained support at our 2023 AGM for the amendments made to the policy and the policy became effective from that time. We consulted extensively with shareholders in the development of that policy and I would like to thank shareholders for their input.

## Approval

This annual report on remuneration has been approved by, and signed on behalf of, the Board of Directors.

## John Pattullo

Remuneration Committee Chairman

10 July 2024



## The Directors present their report and the audited consolidated accounts for the year ended 30 April 2024.

### Results and preparation

Details on financial performance and dividends can be found in the Strategic Report from **Pages 02 to 85**

This report has been prepared in accordance with the requirements outlined within The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and forms part of the management report as required under Disclosure Guidance and Transparency Rule (DTR) 4. This section, together with the Strategic Report, the Corporate Governance section on pages 86 to 128 and the other sections of the Annual Report and Accounts as referred to herein, fulfil the requirements of the Directors' report.

### Strategic Report

The Strategic Report on pages 1 to 85 was approved by the Board on 10 July 2024 and is incorporated into this Directors' report by reference.

### Close company status

So far as the Directors are aware, the close company provisions of the Income and Corporation Taxes Act 2010 do not apply to the Company.

### Articles of Association

The rights and obligations attached to the Company's ordinary shares are set out in the Company's Articles of Association (the Articles), copies of which can be obtained from Companies House in the UK or by writing to the Company Secretary. With regard to the appointment and replacement of Directors, the Company is governed by the Articles, the UK Corporate Governance Code, the Companies Act 2006 (the CA 2006) and related legislation. The powers of Directors are set out in the Articles.

### Amendment to Articles of Association

Any amendments to the Articles may be made in accordance with the provisions of the CA 2006 by special resolution of the shareholders.

### Share capital

Details of the issued share capital, together with details of any movements during the year, are shown in Note 24 to the financial statements. The Company has one class of ordinary share, which carries no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company.

The Company has also issued cumulative preference shares of 50p each that entitle the holder to receive a cumulative preferential dividend at the rate of 5% on the paid-up capital and the right to a return of capital at either winding up or a repayment of capital. The cumulative preference shares do not entitle the holders to any further or other participation in the profits or assets of the Company.

The percentage of the total issued nominal value of all shares represented by the ordinary shares is 98.3% (2023: 98.3%).

### Share rights

Subject to the provisions of the CA 2006 and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine. The Company's shares when issued are free from all liens, equities, charges, encumbrances, and other interests. No shareholder shall be entitled to vote at a general meeting, either in person or by proxy, in respect of any share held by them unless all monies presently payable by them in respect of that share have been paid. In addition, no shareholder shall be entitled to vote, either in person or by proxy, if they have been served with a notice under section 793 of the CA 2006 (concerning interests in those shares) and have failed to supply the Company with the requisite information.

Other than restrictions considered to be standard for a UK listed company (for example, restrictions on transfer of partly-paid certificated shares), there are no specific restrictions on the size of a holding nor on the transfer of shares in the Company, which are both governed by the general provisions of the Articles and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in the Directors' Remuneration report. Shares held by the Company's Share Schemes Trustees are voted on the instructions of the employees on whose behalf they are held. Shares held in the Guernsey Trust are voted at the discretion of the Trustees.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

### Directors' interests

Details of the Directors' interests in shares are set out in the Directors' Remuneration report on pages 110 to 122. No Company in the Group was, during or at the end of the year, party to any contract of significance in which any Director was materially interested. The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a change of control.

### Authority to issue shares

Subject to the provisions of the CA 2006 and without prejudice to any rights attached to any existing shares or class of shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, subject to and in default of such determination, as the Board shall determine.

The authority conferred on the Directors at last year's AGM to allot shares in the Company up to a maximum nominal amount of £38,202,308 (representing 33.3% of the issued ordinary share capital of the Company (excluding treasury shares), as at the latest practicable date before publication of the Notice of the Company's last AGM) and, in connection with a pre-emptive offer to existing shareholders, to allot additional shares in the Company up to a maximum nominal amount of £38,202,308 (representing a further 33.3% of the issued ordinary share capital of the Company (excluding treasury shares), as at the latest practicable date before publication of the Notice of the Company's last AGM), expires on the date of the forthcoming AGM. Shareholders will be asked to give a similar authority to allot shares at the forthcoming AGM. Shareholders will be asked to give a similar authority to allot shares at the forthcoming AGM.

## Authority to issue shares continued

The Company at its last AGM, sought authority to allot shares in line with the guidance, issued by the Pre-Emption Group of the Financial Reporting Council, that issuers may disapply pre-emption rights up to 10% of the Company's issued ordinary share capital and a further 2% follow-on offer and seek further authority to disapply pre-emption rights for up to an additional 10% for certain acquisitions or specified capital investments and a further 2% follow-on offer.

The authorities were limited to:

- firstly, an aggregate nominal amount of £11,460,692, representing approximately 10% of the current issued ordinary share capital (excluding treasury shares); and
- secondly, a further 10% of the Company's ordinary share capital (excluding treasury shares), provided that this additional power is only used in connection with acquisitions and specified capital investments which are announced contemporaneously with the issue or which have taken place in the preceding 12-month period and are disclosed in the announcement of the issue.

The authorities in a follow-on offer were limited to:

- firstly, an aggregate nominal value of £2,292,138 representing approximately 2% of the current issued share capital (excluding treasury shares)
- secondly, an additional aggregate nominal value of £2,292,138 representing approximately 2% of the current issued share capital (excluding treasury shares).
- These amounts are in addition to the amounts authorised for the general use authority and authority for acquisitions and specified capital investments described above,

Shareholders will be asked to give similar authorities to disapply pre-emption rights at the forthcoming AGM.

## Authorities to purchase shares

The authorities for the Company to purchase in the market up to: (i) 22,921,385 of its ordinary shares (representing 10% of the issued share capital of the Company as at the latest practicable date before publication of the Notice of the Company's last AGM); and (ii) 1,000,000 of its preference shares (being all of its preference shares remaining in issue), in each case granted at the Company's last AGM, expire on the date of the forthcoming AGM. Shareholders will be asked to give similar authorities to purchase shares at the forthcoming AGM.

## Shares purchased by the Company

The Group's objective is to employ a disciplined approach to investment, returns and capital efficiency to deliver sustainable compounding growth. Reflecting this approach and in light of the Company's substantial headroom under its facilities and target leverage, on 28 July 2023 the Company launched a share buyback programme of the Company's ordinary shares for up to a maximum aggregate consideration of £30m. The share buyback programme concluded on 13 June 2024. Total shares purchased by the Group through the share buyback programme during the year was 7,104,291 shares.

## Interests in shares

The Company is aware of the following persons who, either directly or indirectly, held 3% or more of the issued share capital of the Company as at 30 April 2024:

	30 April 2024	%
Lombard Odier Investment Managers	19,831,905	8.73
Fidelity International	18,431,711	8.11
Aberforth Partners**	15,809,540	6.96
Schroder Investment Management	11,753,161	5.17
BlackRock*	11,452,427	5.04
Vanguard Group*	11,408,509	5.02
Dimensional Fund Advisors*	10,133,883	4.46
JO Hambro Capital Management*	9,895,717	4.36
LSV Asset Management *	7,381,322	3.25
Employee Benefit Trust *	7,172,946	3.16
Janus Henderson Investors *	6,989,862	3.08

\* Information obtained from the Company's share register analysis.

\*\* In the period from 30 April 2024 to 10 July 2024, the Company received a further notification from Aberforth Partners LLP disclosing that its holding had decreased to 11,331,583 ordinary shares (4.99% of the total voting rights in the Company).

## Directors

The names of the Directors who served on the Board during the year are set out on pages 94 to 95. Director Resolutions to reappoint each of the Directors in office at the date of this report will be proposed at the AGM. Termination provisions in respect of Executive Directors' contracts can be found in the Directors' Remuneration report, starting on page 110.

## Directors' indemnities

As permitted by the Company's Articles, qualifying third party indemnities for each Director of the Company were in place throughout their periods of office during the year and, for those currently in office, remained in force as at the date of signing of this report.

The Company's Articles are available on the Company's website: [www.zigup.com](http://www.zigup.com)

## Disabled employees

The Group welcomes and gives full and fair consideration to applications for employment from persons with a disability (both visible and non-visible). Our focus is on providing the right tools to support both current and future employees to be successful in the workplace. The Group assists employees who have a disability with training, career development and progression opportunities and, in a situation where an existing employee develops a disability, our approach is to provide continuing support and training wherever possible. Where changes to working practices or structure affect employees, they are consulted and given the appropriate assistance.

## Employee and other stakeholder engagement

We are committed to ensuring that we can create a safe and inclusive environment for our people, and we continue to work to ensure our commitments are well implemented across all areas of the Group. All employees are provided with information on matters of concern to them in their work, through regular briefing meetings and internal publications. To inform employees of the economic and financial factors affecting our business, regular updates are posted on our intranet, and we receive internal-wide communications of matters of interest from the CEO. Alongside this, information is cascaded to employees through senior management, also boosting employee engagement. Group incentive schemes reinforce financial and economic factors affecting the performance of the business. In recent years the Company has successfully operated the SAYE risk free share saving programme across the Group and the Free Share programme, under which all employees were provided with £500 worth of free shares in the Company in December 2022 and again in October 2023, allowing colleagues the opportunity to participate in the success of the Group and promoting alignment of interests between colleagues and shareholders.

The Group also engages with its employees in the business through the Employee Engagement Forum, which is chaired by a senior member of the Group Management Board. The Forum comprises members from across the Group to ensure a balanced representation of the workforce and is attended by other members of senior management from time to time. The Employee Engagement Forum is a forum which allows employees to address any matters of concern they have about the Group, and any matters which are deemed to be of material importance are cascaded to the Board. For further information relating to the work of the Employee Engagement Forum please see page 111 of the Directors' Remuneration report.

In 2024 the Group also held a leadership event, at which 200 colleagues were invited to hear the Executive Committee present and discuss the refreshed strategic framework and purpose, new corporate brand, and corporate name. Further engagement since the leadership event, centring around the refreshed strategic framework, has included internal roadshows, town halls and team sessions.

The Board understands the importance of the need to foster the business's relationships with customers, suppliers and investors. Examples of how the Board engaged directly with customers and suppliers during the year are as follows:

### Engagement with customers and suppliers

The Company regularly engages with its customers to understand their needs and enable them to receive the widest of benefits through the Company's customer offering. As part of this the Board considered during the year both the services the customers look to receive and the requirements that underpin demand for these services. The Company also engages with its suppliers at the outset of the relationship to agree on performance metrics and ensure continual monitoring and performance. Regular meetings with our suppliers are undertaken, which also includes periodic performance reviews to ensure compliance with the Company's Modern Slavery statement and its Code of Conduct. The Board also reviewed and approved the Group's Modern Slavery statement.

During the year, the Board approved and oversaw the implementation of a refreshed strategic framework.

Further detail on how the Directors have discharged their duties under Section 172(1) of the CA 2006 is included on pages 82 to 85.

### Future developments

Details of likely future developments affecting the Group are included within the CEO review on pages 20 to 23 and within the Our strategy section on pages 16 to 17.

### Dividends

Subject to shareholder approval, the Directors are recommending a final dividend of 17.5p per share (2023: 16.5p) which will be paid on 27 September to shareholders on the register as at close of business on 30 August. Dividend waiver arrangements are in place for shares held employee trusts and shares held in treasury.

### Political donations

No political donations were made by the Group in the year.

### Subsidiaries

As a Group our interests and activities are operated through subsidiaries in the UK, Spain and Ireland, and are subject to the laws and regulations of these jurisdictions.

There are no overseas branches.

### Significant agreements

The Group's financing facilities (Note 20 to the financial statements) and share plans are subject to change of control provisions.

### Research and development

The Group carries out research and development necessary to support its principal activities as a mobility solutions provider.

### Energy and carbon reporting

The disclosures regarding greenhouse gas emissions, energy consumption and energy efficiency actions included in the CA 2006 (Strategic Report and Directors' Report) Regulations 2013 (as amended) are included in the TCFD and SECR report of the Strategic Report on pages 69 to 79.

## Directors' Remuneration report

The Directors' Remuneration report contains:

- a statement by John Pattullo, Chairman of the Remuneration Committee;
- the Directors' Remuneration Policy; and
- the Annual report on remuneration, which sets out payments made in the financial year ended 30 April 2024.

The statement by the Chairman and Annual report on remuneration will be put to an advisory shareholder vote by ordinary resolution.

The Directors' Remuneration report can be found on pages 110 to 122 and is incorporated in this Directors' report by reference.

## Disclosure of information under Listing Rule 9.8.4R(12)

Dividend waiver arrangements are in place for the employee trusts and shares held in treasury.

Section	Topic	Location
1	Interest capitalised	N/A
2	Publication of unaudited financial information	N/A
3	Details of long term incentive schemes	This can be found in the Directors' Remuneration report on pages 110 to 122
4	Waiver of emoluments by a Director	N/A
5	Waiver of future emoluments by a Director	N/A
6	Non pre-emptive issues of equity for cash	N/A
7	As item (6), in relation to major subsidiary undertakings	N/A
8	Parent participation in a placing by a listed subsidiary	N/A
9	Significant agreements	This can be found on page 125 of the Directors' report.
10	Provision of services by a controlling shareholder	N/A
11	Shareholder waivers of dividends	This can be found immediately above this table
12	Shareholder waiver of future dividends	N/A
13	Agreements with controlling shareholders	N/A

## Length of notice of general meetings

The minimum notice period permitted by the CA 2006 for general meetings of listed companies is 21 days, but the CA 2006 provides that companies may reduce this period to 14 days (other than for AGMs) provided that two conditions are met. The first condition is that the Company offers a facility for shareholders to vote by electronic means. This condition is met if the Company offers a facility, accessible to all shareholders, to appoint a proxy by means of a website.

A separate notice of AGM has been issued to all shareholders which includes details of the Company's arrangements for electronic proxy appointment. The second condition is that there is an annual resolution of shareholders approving the reduction of the minimum notice period from 21 days to 14 days.

A resolution to approve 14 days as the minimum period of notice for all general meetings of the Company other than AGMs will be proposed at the AGM. The approval will be effective until the Company's next AGM, when it is intended that the approval be renewed.

It is the Board's intention that this authority would not be used as a matter of routine but only when merited by the circumstances of the meeting and in the best interests of shareholders.

## Financial instruments

Details of the Group's use of financial instruments are given in the Financial review on pages 40 to 50 and in Note 30 to the financial statements.

## Important events

There have been no notable events since the end of the financial year.

## Auditors

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

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make himself or herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the CA 2006.

A resolution for the appointment of PwC as auditors of the Company will be proposed at the forthcoming AGM. This proposal is supported by the Audit Committee.

The Directors' report, comprising the Corporate governance report and the reports of the Audit, Nominations and Remuneration Committees, have been approved by the Board and signed on its behalf.

By order of the Board.

## Avril Palmer-Baunack

Chairman

10 July 2024



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

### The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under Company law, 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 Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' confirmations

Each of the Directors, whose names and functions are listed in the Corporate Governance section confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Report of the Directors includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.
- In the case of each Director in office at the date the Directors' report is approved:
- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are 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 auditors are aware of that information.

By Order of the Board

**Martin Ward**

Chief Executive Officer

10 July 2024

# Independent auditors' report to the members of ZIGUP plc (formerly Redde Northgate plc)

## Report on the audit of the financial statements

### Opinion

In our opinion:

- ZIGUP plc (formerly Redde Northgate plc)'s Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 April 2024 and of the Group's profit and the Group's cash flows for the year then ended;
- The Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- The Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance sheets as at 30 April 2024; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated cash flow statement and the Consolidated and Company Statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

## Our audit approach

### Overview

### Audit scope

- The Group is organised into 38 reporting components and the Group financial statements are a consolidation of these reporting components.
- Of the 38 components we identified five which, in our view, required a full scope audit either due to their size or risk characteristics, four of these were audited by the Group engagement team.
- There is one significant component based overseas, Northgate España Renting Flexible S.A, which has been audited by PwC component auditors.
- Specific audit procedures were performed over a further 4 reporting components due to their contributions to the financial statement line items in the Group financial statements. These include procedures over cash and bank balances, interest in associates, other intangible assets, property, plant and equipment, cost of sales, foreign exchange differences, staff costs, lease liabilities, trade and other payables and amortisation of intangible assets.
- As a result of this scoping we obtained coverage over 76% of the consolidated revenues and 82% of the consolidated profit before tax and exceptional items.

### Key audit matters

- Determining appropriate depreciation rates for vehicle assets held for hire (Group).
- Claims due from insurance companies and self-insuring organisations, incorporating revenue recognition (Group).
- Recoverability of investments in subsidiary undertakings and amounts owed by subsidiary undertakings (Parent).

### Materiality

- Overall Group materiality: £8,100,000 (2023: £9,600,000) based on 5% of profit before tax and exceptional items.
- Overall Company materiality: £15,700,000 (2023: £15,600,000) based on 1% of total assets.
- Performance materiality: £6,100,000 (2023: £7,200,000) (Group) and £11,775,000 (2023: £11,700,000) (Company).

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

# Independent auditors' report continued

## to the members of ZIGUP plc (formerly Redde Northgate plc)

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<b>Determining appropriate depreciation rates for vehicle assets held for hire (Group)</b>	
<p>The Group has a total of £1,300.7m (2023: £1,163.6m) of vehicle assets held for hire with a depreciation charge totalling £205.2m (2023: £152.7m). The Group adopts an accounting policy that uses depreciation rates based on estimated useful lives, with the anticipation that the net book value of these vehicle assets approximates to their market value at the time of disposal. This policy seeks to minimise any significant gains or losses upon disposal of the vehicle assets. This policy requires management to make an estimate of what the residual value will be at the time of disposal. Determining likely residual values for future vehicle disposals is judgemental and requires a number of judgements and estimates to be made, including the age, condition and expected future market conditions, such as forecast levels of supply and demand. Further explanation is included in the Group's critical accounting judgements and key sources of estimation uncertainty in Note 3 and the Report of the Audit Committee on pages 103 to 107. The disclosures in respect of vehicle assets held for hire are shown in Notes 2, 3 and 14.</p>	<p>We have obtained management's model to support the depreciation rates selected and confirmed its mathematical accuracy. We challenged management's assumptions of expected future market values of hire vehicles, taking into account the various judgements used in the calculation of future residual values. We have also considered how future average prices correlate with expectations around vehicle supply and have corroborated management's expectations of vehicle supply and demand against external third party industry reports. In addition we performed sensitivities on the residual values used by management. We performed detailed testing of the calculations supporting the estimates and judgements taken by management, including comparisons to recent actual market prices achieved on disposal of similar vehicles. We challenged management's assumptions in respect of the future changes to the vehicle hire fleet, including expected infleets, defleets and purchase pricing. We have tested the actual outturn in the year against management judgements as part of our lookback procedures. We also considered the adequacy of the Group's disclosures in respect of the estimation uncertainty in setting appropriate depreciation rates. Based on the procedures performed, we were able to obtain sufficient audit evidence in respect of the judgements and estimates applied by management in determining the depreciation rates used.</p>

Key audit matter	How our audit addressed the key audit matter
<b>Claims due from insurance companies and self-insuring organisations, incorporating revenue recognition (Group)</b>	
<p>Within the Claims &amp; Services operating segment the Group recognises contract assets amounting to £196.0m (2023: £240.6m) on claims due from insurance companies and self-insuring organisations which are subject to the insurance claims being settled. Included within this balance is revenue recognised on non-protocol claims which represents variable consideration and is subject to a variable consideration adjustment which takes into account the settlement risk. This includes historical and expected collection rates, as well as the aged profile of amounts due. The assumptions underlying the calculation of the variable consideration adjustment, as well as the adjustments made, involve significant judgement and therefore impact both the carrying value of the associated assets and revenue recognised in relation to the associated claims. We determined that the valuation of outstanding claims, which incorporates the variable consideration adjustment, has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. Further explanation of the estimation uncertainty is included in the critical accounting judgements and key sources of estimation uncertainty in Note 3 and the Report of the Audit Committee on pages 103 to 107.</p>	<p>We assessed the accounting policy and approach to recognising revenue to ensure it was consistent with the principles of IFRS 15 "Revenue from contracts with customers" and in particular variable consideration. We reperformed the calculation within the model from the input data such as the ageing and recovery rates. We assessed and challenged the key assumptions used by management to derive the variable consideration adjustment, taking into account historical collection rates for individual insurers for each category of claim and any outliers within the data. We assessed whether there was any contradictory evidence which could call into question the assumptions made and we corroborated explanations provided to supporting information or evidence. We formed an independent view of the adequacy of the variable consideration adjustment, by obtaining invoice and settlement data since January 2016. We used this data to analyse the historical collection performance of monthly cohorts of invoices for each category of claim and derived an expectation of the potential settlement of claims outstanding at the balance sheet date. We also requested management perform a lookback test, by assessing the outcome of cash settlements in the period against the assumptions made in determining the variable consideration adjustment at the previous balance sheet date. Using the historical recovery rates and aging profiles we calculated an auditor's range as of the expected provision required. The results of this lookback test have been disclosed in the financial statements within Note 17, receivables and contract assets. We have considered the adequacy of the disclosures in respect of estimation uncertainty included within the financial statements. Based on the procedures above, we concluded that the level of the provision held at the balance sheet date is reasonable.</p>

# Independent auditors' report continued

## to the members of ZIGUP plc (formerly Redde Northgate plc)

### Key audit matter

### How our audit addressed the key audit matter

#### Recoverability of investments in subsidiary undertakings and amounts owed by subsidiary undertakings (Parent)

The Company has significant investments in respect of acquisitions made across various subsidiaries amounting to £451.0m (2023: £447.9m) and amounts owed from subsidiary undertakings amounting to £1,078.6m (2023: £1,111.5m). The recoverable amount of the subsidiary is impacted by various factors, a number of which are outside of ZIGUP's control, which could affect whether results are in line with expectations. Where a subsidiary has been subject to poor historical performance, there is a risk around the recoverability of this investment. There is inherent uncertainty and judgement in forecasting future cash flows, and therefore this is a particularly judgemental area of the audit. Amounts due from Group undertakings are considered as part of management's IFRS 9 expected credit loss assessment. The disclosures in respect of investments in subsidiary undertakings and amounts owed by subsidiary undertakings are shown in Notes 2, 3, 5 and 7.

We evaluated and challenged management's process for assessing impairment triggers for investments in subsidiary undertakings and management's IFRS 9 expected credit loss assessment in respect of amounts owed by subsidiary undertakings. We have undertaken the following in respect of the investment in subsidiary undertakings:

- Compared the carrying value to the net assets of the underlying investment;
- Compared historical performance to historical forecasts to assess accuracy in the budget process;
- We engaged with PwC experts to assess the discount rate;
- We assessed the reasonableness of the revenue and cost assumptions and performed sensitivity analysis on the forecasts, including downside scenarios to assess headroom; and
- Assessed the Group's budgeting procedures as a basis for value-in-use calculations.

We have considered management's approach to the expected credit loss assessment of each of the counterparty balances and the risk of default. We have also considered the adequacy of the disclosures in respect of investments in subsidiary undertakings and amounts receivable from subsidiary undertakings. We are satisfied with management's conclusion on the carrying value of investments and amounts due from subsidiary undertakings.

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group is organised into 38 reporting components and the Group financial statements are a consolidation of these reporting components. The reporting components vary in size and we identified five components, in the UK and Spain, that required a full-scope audit of their financial information due to either their size or risk characteristics; four of these were audited by the Group engagement team. There is one significant component based overseas, Northgate España Renting Flexible S.A., which has been audited by PwC component auditors.

Specific audit procedures were performed over a further four reporting components due to their contributions to the financial statement line items in the Group financial statements. These include procedures over cash and bank balances, interest in associates, other intangible assets, property, plant and equipment, cost of sales, foreign exchange differences, staff costs, lease liabilities, trade and other payables and amortisation of intangible assets.

Our audit scope was determined by considering the significance of each component's contribution to profit before tax and exceptional items, and individual financial statement line items, with specific consideration to obtaining sufficient coverage over significant risks. As a result of this scoping we obtained coverage over 76% of the consolidated revenues and 82% of the consolidated profit before tax and exceptional items. The Group engagement team were significantly involved at all stages of the component audit by virtue of numerous communications throughout, including the issuance of detailed audit instructions and review and discussions of the audit approach and findings, in particular over our areas of focus. The Group audit team met with local management and the component audit team and attended their clearance meeting. In addition, we reviewed the component team reporting results and their supporting working papers, which together with the additional procedures performed at Group level, gave us the evidence required for our opinion on the financial statements as a whole. Our audit procedures at the Group level included the audit of the consolidation, goodwill and other intangible assets, investments in associates, income and deferred taxation and certain aspects of IFRS 16 'Leases'. The Group engagement team also performed the audit of the Company.



## Independent auditors' report continued to the members of ZIGUP plc (formerly Redde Northgate plc)

### The impact of climate risk on our audit

Climate change is expected to present both risks and opportunities for the Group. As explained in the Sustainability section of the Strategic Report, the Group is mindful of its impact on the environment and is focused on ways to reduce climate-related impacts as management continues to develop its plans towards a net zero pathway by 2050. Management's climate change initiatives and commitments will impact the Group in a variety of ways, and while the Group has started to quantify some of the impacts that may arise on its net zero pathway, the future financial impacts are clearly uncertain given the medium to long term horizon. Disclosure of the impact of climate change risk based on management's current assessment is incorporated in the Task Force on climate related financial disclosures (TCFD) section of the Annual Report.

As part of our audit, we made enquiries of management to understand the extent of the potential impact of climate change on the Group's business and the financial statements, including reviewing management's climate change risk assessment which was prepared with support from an external expert. We used our knowledge of the Group to evaluate the risk assessment performed by management.

We assessed that the key areas in the financial statements which are more likely to be materially impacted by climate change are those areas that are based on future cash flows. As a result, we particularly considered how climate change risks and the impact of climate commitments made by the Group could impact the assumptions made in the forecasts prepared by management that are used in the Group's impairment analysis and for going concern purposes. We challenged how management had considered longer term physical risks such as severe weather-related impacts, and shorter-term transitional risks such as policy changes in fuel subsidies and limited supply of EVs and hybrids. Our procedures did not identify any material impact on our audit for the year ended 30 April 2024. We also checked the consistency of the disclosures in the TCFD section of the Annual Report with the relevant financial statement disclosures, including the going concern section of the accounting policies, and with our understanding of the business and knowledge obtained in the audit.

We confirmed with management and the Audit Committee that the estimated financial impacts of climate change will be reassessed prospectively and our expectation is that climate change disclosures will evolve as the understanding of the actual and potential impacts on the Group's future operations are established with greater certainty.

### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
<b>Overall materiality</b>	£8,100,000 (2023: £9,600,000).	£15,700,000 (2023: £15,600,000).
<b>How we determined it</b>	5% of profit before tax and exceptional items	1% of total assets
<b>Rationale for benchmark applied</b>	Based on the benchmarks used in the Annual Report, profit before tax and exceptional items is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark. We have chosen this as our benchmark as it is a key performance measure disclosed to users of the financial statements. This figure takes prominence in the Annual Report, as well as the communications to both the shareholders and the market, and an element of management remuneration is linked to this performance measure. Based on this it is considered appropriate to use the adjusted profit before tax figure for the year as an appropriate benchmark.	We believe that total assets are considered to be appropriate as it is not a profit oriented Company. The Company is a non-trading holding Company only and therefore total assets is deemed a generally accepted auditing benchmark. The Company has been included as a full scope component in the scope of the Group audit and was audited to a lower capped materiality.

## Independent auditors' report continued to the members of ZIGUP plc (formerly Redde Northgate plc)

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £3.7m and £6.8m. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £6,100,000 (2023: £7,200,000) for the Group financial statements and £11,775,000 (2023: £11,700,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £405,000 (Group audit) (2023: £480,000) and £785,000 (Company audit) (2023: £780,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained from management their latest assessments supporting their conclusions with respect to the going concern basis of preparation of the financial statements;
- We evaluated the historical accuracy of the budgeting process to assess the reliability of the data;
- We evaluated management's base case forecast and downside scenarios, and challenged the adequacy and appropriateness of the underlying assumptions;
- In conjunction with the above we have also reviewed management's analysis of both liquidity, including the Group's available financing and maturity profile, and covenant compliance to satisfy ourselves that no breaches are anticipated over the period of assessment;
- We reviewed management accounts for the financial period to date and checked that these were consistent with the starting point of management's forecasts, and supported the key assumptions included in the assessment; and
- We have reviewed the disclosures made in respect of going concern included in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Independent auditors' report continued to the members of ZIGUP plc (formerly Redde Northgate plc)

### Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 30 April 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

### Directors' Remuneration

In our opinion, the part of the Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

### Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within the Corporate governance section of the Annual Report and Accounts, is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

### Responsibilities for the financial statements and the audit

#### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Independent auditors' report continued to the members of ZIGUP plc (formerly Redde Northgate plc)

### Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to direct laws and regulations, for example corporation tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate revenue and financial performance and management bias included within accounting judgements and estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Review of Board minutes, discussions with management, internal audit and the Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including to revenue;
- Assessing management's significant judgements and estimates in particular to those relating to the determination of depreciation rates for vehicles held for hire and claims due from insurance companies and self-insuring organisations; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Other required reporting

#### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



## Independent auditors' report continued to the members of ZIGUP plc (formerly Redde Northgate plc)

### Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 17 June 2015 to audit the financial statements for the year ended 30 April 2016 and subsequent financial periods. The period of total uninterrupted engagement is nine years, covering the years ended 30 April 2016 to 30 April 2024.

### Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

### Jonathan Greenaway (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne

10 July 2024

# Financial statements.

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# Consolidated income statement

## For the year ended 30 April 2024

Strategic  
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statements

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other information

	Note(s)	2024 £000	2023 £000
Revenue: hire of vehicles	5	649,271	610,502
Revenue: sale of vehicles	5	312,469	152,894
Revenue: claims and services	5	871,387	726,350
<b>Total revenue</b>	5	<b>1,833,127</b>	1,489,746
Cost of sales		(1,400,236)	(1,054,173)
<b>Gross profit</b>		<b>432,891</b>	435,573
Administrative expenses (excluding exceptional items)		(229,270)	(213,658)
Net impairment of trade receivables	6	(9,782)	(8,902)
Exceptional administrative expenses: impairment of goodwill	12, 28	–	(5,009)
Exceptional administrative expenses: impairment of other intangibles	13, 28	–	(8,482)
Total administrative expenses		(239,052)	(236,051)
<b>Operating profit</b>	6	<b>193,839</b>	199,522
Share of net profit of associates accounted for using the equity method	15	1,296	2,520
<b>EBIT</b>	5	<b>195,135</b>	202,042
Finance income		596	90
Finance costs	8	(33,628)	(23,405)
<b>Profit before taxation</b>		<b>162,103</b>	178,727
Taxation	9	(37,085)	(39,489)
<b>Profit for the year</b>		<b>125,018</b>	139,238

Profit for the year is wholly attributable to owners of the Parent Company. All results arise from continuing operations.

		2024	2023
<b>Earnings per share</b>			
Basic	11	55.2p	60.3p
Diluted	11	54.0p	58.7p

Throughout this report we refer to underlying results in order to allow management and other stakeholders to better compare the performance of the Group between years. For a reconciliation of underlying to reported results see pages 51 to 52.

# Consolidated statement of comprehensive income

## For the year ended 30 April 2024

	Note	2024 £000	2023 £000
<b>Amounts attributable to the owners of the Parent Company</b>			
Profit attributable to the owners		<b>125,018</b>	139,238
<b>Other comprehensive (expense) income</b>			
Foreign exchange differences on retranslation of net assets of subsidiary undertakings	27	<b>(15,326)</b>	23,689
Net foreign exchange differences on long term borrowings held as hedges	27	<b>11,252</b>	(17,741)
Foreign exchange difference on revaluation reserve	27	<b>(33)</b>	54
Net fair value gains on cash flow hedges		<b>104</b>	–
Deferred tax charge recognised directly in equity relating to cash flow hedges		<b>(26)</b>	–
<b>Total other comprehensive (expense) income</b>		<b>(4,029)</b>	6,002
<b>Total comprehensive income for the year</b>		<b>120,989</b>	145,240

All items will subsequently be reclassified to the consolidated income statement.



# Consolidated balance sheet

As at 30 April 2024

	Note	2024 £000	2023 £000
<b>Non-current assets</b>			
Goodwill	12	115,918	113,873
Other intangible assets	13	111,054	127,828
Property, plant and equipment	14	1,483,344	1,332,923
Deferred tax assets	23	1,878	2,061
Interest in associates	15	4,502	5,207
<b>Total non-current assets</b>		<b>1,716,696</b>	<b>1,581,892</b>
<b>Current assets</b>			
Inventories	16	38,261	54,537
Receivables and contract assets	17	421,032	441,277
Derivative financial instrument assets	22	104	–
Current tax assets		9,271	14,951
Cash and bank balances		39,802	14,122
<b>Total current assets</b>		<b>508,470</b>	<b>524,887</b>
<b>Total assets</b>		<b>2,225,166</b>	<b>2,106,779</b>
<b>Current liabilities</b>			
Trade and other payables	18	335,597	344,867
Provisions	19	4,170	822
Current tax liabilities		29	20
Lease liabilities	21	51,442	49,493
Borrowings	20	57,542	14,079
<b>Total current liabilities</b>		<b>448,780</b>	<b>409,281</b>
<b>Net current assets</b>		<b>59,690</b>	<b>115,606</b>
<b>Non-current liabilities</b>			
Provisions	19	10,336	6,609
Lease liabilities	21	113,082	107,272
Borrowings	20	559,964	537,712
Deferred tax liabilities	23	49,607	51,310
<b>Total non-current liabilities</b>		<b>732,989</b>	<b>702,903</b>
<b>Total liabilities</b>		<b>1,181,769</b>	<b>1,112,184</b>
<b>Net assets</b>		<b>1,043,397</b>	<b>994,595</b>

**Consolidated balance sheet** continued

As at 30 April 2024

	Note	2024 £000	2023 £000
<b>Equity</b>			
Share capital	24	123,046	123,046
Share premium account	25	113,510	113,510
Treasury shares reserve	26	(67,488)	(60,420)
Own shares reserve	26	(9,694)	(9,615)
Translation reserve	27	(6,759)	(2,685)
Other reserves	27	330,534	330,489
<b>Retained earnings</b>			
At 1 May		500,270	412,335
Profit for the financial year		125,018	139,238
Other changes in retained earnings		(65,040)	(51,303)
At 30 April		560,248	500,270
<b>Total equity</b>		<b>1,043,397</b>	994,595

Total equity is wholly attributable to the owners of the Parent Company (Company number 00053171). The financial statements on pages 137 to 189 were approved by the Board of Directors on 10 July 2024 and signed on its behalf by:

**Philip Vincent**

Chief Financial Officer

# Consolidated cash flow statement

For the year ended 30 April 2024

	Note	2024 £000	2023 £000
<b>Net cash generated from operations</b>	(a)	<b>110,260</b>	84,322
<b>Investing activities</b>			
Finance income		596	90
Distributions from associates	15	2,001	3,156
Payment for acquisition of subsidiary, net of cash acquired	4	(4,051)	(10,004)
Proceeds from disposal of other property, plant and equipment		1,432	678
Purchases of other property, plant and equipment		(15,757)	(7,362)
Purchases of intangible assets		(2,019)	(1,765)
<b>Net cash used in investing activities</b>		<b>(17,798)</b>	(15,207)
<b>Financing activities</b>			
Dividends paid		(56,178)	(52,220)
Receipt of bank loans and other borrowings		33,078	96,807
Debt issue costs paid		–	(950)
Principal element of lease payments		(65,047)	(65,110)
Payments to acquire treasury shares		(24,878)	(52,927)
Proceeds from sale of own shares		2,829	1,414
<b>Net cash used in financing activities</b>		<b>(110,196)</b>	(72,986)
<b>Net decrease in cash and cash equivalents</b>		<b>(17,734)</b>	(3,871)
Cash and cash equivalents at 1 May		11,681	15,769
Effect of foreign exchange movements		(765)	(217)
<b>Cash and cash equivalents at 30 April</b>	(b)	<b>(6,818)</b>	11,681

# Notes to the consolidated cash flow statement

## For the year ended 30 April 2024

### (a) Net cash generated from operations

	2024 £000	2023 £000
Operating profit	193,839	199,522
Adjustments for:		
Depreciation of property, plant and equipment	231,293	175,066
Impairment of goodwill	–	5,009
Impairment of other intangibles	–	8,482
Amortisation of intangible assets	19,961	21,408
(Gain) loss on disposal of other property, plant and equipment	(76)	218
Share options fair value charge	5,239	4,647
<b>Operating cash flows before movements in working capital</b>	<b>450,256</b>	<b>414,352</b>
(Decrease) increase in non-vehicle inventories	(2,788)	273
Decrease (increase) in receivables	26,049	(81,981)
(Increase) decrease in payables	(39,630)	71,810
Increase in provisions	6,784	7,431
<b>Cash generated from operations</b>	<b>440,671</b>	<b>411,885</b>
Income taxes paid, net	(33,371)	(36,640)
Interest paid	(31,486)	(21,150)
<b>Net cash generated from operations before purchases of and proceeds from disposal of vehicles for hire</b>	<b>375,814</b>	<b>354,095</b>
Purchases of vehicles for hire	(553,537)	(398,187)
Proceeds from disposals of vehicles for hire	287,983	128,414
<b>Net cash generated from operations</b>	<b>110,260</b>	<b>84,322</b>

Cash outflows for additions and proceeds from disposal in relation to vehicles for hire are recognised within operating cashflows. Cash outflows for additions and proceeds from disposal in relation to other property, plant and equipment are recognised as investing activities.

### (b) Cash and cash equivalents

	2024 £000	2023 £000
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	39,802	14,122
Bank overdrafts	(46,620)	(2,441)
<b>Cash and cash equivalents</b>	<b>(6,818)</b>	<b>11,681</b>

Cash and bank balances are stated gross of arrangements that exist with lenders to pool accounts and offset balances.



# Consolidated statement of changes in equity

For the year ended 30 April 2024

	Share capital and share premium <sup>1</sup> £000	Treasury shares reserve <sup>2</sup> £000	Own shares reserve <sup>2</sup> £000	Translation reserve <sup>3</sup> £000	Other reserves <sup>3</sup> £000	Retained earnings £000	Total £000
Total equity at 1 May 2022	236,556	(7,493)	(16,439)	(8,633)	330,435	412,335	946,761
Share options fair value charge	–	–	–	–	–	4,647	4,647
Share options exercised	–	–	–	–	–	(5,410)	(5,410)
Dividends paid	–	–	–	–	–	(52,220)	(52,220)
Purchase of shares net of proceeds received on exercise of share options	–	(52,927)	1,414	–	–	–	(51,513)
Transfer of shares on vesting of share options	–	–	5,410	–	–	–	5,410
Deferred tax on share based payments recognised in equity	–	–	–	–	–	1,680	1,680
Total comprehensive income	–	–	–	5,948	54	139,238	145,240
Total equity at 30 April 2023 and 1 May 2023	236,556	(60,420)	(9,615)	(2,685)	330,489	500,270	994,595
Share options fair value charge	–	–	–	–	–	5,239	5,239
Share options exercised	–	–	–	–	–	(14,902)	(14,902)
Dividends paid	–	–	–	–	–	(56,178)	(56,178)
Purchase of shares net of proceeds received on exercise of share options	–	(24,878)	2,829	–	–	–	(22,049)
Transfer treasury shares to own shares reserve	–	17,810	(17,810)	–	–	–	–
Transfer of shares on vesting of share options	–	–	14,902	–	–	–	14,902
Deferred tax on share based payments recognised in equity	–	–	–	–	–	801	801
Total comprehensive income	–	–	–	(4,074)	45	125,018	120,989
<b>Total equity at 30 April 2024</b>	<b>236,556</b>	<b>(67,488)</b>	<b>(9,694)</b>	<b>(6,759)</b>	<b>330,534</b>	<b>560,248</b>	<b>1,043,397</b>

1 Further details can be found within Note 24 and 25.

2 Further details can be found within Note 26.

3 Other reserves comprise the other reserve, capital redemption reserve, revaluation reserve, hedging reserve and merger reserve, further details on translation reserve and other reserves can be found within Note 27.

## 1 General information

ZIGUP plc (formerly Redde Northgate plc) is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 210 of this report. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 85.

The financial statements are presented in Sterling because this is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in Note 2.

## 2 Material accounting policies

### Statement of compliance

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

### Basis of preparation

The financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

With the exception of new accounting standards outlined below, all other accounting policies have been applied consistently.

The recognition and measurement of assets and liabilities considers the impact of climate-related matters which could reasonably be assumed to impact their value including in the assessment of potential impairment of assets (Note 12).

### Going concern

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Group has adequate resources for a period of at least 12 months from the date of approval, having reassessed the principal and emerging risks facing the Group and determined that there are no material uncertainties to disclose.

The Directors' assessment of the Group's ability to continue as a going concern includes an assessment of cash flow forecasts which incorporate an estimated impact of the current macroeconomic environment on the Group. This includes the consideration of a number of severe but plausible scenarios recognising the degree of uncertainty that continues to exist.

At 30 April 2024, there was £244m of headroom against the Group's borrowing facilities.

### Changes in accounting policy

The following new standards, interpretations and amendments to standards are mandatory for the Group for the first time for the year ended 30 April 2024:

Amendments to the following standards:

- Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants and Deferral of Effective Date of the Amendment Classification of Liabilities as Current or Non-Current
- Amendments to IAS 12 Taxation – International Tax Reform – Pillar Two Model Rules
- Amendment to IAS 7 and IFRS 7 – Supplier finance (effective 1 January 2024)
- Amendment to IFRS16 – Liability in a Sale and Leaseback

The Group has considered the above amendments to published standards and has concluded the extent that these impact the Group. Amendments to IAS12 Taxation will be applicable to the Group and has been further explained within taxation policies and Note 9 to the financial statements. The remaining standards are deemed to have no material impact on the Group.

There are no further standards that have been issued but are not yet effective that would have a material impact on the Group.

## 2 Material accounting policies continued

### Basis of consolidation

Subsidiary undertakings are entities controlled by the Group. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 April 2023 and 30 April 2024.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary undertaking are measured at their fair values at the date of acquisition. Any excess of the fair value of consideration over the fair values of the identifiable net assets acquired is recognised as goodwill. If the fair value of consideration is lower than the fair values of the identifiable net assets acquired (i.e. the difference) it is credited to the consolidated income statement in the period of acquisition.

Where necessary, adjustments are made to the financial statements of subsidiary undertakings to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

### Revenue recognition

#### Hire of vehicles

Revenue from the hire of vehicles is recognised under IFRS 16 and as such is recognised evenly over the hire period.

Other Group revenue is measured and recognised in accordance with IFRS 15 at the fair value of consideration received or receivable from contracts with customers in respect of sale of used vehicles, the supply of related goods and services in the normal course of business and claims and services net of value added tax and discounts.

#### Sale of vehicles

Revenue from the sale of used vehicles is derived from the resale of vehicles for hire and vehicles purchased directly for resale by the Group and is recognised at the point in time when the control is transferred. Revenues from the supply of related goods and services are recognised at the point which they are provided. Where cash is received in advance of customers collecting or taking delivery of vehicles, revenue is deferred until such point that the performance obligation within the contract is met.

#### Claims and services

Revenue is recognised on the basis of contractual performance obligations following the five step model under IFRS 15 and is the consideration to which the Group expects to be entitled based on contractual terms and customary business practice (after applying the variable consideration constraint), net of VAT and other sales taxes. Where more than one service is provided under a single arrangement, the consideration receivable is allocated to the identifiable services on the basis of a relative standalone selling price of the individual service.

Credit hire revenue is recognised from the date a vehicle is placed on hire, over time as the performance obligation is completed. Each performance obligation is the provision of an individual vehicle for the needed duration and is satisfied as the hire takes place. Vehicles are only supplied and remain on credit hire after a validation process that assesses to the Group's satisfaction that liability for the accident rests with another party. The rates used are based on daily commercial tariffs for particular categories of vehicles and are accrued on a daily basis, by claim, after adjustment for variable consideration to the expected settlement value, for an estimation of the extent to which insurers are entitled or expected to take advantage of the terms of the protocols that are in place.

The Group also receives late payment fees where relevant claims are not settled within the terms of any protocol arrangements or other agreements. Such charges are not recognised at the time of the hire transaction as they would be at significant risk of reversal; rather they are recognised on settlement of the related claim.

Credit repair revenue represents income from the recovery of the costs of repair of customers' vehicles carried out by third party bodyshops. Each performance obligation for this service is the repair of an individual vehicle and is satisfied over time as this repair takes place. Credit repair revenue is recognised based on a reasonable estimate of the cost and stage of completion of the repair services at the reporting date. Credit repair revenue is reported after adjustment for variable consideration to the expected settlement value. The Group records credit repair revenue on a principal basis as the service is controlled by the Group, which has primary responsibility for its provision. Managed repair revenue is recorded at a point in time when the repair is started based on the contractual value of each repair, net of discounts, VAT and other sales related taxes.

## 2 Material accounting policies continued

### Revenue recognition continued

#### Claims and services continued

Fleet and incident management revenue represents amounts chargeable, net of VAT, in respect of fleet and incident management and other related services provided to customers. The Group's performance obligations include various services related to the management of a fleet of vehicles, and revenue is recognised over time or at a point in time, depending on the individual service, as or when these obligations are performed. Where more than one service is provided under a single arrangement, the consideration receivable is allocated to the identifiable services on the basis of the relative standalone selling price of the individual service. In providing fleet and incident management services, the Group acts either as principal or agent. This is differentiated by the extent to which the Group has control over the service provided, primary responsibility for providing the service and discretion in establishing pricing. Where there are circumstances that do not meet the above criteria, and therefore the Group is not the principal in providing the service, revenue is accounted for on a net basis and comprises fees for processing services. Where the Group is acting as a principal, revenue is accounted for gross.

Revenue in respect of legal services represents amounts chargeable, net of VAT, in respect of legal services to customers. The Group's performance obligation is the provision of legal services, and revenue is recognised at a point in time when the case is settled or, in the case of interim and processing fees, over time as the legal work required to process the case is completed. Revenue in respect of cases which are contingent upon future events which are outside the control of the Group is not recognised until the contingent event has occurred and the performance obligation has been completed. Revenue in relation to legal services is valued at the expected recoverable amount, after due regard to non-recoverable time. Expected recoverable amount is based on chargeable time less any anticipated write-offs prior to completion. No value is placed on work in progress in respect of contingent fee cases until there is virtual certainty as to the receipt of cash flows, either through an interim fee or through the outcome of cases, to justify the recognition of an asset. Certain costs incurred and associated with partnerships and directly relating to the activities of the Group's legal services are held as prepayments until the corresponding benefits accrue to the business.

Revenue from vehicle repair contracts is recognised at the point in time when substantially all of the repair work is carried out, being when the performance obligation has been substantially achieved. Where cash is received in advance of repair services being performed, revenue is deferred until such point that the performance obligation within the contract is met.

Other accident management activities represent ancillary revenue streams, including hire of vehicles other than on a credit hire basis and the provision of outsourced fleet accident management services. Revenue for other accident management activities is recorded as the performance obligation is completed, over time or at a point in time depending on the nature of the service, at the fair value of the consideration received or receivable, net of discounts, VAT and other sales related taxes.

#### Expected adjustment arising on settlement of claims

By their very nature, claims against motor insurance companies or self-insuring organisations can be subject to dispute, and are therefore considered to be variable consideration. On initial recognition, this consideration is adjusted to exclude any revenue at significant risk of reversal. As described above, the Group records revenue net of potential reversal on the settlement of claims, which reflects the Group's estimate of the expected recoverable amounts from insurers. The Group reassesses the amounts of variable consideration at the balance sheet date reflecting the latest information available on the settlement of claims in the period.

The Group's estimation of the amounts of revenue arising on settlement of claims is calculated with reference to a number of factors, including the Group's historical experience of collection levels, its anticipated collection profiles and analysis of the current profile of the claims against insurance companies. Although in principle this is determined by reference to individual cases, in practice the homogeneous nature of most claims means that the level of adjustment is calculated by reference to specific categories of claim.

#### Contract assets – Claims due from insurance companies and self-insuring organisations

Credit hire and credit repair contract assets and claims in progress are stated at the expected net claim value, which is after a variable consideration adjustment for an estimation of the extent to which insurers are entitled or expected to take advantage of settlement arrangements afforded under protocol agreements and an estimation of the expected adjustments arising on the settlement of claims. At the end of each reporting period the Group updates the estimated claim values, to reflect the Group's most recent estimation of amounts ultimately recoverable. Any further variable consideration adjustments arising from such subsequent vision of the Group's expected claim values are recorded in the consolidated income statement against revenue.

## 2 Material accounting policies continued

### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated income statement as incurred.

At the acquisition date, the provisional identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively; and
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date.

Hindsight adjustments to the provisional identifiable assets acquired and the liabilities assumed are recognised within 12 months from the date of acquisition if necessary.

### Goodwill

Goodwill represents amounts arising on acquisition of subsidiary undertakings and is the difference between the fair value of consideration of the acquisition and the fair value of the net identifiable assets and liabilities acquired.

Goodwill is stated at cost less any accumulated impairment losses identified through annual or other tests for impairment. Any impairment is recognised immediately in the consolidated income statement and is not subsequently reversed. Where the fair value of consideration is less than the fair value of the net identifiable assets and liabilities acquired this gain on bargain purchase is recognised immediately in the consolidated income statement.

### Intangible assets – arising on business combinations

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. The estimated useful lives are as follows:

Customer relationships	5 to 13 years
Brand names	3 to 15 years
Other software	3 to 10 years

### Intangible assets – other

Other intangible assets are stated at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight line basis over their estimated useful lives, which range from three to 10 years, amortisation is presented in administrative expenses within the consolidated income statement.

Intangible assets in the course of development are stated at cost less any impairment losses. Development costs are capitalised after the technical and commercial feasibility of the asset has been established. Amortisation is not charged on assets in the course of development. Amortisation commences when the asset is brought into use.

### Interest in associates

The Group's interests in associates, being those entities over which it has significant influence, and which are not subsidiaries, are accounted for using the equity method of accounting. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Under the equity method, the interest in associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received and less any impairment in the value of individual investments. The Group income statement reflects the share of the associates' results after tax.



## 2 Material accounting policies continued

### Property, plant and equipment

Property, plant and equipment is stated at historical cost, less accumulated depreciation and any provision for impairment. Certain properties were revalued prior to the adoption of IFRS. These valuations were treated as deemed cost at the time of adopting IFRS for the first time. Depreciation is provided so as to write off the cost of assets to residual values on a straight line basis over the assets' useful estimated lives as follows:

Freehold buildings	50 years
Leasehold buildings	50 years or over the life of the lease, whichever is shorter, unless the entity expects to use the assets beyond the lease term
Plant, equipment and fittings	3 to 10 years
Vehicles for hire	3 to 12 years
Motor vehicles	3 to 6 years

Vehicles for hire are depreciated on a straight line basis using depreciation rates that reflect economic lives of between three and 12 years, averaging around 8.5 years. These depreciation rates have been determined with the anticipation that the net book values at the point the vehicles are transferred into inventories is in line with the open market values for those vehicles.

The Group is required to review its depreciation rates and estimated useful lives regularly to ensure that the expected net book values of disposals of tangible assets are broadly equivalent to their expected market values net of directly attributable selling costs.

Freehold land is not depreciated. On the subsequent sale or retirement of properties revalued prior to the adoption of IFRS, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. The residual value, if not insignificant, is reassessed annually.

### Investments in subsidiaries

Investments in subsidiaries are shown at cost less any provision for impairment.

### Impairment

At each balance sheet date, the Group reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have incurred an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less selling costs and value in use. 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 which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of other assets in the unit on a pro rata basis.

Where an impairment loss has been recognised in an earlier period, the Group reassesses whether there are any indications that such impairment has decreased or no longer exists. If an impairment has decreased or no longer exists, an impairment reversal on assets other than goodwill is recognised in the consolidated income statement to the extent required.

### Inventories

Used vehicles held for resale are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

Other inventories comprise spare parts and consumables and are valued at the lower of cost and net realisable value using the first in, first out (FIFO) costing method.

## 2 Material accounting policies continued

### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year and any amounts outstanding in relation to previous years. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Current and deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the current or deferred tax is also dealt with in equity.

The Group will apply the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

### Financial instruments and hedge accounting

Financial assets and liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provision of the instrument.

Trade receivables are non-interest bearing and are initially stated at their fair value and subsequently at amortised cost less any appropriate provision for impairment. A provision for impairment of trade receivables is recognised using a lifetime expected credit loss model which in principal uses objective evidence to justify that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts written off are credited against operating expenses in the consolidated income statement.

Trade payables are non-interest bearing and are stated initially at their fair value and subsequently at amortised cost.

The Group uses derivative financial instruments to hedge its exposure to interest and foreign exchange rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold nor issue derivative financial instruments for trading purposes.

Derivative financial instruments are stated at fair value. Any gain or loss on remeasurement to fair value is recognised immediately in the consolidated income statement except where derivatives qualify for hedge accounting, where recognition of the resultant gain or loss depends on the nature of the items being hedged.

The fair value of interest rate derivatives is the estimated amount that the Group would receive or pay to terminate the derivative at the balance sheet date, taking into account current interest rates and the current creditworthiness of the derivative counterparties.

## 2 Material accounting policies continued

### Financial instruments and hedge accounting continued

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and the ineffective portion is recognised in the consolidated income statement. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the consolidated income statement as the recognised hedged item.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated income statement as they arise.

Hedge accounting for cash flow hedges is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated income statement as a net profit or loss for the period.

Changes in the fair value of derivative financial instruments that are designated, and effective as net investment hedges are recognised directly in equity and the ineffective portion is recognised in the consolidated income statement. Exchange differences arising on the net investment hedges are transferred to the translation reserve.

No derivative assets and liabilities are offset.

### Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand and bank overdrafts. Cash at bank and in hand and bank overdrafts are shown gross irrespective of where accounts have a right of offset within the same banking facility.

### Bank loans, other loans, loan notes and issue costs

Bank loans, other loans and loan notes are stated initially at fair value – the amount of proceeds after deduction of issue costs – and then subsequently at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for in the consolidated income statement on an accruals basis.

### Foreign currencies

Transactions in foreign currencies other than Sterling are recorded at the rate prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

The net assets of overseas subsidiary undertakings are translated into Sterling at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is recognised directly in equity. The results of overseas subsidiary undertakings are translated into Sterling using average exchange rates for the financial year and variances compared with the exchange rate at the balance sheet date are recognised directly in equity. All other translation differences are taken to the consolidated income statement with the exception of exchange differences on foreign currency borrowings that provide a hedge against Group equity investments in foreign enterprises, which are recognised directly in equity, together with the exchange difference on the net investment in these enterprises.

Goodwill and fair value adjustments arising on acquisition of a foreign entity are treated as assets and liabilities of the foreign entity. They are denominated in the functional currency of the foreign entity and translated at the exchange rate prevailing at the balance sheet date, with any variances reflected directly in equity.

All foreign exchange differences reflected directly in equity are shown in the translation reserve component of equity.

## 2 Material accounting policies continued

### Leased assets

#### As Lessee:

For any new contracts entered into, the Group considers whether a contract is, or contains a lease.

A lease is defined as “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration”. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct “how and for what purpose” the asset is used throughout the period of use.

#### Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or consolidated income statement if the right-of-use asset is already reduced to zero.

The Group has elected to account for short term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the consolidated income statement on a straight line basis over the lease term.

#### As lessor:

Motor vehicles and equipment hired to customers are included within property, plant and equipment. Income from such leases is taken to the consolidated income statement evenly over the period of the lease agreement.

For other assets leased to third parties, like the sub-lease of property, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

## 2 Material accounting policies continued

### Retirement benefit costs

The Group operates defined contribution pension schemes. Contributions in respect of defined contribution arrangements are charged to the consolidated income statement in the period they fall due. Pension contributions in respect of one of these arrangements are held in Trustee administered funds, independently of the Group's finances.

The Group also operates Group personal pension plans. The costs of these plans are charged to the consolidated income statement as they fall due.

### Employee share schemes and share based payments

The Group issues equity settled awards to certain employees.

Equity settled employee schemes, including employee share options, annual bonuses and long-term incentive plans, provide employees with the option to acquire Company shares. Employee share options and equity settled annual bonuses and long-term incentive plans are generally subject to performance and/or service conditions.

The fair value of equity settled payments is measured at the date of grant and charged to the consolidated income statement over the period during which performance or service conditions are required to be met or immediately where no performance or service criteria exist. The fair value of equity settled payments granted is measured using the Black-Scholes or the Monte Carlo model. At the end of each reporting period, the Group revises its estimate of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to the original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

The Group also operates a share incentive plan under which employees each have the option to purchase an amount of shares annually and receive an equivalent number of free shares. The Group recognises the free shares as an expense evenly throughout the period over which the employees must remain in employment of the Group in order to receive the free shares.

The Group operates a share save scheme under which employees have the option to convert savings to shares at an agreed exercise price. The Group recognises the option value evenly over the savings period.

### Finance income and finance costs

Finance income and finance costs are recognised in the consolidated income statement using the effective interest rate method.

### Exceptional items and amortisation of acquired intangible assets

Items are classified as exceptional gains or losses where they are considered to be material or which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood. Restructuring and exceptional costs are considered on a case by case basis as to whether they meet the exceptional criteria. The presentation is consistent with the way financial performance is measured by management and reported to the Board.

Amortisation of acquired intangible assets is not classed as an exceptional item as it is recurring in nature. However, it is excluded from underlying results as it is considered non-operational and would otherwise not present a clear understanding of underlying performance, as growth of the business is achieved organically and inorganically. The revenue and costs attached to those acquisitions are included within underlying results.

Where depreciation rates are subsequently changed from their initial assessments, the impact of this change on the depreciation charge may be shown separately from the underlying results in order to better compare the results of the Group between periods.

### Dividends

Dividends on ordinary shares are recognised in the period in which they are either paid or formally approved, whichever is earlier.

### Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.



## 2 Material accounting policies continued

### Treasury shares

The Group makes open market purchases of its own shares in order to fund future investment. When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. The acquired shares are initially recognised at historical cost and then at each reporting date, adjustments are made to write down the carrying value of own shares when, in the opinion of the Directors, there is a significant market value reduction. Treasury shares are transferred to the own shares reserve at the weighted average cost of the purchase price paid for the shares.

### Own shares

The Group makes open market purchases of its own shares or transfers shares previously recognised as treasury shares in order to satisfy the requirements of the Group's existing share schemes. Own shares are recognised at cost as a reduction in shareholder equity. The carrying values of own shares are compared with their market values at each reporting date and adjustments are made to write down the carrying value of own shares when, in the opinion of the Directors, there is a significant market value reduction.

## 3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, which are described in Note 2, the Group has made the following judgements and estimates that have the most significant effect on the amounts recognised in the financial statements that will have an impact on the next 12 months.

### Depreciation – vehicles for hire

Vehicles for hire are depreciated on a straight line basis using depreciation rates that reflect economic lives of between three and 12 years. These depreciation rates have been determined with the anticipation that the net book values at the point the vehicles are transferred into inventories is in line with the open market values for those vehicles, after taking account of costs required to sell the vehicles.

The Group is required to review its depreciation rates and estimated useful lives at least annually, to ensure that the net book value of disposals of tangible assets are broadly equivalent to their market value.

Depreciation charges reflect adjustments made as a result of differences between expected and actual residual values of used vehicles, taking into account the further directly attributable costs to sell the vehicles.

The Group applies judgement in determining the appropriate method of depreciation (straight line) and are required to estimate the future residual value of vehicles with due consideration of market conditions for sales including age, mileage and condition.

A 5% increase or decrease in the price of vehicles sold in the year would have had a £10.9m impact on the adjustment to depreciation charge for vehicles sold in the year.

The impact of changes made to depreciation rates after their initial assessment is outlined in the Financial review on pages 40 to 50.

### Contract assets – claims due from insurance companies and self-insuring organisations

A key source of estimation uncertainty affecting the Group's financial statements relates to the expected variable consideration adjustments arising on settlement of insurance claims.

Claims due from insurance companies and self-insuring organisations are stated at the expected net claim value, which is stated after allowance for an estimation of expected adjustments arising on settlement of such claims.

Where necessary, the estimation of the expected adjustment arising on settlement of claims is revised, at each balance sheet date, to reflect the Group's most recent estimation of variable consideration amounts ultimately recoverable, which is constrained to exclude any revenue at significant risk of reversal. The estimation of any such expected adjustment represents a critical judgement made by the Group.

The Group's estimation of the expected adjustment arising on settlement of claims is calculated with reference to judgements made on a number of factors, including the Group's historical experience of collection levels, its anticipated collection profiles and analysis of the current profile of the portfolio of cases. Settlement risk arises on claims due from insurance companies and self-insuring organisations due to their magnitude and the nature of the claims settlement process. The Group recovers its charges for vehicle hire and the cost of repair of customers' vehicles from the insurer of the at-fault party to the associated accident or, in a minority of claims, from the at-fault party direct where they are a self-insuring organisation. However, by their very nature, claims due from motor insurance companies can be subject to dispute which may result in subsequent adjustment to the Group's original estimate of the amount recoverable.

### 3 Critical accounting judgements and key sources of estimation uncertainty continued

#### Contract assets – claims due from insurance companies and self-insuring organisations continued

The carrying value of contract assets for claims from insurance companies at 30 April 2024 was £195,972,000 (2023: £240,595,000). A 3% difference between the carrying amount of claims in the balance sheet and the amounts finally settled would lead to a £5.9m charge or credit to the consolidated income statement in subsequent periods, which is considered to be the estimation uncertainty that will impact results in the next 12 months.

The Group manages this risk by ensuring that vehicles are only supplied and remain on hire and repairs to customers' vehicles are carried out after a validation process that ensures to the Group's satisfaction that liability for the accident rests with another party. In the normal course of its business the Group uses three principal methods to conclude claims: through the use of protocol agreements, by negotiation with the insurer of the at-fault party where the claim is not covered by a protocol agreement and where a claim fails to settle because negotiations have been fruitless, by litigation. The vast majority of these claims settle before or on the threat of litigation, but where they do not, formal proceedings are issued.

In view of the tripartite relationship between the Group, its customer and the at-fault party's insurer and the nature of the claims process, claims due from insurance companies and self-insuring organisations do not carry a contractual "due date", nor does the expected adjustment arising on settlement represent an impairment for credit losses. The circumstances of the insurance companies with which the Group deals are currently such that no provision for credit risk is considered necessary and so the disclosures required by IFRS 7 on provision for credit loss are not provided.

Instead, the Group reviews claims due from insurance companies and self-insuring organisations according to the age of the claim based upon the date that the claim was presented to the relevant insurer. The Group's strategy is that claims due should be collected by normal in-house processes including collections made under protocol arrangements with insurers and only then transferred to the Group solicitor process or other external solicitors as appropriate in specific circumstances pertaining to a case.

#### Impairment of goodwill and other intangibles

The Group reviews the carrying value of its intangible assets, including goodwill and other intangibles, to determine whether there is any indication that those assets are impaired. In performing assessments for impairment triggers, assets that do not generate largely independent cash inflows are allocated to an appropriate cash generating unit (CGU).

The Group performs an annual impairment review of the Group's goodwill carrying values are included in Note 12, including sensitivity analyses. Through the impairment test, the recoverable amount of those assets, or the CGU, is measured at the higher of their fair value less costs of disposal and value in use.

When an impairment test is performed, management necessarily applies its judgement in allocating assets to CGUs, in estimating the probability, timing and value of underlying cash flows and in selecting appropriate discount rates to be applied within the value in use calculation. The key assumptions are set out in Note 12. Subsequent changes to CGU allocation, residual values, reserves and resources, price assumptions or other estimates and assumptions in the fair value less costs of disposal calculation could impact the carrying value of the respective assets.

### 4 Acquisitions

On 2 May 2023 the Group acquired 100% of the equity interests of Fridge express (UK) Limited "FridgeXpress". The acquisition is in line with the Group strategy and vision to become the leading integrated mobility solutions provider. The acquisition has been included within the UK&I Rental segment. A provisional purchase price allocation exercise has been undertaken in accordance with IFRS 3 'Business Combinations'.

Details of this provisional purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration	2024 £000
Total cash consideration	4,990

#### 4 Acquisitions continued

The provisional assets and liabilities recognised as a result of the acquisition are as follows:

	2024 £000
Fair value of identified assets	
Other intangible assets (Note 13)	1,250
Property, plant and equipment (Note 14)	15,626
Cash and bank balances	939
Inventories	124
Receivables and contract assets	1,678
Trade and other payables	(1,646)
Current tax liabilities	(912)
Borrowings	(391)
Lease liabilities	(13,410)
Deferred tax (Note 23)	(313)
<b>Net identified assets acquired</b>	<b>2,945</b>
<b>Goodwill recognised on acquisition (Note 12)</b>	<b>2,045</b>

Total consideration net of cash acquired was £4,051,000.

#### Acquisition costs

Acquisition costs in relation to FridgeXpress of £82,000 have been charged to the consolidated income statement as administrative expenses.

#### Contribution to the Group results

FridgeXpress's contribution to underlying EBIT was a £768,000 profit for the period from 2 May 2023 to 30 April 2024. Revenue during this period was £9,223,000.

#### Prior period

On 2 July 2022 the Group acquired 100% of the equity interests of Blakedale Ltd for a consideration of £10,145,000 (£10,004,000 net of cash acquired). A provisional purchase price allocation exercise was undertaken in accordance with IFRS 3 "Business Combinations", which identified net assets acquired of £6,189,000, resulting in goodwill of £3,956,000 recognised in the balance sheet. The acquisition was included within the UK&I Rental segment. No hindsight adjustments have been recognised in the year.

#### 5 Segmental reporting

Management have determined the operating segments based upon the information provided to the Board of Directors which is considered to be the chief operating decision-maker. The Group identifies three reportable segments, namely UK&I Rental, Spain Rental and Claims & Services. The segment names have been changed in the year, but the composition of those segments is unchanged from the prior year (refer to glossary for reference to previous names). The Group is managed and reports internally on a basis consistent with its three main operating divisions and is satisfied that the IFRS 8 aggregation criteria have been met. The principal activities of these divisions are set out in the Strategic Report. Intersegment transactions are carried out on an arm's length basis and eliminated prior to consolidating Group financial statements.

## 5 Segmental reporting continued

	UK&I Rental 2024 £000	Spain Rental 2024 £000	Claims & Services 2024 £000	Corporate 2024 £000	Eliminations 2024 £000	Total 2024 £000
Revenue: hire of vehicles	375,255	274,016	–	–	–	649,271
Revenue: sale of vehicles	226,936	84,531	1,002	–	–	312,469
Revenue: claims and services	–	–	871,387	–	–	871,387
<b>External revenue</b>	<b>602,191</b>	<b>358,547</b>	<b>872,389</b>	<b>–</b>	<b>–</b>	<b>1,833,127</b>
Intersegment revenue	9,193	–	87,865	–	(97,058)	–
<b>Total revenue</b>	<b>611,384</b>	<b>358,547</b>	<b>960,254</b>	<b>–</b>	<b>(97,058)</b>	<b>1,833,127</b>
<b>Timing of revenue recognition:</b>						
At a point in time	226,936	84,531	442,360	–	–	753,827
Over time	375,255	274,016	430,029	–	–	1,079,300
<b>External revenue</b>	<b>602,191</b>	<b>358,547</b>	<b>872,389</b>	<b>–</b>	<b>–</b>	<b>1,833,127</b>
<b>Underlying operating profit (loss)</b>	<b>93,788</b>	<b>77,789</b>	<b>51,419</b>	<b>(10,577)</b>	<b>–</b>	<b>212,419</b>
Share of net profit of associates accounted for using the equity method	–	–	1,296	–	–	1,296
<b>Underlying EBIT*</b>	<b>93,788</b>	<b>77,789</b>	<b>52,715</b>	<b>(10,577)</b>	<b>–</b>	<b>213,715</b>
Amortisation of acquired intangible assets (Note 13)						(18,563)
Depreciation adjustment (Note 28)						(17)
<b>EBIT</b>						<b>195,135</b>
Finance income						596
Finance costs (Note 8)						(33,628)
<b>Profit before taxation</b>						<b>162,103</b>
<b>Other information</b>						
Capital expenditure	274,687	288,990	92,266	–	–	655,943
Depreciation	90,815	83,360	57,118	–	–	231,293
Reportable segment assets	813,099	677,115	723,699	–	–	2,213,913
Derivative financial instrument assets						104
Income tax assets						11,149
<b>Total assets</b>						<b>2,225,166</b>
Reportable segment liabilities	352,951	408,491	370,691	–	–	1,132,133
Income tax liabilities						49,636
<b>Total liabilities</b>						<b>1,181,769</b>

\* Underlying EBIT stated before amortisation of acquired intangible assets and exceptional items is the measure used by the Board of Directors to assess segment performance.

## 5 Segmental reporting continued

	UK&I Rental 2023 £000	Spain Rental 2023 £000	Claims & Services 2023 £000	Corporate 2023 £000	Eliminations 2023 £000	Total 2023 £000
Revenue: hire of vehicles	357,811	252,691	–	–	–	610,502
Revenue: sale of vehicles	104,945	47,280	669	–	–	152,894
Revenue: claims and services	–	–	726,350	–	–	726,350
<b>External revenue</b>	<b>462,756</b>	<b>299,971</b>	<b>727,019</b>	<b>–</b>	<b>–</b>	<b>1,489,746</b>
Inter-segment revenue	9,883	–	42,793	–	(52,676)	–
<b>Total revenue</b>	<b>472,639</b>	<b>299,971</b>	<b>769,812</b>	<b>–</b>	<b>(52,676)</b>	<b>1,489,746</b>
<b>Timing of revenue recognition:</b>						
At a point in time	104,945	47,280	291,996	–	–	444,221
Over time	357,811	252,691	435,023	–	–	1,045,525
<b>External revenue</b>	<b>462,756</b>	<b>299,971</b>	<b>727,019</b>	<b>–</b>	<b>–</b>	<b>1,489,746</b>
<b>Underlying operating profit (loss)</b>	<b>93,382</b>	<b>60,440</b>	<b>44,521</b>	<b>(11,670)</b>	<b>–</b>	<b>186,673</b>
Share of net profit of associates accounted for using the equity method	–	–	2,520	–	–	2,520
<b>Underlying EBIT*</b>	<b>93,382</b>	<b>60,440</b>	<b>47,041</b>	<b>(11,670)</b>	<b>–</b>	<b>189,193</b>
Exceptional items (Note 28)						(13,491)
Amortisation of acquired intangible assets (Note 13)						(20,206)
Depreciation adjustment (Note 28)						46,546
<b>EBIT</b>						<b>202,042</b>
Finance income						90
Finance costs (Note 8)						(23,405)
<b>Profit before taxation</b>						<b>178,727</b>
<b>Other information</b>						
Capital expenditure	135,512	202,220	138,641	–	–	476,373
Depreciation	50,392	83,837	40,837	–	–	175,066
Reportable segment assets	688,474	569,165	832,128	–	–	2,089,767
Income tax assets						17,012
<b>Total assets</b>						<b>2,106,779</b>
Reportable segment liabilities	271,769	297,569	491,516	–	–	1,060,854
Income tax liabilities						51,330
<b>Total liabilities</b>						<b>1,112,184</b>

\* Underlying EBIT stated before amortisation of acquired intangible assets and exceptional items is the measure used by the Board of Directors to assess segment performance.

Segment assets and liabilities exclude derivatives, current and deferred tax assets and liabilities, since these balances are not included in the segments' assets and liabilities as reviewed by the chief operating decision-maker.



**5 Segmental reporting continued****Geographical information**

Revenues are attributed to countries on the basis of the Group's location.

	Revenue 2024 £000	Non-current assets <sup>1</sup> 2024 £000	Revenue 2023 £000	Non-current assets <sup>1</sup> 2023 £000
United Kingdom and Ireland	1,474,580	1,060,267	1,189,775	1,034,271
Spain	358,547	650,049	299,971	540,353
	<b>1,833,127</b>	<b>1,710,316</b>	1,489,746	1,574,624

1 Non-current assets excludes deferred tax assets £1,878,000 (2023: £2,061,000) and interest in associates £4,502,000 (2023: £5,207,000) which are not attributable to segmental analysis.

	United Kingdom and Ireland 2024 £000	Spain 2024 £000	Total 2024 £000
Revenue from contracts with customers	1,099,325	84,531	1,183,856
Revenue from other sources	375,255	274,016	649,271
	<b>1,474,580</b>	<b>358,547</b>	<b>1,833,127</b>

	United Kingdom and Ireland 2023 £000	Spain 2023 £000	Total 2023 £000
Revenue from contracts with customers	831,964	47,280	879,244
Revenue from other sources	357,811	252,691	610,502
	1,189,775	299,971	1,489,746

There are no external customers from whom the Group derives more than 10% of total revenue.

**6 Operating profit**

	2024 £000	2023 £000
<b>Operating profit is stated after charging:</b>		
Depreciation of property, plant and equipment (Note 14)		
Owned	<b>175,769</b>	135,803
Relating to leases	<b>55,524</b>	39,263
Amortisation of intangible assets (Note 13)	<b>19,961</b>	21,408
Staff costs (Note 7)	<b>297,484</b>	270,776
Cost of inventories recognised as an expense	<b>349,705</b>	179,295
Net impairment of trade receivables (Note 30)	<b>9,782</b>	8,902
Auditors remuneration for audit services	<b>1,059</b>	1,099
Auditors remuneration for non-audit services	<b>80</b>	62
	<b>2024 £000</b>	<b>2023 £000</b>
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<b>432</b>	444
Fees payable to the Company's auditors and its associates for the audit of the Company's subsidiaries pursuant to legislation	<b>627</b>	655
<b>Total audit fees</b>	<b>1,059</b>	1,099

Fees payable to PwC and its associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements disclose such fees on a consolidated basis.

A description of the work of the Audit Committee is set out on pages 103 to 107 and includes an explanation of how auditor objectivity and independence are safeguarded when non-audit services are provided by the auditor.

**7 Staff costs**

	2024 Number	2023 Number
The average monthly number of persons employed by the Group:		
<b>By geography:</b>		
United Kingdom and Ireland	6,417	5,962
Spain	1,327	1,244
	<b>7,744</b>	7,206
<b>By function:</b>		
Direct operations	5,663	5,239
Administration	2,081	1,967
	<b>7,744</b>	7,206
	<b>2024 £000</b>	<b>2023 £000</b>
The aggregate remuneration of Group employees comprised:		
Wages and salaries	253,621	230,379
Social security costs	30,411	28,529
Other pension costs – defined contribution plans	8,213	7,221
Share based payments	5,239	4,647
	<b>297,484</b>	270,776

Wages and salaries include £1,261,000 (2023: £1,276,000) in respect of redundancies.

Details of Directors' remuneration, pension contributions and share options are provided in the Remuneration report on pages 115 and 116.

**8 Finance costs**

	2024 £000	2023 £000
Interest on bank overdrafts and loans	24,537	16,673
Amortisation of arrangement fees	1,904	2,053
Interest arising on lease obligations	6,533	4,644
Preference share dividends	25	25
Unwinding of discount on provisions (Note 19)	306	–
Other interest	323	10
<b>Finance costs</b>	<b>33,628</b>	23,405

## 9 Taxation

	2024 £000	2023 £000
<b>Current tax:</b>		
UK corporation tax	22,373	15,026
UK adjustment in respect of prior years	2,101	359
Foreign tax (including adjustment in relation to prior year)	13,724	10,242
	<b>38,198</b>	25,627
<b>Deferred tax:</b>		
Origination and reversal of timing differences	2,086	12,538
Adjustment in respect of prior years	(3,199)	1,010
Movement due to change in tax rates	–	314
	<b>(1,113)</b>	13,862
<b>Total tax charge</b>	<b>37,085</b>	39,489

UK corporation tax is calculated at 25% (2023: 19.5%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those respective jurisdictions.

The net charge for the year can be reconciled to the profit before taxation as stated in the consolidated income statement as follows:

	2024 £000	2024 %	2023 £000	2023 %
<b>Profit before taxation</b>	<b>162,103</b>		178,727	
Tax at the UK corporation tax rate of 25% (2023: 19.5%)	40,526	25.0	34,852	19.5
Tax effect of expenses that are not deductible in determining taxable profit	2,004	1.2	4,601	2.6
Tax effect of income not taxable in determining taxable profit	(1,943)	(1.2)	(1,443)	(0.8)
Difference in tax rates in overseas subsidiary undertakings	(1,443)	(0.9)	2,478	1.4
Overseas available reliefs	(1,297)	(0.7)	(1,546)	(0.9)
Adjustment in respect of prior years	(762)	(0.5)	233	0.1
Rate change	–	–	314	0.2
<b>Tax charge and effective tax rate for the year</b>	<b>37,085</b>	<b>22.9</b>	39,489	22.1

In addition to the amount charged to the consolidated income statement, a net deferred tax amount of £775,000 (net of £26,000 of other temporary differences included in other comprehensive income statement) has been credited (2023: £1,680,000 credited) directly to equity.

There are no deferred tax assets which are not recognised in the balance sheet in the current or prior year.

Based on the expected timing of the reversal of temporary differences, the tax disclosures reflect deferred tax measured at 25% in the UK (2023: 25% and 19%), depending on whether the charge is to reverse within or after 12 months, and 25% in Spain (2023: 25%).

## 9 Taxation continued

The Group is within the scope of the OECD Pillar Two model rules which are designed to ensure that large multinational groups incur a 15% minimum effective tax rate in each jurisdiction in which they operate. Pillar Two legislation was enacted in the UK in June 2023 and applies to periods beginning on or after 31 December 2023. As a result, the legislation was not effective for the current year and the Group has no related current tax exposure. The Group will apply the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023. Under the legislation, the Group is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction and the 15% minimum rate. An initial assessment of the Pillar Two rules has been performed with management expecting the additional tax liability to be recognised to result in approximately a 1% increase to the Group's statutory effective tax rate.

## 10 Dividends

An interim dividend of 8.3p per ordinary share was paid in January 2024 (2023: 7.5p). The Directors propose a final dividend for the year ended 30 April 2024 of 17.5p per ordinary share (2023: 16.5p), which is subject to approval at the AGM and has not been included as a liability as at 30 April 2024. Based upon the shares in issue at 30 April 2024 and excluding treasury shares and shares in employee trusts where dividends are waived, this equates to a final dividend payment of £39m (2023: £37m). No dividends have been paid between 30 April 2024 and the date of signing the financial statements.

## 11 Earnings per share

	2024 £000	2023 £000
<b>Basic and diluted earnings per share</b>		
The calculation of basic and diluted earnings per share is based on the following data:		
<b>Earnings</b>		
Earnings for the purposes of basic and diluted earnings per share, being profit for the year attributable to the owners of the Parent Company	<b>125,018</b>	139,238
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>226,332,009</b>	230,778,502
Effect of dilutive potential ordinary shares – share options	<b>5,023,528</b>	6,290,275
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>231,355,537</b>	237,068,777
Basic earnings per share	<b>55.2p</b>	60.3p
Diluted earnings per share	<b>54.0p</b>	58.7p

The calculated weighted average number of ordinary shares for the purposes of basic earnings per share includes a reduction of 19,759,414 shares (2023: 15,312,921) relating to treasury shares acquired during the year and includes a reduction of 2,179,823 shares (2023: 3,411,660) for shares held in employee trusts.

## 12 Goodwill

	£000
At 1 May 2022	114,926
Acquired through business combinations (Note 4)	3,956
Impairment of NewLaw CGU	(5,009)
At 30 April 2023 and 1 May 2023	113,873
Acquired through business combinations (Note 4)	2,045
<b>At 30 April 2024</b>	<b>115,918</b>



## 12 Goodwill continued

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) that are expected to benefit from the business combination. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The allocation of goodwill by CGU as follows:

	2024 £000	2023 £000
Northgate UK	4,012	4,012
Auxillis	74,827	74,827
FMG	31,078	31,078
Blakedale	3,956	3,956
FridgeXpress	2,045	–
	<b>115,918</b>	113,873

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time-value of money and the risks specific to the CGUs. The growth rates are aligned to UK GDP growth rate forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The current year impairment assessment was based on risk adjusted cash flow forecasts derived from a business plan, approved by the Directors in April 2024. The approved business plan includes the three-year strategic plan of the Group and a forecast for a further two years. It was concluded that there were no indicators of additional impairment or reversal of impairment of other non-current assets previously charged.

The business plan and growth rate applied to terminal values include management's assessment of the impacts of climate-related issues which could reasonably be assumed to impact the future cash generation of each CGU.

The value-in-use assessment is sensitive to changes in the key assumptions used, most notably the discount rate and growth rates as follows:

	Goodwill 2024 £000	Pre-tax discount rate %	Growth rate applied to terminal values %	Impact of 1% increase in discount rate on recoverable amount £m	Impact of 1% reduction in growth rate applied to terminal values on recoverable amount £m
Northgate UK	4,012	10.5%	2.0%	(100.3)	(69.8)
Auxillis	74,827	10.5%	2.0%	(46.1)	(30.5)
FMG	31,078	10.5%	2.0%	(14.4)	(9.7)
Blakedale	3,956	10.5%	2.0%	(2.8)	(1.9)
FridgeXpress	2,045	10.5%	2.0%	(4.3)	(2.9)
	<b>115,918</b>				

The above sensitivity analysis, with no further reasonable changes in assumptions, would not result in an impairment charge to the carrying value of goodwill in any of the recognised CGUs.

In the prior year, impairment assessment was based on risk adjusted cash flow forecasts derived from a business plan approved by the Directors in April 2023 using a pre-tax discount rate of 11.0% and pre-tax growth rate of 2.0% for all CGUs. An impairment charge of £5,009,000, with respect to goodwill held in the NewLaw CGU, was recognised in the consolidated income statement. No other indicators of impairment were identified and there was no reversal of impairment of other non-current assets previously charged.

## 13 Other intangible assets

	Customer relationships £000	Other software £000	Brand names £000	Total £000
<b>Cost:</b>				
At 1 May 2022	170,650	24,905	13,350	208,905
Acquisition	4,500	–	400	4,900
Additions	–	1,765	–	1,765
Disposals	–	(426)	–	(426)
Exchange differences	–	307	–	307
At 30 April 2023 and 1 May 2023	175,150	26,551	13,750	215,451
Acquisition (Note 4)	1,100	–	150	1,250
Additions	–	2,019	–	2,019
Exchange differences	–	(212)	–	(212)
<b>At 30 April 2024</b>	<b>176,250</b>	<b>28,358</b>	<b>13,900</b>	<b>218,508</b>
<b>Accumulated amortisation:</b>				
At 1 May 2022	37,670	17,811	2,112	57,593
Charge for the year	17,760	2,308	1,340	21,408
Disposals	–	(24)	–	(24)
Impairment charge (Note 28)	8,277	–	205	8,482
Exchange differences	–	164	–	164
At 30 April 2023 and 1 May 2023	63,707	20,259	3,657	87,623
Charge for the year	16,200	2,683	1,078	19,961
Exchange differences	–	(130)	–	(130)
<b>At 30 April 2024</b>	<b>79,907</b>	<b>22,812</b>	<b>4,735</b>	<b>107,454</b>
<b>Carrying amount:</b>				
<b>At 30 April 2024</b>	<b>96,343</b>	<b>5,546</b>	<b>9,165</b>	<b>111,054</b>
At 30 April 2023	111,443	6,292	10,093	127,828
<b>Weighted average remaining amortisation period (years) at 30 April 2024</b>	<b>6</b>	<b>2</b>	<b>9</b>	
Weighted average remaining amortisation period (years) at 30 April 2023	6	3	8	

	2024 £000	2023 £000
Intangible amortisation is included in the consolidated income statement as follows:		
Administrative expenses: included within underlying EBIT	1,398	1,202
Administrative expenses: excluded from underlying EBIT*	18,563	20,206
	<b>19,961</b>	<b>21,408</b>

\* Amortisation of intangible assets excluded from underlying EBIT relates to intangible assets recognised on business combinations. Amortisation of acquired intangible assets is not classed as an exceptional item as it is recurring in nature. However, it is excluded from underlying results as it is considered non-operational and would otherwise not present a clear understanding of underlying performance as growth of the business is achieved organically and inorganically. The revenue and costs attached to those acquisitions are included within underlying results.

Refer to Note 28 for further information on the impairment of other intangible assets.

## 14 Property, plant and equipment

	Vehicles for hire £000	Land & buildings £000	Plant, equipment & fittings £000	Motor vehicles £000	Total £000
<b>Cost:</b>					
At 1 May 2022	1,525,194	208,856	50,367	3,733	1,788,150
Acquisition	7,203	–	65	83	7,351
Additions	449,813	18,052	5,984	759	474,608
Exchange differences	35,555	3,328	1,402	–	40,285
Transfer	97	–	–	(97)	–
Transfer to inventories	(275,786)	–	–	–	(275,786)
Disposals	–	(2,691)	(767)	(367)	(3,825)
At 30 April 2023 and 1 May 2023	1,742,076	227,545	57,051	4,111	2,030,783
Acquisition (Note 4)	14,815	539	136	136	15,626
Additions	612,077	23,123	13,795	4,930	653,925
Exchange differences	(24,985)	(2,158)	(905)	–	(28,048)
Transfer to inventories	(486,970)	–	–	–	(486,970)
Disposals	–	(2,336)	(1,233)	(1,420)	(4,989)
<b>At 30 April 2024</b>	<b>1,857,013</b>	<b>246,713</b>	<b>68,844</b>	<b>7,757</b>	<b>2,180,327</b>
<b>Accumulated depreciation:</b>					
At 1 May 2022	528,161	61,544	35,206	1,324	626,235
Charge for the year	152,715	17,336	3,921	1,094	175,066
Exchange differences	13,120	1,135	970	–	15,225
Transfer	64	–	–	(64)	–
Transfer to inventories	(115,595)	–	–	–	(115,595)
Disposals	–	(2,386)	(485)	(200)	(3,071)
At 30 April 2023 and 1 May 2023	578,465	77,629	39,612	2,154	697,860
Charge for the year	205,224	18,682	5,664	1,723	231,293
Exchange differences	(8,708)	(802)	(655)	–	(10,165)
Transfer to inventories	(218,648)	–	–	–	(218,648)
Disposals	–	(1,436)	(739)	(1,182)	(3,357)
<b>At 30 April 2024</b>	<b>556,333</b>	<b>94,073</b>	<b>43,882</b>	<b>2,695</b>	<b>696,983</b>
<b>Carrying amount:</b>					
<b>At 30 April 2024</b>	<b>1,300,680</b>	<b>152,640</b>	<b>24,962</b>	<b>5,062</b>	<b>1,483,344</b>
At 30 April 2023	1,163,611	149,916	17,439	1,957	1,332,923

At 30 April 2024, the Group had entered into total contractual commitments amounting to £62,034,000 (2023: £34,781,000).

**14 Property, plant and equipment continued**

Land &amp; buildings include the following:

	2024 £000 NBV	2023 £000 NBV
Land and buildings by category:		
Freehold and long leasehold	49,642	51,116
Short leasehold	102,998	98,800
	<b>152,640</b>	<b>149,916</b>

Short leasehold properties include £96,920,000 of leases under IFRS 16 (2023: £92,636,000). Property, plant and equipment include the following right-of-use leased assets:

	Vehicles for hire £000	Land and buildings £000	Other property, plant & equipment £000	Total £000
<b>Cost:</b>				
At 1 May 2022	92,763	117,905	2,430	213,098
Acquisition	7,203	–	–	7,203
Additions	35,664	16,994	759	53,417
Reclassification to owned assets at end of lease	(31,653)	–	–	(31,653)
Exchange differences	–	1,220	–	1,220
Disposals	(7,206)	(2,676)	(151)	(10,033)
At 30 April 2023 and 1 May 2023	96,771	133,443	3,038	233,252
Acquisition	12,942	–	123	13,065
Additions	34,626	21,776	5,468	61,870
Reclassification to owned assets at end of lease	(16,533)	–	(3)	(16,536)
Exchange differences	–	(850)	–	(850)
Disposals	(16,929)	(2,336)	(1,040)	(20,305)
<b>At 30 April 2024</b>	<b>110,877</b>	<b>152,033</b>	<b>7,586</b>	<b>270,496</b>
<b>Accumulated depreciation:</b>				
At 1 May 2022	20,320	27,889	982	49,191
Charge for the year	23,559	14,843	861	39,263
Reclassification to owned assets at end of lease	(4,775)	–	–	(4,775)
Exchange differences	–	452	–	452
Disposals	(6,141)	(2,378)	(63)	(8,582)
At 30 April 2023 and 1 May 2023	32,963	40,806	1,780	75,549
Charge for the year	37,882	16,092	1,550	55,524
Reclassification to owned assets at end of lease	(2,024)	–	–	(2,024)
Exchange differences	–	(357)	–	(357)
Disposals	(16,141)	(1,428)	(1,011)	(18,580)
<b>At 30 April 2024</b>	<b>52,680</b>	<b>55,113</b>	<b>2,319</b>	<b>110,112</b>
<b>Carrying amount:</b>				
<b>At 30 April 2024</b>	<b>58,197</b>	<b>96,920</b>	<b>5,267</b>	<b>160,384</b>
At 30 April 2023	63,808	92,637	1,258	157,703

## 15 Interest in associates

The Group has interest in associates, which comprise a minority participation in four (2023: four) active Limited Liability Partnerships (LLPs) registered and situated in the United Kingdom. All of the LLPs are engaged in the processing of legal claims and are regulated by the Solicitors Regulation Authority. The LLPs are businesses over which the Group is deemed to have significant influence but which it does not control.

Interest in associates is as follows:

	£000
At 1 May 2022	5,843
Group's share of:	
Profit from continuing operations	2,520
Distributions from associates	(3,156)
At 30 April 2023 and 1 May 2023	5,207
Group's share of:	
Profit from continuing operations	1,296
Distributions from associates	(2,001)
<b>At 30 April 2024</b>	<b>4,502</b>

Details of the Group's associates, being interests in the following LLPs of which a Group Company is a designated Principal Member, at 30 April 2024 are as follows:

Name	Registered office
Ageas Law LLP	Helmont House, Churchill Way, Cardiff, CF10 2HE
Carol Nash Legal Services LLP	Helmont House, Churchill Way, Cardiff, CF10 2HE
RCN Law LLP	Helmont House, Churchill Way, Cardiff, CF10 2HE
Your Law LLP	Helmont House, Churchill Way, Cardiff, CF10 2HE

The Group, through NewLaw Legal Limited (NewLaw), is a designated member of each of the above LLPs (which are considered to be joint operations) and has contributed 50% of the capital for each of those LLPs (usually amounting to £1 for each LLP). NewLaw supplies legal processing services to each LLP. Each member firm of the LLPs is required to appoint individuals to the management board of the LLPs but NewLaw does not appoint or control the majority of individuals to these boards who are ultimately responsible for the day to day operations, decision making and strategic development of the LLPs and therefore NewLaw is not considered to have overall control of the LLPs. Accordingly, the Group only accounts for the results of these joint operations as associated company income based upon the (variable) share of the net income generated by way of profit share after the deduction of any other fixed allocations of such income.

## 16 Inventories

	2024 £000	2023 £000
Vehicles held for resale	26,196	41,388
Spare parts and consumables	12,065	13,149
	<b>38,261</b>	54,537

Replacement cost is considered not to significantly differ from carrying value as stated above.



## 17 Receivables and contract assets

	2024 £000	2023 £000
Trade receivables	135,321	116,277
Contract assets – claims due from insurance companies and self-insuring organisations	195,972	240,595
Other receivables and prepayments	89,739	84,405
	<b>421,032</b>	<b>441,277</b>

Allowances for estimated irrecoverable amounts and the Group's credit risk are considered in Note 30.

The Group considers that the carrying amount of receivables and contract assets approximates to their fair value.

### Contract assets – claims due from insurance companies and self-insuring organisations

An analysis of claims from insurance companies is given below:

	2024 £000	2023 £000	2024 %	2023 %
Pending claims	19,570	27,519	10	11
Between 1 and 120 days old	69,229	103,817	35	44
More than 120 days old	107,173	109,259	55	45
<b>Total</b>	<b>195,972</b>	<b>240,595</b>	<b>100</b>	<b>100</b>

Risk is spread primarily across the major UK-based motor insurance companies in proportion to their respective share of the market. No credit insurance is taken out, given the regulated nature of these entities. The Group does not have a significant concentration of credit risk, with exposure spread across a large number of insurer counterparties. The most significant five insurers represented 35% (2023: 31%) of contract assets. The measurement of contract assets changes from period to period due to the estimation uncertainty.

The carrying value of contract assets, in relation to insurance claims of £195,972,000 (2023: £240,595,000), has decreased mainly as a result of cash collection in the year. An adjustment of £7.6m was made in the 12 months to 30 April 2024 for claims that were settled at a higher net amount than the carrying value at 30 April 2023 (2023: £4.6m for claims that were settled at a higher net amount than the carrying value at 30 April 2022).

## 18 Trade and other payables

	2024 £000	2023 £000
Trade payables	187,395	164,008
Social security and other taxes	17,132	31,918
Accruals and deferred income	131,070	148,941
	<b>335,597</b>	<b>344,867</b>

The Group considers that the carrying amount of trade and other payables approximates to their fair value.

## 19 Provisions

	2024 £000	2023 £000
<b>Current</b>		
Dilapidations	1,868	822
Fleet insurance	2,302	–
	<b>4,170</b>	822
<b>Non-current</b>		
Dilapidations	7,263	6,609
Fleet insurance	3,073	–
	<b>10,336</b>	6,609
	<b>14,506</b>	7,431
		<b>£000</b>
<b>Carrying amount at 1 May 2023</b>		7,431
Reclassification from accruals		5,362
Provisions made during the year		4,872
Utilised during the year		(3,030)
Change in cost estimates		(435)
Unwinding of discount		306
<b>Carrying amount at 30 April 2024</b>		<b>14,506</b>

Dilapidation provisions are estimates of the Group's legal obligations of future outflows from occupancy of buildings and other premises. These balances include estimates based on external and internal sources of information and, where appropriate, reports from third party advisers. The timing of outflows is expected to be upon termination of the Group's right to occupy buildings and other premises. Amounts settled will depend on the level of damages agreed with the landlord.

Fleet insurance provisions are estimates of the Company's legal obligations of future outflows for vehicle accident insurance claims. These balances typically include estimates based on internal and external sources of information. The timing of outflows is expected to be upon receiving insurance claims from the Company's external insurance provider. Amounts of claims settled will be based on the agreements made with the insurance provider.

## 20 Borrowings

Carrying amounts of the Group's borrowings approximate to their fair value.

	2024 £000	2023 £000
Bank loans and overdrafts	296,672	220,844
Loan notes	320,267	329,854
Cumulative preference shares	500	500
Confirming facilities	67	593
	<b>617,506</b>	<b>551,791</b>
The borrowings are repayable as follows:		
	2024 £000	2023 £000
<b>On demand or within one year (shown within current liabilities)</b>		
Bank loans and overdrafts	57,475	13,486
Confirming facilities	67	593
	<b>57,542</b>	<b>14,079</b>
<b>In the second year</b>		
Bank loans	243,811	–
Loan notes	–	–
	<b>243,811</b>	<b>–</b>
<b>In the third to fifth years</b>		
Bank loans	–	213,818
Loan notes	128,217	132,075
	<b>128,217</b>	<b>345,893</b>
<b>Due after more than five years</b>		
Loan notes	192,325	198,113
Cumulative preference shares	500	500
	<b>192,825</b>	<b>198,613</b>
Unamortised finance fees relating to the bank loans and loan notes	(4,889)	(6,794)
Total borrowings	<b>617,506</b>	<b>551,791</b>
Amounts due for settlement within one year (shown within current liabilities)	<b>(57,542)</b>	<b>(14,079)</b>
Amounts due for settlement after more than one year	<b>559,964</b>	<b>537,712</b>

## 20 Borrowings continued

The UK bank loans and overdrafts, totalling £301,286,000 (gross of unamortised fees) at 30 April 2024, would become repayable in full in the event of a change in control of the Group. The holders of the loan notes, totalling £320,542,000 (gross of unamortised fees) at 30 April 2024, would have to be offered full repayment in the event of a change in control of the Group.

### Bank loans and overdrafts

Bank loans are unsecured and bear interest at rates of 1.00% to 1.95% (2023: 0.95% to 1.95%) above the relevant interest rate index, being SONIA for Sterling denominated debt and EURIBOR for Euro denominated debt, subject to a floor of 0%. Bank loans facilities mature in November 2026.

### Loan notes

The Group has £320,542,000 (2023: £330,188,000) of loan notes (gross of unamortised fees) which bear interest at a blended rate of 1.3% (2023: 1.3%). These are unsecured and are repayable in November 2027, November 2029 and November 2031.

### Cumulative preference shares

The cumulative preference shares of 50p each entitle the holder to receive a cumulative preferential dividend at the rate of 5% on the paid-up capital and the right to a return of capital at either winding up or a repayment of capital. The cumulative preference shares do not entitle the holders to any further or other participation in the profits or assets of the Group. These shares have no voting rights other than in exceptional circumstances.

The total number of authorised cumulative preference shares of 50p each is 1,300,000 (2023: 1,300,000), of which 1,000,000 (2023: 1,000,000) were allotted and fully paid at the balance sheet date.

### Confirming facilities

Spanish confirming facilities of £67,000 (2023: £593,000) are unsecured and all fall due within one year. The Group pays no interest on confirming facilities.

### Total borrowing facilities

The Group has various borrowing facilities available to it. The undrawn facilities (not including cash available to offset) at the balance sheet date, in respect of which all conditions precedent had been met at that date, are as follows:

	2024 £000	2023 £000
Less than one year	12,712	17,163
In one year to five years	231,189	261,183
	<b>243,901</b>	278,346

The total amount permitted to be borrowed by the Company and its subsidiary undertakings in terms of the Articles of Association shall not exceed six times the aggregate of the issued share capital of the Company and Group reserves, as defined in those Articles.

**20 Borrowings continued****Analysis of consolidated net debt**

An analysis of movements in the Group's consolidated net debt is as follows:

	At 1 May 2023 £000	Cash flow £000	Other non-cash changes £000	Foreign exchange movements £000	At 30 April 2024 £000
Bank loans	218,403	33,078	2,570	(3,999)	<b>250,052</b>
Bank overdrafts	2,441	44,491	–	(312)	<b>46,620</b>
Loan notes	329,854	–	(275)	(9,312)	<b>320,267</b>
Lease liabilities	156,765	(65,047)	73,317	(511)	<b>164,524</b>
Cumulative preference shares	500	–	–	–	<b>500</b>
Confirming facilities	593	–	(512)	(14)	<b>67</b>
	708,556	12,522	75,100	(14,148)	<b>782,030</b>
<b>Cash and bank balances</b>	(14,122)	(26,757)	–	1,077	<b>(39,802)</b>
<b>Consolidated net debt</b>	694,434	(14,235)	75,100	(13,071)	<b>742,228</b>

Borrowings are designated as financial liabilities carried at amortised cost.

	At 1 May 2022 £000	Cash flow £000	Other non-cash changes £000	Foreign exchange movements £000	At 30 April 2023 £000
Bank loans	118,573	96,807	1,436	1,587	218,403
Bank overdrafts	8,792	(6,632)	–	281	2,441
Loan notes	314,264	–	(333)	15,923	329,854
Lease liabilities	164,279	(65,110)	56,803	793	156,765
Cumulative preference shares	500	–	–	–	500
Confirming facilities	700	–	(140)	33	593
	607,108	25,065	57,766	18,617	708,556
<b>Cash and bank balances</b>	(24,561)	10,503	–	(64)	(14,122)
<b>Consolidated net debt</b>	582,547	35,568	57,766	18,553	694,434

The Group calculates gearing to be net borrowings (including lease obligations) as a percentage of shareholders' funds less goodwill and the net book value of intangible assets, where net borrowings comprise borrowings and lease obligations less cash and bank balances. At 30 April 2024, the gearing of the Group amounted to 90.9% (2023: 92.2%) where net borrowings (including lease obligations) are £742,228,000 (2023: £694,434,000) and shareholders' funds less goodwill and the net book value of intangible assets are £816,425,000 (2023: £752,894,000).



## 20 Borrowings continued

### Financial assets

The Group's principal financial assets are cash and bank balances, and receivables and contract assets.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has credit insurance policies in place to partially mitigate this risk.

### Treasury policies and the management of risk

The function of Group Treasury is to mitigate financial risk, to ensure sufficient liquidity is available to meet foreseeable requirements, to secure finance at minimum cost and to invest cash assets securely and profitably. Treasury operations manage the Group's funding, liquidity and exposure to interest rate risks within a framework of policies and guidelines authorised by the Board of Directors.

The Group uses derivative financial instruments for risk management purposes only. Consistent with Group policy, Group Treasury does not engage in speculative activity and it is policy to avoid using more complex financial instruments.

The policy followed in managing credit risk permits only minimal exposures, with banks and other institutions meeting required standards as assessed normally by reference to major credit rating agencies. Deals for material deposits are authorised only with banks with which dealing mandates have been agreed and which maintain an A rating. Individual aggregate credit exposures are limited accordingly.

### Financing and interest rate risk

The Group's policy is to finance operating subsidiary undertakings by a combination of retained earnings and medium term bank loans and loan notes.

Cash at bank, and on deposit, yields interest based principally on interest rate indices applicable to periods of less than three months, those indices being SONIA for Sterling denominated cash and EURIBOR for Euro denominated cash. The Group's exposure to interest rate fluctuations on its borrowings is limited by having fixed rate financial instruments covering a significant proportion of borrowings. At 30 April 2024, 64.6% (2023: 61.6%) of net borrowings (excluding unamortised finance fees and including leases arising under HP obligations) were at fixed rates of interest comprising loan notes of £320,542,000, £500,000 of preference shares, £67,000 of confirming facilities, £51,287,000 of fixed rate bank borrowings and leases arising under HP obligations of £11,244,000 (30 April 2023: loan notes of £330,188,000, £500,000 of preference shares, £593,000 of confirming facilities and leases arising under HP obligations of £10,998,000).

### Foreign currency exchange risk

The Group maintains borrowings in the same currency as its cash requirements, with the exception of borrowings maintained in Euros as net investment hedges against its Euro denominated investments (Note 22).

An analysis of the Group's borrowings and lease obligations by currency is given below:

	Sterling £000	Euro £000	Total £000
<b>At 30 April 2024</b>			
Bank loans	70,637	179,415	250,052
Bank overdrafts	9,390	37,230	46,620
Loan notes	–	320,267	320,267
Lease liabilities	145,269	19,255	164,524
Cumulative preference shares	500	–	500
Confirming facilities	–	67	67
	<b>225,796</b>	<b>556,234</b>	<b>782,030</b>

**20 Borrowings continued****Foreign currency exchange risk continued**

	Sterling £000	Euro £000	Total £000
At 30 April 2023			
Bank loans	177,186	41,217	218,403
Bank overdrafts	–	2,441	2,441
Loan notes	–	329,854	329,854
Lease liabilities	139,992	16,773	156,765
Cumulative preference shares	500	–	500
Confirming facilities	–	593	593
	<b>317,678</b>	<b>390,878</b>	<b>708,556</b>

**21 Leases****As lessee**

Lease liabilities are presented in the statement of financial position as follows:

	2024 £000	2023 £000
Current	<b>51,442</b>	49,493
Non-current	<b>113,082</b>	107,272
	<b>164,524</b>	156,765

The tables below describe the nature of the Group's leasing activities by the type of right-of-use asset recognised:

At 30 April 2024	Number of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)	Carrying value at 30 April 2024 £000	Depreciation expense for year to 30 April 2024 £000
Land and buildings	186	1–99	5	96,920	16,092
Computer equipment	2	1–5	5	650	27
Motor vehicles	284	1–4	2	4,617	1,523
Vehicles for hire	11,254	0–4	1	58,197	37,882

**21 Leases continued****As lessee continued**

At 30 April 2023	Number of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)	Carrying value at 30 April 2023 £000	Depreciation expense for year to 30 April 2023 £000
Land and buildings	179	1–99	8	92,603	14,844
Motor vehicles	2,360	1–3	2	10,778	860
Vehicles for hire	8,275	0–4	2	48,241	23,559

The lease liabilities are secured by the related underlying assets. Future minimum lease payments are as follows:

At 30 April 2024	<1 year £000	1-2 years £000	2-5 years £000	>5 years £000	Total £000
<b>Lease payments:</b>					
Total lease payments	<b>56,718</b>	<b>34,996</b>	<b>46,327</b>	<b>50,233</b>	<b>188,274</b>
<b>Finance charges:</b>					
Total finance charges	<b>(5,276)</b>	<b>(3,282)</b>	<b>(5,312)</b>	<b>(9,880)</b>	<b>(23,750)</b>
<b>Net present values</b>	<b>51,442</b>	<b>31,714</b>	<b>41,015</b>	<b>40,353</b>	<b>164,524</b>
At 30 April 2023	<1 year £000	1-2 years £000	2-5 years £000	>5 years £000	Total £000
<b>Lease payments:</b>					
Total lease payments	53,679	35,382	40,460	48,128	177,649
<b>Finance charges:</b>					
Total finance charges	(4,186)	(2,593)	(4,121)	(9,984)	(20,884)
Net present values	49,493	32,789	36,339	38,144	156,765

The total cash outflow for leases in 2024 was £71,580,000 (2023: £69,754,000) which includes principal element of lease payments and interest arising on lease obligations.

## 21 Leases continued

### Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less). Payments made under such leases totalling £26,918,561 (2023: £22,595,000) were expensed on a straight line basis over the lease term.

The Group has elected not to recognise a lease liability for leases of low value assets of £5,000. Payments made under such leases totalling £1,012,814 (2023: £298,000) were expensed on a straight line basis over the lease term.

### As lessor

The revenue of the Group is principally generated from the hire of vehicles under operating lease arrangements. For the majority of vehicles hired, there is no minimum contracted rental period. The revenue of the Group under these arrangements is as shown in the consolidated income statement. There are no contingent rentals recognised in income.

## 22 Derivative financial instruments

### Interest rate derivatives

The Group's derivative financial instruments at the balance sheet date comprise of interest rate swaps. The net estimated fair values are as follows:

	2024 £000	2023 £000
Interest rate derivatives	104	–
They are represented in the balance sheet as follows:		
Current derivative financial instrument asset	104	–

The Group's exposure to interest fluctuations on its borrowings is managed through the use of interest rate derivatives. These derivatives are also used to manage the Group's desired mixed of fixed and floating rate debt. The policy is to fix a substantial element of the interest cost on outstanding debt. The interest rate derivatives to which the Group was party as at 30 April 2024 are summarised as below:

	Total nominal values	Weighted average fixed contract net pay rates	Weighted average remaining life (years)
Euro interest rate swaps	€60,000,000	3.3%	0.7

### Net investment hedges

The Group manages its exposure to currency fluctuations on retranslation of the balance sheets of those subsidiary undertakings whose functional currency is in Euros by maintaining a proportion of its borrowings in the same currency. The hedging objective is to reduce the risk of spot retranslation of the Euro subsidiaries from Euros to Sterling at each reporting date.

At 30 April 2024, the nominal amount attributable to the hedging instrument equated to £492,353,000 (2023: £361,005,000). Exchange differences arising on the borrowings and net investment hedges have been recognised directly within equity along with the exchange differences on retranslation of the net assets of the Euro subsidiaries. The hedges are considered highly effective in the current and prior year.

### 23 Deferred tax

The following are the major deferred tax liabilities and (assets) recognised by the Group and movements thereon during the current and prior year:

	Accelerated capital allowances £000	Revaluation of buildings £000	Share based payments £000	Intangible assets £000	Losses £000	Other temporary differences £000	Total £000
At 1 May 2022	2,062	336	(1,563)	36,589	(1,337)	(887)	35,200
Acquisition	771	–	–	1,203	–	–	1,974
Charge (credit) to the income statement	18,723	–	(348)	(4,270)	1,026	(1,553)	13,578
(Credit) to equity	–	–	(1,680)	–	–	–	(1,680)
Rate change	1,736	–	–	(1,553)	148	(17)	314
Exchange differences	(39)	16	–	(1)	(8)	(105)	(137)
At 30 April 2023 and 1 May 2023	23,253	352	(3,591)	31,968	(171)	(2,562)	49,249
Acquisition	–	–	–	313	–	–	313
Charge (credit) to the income statement	1,408	–	1,823	(4,492)	95	53	(1,113)
(Credit) charge to equity	–	–	(801)	–	–	26	(775)
Exchange differences	10	(10)	–	1	–	54	55
<b>At 30 April 2024</b>	<b>24,671</b>	<b>342</b>	<b>(2,569)</b>	<b>27,790</b>	<b>(76)</b>	<b>(2,429)</b>	<b>47,729</b>

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The analysis of the deferred tax balances after offset is as follows:

	Total £000
<b>At 30 April 2024</b>	
Deferred tax assets	(1,878)
Deferred tax liabilities	49,607
<b>Net deferred tax liabilities</b>	<b>47,729</b>
At 30 April 2023	
Deferred tax assets	(2,061)
Deferred tax liabilities	51,310
<b>Net deferred tax liabilities</b>	<b>49,249</b>

Net deferred tax assets classified as other temporary differences are £2,086,000 (2023: £1,845,000). There are no unrecognised deferred tax assets in the current or prior year.



## 24 Share capital

Called up share capital, allotted and fully paid:

	Number of shares	£000
At 1 May 2022, 30 April 2023 and at 30 April 2024	246,091,423	123,046

The Group has one class of ordinary shares with a par value of 50p.

## 25 Share premium account

	£000
At 1 May 2022, 30 April 2023 and at 30 April 2024	113,510

## 26 Treasury shares and own shares reserve

Movements on the treasury shares reserve and own shares reserve are shown in the consolidated statements of changes in equity, which can be seen on page 145. Further information on these reserves is given below:

### Treasury shares reserve

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group. At 30 April 2024, the Group held 18,981,862 of the Company's shares (2023: 16,877,571). The total number of shares held in treasury represents 7.7% (2023: 6.9%) of the allotted and fully paid share capital of the Group.

### Own shares reserve

The own shares reserve represents shares held by employee trusts in order to meet commitments under the Group's various share schemes (Note 29). At 30 April 2024, the Guernsey Trust held 2,766,937 (2023: 2,692,156) 50p ordinary shares and the YBS Trust held 164,277 (2023: 113,030) 50p ordinary shares. The total number of shares held by these employee trusts represents 1.2% (2023: 1.1%) of the allotted and fully paid share capital of the Group.

The results of the trusts are consolidated into the results of the Group in accordance with IFRS 10 "Consolidated Financial Statements".

## 27 Translation reserve and other reserves

### Translation reserve

The translation reserve represents the aggregate of the cumulative exchange differences arising from the retranslation of the balance sheets of the Euro-based subsidiary undertakings and the cumulative exchange differences arising from long term borrowings held as hedges.

The management of the Group's foreign exchange translation risks is detailed in Note 20.

	£000
At 1 May 2022	(8,633)
Exchange differences recognised in total comprehensive income	5,948
30 April 2023	(2,685)
Exchange differences recognised in total comprehensive income	(4,074)
30 April 2024	(6,759)

**27 Translation reserve and other reserves continued****Other reserves**

	Capital redemption reserve £000	Revaluation reserve £000	Merger reserve £000	Hedging reserve £000	Other reserve £000	Total other reserves £000
At 1 May 2022	40	1,101	67,463	–	261,831	330,435
Foreign exchange differences	–	54	–	–	–	54
At 30 April 2023	40	1,155	67,463	–	261,831	330,489
Foreign exchange differences	–	(33)	–	–	–	(33)
Other comprehensive income (expense)	–	–	–	78	–	78
<b>At 30 April 2024</b>	<b>40</b>	<b>1,122</b>	<b>67,463</b>	<b>78</b>	<b>261,831</b>	<b>330,534</b>

**Merger reserve**

The merger reserve arose from acquisitions in previous years.

**Hedging reserve**

The hedging reserve represents the cumulative amounts of changes in fair values of hedged interest rate derivatives that are deferred in equity, as explained in Notes 2 and 22, less amounts transferred to the consolidated income statement and other components of equity.

**Other reserve**

The other reserve represents the excess of the share price on the date of acquisition of Redde plc, 282p over the nominal share price of 50p. The share premium represents the excess of the share price of 251p at the time of the sale of these shares over the nominal share price of 50p. The Company has recorded the premium for the issue of shares for this acquisition in other reserves in accordance with Section 612 of the Companies Act 2006 in respect of merger relief.

**28 Exceptional items**

	2024 £000	2023 £000
Impairment of goodwill	–	5,009
Impairment of other intangibles	–	8,482
<b>Exceptional administrative expenses</b>	<b>–</b>	<b>13,491</b>
	<b>2024 £000</b>	<b>2023 £000</b>
Impairment of NewLaw intangibles	–	13,491
<b>Exceptional administrative expenses</b>	<b>–</b>	<b>13,491</b>
<b>Total exceptional items included within EBIT</b>	<b>–</b>	<b>13,491</b>
<b>Total pre-tax exceptional items</b>	<b>–</b>	<b>13,491</b>
Tax credits relating to exceptional items	–	(2,065)
Cash expenses	–	–
Non-cash expenses	–	13,491
<b>Total pre-tax exceptional items</b>	<b>–</b>	<b>13,491</b>

**Impairment of NewLaw**

In the prior year, following a strategic business review, the carrying amount of assets relating to the NewLaw CGU was considered to be below its recoverable amount and therefore an impairment charge of £5,009,000 and £8,482,000, for goodwill and other intangibles respectively, was recognised as an exceptional item in the consolidated income statement (see Note 12 and Note 13). The Group also reassessed the useful lives of property, plant and equipment relating to the NewLaw CGU and determined that no change in the useful lives was required. In the current year, it was concluded that there were no indicators of additional impairment or reversal of impairment of other non-current assets previously charged.

**Amortisation on acquired intangible assets**

Amortisation of acquired intangible assets of £18,563,000 (2023: £20,206,000) is not classified as an exceptional item as it is recurring. However, it is excluded from underlying results in order to provide a better comparison of results between periods as the Group grows through a combination of organic and inorganic growth. The revenue and operating costs of these acquisitions are included within underlying results. Amortisation of intangible assets of £1,398,000 (2023: £1,202,000) which does not relate to acquisitions is included within underlying profit.

**Depreciation rate changes**

The Group has adjusted the depreciation rates from 1 May 2022 on vehicles remaining on the fleet which were purchased before FY2021. This adjustment is explained further in the Financial review on pages 40 to 50. The depreciation adjustment is a debit to the consolidated income statement of £17,000 (2023: credit of £46,546,000). This adjustment is not classified as an exceptional item, however, it is excluded from underlying results in order to provide a better comparison of results between periods.

## 29 Share based payments

The Group's and Company's various share incentive plans are explained in the Remuneration Report on pages 108 to 122.

All options granted under the DABP, MPSP, EPSP and EAB are nil cost options. Options granted under the SAYE Scheme have exercise prices ranging from £2.12 to £2.69.

The AESS scheme has been closed for new awards and all remaining matching shares vested during the year.

The Board may make discretionary awards of free shares to eligible employees. Employees must remain in employment of the Group during the vesting period of three years in order to receive the free shares.

The SAYE Scheme has a three-year savings period where employees save at an agreed rate. At the end of the savings period, employees can choose to either exercise options or withdraw their savings.

Details regarding the plans in the year ended 30 April 2024 are outlined below:

	DABP Number of share options	Free shares Number of free shares	EPSP Number of share options	SAYE Number of share options	AESS Number of matching shares
At 1 May 2023	21,822	817,375	4,318,856	2,902,118	111,720
Granted during the year	–	1,141,602	1,030,688	1,016,823	–
Exercised during the year	(8,226)	–	(2,548,287)	–	–
Vested during the year	–	(4,234)	–	(1,330,193)	(102,007)
Forfeited/lapsed during the year	(425)	(217,710)	(93,124)	(392,841)	(9,713)
<b>At 30 April 2024</b>	<b>13,171</b>	<b>1,737,033</b>	<b>2,708,133</b>	<b>2,195,907</b>	<b>–</b>
Exercisable at the end of the year	13,171	–	179,613	139,111	–

	DABP 2024	Free Shares 2024	EPSP 2024	SAYE 2024	AESS 2024
Weighted average remaining contractual life at the end of the year	<b>1.8 years</b>	<b>2.1 years</b>	<b>8.2 years</b>	<b>1.7 years</b>	–
Weighted average share price at the date of exercise of options in the year	<b>£3.35</b>	<b>£3.66</b>	<b>£3.34</b>	<b>£3.54</b>	–
Date options granted during the year		<b>Oct 2023</b>	<b>Aug 2023</b>	<b>Oct 2023</b>	
Aggregate estimated fair value of options at the date of grant		<b>£2,113,000</b>	<b>£2,382,000</b>	<b>£807,000</b>	
The inputs into the Black-Scholes/Monte Carlo model were as follows:					
Weighted average share price		<b>£3.23</b>	<b>£3.46</b>	<b>£3.23</b>	
Weighted average exercise price		<b>£nil</b>	<b>£nil</b>	<b>£2.64</b>	
Expected volatility		<b>52.1%</b>	<b>54.0%</b>	<b>52.0%</b>	
Expected life		<b>3 years</b>	<b>3 years</b>	<b>3 years</b>	
Risk free rate		<b>4.4%</b>	<b>4.5%</b>	<b>4.4%</b>	
Expected dividends		<b>6.7%</b>	<b>6.7%</b>	<b>6.7%</b>	

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.

**29 Share based payments continued**

Details regarding the plans in the year ended 30 April 2023 are outlined below:

	DABP Number of share options	MPSP Number of share options	Free shares Number of free shares	EPSP Number of share options	SAYE Number of share options	AESS Number of matching shares
At 1 May 2022	39,133	9,406	148,960	3,735,627	2,351,244	222,257
Granted during the year	–	–	863,500	925,504	1,468,754	–
Exercised during the year	(2,354)	–	–	(106,910)	–	–
Vested during the year	–	(6,610)	(134,799)	–	(602,047)	(90,772)
Forfeited/lapsed during the year	(14,957)	(2,796)	(60,286)	(235,365)	(315,833)	(19,765)
At 30 April 2023	21,822	–	817,375	4,318,856	2,902,118	111,720
Exercisable at the end of the year	21,822	–	–	88,632	5,352	–
	DABP 2023	MPSP 2023	Free Shares 2023	EPSP 2023	SAYE 2023	AESS 2023
Weighted average remaining contractual life at the end of the year	3.6 years	–	2.6 years	7.9 years	1.5 years	0.7 years
Weighted average share price at the date of exercise of options in the year	£3.33	£3.67	£3.87	£3.26	£3.56	£4.24
Date options granted during the year			Dec 2022	Jul 2022	Aug 2022	
Aggregate estimated fair value of options at the date of grant			£2,017,000	£2,382,000	£1,973,000	
The inputs into the Black-Scholes/Monte Carlo model were as follows:						
Weighted average share price			£3.97	£3.36	£3.74	
Weighted average exercise price			£nil	£nil	£2.69	
Expected volatility			113.5%	74.9%	75.0%	
Expected life			3 years	3 years	3 years	
Risk free rate			3.1%	1.8%	1.9%	
Expected dividends			5.8%	5.4%	5.4%	

In addition, 102,517 options were awarded in the year under the EAB (2023: 98,348 options). These all vested immediately as there were no ongoing performance or service obligations and were valued based on the share price at the grant date for each grant. The shares will be held in trust for the required three-year holding period.



### 30 Financial instruments

The following disclosures and analysis relate to the Group's financial instruments.

#### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 20, cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued share capital, reserves and retained earnings as disclosed in Notes 24 to 27.

#### Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

#### Net investment hedges

The Group manages its exposure to currency fluctuations on retranslation of the balance sheets of those subsidiary undertakings whose functional currency is in Euros by maintaining a proportion of its borrowings in the same currency. The hedging objective is to reduce the risk of spot retranslation of the Euro subsidiaries from Euros to Sterling at each reporting date. Exchange differences arising on the borrowings and net investment hedges have been recognised directly within equity along with the exchange differences on retranslation of the net assets of the Euro subsidiaries.

The hedges are considered highly effective in the current and prior year.

#### Foreign currency sensitivity analysis

During the year, the Group has been exposed to movements in the exchange rate between Euro and Sterling, where Sterling is the functional currency of the Group.

The following tables detail the Group's sensitivity to a €0.20 (2023: €0.20) increase and decrease in the Euro/Sterling exchange rate.

A €0.20 (2023: €0.20) movement in the rate in either direction is management's assessment of the reasonably possible change in foreign exchange rates in the near term. The sensitivity analysis only includes any outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a €0.20 (2023: €0.20) change in foreign currency rates.

	As stated in Annual Report and financial statements £000	As would be stated if €0.20 increase £000	As would be stated if €0.20 decrease £000
2024			
Profit before taxation	162,103	151,179	177,571
<b>Total equity</b>	<b>1,043,397</b>	<b>1,036,549</b>	<b>1,053,069</b>
	As stated in Annual Report and financial statements £000	As would be stated if €0.20 increase £000	As would be stated if €0.20 decrease £000
2023			
Profit before taxation	178,727	169,769	191,454
<b>Total equity</b>	<b>994,595</b>	<b>969,094</b>	<b>1,031,000</b>

#### Interest rate risk management

The Group is exposed to interest rate risk, as entities within the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings and by the use of interest rate swap contracts if necessary. Hedging activities are reviewed regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

### 30 Financial instruments continued

#### Interest rate sensitivity analysis

The sensitivity analysis below have been determined on the exposure to interest rates for floating rate liabilities and related derivatives. For the floating rate liabilities, the analysis is prepared on the basis of both the average liability outstanding over the year and the average rate applicable for the year. In all instances it is assumed that any derivatives designated in hedging relationships are 100% effective.

A 1.0% (2023: 1.0%) increase or decrease has been used in the analysis and represents management's best estimate of a reasonably possible change in interest rates in the near term.

	As stated in Annual Report and financial statements £000	As would be stated if 1.0% increase £000	As would be stated if 1.0% decrease £000
2024			
Profit before taxation	162,103	159,555	164,651
<b>Total equity</b>	<b>1,043,397</b>	<b>1,041,486</b>	<b>1,045,308</b>
	As stated in Annual Report and financial statements £000	As would be stated if 1.0% increase £000	As would be stated if 1.0% decrease £000
2023			
Profit before taxation	178,727	176,651	180,805
<b>Total equity</b>	<b>994,595</b>	<b>993,039</b>	<b>996,155</b>

#### Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates and the cash flow exposures on the issued variable rate debt held. The fair value of the interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract and is disclosed below.

The average interest rate is based on the outstanding balances at the end of the financial year.

The following table details the notional principal amounts and the remaining terms of interest rate swap contracts outstanding at the reporting date:

	Weighted average fixed contract net pay rates 2024 %	Total nominal values 2024 '000	Fair Value 2024 £000
Outstanding receive floating pay fixed contracts			
<b>Euro</b>			
Within one year	3.3	€60,000	104

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Directors who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities. Included in Note 20 is a description of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

### 30 Financial instruments continued

#### Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. All interest cash flows and the weighted average effective interest rate have been calculated using interest rate conditions prevailing at the balance sheet date.

Group 2024	Weighted average effective interest rate	<1 year £000	2nd year £000	3–5 years £000	>5 years £000	Total £000
Non-interest bearing	–	227,824	–	–	–	227,824
Fixed interest rate instruments	1.89%	6,972	58,258	141,070	196,939	403,239
Variable interest rate instruments	6.24%	23,112	204,780	6,951	–	234,843
		257,908	263,038	148,021	196,939	865,906

Group 2023	Weighted average effective interest rate	<1 year £000	2nd year £000	3–5 years £000	>5 years £000	Total £000
Non-interest bearing	–	167,042	–	–	–	167,042
Fixed interest rate instruments	1.33%	4,386	4,386	145,207	205,731	359,710
Variable interest rate instruments	5.89%	23,876	12,827	234,165	–	270,868
		195,304	17,213	379,372	205,731	797,620

The following table detail the Group's liquidity analysis for its derivative financial instruments. It includes both liabilities and assets to illustrate how the cash flows are matched in each period. The table has been drawn up based on the undiscounted net cash inflows on the derivative instruments that settle on a net basis and the undiscounted gross cash inflows on those derivatives that require gross settlement. All amounts disclosed fall within 1 year.

2024	Total £000
<b>Assets</b>	
Net settled:	
Interest rate swaps	198

#### Fair value of financial instruments

The Group is required to analyse financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All the financial instruments below are categorised as Level 2. The fair values of financial assets and financial liabilities are determined as follows:

- Derivative financial instruments are measured at the present value of future cash flows estimated and discounted based on applicable yield curves derived from quoted interest rates.
- The fair values of other non-derivative financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values or, in the case of interest rate and cross currency swaps, are held at fair value.

**30 Financial instruments continued****Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Cash and bank balances of £39,802,000 (2023: £14,122,000) include £39,467,000 (2023: £12,444,000) held under a pooled overdraft arrangement with the same banking institution which has a right of set-off. Bank overdrafts of £46,620 (2023: £2,441,000) were available to offset against bank balances under this agreement, therefore the residual credit risk exposure was £Nil (2023: £10,003,000). Credit risk is managed by only holding material deposits with banks and other institutions meeting required standards as assessed normally by reference to major credit agencies. Group credit exposure for material deposits is limited to banks individually which maintain an A rating.

The Group's credit risk is primarily attributable to its trade receivables. The trade receivables amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made using the simplified model applicable to trade receivables as per IFRS 9.

	2024 £000	2023 £000
<b>Trade receivables</b>		
Trade receivables (maximum exposure to credit risk)	159,540	140,866
Allowance for doubtful receivables	(24,219)	(24,589)
	<b>135,321</b>	<b>116,277</b>
<b>Ageing of trade receivables not impaired</b>		
Not overdue	91,066	71,948
Past due not more than two months	19,381	30,981
Past due more than two months but not more than four months	8,197	6,613
Past due more than four months but not more than six months	16,677	6,735
<b>Total</b>	<b>135,321</b>	<b>116,277</b>

Before accepting any new customers, the Group will perform credit analysis to assess the credit risk on an individual basis. This enables the Group only to deal with creditworthy customers, therefore reducing the risk of financial loss from defaults. Of the trade receivables balance at the end of the year, £3,528,000 (2023: £2,107,000) is due from the Group's largest customer. There are no customers which represent more than 5% of the total balance of trade receivables.

The Group has no significant concentration of credit risk as trade receivables consist of a large number of customers, spread across diverse industries and geographic areas in UK, Ireland and Spain.

	2024 £000	2023 £000
<b>Movement in the allowance for doubtful receivables</b>		
At 1 May	24,589	28,946
Impairment losses recognised	12,162	11,822
Amounts written off as uncollectable	(9,692)	(13,957)
Impaired losses reversed	(2,380)	(2,920)
Exchange differences	(460)	698
At 30 April	<b>24,219</b>	<b>24,589</b>

### 30 Financial instruments continued

#### Credit risk management continued

Net impairment of trade receivables as at 30 April 2024 totalled £9,782,000 (2023: £8,902,000). In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and mainly unrelated. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful receivables.

Included in the allowance for doubtful receivables are trade receivables with customers which have been placed under liquidation of £86,000 (2023: £868,000).

	2024 £000	2023 £000
<b>Ageing of impaired trade receivables</b>		
Not overdue	814	1,252
Past due not more than two months	1,229	1,196
Past due more than two months but not more than four months	3,672	3,534
Past due more than four months but not more than six months	972	879
Past due more than six months	17,532	17,728
	<b>24,219</b>	<b>24,589</b>

The Directors consider that the carrying amount of receivables and contract assets approximates their fair value.

### 31 Related-party transactions

#### Transactions with subsidiaries

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between ZIGUP plc and its subsidiaries are fully disclosed in the Company's financial statements on page 201.

#### Transactions with associates

Details of the Group's interests in associates, which are regarded as related parties, are provided in Note 15. The Group made sales and recharges of expenses to these associates amounting to £7,809,000 (2023: £9,372,000) and made purchases of £272,000 (2023: £212,000) from those associates. At the year end, the Group was owed £2,063,000 (2023: £1,867,000) by these associates, included in trade receivables.

#### Transactions with other related parties

There were no transactions with other related parties in the current or prior year.

#### Remuneration of key management personnel

In the current and prior year, the Directors of the Company are determined to be the key management personnel of the Group. There are other senior managers in the Group who are able to influence the Company in the achievement of its goals. However, in the opinion of the Directors, only the Directors of the Company have significant authority for planning, directing and controlling the activities of the Group.

In respect of the compensation of key management personnel, the short term employee benefits, post-employment (pension) benefits, termination benefits and details of share options granted are set out in the Remuneration Report on pages 108 to 122.

The fair value charged to the consolidated income statement in respect of equity settled share based payment transactions with the Directors is £1,644,000 (2023: £1,799,000). There are no other long term benefits accruing to key management personnel, other than as set out in the Remuneration Report.



## 32 Investments

At 30 April 2024, a full list of subsidiaries of the Group, for all of which the ordinary shares were wholly owned, was as follows:

Name	Company number+	Registered office
Angel Assistance Limited <sup>^^</sup>	03902646	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
Auxillis Limited <sup>^^</sup>	02948256	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
Auxillis Services Limited <sup>*</sup>	02686430	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
Blakedale Ltd <sup>^^</sup>	03045741	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Cab Aid Limited <sup>^^</sup>	05013600	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
Car Monster Limited <sup>^^</sup>	03217696	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
Charged Electric Vehicles Limited	12702971	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
FMG Finance Limited <sup>^^</sup>	9347579	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Group Holdings Limited <sup>^^</sup>	9341508	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Legal LLP <sup>*</sup>	OC378834	Helmont House, Churchill Way, Cardiff, CF10 2HE
FMG Repair Services Limited <sup>*</sup>	05120241	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
FMG Support (FIM) Limited <sup>^^</sup>	2658067	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Support (HO) Limited <sup>^^</sup>	3576057	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Support (RRRM) Limited <sup>^^</sup>	2762997	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Support Group Limited <sup>^^</sup>	6489429	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Support Limited <sup>^^</sup>	3813859	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
Fridgexpress (UK) Limited <sup>*</sup>	06554050	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Goode Durrant Administration Limited <sup>^^</sup>	00059051	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
GRG Public Resources Limited <sup>^^</sup>	2946432	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
HAS Accident Management Solutions Limited <sup>^^</sup>	03198299	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
Helphire EBT Trustee Limited <sup>^^</sup>	03852243	Pinesgate, Lower Bristol Road, Bath, BA2 3DP

## 32 Investments continued

Name	Company number <sup>+</sup>	Registered office
Moco Group Limited (formerly ZIGUP Limited)**	9713395	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
NewLaw Legal Limited*	07200038	Helmont House, Churchill Way, Cardiff, CF10 2HE
NewLaw Trustees Limited**	08702402	Helmont House, Churchill Way, Cardiff, CF10 2HE
NG Finance Limited*	00545062 (Ireland)	6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland
NLS Trustees Limited**	SC427064	7th Floor Delta House, 50 West Nile Street, Glasgow, G1 2NP
Northgate (CB) Limited**	07233528	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Northgate (CB2) Limited**	07983969	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Northgate (Europe) Limited^	05932194	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Northgate (Malta) Limited*	C39845 (Malta)	Office 1, Verdala Business Centre, LM Complex, Brewery Street, Mriehel, Birkirkara BKR3000, Malta
Northgate (MT) Limited*	C39847 (Malta)	Office 1, Verdala Business Centre, LM Complex, Brewery Street, Mriehel, Birkirkara BKR3000, Malta
Northgate España Renting Flexible S.A.*	(CIF) A-28659423 (Spain)	Avd Isaac Newton, 3 Parque Empresarial La Carpetania, 28906 Getafe, Madrid, Spain
Northgate Holdings Limited^	12366193	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Northgate Vehicle Hire (Ireland) Limited*	00333586 (Ireland)	6th Floor, South Bank House, Barrow Street, Dublin 4, Ireland
Northgate Vehicle Hire Limited	01434157	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Northgate Vehicle Sales Limited**	02337128	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Principia Law Limited*	08305964	Bowland House, Gadbrook Business Centre, Rudheath, Northwich, Cheshire, CW9 7TN
Recovery Management Services Limited**	2948091	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
Redde Ltd*	03120010	Pinesgate, Lower Bristol Road, Bath, BA2 3DP
Total Accident Management Limited**	03156157	Pinesgate, Lower Bristol Road, Bath, BA2 3DP

\* Interest held indirectly by the Company.

^ The members of the Company have elected to take the exemption from audit available under S479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 April 2024. A guarantee has been or will be provided by ZIGUP plc as the ultimate Parent Company.

+ UK registered unless stated otherwise.

# Company balance sheet

## As at 30 April 2024

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	Note	2024 £000	2023 £000
<b>Non-current assets</b>			
Investments	5	451,022	447,930
Deferred tax assets	6	2,694	3,749
<b>Total non-current assets</b>		<b>453,716</b>	<b>451,679</b>
<b>Current assets</b>			
Receivables and contract assets	7	1,079,263	1,112,041
Derivative financial instrument assets		104	–
Cash and bank balances		37,108	2,160
<b>Total current assets</b>		<b>1,116,475</b>	<b>1,114,201</b>
<b>Total assets</b>		<b>1,570,191</b>	<b>1,565,880</b>
<b>Current liabilities</b>			
Trade and other payables	8	266,690	338,786
Borrowings	9	838	–
<b>Total current liabilities</b>		<b>267,528</b>	<b>338,786</b>
<b>Net current assets</b>		<b>848,947</b>	<b>775,415</b>
<b>Non-current liabilities</b>			
Borrowings	9	559,964	537,712
<b>Total non-current liabilities</b>		<b>559,964</b>	<b>537,712</b>
<b>Total liabilities</b>		<b>827,492</b>	<b>876,498</b>
<b>Net assets</b>		<b>742,699</b>	<b>689,382</b>
<b>Equity</b>			
Share capital	10	123,046	123,046
Share premium account	11	113,510	113,510
Treasury shares reserve	12	(67,488)	(60,420)
Other reserves	13	325,108	325,030
<b>Retained earnings</b>			
At 1 May		188,216	148,005
Profit for the financial year		110,445	86,104
Other changes in retained earnings		(50,138)	(45,893)
At 30 April		248,523	188,216
<b>Total equity</b>		<b>742,699</b>	<b>689,382</b>

The financial statements on pages 190 to 201 were approved by the Board of Directors on 10 July 2024 and signed on its behalf by:

**Philip Vincent**

Chief Financial Officer

# Company statement of changes in equity

## For the year ended 30 April 2024

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	Share capital and share premium <sup>1</sup> £000	Treasury shares reserve <sup>2</sup> £000	Other reserves <sup>3</sup> £000	Retained earnings £000	Total £000
Total equity at 1 May 2022	236,556	(7,493)	325,030	148,005	702,098
Group share options fair value charge	–	–	–	4,647	4,647
Purchase of shares	–	(52,927)	–	–	(52,927)
Dividends paid	–	–	–	(52,220)	(52,220)
Deferred tax on share based payments recognised in equity	–	–	–	1,680	1,680
Total comprehensive income	–	–	–	86,104	86,104
Total equity at 30 April 2023 and 1 May 2023	236,556	(60,420)	325,030	188,216	689,382
Group share options fair value charge	–	–	–	5,239	5,239
Purchase of shares	–	(24,878)	–	–	(24,878)
Purchase of treasury shares	–	17,810	–	–	17,810
Dividends paid	–	–	–	(56,178)	(56,178)
Deferred tax on share based payments recognised in equity	–	–	–	801	801
Total comprehensive income	–	–	78	110,445	110,523
<b>Total equity at 30 April 2024</b>	<b>236,556</b>	<b>(67,488)</b>	<b>325,108</b>	<b>248,523</b>	<b>742,699</b>

1 Further details can be found within Notes 10 and 11.

2 Further details can be found within Note 12.

3 Other reserves comprise the other reserve, capital redemption reserve, hedging reserve and merger reserve, further details on Other reserves can be found within Note 13.

# Notes to the Company financial statements

## 1 General information

### Basis of preparation

The ZIGUP plc Company balance sheet, Statement of changes in equity and related notes have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, which applies the recognition and measurement bases of IFRS with reduced disclosure requirements. The financial information has been prepared on an historical cost basis. The financial statements have been prepared on a going concern basis. The functional currency of the Company and the presentation currency adopted is Sterling.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, “Share-based payment” (details of the number and weighted-average exercise prices of share options and how the fair value of goods or services received was determined)
- IFRS 7, “Financial Instruments: Disclosures”
- Paragraphs 91 to 99 of IFRS 13, “Fair value measurement” (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, “Presentation of financial statements” comparative information requirements in respect of:
  - i. paragraph 79(a)(iv) of IAS 1, “Presentation of financial statements”
  - ii. paragraph 73(e) of IAS 16, “Property, plant, and equipment”
  - iii. paragraph 118(e) of IAS 38, Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)

The following paragraphs of IAS 1, “Presentation of financial statements”:

- i. 10(d), (statement of cash flows)
- ii. 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
- iii. 16 (statement of compliance with all IFRS)
- iv. 38A (requirement for minimum of two primary statements, including cash flow statements)
- v. 38B-D (additional comparative information)
- vi. 40A-D (requirements for a third statement of financial position)
- vii. 111 (cash flow statement information), and
- viii. 134-136 (capital management disclosures)
- IAS 7, “Statement of cash flows”
- Paragraph 30 and 31 of IAS 8 “Accounting policies, changes in accounting estimates and errors” (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, “Related party disclosures” (key management compensation)
- The requirements in IAS 24, “Related party disclosures” to disclose related party transactions entered into between two or more members of a group. All of the Parent Company’s intercompany transactions and balances are with wholly-owned subsidiaries of the Group.

As permitted by section 408 of the Companies Act 2006, the income statement account of the Parent Company is not presented as part of these financial statements. The profit after tax for the year of the Parent Company amounted to £110,445,000 (2023: £86,104,000).



## 2 Material accounting policies of the Company

A summary of the material accounting policies is set out below. These accounting policies have been applied consistently.

### Currency translation

The Company's functional currency is Sterling. Transactions in currencies other than the functional currency are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities, including amounts due from or to subsidiaries, denominated in currencies other than the functional currency (being Sterling) are retranslated at year end exchange rates. Gains and losses on retranslation are included in net income statement for the year.

### Revenue recognition

Dividends proposed by subsidiaries are recognised as income by the Company when they represent a present obligation of the subsidiaries, in the period in which they are formally approved for payment.

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### Dividends payable

Dividends proposed are recognised when they represent a present obligation, in the period in which they are formally approved for payment. Accordingly, an interim dividend is recognised when paid and a final dividend is recognised when approved by the Board of Directors.

### Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries and long term amounts owed by subsidiaries. Such investments are valued at cost less any impairment provisions. Investments relating to equity holdings in subsidiaries are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable; the recoverable amount of the investment is the higher of fair value less costs of disposal and value in use. Investments relating to long term amounts owed by subsidiaries are reviewed to assess if a material expected credit loss provision is required in respect of these balances.

### Liquid investments and cash and cash equivalents

Liquid investments represent highly liquid current asset investments such as term deposits and managed funds invested in high quality fixed income instruments. They do not meet the IAS 7 definition of cash and cash equivalents, normally because even if readily accessible, the underlying investments have an average maturity profile greater than 90 days from the date first entered into, or because they are held primarily for investment purposes rather than meeting short term cash commitments.

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, highly liquid investments that are readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. The cash balance is presented net of bank overdrafts which are repayable on demand. Cash and cash equivalents have a maturity period of 90 days or less.

### Borrowings

Interest-bearing loans and bank overdrafts are initially recorded at the proceeds received, net of direct issue costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest rate method.

### Trade and other payables

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

## 2 Material accounting policies of the Company continued

### Hedge accounting

The Group uses derivative financial instruments to hedge its exposure to interest and foreign exchange rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold nor issue derivative financial instruments for trading purposes.

Derivative financial instruments are stated at fair value. Any gain or loss on remeasurement to fair value is recognised immediately in the consolidated income statement except where derivatives qualify for hedge accounting, where recognition of the resultant gain or loss depends on the nature of the items being hedged.

The fair value of interest rate derivatives is the estimated amount that the Group would receive or pay to terminate the derivative at the balance sheet date, taking into account current interest rates and the current creditworthiness of the derivative counterparties.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and the ineffective portion is recognised in the consolidated income statement. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the income statement in the periods when the hedged item is recognised in the income statement, in the same line of the consolidated income statement as the recognised hedged item.

However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated income statement as they arise.

Hedge accounting for cash flow hedges is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated income statement as a net profit or loss for the period.

Changes in the fair value of derivative financial instruments that are designated, and effective as net investment hedges are recognised directly in equity and the ineffective portion is recognised in the consolidated income statement. Exchange differences arising on the net investment hedges are transferred to the translation reserve.

No derivative assets and liabilities are offset.

### Treasury shares

The Company makes open market purchases of its own shares in order to fund future investment. When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. The acquired shares are initially recognised at historical cost and then at each reporting date, adjustments are made to write down the carrying value of own shares when, in the opinion of the Directors, there is a significant market value reduction. Treasury shares are transferred to the own shares reserve at the weighted average cost of the purchase price paid for the shares.

## 2 Material accounting policies of the Company continued

### Employee share schemes and share based payments

The Company issues equity settled awards to certain employees of the Group.

Equity settled employee schemes, including employee share options and deferred annual bonuses, provide employees with the option to acquire shares of the Company. Employee share options and deferred annual bonuses are generally subject to performance or service conditions.

The fair value of equity settled payments is measured at the date of grant and charged to the income statement over the period during which performance or service conditions are required to be met or immediately where no performance or service criteria exist. The fair value of equity settled payments granted is measured using the Black-Scholes or the Monte Carlo model. At the end of each reporting period, the Company revises its estimate of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to the original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The Company also operates a share incentive plan under which employees each have the option to purchase an amount of shares annually and receive an equivalent number of free shares. The Company recognises the free shares as an expense evenly throughout the period over which the employees must remain in employment of the Company in order to receive the free shares.

The Company operates a share save scheme under which employees have the option to convert savings to shares at an agreed exercise price. The Company recognises the option value evenly over the savings period.

## 3 Significant accounting estimates and judgements

The Directors do not consider there to be critical accounting judgements or key sources of estimation uncertainty which could have a significant risk of causing a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year. We have set out below the most significant judgements and estimates applied in the preparation of the Company's balance sheet.

The most significant accounting judgement is whether there are impairment indicators in respect of the carrying value of the Company's investments in subsidiaries and amounts due from subsidiary undertakings.

The most significant accounting estimate is whether a credit loss provision is required in respect of any of the Company's receivable balances. Over 99% of the receivable balances relate to intercompany balances, primarily with intermediary holding Companies which indirectly hold the Company's investments in the operating Companies of the Group. There is not considered to be any significant risk of a relevant overstatement of these carrying values. In assessing this, the Company has considered the cash and operating assets held by the relevant Group Companies and the level of earnings generated by the Group's operations.

## 4 Staff costs

The average monthly number of employees was 45 (2023: 41), engaged in management and administrative activities.

	2024 £000	2023 £000
Wages and salaries	7,199	6,672
Social security costs	1,273	1,273
Other pension costs	438	336
Share based payments	2,147	2,365
<b>Staff costs</b>	<b>11,057</b>	<b>10,646</b>

The above employee figures include remuneration paid to Directors, details of which are set out in the Remuneration Report.

#### 4 Staff costs continued

##### Shared payments expense

The Group's and Company's various share incentive plans are explained in the Remuneration report on pages 108 to 122 and in Note 29 of the Notes to the Group financial statements.

All options granted under the DABP, MPSP, EPSP and EAB are nil-cost options. Options granted under the SAYE Scheme have exercise prices ranging from £2.12 to £2.69.

The AESS scheme has been closed for new awards and all remaining matching shares vested during the year.

The Board may make discretionary awards of free shares to eligible employees. Employees must remain in employment of the Company during the vesting period of three years in order to receive the free shares.

The SAYE Scheme has a three-year savings period where employees save at an agreed rate. At the end of the savings period, employees can choose to either exercise options or withdraw their savings.

#### 5 Investments

	Investment in subsidiary undertakings £000
<b>Cost and carrying amount:</b>	
At 1 May 2022	445,600
Capital contribution	2,330
At 30 April 2023 and 1 May 2023	447,930
Capital contribution	3,092
<b>At 30 April 2024</b>	<b>451,022</b>

Subsidiary holdings, included in the Group financial statements for the year ended 30 April 2024, are shown in Note 32 of the Group financial statements. All of these subsidiary holdings are wholly-owned, unless otherwise indicated in Note 32 of the Group financial statements. All operating subsidiaries' results are included in the Group financial statements.

## 6 Deferred tax assets

The following are the major deferred tax assets recognised by the Company and movements during the current and prior year:

	Share based payments £000	Other temporary differences £000	Total £000
At 1 May 2022	1,563	26	1,589
Credit to the income statement	348	132	480
Credit to equity	1,680	–	1,680
At 30 April 2023 and 1 May 2023	3,591	158	3,749
(Charge) to the income statement	(1,823)	(7)	(1,830)
Credit to equity	801	(26)	775
<b>At 30 April 2024</b>	<b>2,569</b>	<b>125</b>	<b>2,694</b>

## 7 Receivables and contract assets

	2024 £000	2023 £000
Amounts due from subsidiary undertakings	1,078,557	1,111,517
Other receivables and prepayments	706	524
	<b>1,079,263</b>	<b>1,112,041</b>

Amounts due to subsidiary undertakings includes £970,740,000 (2023: £958,801,000) non-interest bearing and repayable on demand, a term loan repayable in June 2028 of £46,700,000 (2023: £152,716,000) which bears interest at 1.95% above SONIA (2023: 1.95%) and £61,117,000 balance (2023: £nil) on a loan repayable in June 2028 which bears interest at a fixed rate of 5.95%.

## 8 Trade and other payables

	2024 £000	2023 £000
Trade payables	41	120
Amounts due to subsidiary undertakings	258,957	330,558
Social security and other taxes	227	240
Accruals and deferred income	7,465	7,868
	<b>266,690</b>	<b>338,786</b>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value due to their short term nature.

Amounts due to subsidiary undertakings includes £121,318,000 (2023: £196,628,000) non-interest bearing and repayable on demand and a term loan repayable in June 2028 of £137,639,000 (2023: £133,930,000) which bears interest at 1.95% above SONIA (2023: 1.95%).



## 9 Borrowings

The Directors consider that the carrying amounts of the Company's borrowings approximate to their fair value.

	2024 £000	2023 £000
Bank loans and overdrafts	240,035	207,358
Loan notes	320,267	329,854
Cumulative preference shares	500	500
	<b>560,802</b>	<b>537,712</b>
The borrowings are repayable as follows:		
	2024 £000	2023 £000
<b>On demand or within one year (shown within current liabilities)</b>		
Bank loans and overdrafts	838	–
	<b>838</b>	<b>–</b>
<b>In the second year</b>		
Bank loans	243,811	–
	<b>243,811</b>	<b>–</b>
<b>In the third to fifth years</b>		
Bank loans	–	213,818
Loan notes	128,217	132,075
	<b>128,217</b>	<b>345,893</b>
<b>Due after more than five years</b>		
Loan notes	192,325	198,113
Cumulative preference shares	500	500
	<b>192,825</b>	<b>198,613</b>
Unamortised finance fees relating to the bank loans and loan notes	(4,889)	(6,794)
Total borrowings	<b>560,802</b>	<b>537,712</b>
Amounts due for settlement within one year (shown within current liabilities)	<b>(838)</b>	<b>–</b>
Amounts due for settlement after more than one year	<b>559,964</b>	<b>537,712</b>

## 9 Borrowings continued

### Bank loans and overdrafts

Bank loans and overdrafts are unsecured and bear interest at rates of 1.95% (2023: 0.95% to 1.95%) above the relevant interest rate index, being SONIA for Sterling denominated debt and EURIBOR for Euro denominated debt, subject to a floor of 0%. Bank loans and overdraft facilities mature in November 2026.

### Loan notes

The Company has £320,542,000 (2023: £330,188,000) of loan notes (gross of unamortised fees) which bear interest at a blended rate of 1.3% (2023: 1.3%). These are unsecured and are repayable in November 2027, November 2029 and November 2031.

### Cumulative preference shares

The cumulative preference shares of 50p each entitle the holder to receive a cumulative preferential dividend at the rate of 5% on the paid-up capital and the right to a return of capital at either winding up or a repayment of capital. The cumulative preference shares do not entitle the holders to any further or other participation in the profits or assets of the Company. These shares have no voting rights other than in exceptional circumstances.

The total number of authorised cumulative preference shares of 50p each is 1,300,000 (2023: 1,300,000), of which 1,000,000 (2023: 1,000,000) were allotted and fully paid at the balance sheet date.

## 10 Share capital

	Number of shares	£000
At 1 May 2022, 30 April 2023 and at 30 April 2024	246,091,423	123,046

The Company has one class of ordinary shares with a par value of 50p.

## 11 Share premium account

	£000
At 1 May 2022, 30 April 2023 and at 30 April 2024	113,510

## 12 Treasury shares reserve

Movements on the treasury shares reserve are shown in the Statement of changes in equity, which can be seen on page 191. Further information on these reserves is given below:

### Treasury shares reserve

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Company. At 30 April 2024, the Company held 18,981,862 of the Company's shares (2023: 16,877,571). The total number of shares held in treasury represents 7.7% (2023: 6.9%) of the allotted and fully paid share capital of the Company.

### 13 Other reserves

	Capital redemption reserve £000	Merger reserve £000	Hedging reserve £000	Other reserve £000	Total Other reserve £000
<b>At 1 May 2022 and at 30 April 2023</b>	40	63,159	–	261,831	325,030
Change to comprehensive income	–	–	78	–	78
<b>At 30 April 2024</b>	<b>40</b>	<b>63,159</b>	<b>78</b>	<b>261,831</b>	<b>325,108</b>

The above shows the movements on the reserves classified as "Other reserves" on the Company's Statement of changes in equity. Movements on the translation reserve are shown in the Statement of changes in equity, which can be seen on page 191. Further information on certain of these reserves is given below:

#### Merger reserve

The merger reserve in the Company and Group arose from acquisitions in previous years.

#### Hedging reserve

The hedging reserve represents the cumulative amounts of changes in fair values of hedged interest rate derivatives that are deferred in equity, as explained in Note 2, less amounts transferred to the income statement and other components of equity.

#### Other reserve

The other reserve represents the excess of the share price on the date of acquisition of Redde plc, 282p over the nominal share price of 50p. The share premium represents the excess of the share price of 251p at the time of the sale of these shares over the nominal share price of 50p. The Company has recorded the premium for the issue of shares for this acquisition in other reserves in accordance with Section 612 of the Companies Act 2006 in respect of merger relief.

### 14 Dividends

An interim dividend of 8.3p per ordinary share was paid in January 2024 (2023: 7.5p). The Directors propose a final dividend for the year ended 30 April 2024 of 17.5p per ordinary share (2023: 16.5p), which is subject to approval at the AGM and has not been included as a liability as at 30 April 2024. Based upon the shares in issue at 30 April 2024 and excluding treasury shares and shares in employee trust where dividends are waived, this equates to a final dividend payment of £39m (2023: £37m). No dividends have been paid between 30 April 2024 and the date of signing the financial statements.

## 15 Related party transactions

### Transactions with subsidiary undertakings

Transactions between the Company and its subsidiary undertakings, which are related parties, are £9,332,000 (2023: £6,173,000) interest payable, £8,769,000 (2023: £6,974,000) interest receivable and £10,013,000 (2023: £9,284,000) royalty charges receivable.

Balances with subsidiary undertakings at the balance sheet date are shown in Notes 7 and 8.

### Transactions with other related parties

There were no transactions with other related parties in the current or prior years.

### Remuneration of key management personnel

In the current and prior year, the Directors of the Company are determined to be the key management personnel of the Company. There are other senior managers in the Company who are able to influence the Company in the achievement of its goals. However, in the opinion of the Directors, only the Directors of the Company have significant authority for planning, directing and controlling the activities of the Company.

In respect of the compensation of key management personnel, the short term employee benefits, post-employment (pension) benefits, termination benefits and details of share options granted are set out in the Remuneration report on pages 108 to 122.

The fair value charged to the income statement in respect of equity settled share based payment transactions with the Directors is £1,644,000 (2023: £1,799,000). There are no other long term benefits accruing to key management personnel, other than as set out in the Remuneration report.

# Shareholder and other information.

203 Glossary

206 Shareholder information





Term	Definition
<b>1.5 degree world</b>	A term used in the Paris Agreement to target a 1.5 degree celsius reduction in the world's surface temperature compared to pre-industrial levels
<b>AEDIVE</b>	A trade association in Spain representing companies engaged in vehicle rental, leasing and fleet management
<b>AGM</b>	Annual general meeting of the Company
<b>Annual report on remuneration</b>	That section of the Remuneration report which is subject to an advisory shareholder vote
<b>Average capital employed</b>	A two-point average of capital employed at last day of the current and previous financial years
<b>Auxillis</b>	A business within the Claims and Services operating segment providing fault and non-fault accident management assistance and related services
<b>B2B</b>	Non-consumer related business activity
<b>B2C</b>	Consumer related business activity
<b>Blakedale</b>	A business within the UK&I Rental operating segment providing specialist traffic management services
<b>BVRLA</b>	A UK trade association representing companies engaged in vehicle rental, leasing and fleet management
<b>Capex</b>	Capital expenditure
<b>Capital employed</b>	Net assets excluding net debt, acquired goodwill and acquired intangible assets, and the adjustment to net book values for changes to depreciation rates which have not been reflected in underlying results
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>ChargedEV</b>	A business within the UK&I Rental operating segment providing EV charging and solar infrastructure and solutions
<b>Claims &amp; Services</b>	The Claims & Services operating segment representing the insurance claims and services part of the Group providing a range of mobility solutions (previously called Redde)
<b>Contract hire</b>	A vehicle lease accounted for under IFRS 16 (Leases), where the funder retains the legal ownership of the vehicle and the residual value risk
<b>DABP</b>	Deferred Annual Bonus Plan, a senior management share award scheme

Term	Definition
<b>Defra</b>	Department for Environment, Food & Rural Affairs: A UK government department
<b>Disposal profit(s)</b>	This is a non-GAAP measure used to describe the adjustment in the depreciation charge made in the year for vehicles sold at an amount different to their net book value at the date of sale (net of attributable selling costs)
<b>Drive to Zero</b>	A Group project related to the Group's targets to reduce emissions
<b>e-LCV(s)</b>	Electrically powered LCV(s)
<b>EAB</b>	Executive Annual Bonus scheme, a senior management share award scheme
<b>e-auction</b>	The part of the Group which generates vehicles sales revenue through the Group's online sales platforms
<b>EBIT</b>	Earnings before interest and taxation. Underlying unless otherwise stated
<b>EBITDA</b>	Earnings before interest, taxation, depreciation and amortisation
<b>ED&amp;I</b>	Equality, diversity and inclusion in the workplace
<b>EPS</b>	Basic earnings per share. Underlying unless otherwise stated
<b>EPSP</b>	Executive Performance Share Plan, a senior management share award scheme
<b>ESG</b>	Environmental, social and governance
<b>EV(s)</b>	Electrically powered vehicle(s)
<b>Facility headroom</b>	Calculated as facilities of £826m less net borrowings of £582m. Net borrowings represent net debt of £742m excluding lease liabilities of £165m and unamortised arrangement fees of £5m and are stated after the deduction of £40m of cash balances which are available to offset against borrowings
<b>FCA</b>	Financial Conduct Authority, a UK regulatory body
<b>FENEVAL</b>	A Spanish trade association representing companies engaged in vehicle rental, leasing and fleet management
<b>Fleet assets</b>	Referring to the net book value of vehicles for hire
<b>Free Shares</b>	Part of the SIP and also including international awards of free shares to Group employees
<b>FMG</b>	A business within the Claims & Services operating segment providing fleet management services
<b>FMG RS</b>	A business within the Claims & Services operating segment providing vehicle repair services
<b>FRC</b>	Financial Reporting Council, a UK regulatory body

Term	Definition
<b>Free cash flow</b>	Net cash generated after principal lease payments and before the payment of dividends and payments to acquire treasury shares
<b>FridgeXpress</b>	A business within the UK&I Rental operating segment providing specialist temperature-controlled vehicle services, introduced into the Group following the acquisition of Fridgexpress (UK) Limited
<b>FTSE</b>	The Financial Times Stock Exchange: the UK based index for global equity markets
<b>FY2021</b>	The year ended 30 April 2021
<b>FY2022</b>	The year ended 30 April 2022
<b>FY2023</b>	The year ended 30 April 2023
<b>FY2024</b>	The year ended 30 April 2024
<b>FY2025</b>	The year ending 30 April 2025
<b>FY2026</b>	The year ending 30 April 2026
<b>FY2027</b>	The year ending 30 April 2027
<b>GAAP</b>	Generally Accepted Accounting Practice: meaning compliance with IFRS
<b>Gearing</b>	Calculated as net debt divided by net tangible assets
<b>GHG</b>	Greenhouse gas
<b>Green NCAP's Life Cycle Assessment methodology</b>	A method used to estimate the overall environmental impact of a vehicle over its lifecycle
<b>Growth capex</b>	Growth capex represents the cash consumed in order to grow the total owned rental fleet or the cash generated if the fleet size is reduced in periods of contraction
<b>HMRC</b>	The UK tax authority
<b>ICE vehicles</b>	Vehicles powered by an internal combustion engine
<b>IEA</b>	The International Energy Agency providing data analysis and solutions on all fuels and technologies
<b>IFRS</b>	International Reporting Standards, as adopted in the UK
<b>IMI</b>	The professional association for individuals working in the UK motor industry

Term	Definition
<b>Income from associates</b>	The Group's share of net profit of associates accounted for using the equity method
<b>KPIs</b>	Key performance indicators
<b>LCV</b>	Light commercial vehicle: the official term used within the European Union for a commercial carrier vehicle with a gross vehicle weight of not more than 3.5 tonnes
<b>Lease principal payments</b>	Principal payments on leases recognised under IFRS 16 (Leases)
<b>Listing Rules</b>	The Listing Rules of the FCA
<b>LTIP</b>	Long term incentive plan, including the EPSP
<b>M&amp;A</b>	Referring to inorganic growth/growth opportunities
<b>MPSP</b>	Management Performance Share Plan, a senior management share award scheme (closed to new awards from 2013)
<b>Net replacement capex</b>	Net capital expenditure other than that defined as growth capex
<b>Net zero</b>	As defined under The Paris Agreement, a legally binding international treaty on climate change
<b>NewLaw</b>	A business within the Claims & Services operating segment providing legal services
<b>Net tangible assets</b>	Net assets less goodwill and other intangible assets
<b>NGO</b>	Non-governmental organisation: a not for profit organisation, not controlled by a government
<b>Non-GAAP</b>	A financial metric used which is not defined under GAAP
<b>Non-ICE vehicles</b>	Vehicles not powered by an internal combustion engine
<b>Northgate UK</b>	The UK based vehicle rental business, part of the UK&I Rental operating segment
<b>Spain Rental</b>	The Spain Rental operating segment located in Spain and providing commercial vehicle hire and ancillary services (previously called Northgate Spain)
<b>NPS</b>	Net promoter score: a measure used to gauge customer satisfaction
<b>OEM(s)</b>	Original equipment manufacturer(s): a reference to our vehicle suppliers
<b>PBT</b>	Profit before taxation. Underlying unless otherwise stated

Term	Definition
<b>PPU</b>	Profit per unit/loss per unit – this is a non-GAAP measure used to describe disposals profits (as defined), divided by the number of vehicles sold
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>Rental margin</b>	Calculated as rental profit divided by revenue (excluding vehicle sales)
<b>Rental profit(s)</b>	EBIT excluding disposal profits
<b>ROCE</b>	Underlying return on capital employed: calculated as underlying EBIT (see GAAP reconciliation) divided by average capital employed
<b>RTA</b>	Road Traffic Accident: a term used in the insurance industry for vehicle accidents
<b>Section 172</b>	Referring to Section 172 of the Companies Act 2006
<b>SAYE</b>	The Company's all employee share saving scheme
<b>SECR</b>	Streamlined Energy & Carbon Reporting
<b>SIP</b>	The Company's HMRC-approved share incentive plan, including the All Employee Share Scheme (AESS) and the YourShare/Free Shares programme
<b>SIMI</b>	The official voice of the motor industry in Ireland
<b>Spain</b>	Referring to the Spain Rental operating segment
<b>SMEs</b>	Small or medium sized businesses
<b>SMMT</b>	A UK trade association in the automotive sector
<b>SONIA</b>	An interest rate benchmark reference rate for Sterling
<b>Steady state cash generation</b>	EBITDA less net replacement capex and lease principal payments
<b>TCFD</b>	The Task Force on Climate-related Financial Disclosures
<b>The Code</b>	The UK Corporate Governance Code
<b>The Company</b>	ZIGUP plc (formerly Redde Northgate plc)
<b>The Group</b>	The Company and its subsidiaries
<b>Trustpilot</b>	An independent digital platform for consumers to share experiences of interactions with businesses
<b>UK&amp;I</b>	Referring to the UK&I Rental operating segment

Term	Definition
<b>UK&amp;I Rental</b>	The UK&I Rental operating segment located in the United Kingdom and the Republic of Ireland providing commercial vehicle hire and ancillary services (previously called Northgate UK&I)
<b>Underlying free cash flow</b>	Free cash flow excluding growth capex
<b>Utilisation</b>	Calculated as the average number of vehicles on hire divided by average rentable fleet in any period
<b>Van Monster</b>	A trading name used within the UK&I Rental operating business, when selling used vehicles to business and retail customers
<b>VOH</b>	Vehicles on hire. Average unless otherwise stated
<b>YourShare</b>	Part of the SIP
<b>ZEV mandate</b>	The Zero Emissions Vehicle mandate: a legal framework introduced by the UK government to increase the proportion of zero emission vehicles sold in the UK
<b>ZIGUP</b>	The Group

## Classification

Information concerning day to day movements in the price of the Company's ordinary shares can be found on the Company's website at: [www.zigup.com](http://www.zigup.com)

The Company's listing symbol on the London Stock Exchange is ZIG.

The Company's joint corporate brokers are Barclays Bank plc and Numis Securities Limited and the Company's ordinary shares are traded on the Stock Exchange Trading system for Money Market, (SETSmm).

The Company is registered in England and Wales.

Company number 00053171.

## Financial calendar

### December

Publication of interim statement

### January

Payment of interim dividend

### July

Announcement of year end results

Report and financial statements available to shareholders

### September

AGM

Payment of final dividend

## Secretary and registered office

Company Secretary  
Northgate Centre  
Lingfield Way  
Darlington  
DL1 4PZ

Tel: 01325 467558

## Registrars

Link Group  
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Tel: 0371 664 0391

Calls are charged at the standard geographic rate and will vary by provider.

Calls from outside the United Kingdom will be charged at the applicable international rate.

## Company contact details

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[www.zigup.com](http://www.zigup.com)



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