



We keep customers  
moving smarter.

Annual Report and Accounts

2025



# Delivering sustainable growth for all our stakeholders.

### Financial highlights

Underlying profit before taxation

**£166.9m**

-7.6%

Underlying EPS

**58.4p**

-4.9%

Total revenue

**£1,812.6m**

-1.1%

ROCE

**12.6%**

-1.9ppt

### 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  
Page 21

### Delivering with purpose

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

➤ See our business model  
Page 24

### Operational highlights

Fleet size ('000)

**131.6**

+2.7%

Utilisation

**91%**

0ppt

### 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  
Pages 28 to 36

### 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 asset 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 or statutory) to non-GAAP (underlying) measures is included on pages 49 to 50. A further explanation of alternative performance measures and a glossary of terms used in this report can be found on pages 200 to 203.

# 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.



Find out more on our website  
[www.ZIGUP.com](http://www.ZIGUP.com)

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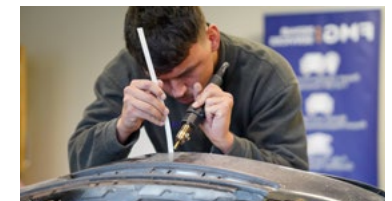
Chief Executive's review

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# Strategic report.

## Strategic report

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# Spotlights: key components of our integrated mobility solutions.

Throughout this report we highlight themes and case studies which together reflect our unique capabilities in delivering integrated mobility for our diverse customers, partners and their policyholders.

## Leveraging value chain expertise

We leverage deep relationships and industry know-how across the vehicle lifecycle.

Discover more  
Page 8

## Integrated customer service offering

We enable customers to best manage their changing mobility needs.

Discover more  
Page 19

## Deep technical and industry expertise

Trusted to resolve customers mobility issues, drawing on decades of experience.

Discover more  
Page 22

## Leveraging analytics and data

Embedding new technologies to enable greater analytical understanding and efficiencies for smarter mobility.

Discover more  
Page 23

## Supporting public sector mobility

Helping keep the UK road network safe and our public sector clients mobile.

Discover more  
Page 27

## Enabling the energy transition

Enabling transition for corporate fleets; experts in EV charging and supporting complex electric vehicles.

Discover more  
Page 37

## Embedded risk and financing know-how

Longstanding expertise through industry cycles; focus on diversification to manage financial and other risk exposures.

Discover more  
Page 51



Throughout this report you will find case studies of how we are supporting our stakeholders with videos and detailed case studies on our website: [www.ZIGUP.com/spotlight](http://www.ZIGUP.com/spotlight)

## OUR PURPOSE FRAMEWORK

Our vision and purpose are supported by our strong culture

### Our vision

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

### Our 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.

### Our culture

**Supported by a strong culture and identity.**

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

We have a clear strategy that is linked to leadership reward and focused on creating value for all our stakeholders

### Our strategy

**We leverage the benefits of ownership of a range of complementary businesses.**

Together we deliver integrated mobility solutions across the vehicle lifecycle.

➤ See our Strategy  
Page 18

### Remuneration

**We align reward for our colleagues and business leaders.**

We review against a range of relevant financial metrics, and where appropriate also against a number of personal and strategic objectives.

➤ Read our Remuneration report  
Pages 102 to 121

### Stakeholders

**We look to create long term sustainable value.**

Investing in the business for the benefit of our diverse stakeholder groups and our social environment.

➤ Read more on our stakeholders  
Page 26



# What we do.

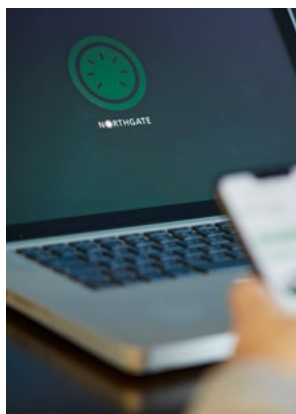
We have grown both organically and through acquisition to become a market leading provider of a diverse range of related services which customers increasingly choose to take as an integrated mobility solution.



## Vehicle provision

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

Wide range of 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 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 an 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, Ireland and Spain and online auction platforms, with comprehensive after-sales support.

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



# We keep customers mobile through nationwide networks and partnerships.

We are trusted by customers across many sectors and industries to support their regular mobility needs or by servicing them when unforeseen events occur.

**Corporates**

We support corporates from blue-chip to SMEs across a broad range of industries from support services to infrastructure.

**Public sector**

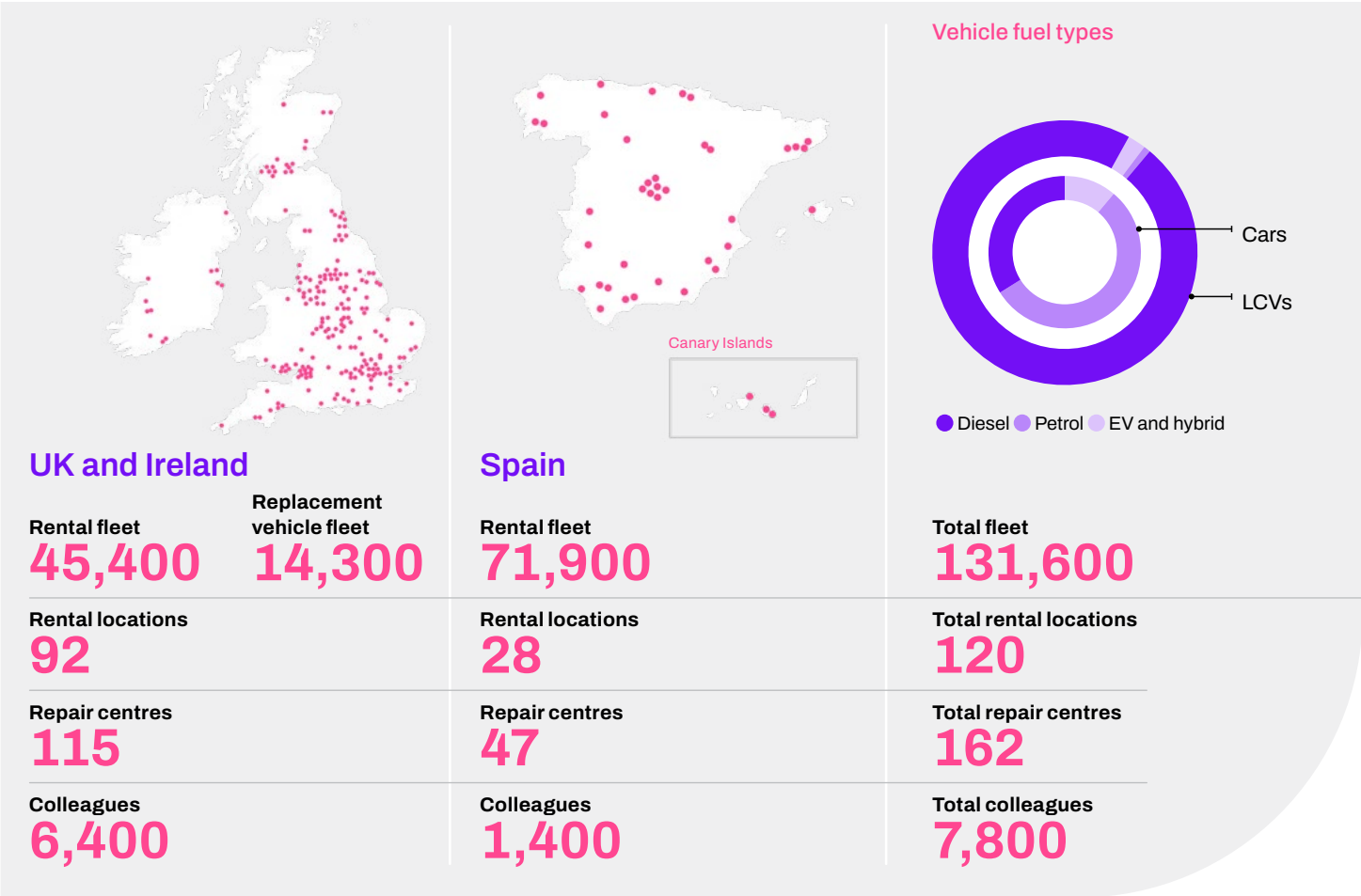
Accredited through a number of framework agreements, as well as specialist services including emergency and highways services.

**Insurance and leasing**

Working with many of the UK's leading insurers and insurance brokers, as well as contract hire and leasing companies.

**Consumers**

Principally B2B, we offer rental and incident claims handling through retail and partner channels.

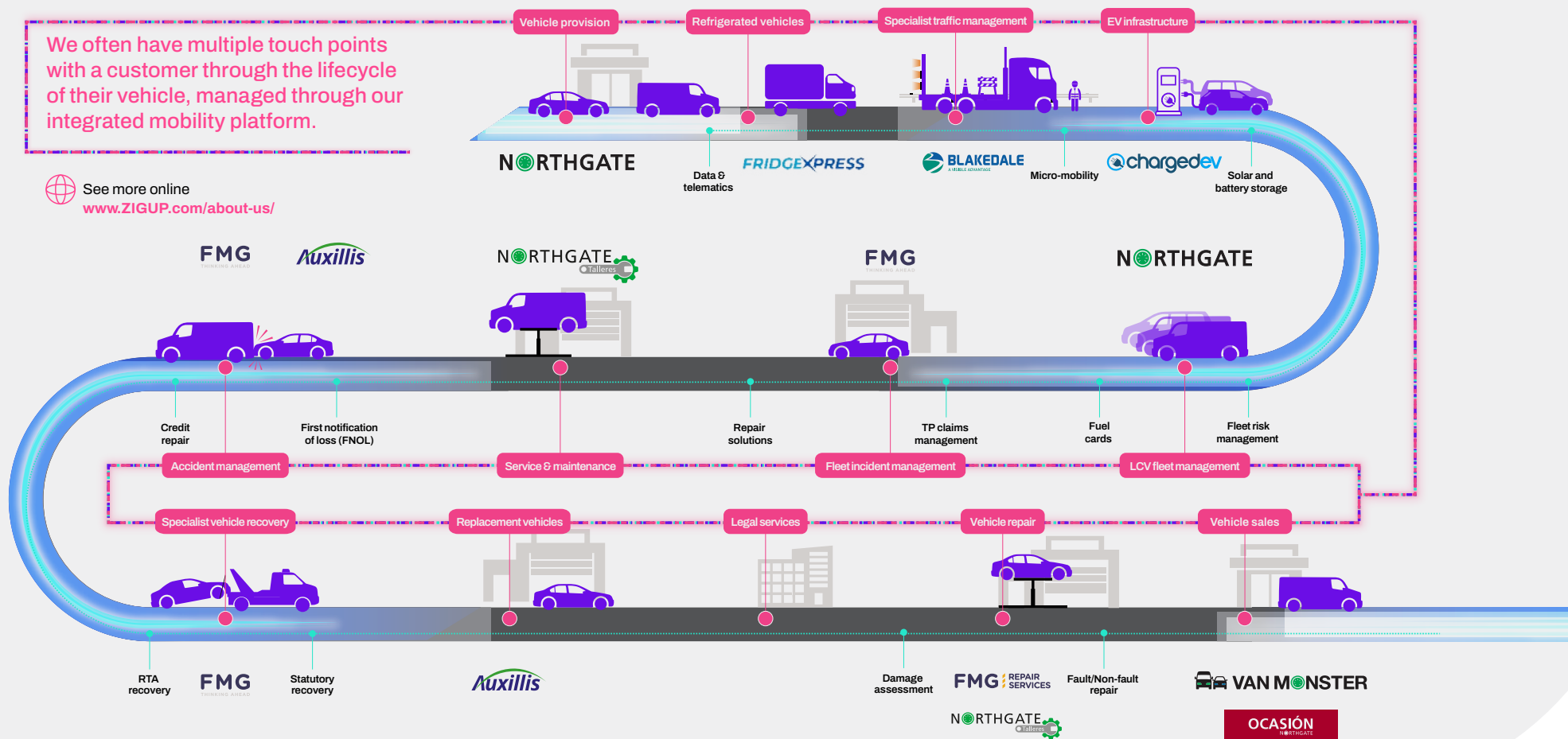


Total group sites of 185 include those where rental and repair centres are in a shared location.

# Delivering excellent support for our customers' lifecycle.

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/)



# Leveraging value chain expertise.

**We leverage deep relationships and industry know-how across the vehicle lifecycle.**

Operating at scale across the vehicle lifecycle, we bring deep knowledge of sourcing, in-life service and technical requirements, through to the disposal of a broad range of LCVs and other vehicles.

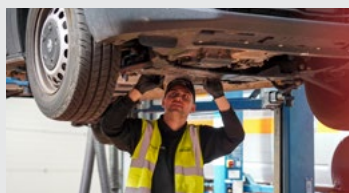
We maintain close relationships with vehicle manufacturers and other suppliers throughout the automotive value chain.

Working with industry leaders, we provide expertise across all technical and commercial aspects of our industry.

Decades of experience through industry and economic cycles are coupled with in-house technical know-how covering all major vehicle platforms.

These insights and understanding across the value chain also ensure we are up to speed with developing automotive technologies.

## Case studies: our integrated mobility in action.



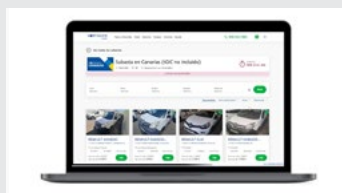
### Service and repair know-how

Our Glasgow workshop manager on our service expertise.



### Working with paint supply partners

Delivering efficiencies through working in partnership with our new paint supplier.



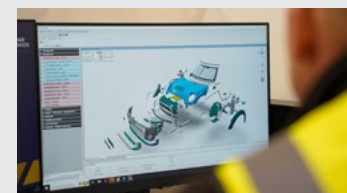
### Spanish e-auction vehicle sales site

Looking at the benefits and features of our new e-auction website.



### Managing fleet supply

Using our longstanding industry expertise to source vehicles at scale.



### Third party repair network

How we manage our third party repair network of over 540 bodyshops.

See Page 13



See further details of our case studies at: [www.ZIGUP.com/spotlight](http://www.ZIGUP.com/spotlight)



# Excellence in Promoting Opportunity.

ZIGUP has been honoured with a King's Award for Enterprise.

## About the award



The King's Awards for Enterprise, previously known as The Queen's Awards for Enterprise, were renamed in 2023 to reflect His Majesty The King's desire to continue the legacy of HM Queen Elizabeth II by recognising outstanding UK businesses.

The Awards programme, now in its 59th year, is the most prestigious business award programme in the country, with successful businesses able to use the esteemed King's Awards emblem for the next five years.



Discover more at  
[www.ZIGUP.com/the-kings-award-for-enterprise/](https://www.ZIGUP.com/the-kings-award-for-enterprise/)

ZIGUP is one of 197 organisations nationally to be recognised this year with a prestigious King's Award and one of only ten awarded in this category. It recognises businesses that have developed successful programmes that support people from disadvantaged backgrounds in improving their job skills and opportunities. These include initiatives across work experience, training, apprenticeships, mentoring and careers advice.

This award recognises our efforts in promoting opportunity and reinforces the investments we are making in building skills for the future and the impact this is having on early careers, the communities in which we work and our reputation for being a responsible employer.



Team leaders and students of Treolars School

ZIGUP operates in an industry which offers great potential for people to join with minimal qualifications, learn significant technical skills and embrace new automotive technologies. Breaking down socio-economic barriers to employment supports growth and helps close the skills gap in the automotive sector.

With over 400 apprentices across the ZIGUP Group, the award is a huge recognition for the team behind it all who have developed an award-winning apprentice and mentor programme and are broadening our diversity and inclusion efforts. We continually seek to best support our people in forging successful and rewarding careers while helping keep our customers mobile.



Apprenticeship graduation ceremony held in May 2025

We were recognised for our efforts including:

### Apprentice and mentors

Comprehensive initiative with 45 diverse training courses; each apprentice working with a mentor to support their learning and personal development.

### Training

Helping every member of our team grow, with courses covering both technical and soft skills across every level of our organisation.

### Early careers

Meeting young people in school settings, sponsoring college events, providing training in schools, running CV clinics and mock interviews.

### Working with Treolars School

Welcoming students into ZIGUP through placement opportunities designed to be accessible, flexible, and empowering.

### Supporting social mobility

Encouraging applications from diverse backgrounds where taking the first steps onto a career ladder can need greater support.



# A year of material progress.



Across our businesses, we have positioned ourselves to capitalise on future growth opportunities and see outstanding opportunities to better support our customers with ever more joined up solutions.

**Avril Palmer-Baunack**  
Chairman



## Overview

This has been a year of material progress across the business in delivering on our vision of being the leading provider of integrated mobility solutions delivering customer service excellence.

The focus on simplifying our customer experience has been reflected in industry leading Trustpilot and NPS scores, strong customer retention and new business growth across our rental business, together with contract extensions and new wins within the Claims & Services business. How we support and are perceived by our customers and partners really matters and is key to our market leading reputation.

## King's Award for Enterprise

The Board shared the delight felt across the business of the news we were to be awarded the prestigious King's Award for Enterprise, in the category of promoting social mobility. This is meaningful recognition for the efforts we have made to attract a diverse talent pool and supporting them in developing rewarding careers.

The result of this is our average age of bodyshop technicians has fallen from 54 years to 41 years since 2023, reflecting the efforts and priority we have placed on our apprentice programmes across the Group. We are ensuring we have the right skills for what is a rapidly advancing and technology-led industry. It sets us up very well for future growth, where expertise in technology and analytics within the vehicle lifecycle and claims processes become ever more critical.

## Financial performance

The financial performance this year reflects the hard work of our colleagues across the business, and the strength of our diverse business model. With both rental businesses benefitting from improved vehicle supply, we were able to refresh more of the fleet and also deliver vehicle on hire (VOH) growth, particularly in Spain, with more set to come in both geographies.

Our Claims & Services business also delivered strongly this year on its operational metrics, welcomed six new insurance partners and extended contracts with three of our most significant partners.

At the same time, operating margins were impacted by industry-wide reduction in hire duration and lower accident frequencies.

The cyber incident in May 2024 was a stark reminder of this growing threat, and the Board was fully engaged, monitoring the truly immense efforts the executive and technology teams made to ensure customers and business operations were protected and business interruption minimised. The Board has applied appropriate scrutiny to our processes and supported enhanced resilience to a threat which appears ever more prevalent.

While impacted by these headwinds, the Claims & Services business remains robust and has the support of its longstanding customers who value the benefits of our unique platform and working with the leading provider in the industry.

Across our businesses, we have positioned ourselves to capitalise on future growth opportunities and 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 strategic pillars of Enable, Deliver and Grow introduced at the start of this financial year have resonated well across the business. My Board colleagues and I experienced this first hand in Spain when we visited the Seville branch operations, seeing the ambition and energy demonstrated by both management team and workshop operators through working for the clear market leader in a growing market.

Our new pillars provide a framework which works very well and encourages strategic alignment as the business embraces opportunities both externally and internally.

## CHAIRMAN'S STATEMENT continued

### CFO appointment

In October 2024 we announced Philip Vincent's decision to step down from the Board following six years of service. I would like to thank Philip for his valued contribution to the Group and he leaves with our very best wishes. After a rigorous selection process supported by a leading executive search firm, we are looking forward to welcoming Rachel Coulson to the Board as the Group's new CFO in August. I was very pleased at the strength of interest in this role and Rachel was an outstanding candidate. She brings significant experience from major finance roles in FTSE 100 businesses with multinational operations and has a strong background in technology transformation. I would also like to thank to our UK&I Finance Director, Richard Clay, who has very ably stepped in as Interim CFO after Philip left in March.

### Capital allocation

Our disciplined and conservative capital allocation approach to leverage remains an important priority for the Board. It is an essential element of the capital structure, and financial firepower brings substantial purchasing capacity and flexibility. The refinancing actions this year extended our average maturities and demonstrated the strong support we enjoy from our lenders, attracted to our significant asset base and a prudent leverage target profile lower than all major industry peers.

The Board sees significant opportunities for the business and remains highly optimistic for the 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 17.6p, which together with the interim dividend of 8.8p, represents a 2% increase over the prior year. Shareholder returns are important constituents within our capital allocation framework and we will also continue to keep share buyback options under review.

### Sustainability

Together with our social impact responsibilities, we have an important role assisting customers in reducing carbon emissions from transportation. With 10,400 EV chargers installed and over 80% increase in UK EV rentals this year, we are a significant enabler of the energy transition.

We have continued to make significant progress in reducing our own environmental impact including achieving emissions targets; over 95% of our company cars are EV or hybrid, and substantially all of our UK waste is diverted from landfill. In addition, we have expanded our circular economy initiatives, increasing the recovery and reuse of green vehicle parts in the UK and Spain.

We are also working on our double materiality assessment which will help improve both the Board focus and reporting on the issues of greatest impact to the business and the communities we serve. I am looking forward to the insights this brings in the coming year.

On behalf of the Board, I would like to express our thanks to all of ZIGUP's colleagues who have worked tirelessly on behalf of the business and our customers over the past year. Colleague engagement continues at a high level and the refreshed people strategy and focus on talent development are key elements in building a sustainable future.

### Board and governance

We benefit from the diverse skillset and experience of our Non-Executive Directors, including depth across automotive, technology and people. Our discussions are wide-ranging and we provide constructive challenge and support to the executive team in equal measure.

With Rachel's appointment, we add further breadth of expertise from public markets and technology transformation. I will continue to explore further opportunities to enhance the breadth and skills of the Board, but am pleased to note the Board will have equality of gender and that females hold two of the top three positions.

We ensure we properly understand the perspectives of our key stakeholders through both direct Board engagement and the Company's investor relations programme. This has been recognised this year by the IR Society awards for both investor relations engagement and as best in class for our corporate website for the second year running.

### Looking forward

We see good opportunities in FY2026, with robust demand for our mobility solutions across our markets. Our differentiated position and clear strategic framework will enable the business to drive sustainable growth in underlying revenues, profitability and cashflow and deliver attractive shareholder returns.

### Avril Palmer-Baunack

Chairman

9 July 2025

## A new brand to reflect the Group of today

We launched the ZIGUP brand in May 2024 after receiving 99% support at a shareholder meeting. It is intended to give a sense of modernity and positivity, and works digitally alongside a new symbol which is part of our visual identity. The operating brands remain intact but with a visible connection back to the Group name.



Awarded silver at the Transform awards for 'Best visual identity in the transport and logistics sector'





# ZIGUP operates across a number of disparate but connected markets.

## Overview

### LCV

In the past, fleet customers have chosen to own their vehicles directly. Increasingly, they are adopting multi-year lease contracts or rented products for portions of their fleet. This offers greater flexibility in managing fleet size, lower capital expenditure, improved flexibility of hire duration and better service support.

Many businesses in the UK and Europe offer such services, from single-location to large multinational operators, where LCV supply is part of a broad range of vehicle types. While larger operators can offer customers a range of additional fleet services and efficiencies, as well as superior vehicle choice and access to the latest analytics, ZIGUP have the additional advantage of being able to provide nationwide coverage and high levels of in-sourced service support.



### Accident management and repair

There are a number of large competitors within the businesses of accident and claims management, replacement hire and bodyshop repair. Principally, they offer specialist services in a particular vertical, with very few offering multiple solutions. Where they do, it is typically as part of a consortium, rather than being fully integrated.

As an integrated solutions provider, ZIGUP offers clear benefits to customers; the breadth and quality of services offered through its claims and services platform; the ability to fully connect into insurance partner systems; and efficiencies from scaling automated processes and self-serve portals for policyholders.

The UK bodyshop market is highly competitive, with a diverse range of participants ranging from single-garage service centres and bodyshops, to large independent national chains and in-house operations within large insurance companies. There is a trend to outsource requirements to networks of independent repair centres or regional or nationwide bodyshop group operators, such as ZIGUP.

### Market opportunity

Our customer base of over 17,000 rental customers and over 200 claims and services partners is growing, supported by both acquisitions and underlying market growth, driven by outsourcing. Clients are attracted to the services they can access from ZIGUP's integrated platform, the simplicity this brings to complex processes, and our specialist technical expertise.

Our market leading NPS and Trustpilot scores reflect the focus we have on excellent customer service as a key differentiator.

#### This market environment provides a broad range of growth opportunities:

- Underlying market growth driven by continued increase in rental penetration in our geographies
- Organic growth from customers attracted to our unique business model
- Capital-light growth from a growing range of ancillary services
- Inorganic growth in adjacent or complementary markets

### Vehicle supply

Between 2020 and 2023, COVID-19 and global conflicts combined to create tight supply conditions for new vehicles. An easing of these constraints started in 2023 and a resulting normalisation both of supply chains for new vehicles and parts, together with the stabilising of residual values for used vehicles. ZIGUP has relationships with over 40 OEM automotive brands and is one of the largest single purchasers of LCVs in the UK and Europe. Our strong supply-side network means that we typically have early access to new vehicle supply at scale and attractive rates, and are an early adopter of new technologies. This enables us to refresh and expand our fleet of over 130,000 vehicles.

### EV and new technologies

The growing market for non-ICE vehicles, principally battery powered electric vehicles, was also impacted during COVID-19. For the emerging e-LCV segment, there has been the additional challenge of limited options being available, particularly at larger payloads. As next-generation technology offers greater range and flexibility potential for fleet users, e-LCV adoption is expected to grow significantly in the coming years, as they come to market.

We are working to develop relationships with current and new OEMs who are embracing new technology. This will help us to support the energy transition for LCV fleets and align with expected future regulatory changes, such as the phasing out of sales of new ICE cars and LCVs.

## OUR MARKETS continued

### UK and Ireland: LCVs

Total LCVs on the road in the UK and Ireland are estimated at 5.2 million, and the outsourced segment makes up a modest but growing percentage. The decision for short term rental over long term leasing is determined by several factors, including: financing exposures, greater flexibility in managing fleet size from shorter leasing durations and the advantage of full service and maintenance support offered by rental solutions.

Within the UK, ZIGUP is estimated to be the second-largest rental company by number of LCVs and the largest specialising in B2B flexible and term rental. Around half of our vehicles are on hire with industries which support the backbone of the UK economy, from local government and healthcare to engineering and utilities; a further third support retail and consumer services.

Customers are increasingly attracted by our range of ancillary services. These include bespoke fitout, telematics, fleet management and support services, consulting and end-to-end support for transition to electric vehicles, including charging infrastructure installation.

Total LCVs in UK and Ireland

**5.2m**

#### Current market dynamics:

- Strong new business opportunities, as large fleets look to replace older vehicles kept on fleet due to new vehicle supply shortages between 2020 and 2023
- Increase in pricing for both new vehicles and young used vehicles means that leasing or rental is a more attractive fleet strategic option
- Increasing interest in e-LCVs as businesses start to plan their net zero transition, though regulatory uncertainty and product limitations are restricting demand

### Spain: LCVs

The total number of LCVs is estimated at nearly 4.2 million, and the LCV rental segment totals c. 233,000 or 5.5%, which is below other mature markets. Regarding LCVs rental segment, around 62% belongs to car-derived vans, a significantly higher proportion than in UK and Ireland. The average age of vehicles in Spain is estimated at 15 years, which represents a growth lever for rental solutions.

LCV rental has seen significant growth over the past five years as ownership and leasing remain traditional routes for most corporates. GDP remains above the EU average, helping demand in infrastructure-related sectors, which form a significant portion of our customer base.

There are several large market participants operating across the LCV rental segments; principally leasing companies focused on the minimum term rental product that typically have limited physical operations or service capability.

Within the flexible rental segment, where a strong branch network is necessary to support a higher level of customer engagement and shorter hire durations, there are very few national or regional players. Northgate Spain has the largest fleet and branch network.

Total LCVs in Spain

**4.2m**

#### Current market dynamics:

- Strong GDP growth, supporting market growth from corporate expansion and startups
- Growth in both minimum term and flexible product penetration as the rental market matures
- Very few operators with a presence in all of the major cities, no other nationwide service-focused operator
- Limited take-up of EVs as national charging infrastructure is limited, especially outside core urban areas

### Accident management, claims and repair

In the UK, there are estimated to be 40 million vehicles on UK roads and around 2.3 million road traffic accidents annually, resulting in two million insurance-related vehicle repairs being undertaken.

Each claim results in different and complex legal processes but will typically involve incident recovery, replacement vehicle loan and bodyshop or mobile repair. Our existing insurance partners are estimated to represent up to 20 million policyholders, and typically contract with providers to secure their hire and repair capacity needs, or as referral partners. We also support large leasing companies in the UK's FN50 and with incident management from the first notification of loss call.

Total vehicles on UK roads

**40m**

Insurance-related vehicle repairs being undertaken

**2m**

#### Current UK market environment:

- Softer insurance cycle, a number of regulatory reviews (Motor Insurance Taskforce, Consumer Duty)
- Consolidation both in insurance market and also around bodyshop groups plus some smaller claims and services providers exiting market
- A number of new specialist insurer entrants operating a fully outsourced model
- Decline in claims frequency helping an easing of capacity in bodyshops, but technician supply shortage remains
- Greater requirement for digital processing, increase in ADAS and other technologies in vehicles requiring greater investment in bodyshop technology

#### Spotlight: Leveraging value chain expertise

Discover more  
Page 8

### Our third party repair network

FMG has a network of 540 independent bodyshops across the UK alongside our own FMG RS network. These provide the coverage and capacity needed to deliver around 200,000 vehicle repairs a year.

Hear from our Director of Network as to how we ensure quality and consistency, ensuring we are in constant communication with the network, working in partnership to support their needs and deliver a high quality repair every time.



Market information based on management estimates

ZIGUP plc | Annual Report and Accounts 2025

# A clear focus in FY2025.



The Group has delivered a strong operational performance, reflecting a year of significant progress across the business, growing market share and benefiting from material improvements in customer service scores.

**Martin Ward**  
Chief Executive Officer

The Group has delivered a strong operational performance, reflecting a year of significant effort across the businesses, growing market share and material improvements in customer service. The financial performance reflects the benefits of our differentiated business model, delivering group underlying performance ahead of market expectations.

The structural growth drivers we identified at the time of the merger as long lasting, of the growth of outsourcing and preference for usership over ownership, remain robust. They are increasingly allied to a greater appreciation of the benefits of an experienced partner offering significant technology-enabled value-added services.

At the same time, we believe the headwinds which have impacted the Group's performance over the past couple of years are receding, with vehicle residual values and replacement hire lengths having substantially normalised and have been stable since the first half.

We have made good strategic progress within the business, initiated at the start of the year with our UK and Ireland organisational changes, the introduction of an Executive Committee focused on group strategy, and the new ZIGUP brand successfully launched. These have supported tangible outcomes and operational progress including a simplified customer journey supporting greater cross-selling. Our successful refinancing efforts through the year have extended our average maturity out into the 2030s and gives increased headroom and flexibility for future growth.

## Strong market positioning in a highly receptive environment for our differentiated solutions

The markets in which we operate are resilient and we are very well positioned as a top-three participant in each with market shares of c.20%. This enables us to leverage the scale and strengths of our business model and nationwide presence in each of Spain, UK and Ireland.

In Spain, the market grew at 5% reflecting a combination of strong macro-economic conditions and the historically lower rental penetration than other European markets. Our positioning as the leading national provider of LCV rentals enabled us to grow significantly ahead of the rental market with a differentiated product offering and growing branch network addressing both large corporate fleets and smaller high-growth businesses.

In the UK, our business is supported by structural growth. LCV miles travelled have risen 10% over the past five years and now account for around 20% of total road miles travelled. This year we have seen the strongest new business pipeline for five years alongside robust demand from existing customers, over half of which we have supported for over a decade. Our specialist vehicle businesses again achieved record growth, with VOH up 19%.

The Claims & Services business operates across a number of verticals supporting the UK insurance market, which this year entered a softer cycle alongside consolidation activity amongst some of the larger players. Insurance partners are increasingly looking for technology-led solutions, including self-service portals and streamlined customer journeys reducing claims handling time. Our differentiated offering and industry leading customer feedback scores helped ensure we successfully confirmed contracts for all of the insurance partners who were going through a renewal cycle, including DLG, QBE and Tesco Insurance, and we added six more partners to the platform.



### Vehicle supply has normalised, with headwinds receding

Vehicle supply has essentially normalised in both our core markets, allowing for greater visibility and certainty of supply. We have the expertise to successfully manage what is a significant fleet recycling programme, where we have a growth capex focus in Spain and we are progressing well through the replacement programme in the UK.

In the UK, LCV residual values reduced over summer 2024, down from their historic highs in 2022, and have been stable since October 2024. This is a trend we have forecast and highlighted a number of times, together with its impact on disposal profits.

Replacement hire durations across the claims industry also reduced early in the first half of the financial year, stabilising in the Autumn. This reflected lower volumes and improving capacity within repair networks and improving parts supply chains, but impacted our hire margin. We believe both of these headwinds have now largely passed, while the structural growth drivers remain constant and attractive.

### Clear operational progress within the year enhancing the customer experience

Our business model is centred on delivering a customer experience which differentiates us from our peers and through this develops long term trusted relationships with our partners and customers. Over the past year we have placed great emphasis internally on simplifying the customer journey, resulting in improved engagement scores and customer retention.

Our focus on customer service is reflected in the strength of our NPS scores across the business, with a consolidated score of 64 and Trustpilot scores close to double those of some industry peers. Excellence in customer service is central to our proposition and a key differentiator. We utilise feedback to improve our performance at the branch level, and report monthly KPIs to our partners.

We have continued to enhance the product offering including specialised solutions ranging from a new refrigerated vehicle and a workforce protection solution for road tunnel use, where we were the only UK provider able to deliver such bespoke solutions. We have launched an asset-tracking product for customer equipment which integrates into our telematics and fleet management solutions, and enhanced the functionality and insights available on our customer portals.

We opened a further six branches and depots across our geographies in the year, responding to high levels of demand and growing fleet sizes. We see further opportunities across the Group to increase capacity and productivity by getting closer to our customers and increase our responsiveness. Spain added a vehicle delivery centre and a further service centre to better manage branch capacity in both Madrid and Barcelona.

Our technology programmes seek to enhance the customer experience and to deliver efficiencies and the ability to scale further. In Spain, the combination of a new CRM system and the launch of the enhanced e-auction disposal site bring much greater functionality and insight to support customer engagement, as the business expands its customer base.

In the UK and Ireland, there has been significant adoption by policyholders of our new self-service portals for direct hire and repair solutions, which is being rolled out to more partners. Further RPA processes have targeted high-volume manual activities, allowing colleagues to focus on greater responsiveness to those cases needing intervention. Four more insurance partners joined our claims protocol in order to benefit from the operational efficiency of our dedicated portal and automated processing.

A number of larger scale programmes are also well underway, including a new rental platform in the UK&I which is moving into trial phase and a unified communications project which will deliver significant new functionality to our call centres. The rollout of ADAS testing in the workshops brings repair time

efficiencies, while new plastic welding solutions maximises reuse and lowers repair costs. A new secure control centre for our National Highways support team was recently launched, enhancing our capabilities and capacity to support agencies in their management of the UK road network.

### Spotlight: Integrated customer service offering

Discover more  
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### Leveraging customer service feedback

Across ZIGUP we hugely value customer feedback and look to understand how we are performing throughout the customer journey. We use both Trustpilot and NPS surveys to help identify where things are working well and where we need to improve. The ability to obtain direct and immediate feedback has been a cornerstone of our Customer First programme, and also a key part of our KPI reporting to partners who trust us to work directly with their policy holders, customers and drivers.

Hear from our Customer Services Director as to how surveys have helped deliver improved customer experiences, including simplifying call centre scripts and self-service portals.



Disciplined approach to investment opportunities across the Group

Strong market conditions and the range of opportunities open to the business require us to be highly disciplined in our investment decisions. Our strategic pillars of Enable, Deliver and Grow were introduced at the start of the year and have helped the businesses frame their priorities and align across the Group. We see scope for attractive returns from investments in our fleet; and when investing in our facilities. These deliver greater scale and efficiencies, such as the payback for plastic welding being under 12 months in a number of branches.

Our disciplined investment approach also applies to our approach to specialist markets. We believe that the EV charging installation market is going through a period of consolidation, with the likely outcome being a handful of successful providers able to operate nationally. Our recent partnerships with Hive, Scottish Power and British Gas have given us the confidence to invest in our service offering, including our nationwide installer network. At the same time, the personal injury market appears increasingly less attractive and as a result we have made the decision to reduce our operational exposure and activities.

Supporting sustainability

Within our operations we have made meaningful progress on our internal targets to reduce emissions that we can control, to date principally through company car fleet migration and renewable electricity contracts. Our current focus is on minimising additional delivery journeys and introducing more EVs into our branch support fleet. We will look to refresh our near term emissions targets within FY2026, together with completing our double materiality assessment.

Programmes within the operations for repair and reuse have been supported by investments in plastic welding in the UK and in expanding the green parts usage in Spain, reducing the overall cost of repair.

For customers, our award-winning Drive to Zero programme has continued to gain traction with customers looking to integrate EVs within their commercial fleets, with e-LCVs on hire up over 80%. Actions in the year included preparing for the launch of an EV consultancy service, supporting fleet managers with data-driven analytics and targeted driver surveys to support migration plans. This runs alongside our online portal offering suitability analysis, EV open days and a broad range of EV charging solutions. We were recognised in the year for our EV leadership with awards including 'Sustainability Mobility Solution' (Spain) and 'Best Eco Initiative' (UK).

Spotlight: Embedded risk and financing know-how

Discover more  
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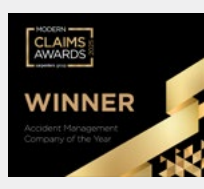
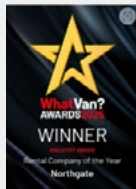
Managing vehicle purchasing

With monthly purchases often in excess of 2,000 vehicles, our Spanish team have longstanding relationships with manufacturers and expertise through the economic cycle in purchasing at scale.

Hear from our Director of Fleet discuss how managing fleet acquisitions flexibly and monitoring after-sales are key to delivering the lowest cost of ownership.



Notable awards won in the year



## Our people

This year we embarked on a three-year people strategy, seeking to reinforce our group culture and build the framework to develop the talent pool required for long term sustainable growth, including a deeper and more diverse leadership pipeline. Our goal is to ensure an attractive workplace where colleagues feel engaged and valued.

Key elements include enhancing our technical skills capability, succession planning and offering progression and support to deliver a high-performance culture. Once again, one third of roles filled in the year were filled internally, with the majority achieved through promotion.

We have energised our DE&I activity, including targeted recruitment strategies to reach more diverse talent pools and defined development pathways. We have also developed greater support for mental health within the workplace, in addition to an expanded wellbeing provision. Outcomes from these efforts include a strong response to the engagement survey, with participation over 80% in each region and overall satisfaction in line with the prior year at 75%.

The recognition through the King's Award for Enterprise for 2025 as one of only 10 awarded in the category for Excellence in Promoting Opportunity is a source of immense group-wide and personal pride. It reinforces the value of the investments we have made in building the skills for the future and the impact this is having on early careers for individuals from diverse backgrounds. We have over 400 early careers apprentices enrolled across the Group, supported by experienced mentors, contributing to a 13-year reduction in our average bodyshop technician age over the past three years.

## Strong financial capacity and sustainable shareholder returns

Our refinancing actions this year have brought further capacity to the Group and were undertaken on an investment grade basis with improved commercial terms. In three transactions between October 2024 and April 2025 we extended our debt maturities out to 2034 and increased liquidity by £285m, providing further flexibility, with total available debt facilities at year end of £1.1bn.

Our balance sheet and business model is attractive to a broad range of lenders, offering exposure to a diverse customer base and an asset-backed profile supported by £1.5bn of vehicle fleet compared to net debt of £837m. This is combined with a conservative and long term value-oriented approach to capital allocation, appropriate for the industry in which we operate and where leverage is a natural part of the business model.

Leverage remained comfortably within our 1-2x target range, finishing the year at 1.8x, reflecting substantial investment in the fleet, in our branch network and in supporting returns to shareholders. Our strong balance sheet provides the business with the ability to be both long term in our organic investment and agile in our approach to M&A and other investment opportunities.

The Board also views share buybacks as a useful element within our capital allocation framework, alongside a progressive dividend, and regularly reviews the relative merits of share repurchases against our other investment priorities throughout the year.

Given our continued confidence in the prospects for the business, and the opportunities open to us in attractive market conditions, subject to shareholder approval, the Board has proposed a final dividend of 17.6p per share (2024: 17.5p), to be paid on 30 September 2025 to shareholders on the register as at close of business on 29 August 2025, bringing the total dividend to 26.4p (2024: 25.8p), a 2.3% increase on the prior year.

## Spotlight: Embedded risk and financing know-how

Discover more  
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## Our refinancing actions

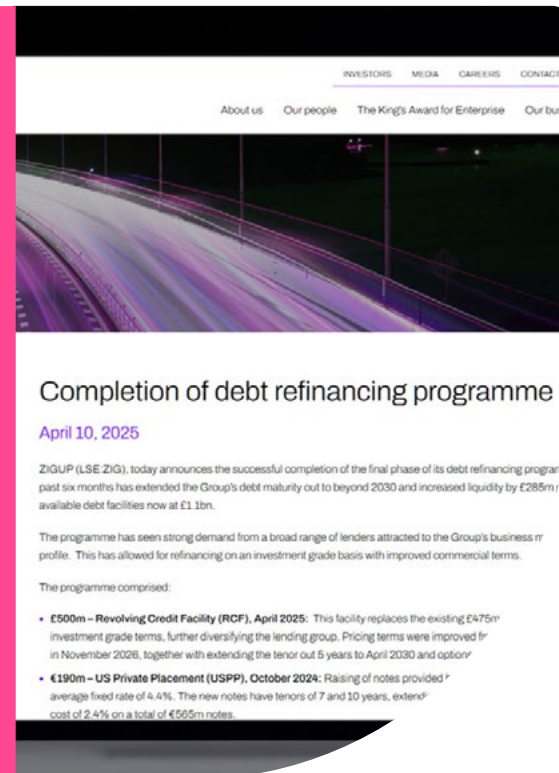
Over the past year we have undertaken a series of three refinancing actions which together brings further capacity to the Group on commercially favourable terms. It extended our average maturity out to beyond 2030 and with expanded facilities of £1.1bn, provides greater flexibility for investment.

Hear from our Group Treasurer on our financing strategy and how the strength of our balance sheet and growth over the past five years in terms of size, scale and diversification has helped the way we are viewed from a credit perspective.

### Martin Ward

Chief Executive Officer

9 July 2025



**Completion of debt refinancing programme**

**April 10, 2025**

ZIGUP (LSE:ZIG), today announces the successful completion of the final phase of its debt refinancing program. The program has seen strong demand from a broad range of lenders attracted to the Group's business profile. This has allowed for refinancing on an investment grade basis with improved commercial terms.




The programme comprised:

- **£500m – Revolving Credit Facility (RCF), April 2025:** This facility replaces the existing £475m investment grade terms, further diversifying the lending group. Pricing terms were improved from 5.5% to 4.5% in November 2024, together with extending the tenor out 5 years to April 2030 and optional extension to 2034.
- **£190m – US Private Placement (USPP), October 2024:** Raising of notes provided an average fixed rate of 4.4%. The new notes have tenors of 7 and 10 years, extending the average maturity of the Group's debt to 2034. The cost of 2.4% on a total of £565m notes.



# Delivering sustainable growth for all our stakeholders.

## Our strategic pillars

 Pillar one: <b>Enable.</b>	 Pillar two: <b>Deliver.</b>	 Pillar three: <b>Grow.</b>
<p><b>Joined up, sustainable mobility solutions.</b></p> <p>Develop products, services and operational capabilities which embrace technologies to enable increasingly connected smart mobility within our customer proposition.</p>	<p><b>A differentiated and responsible customer experience.</b></p> <p>Across our broad service offering, trusted to provide customer service that exceeds expectations and delivers industry leading responsiveness and operational efficiency.</p>	<p><b>Broadening customers and markets, and an expanded product offering.</b></p> <p>Exploring opportunities to responsibly grow the business breadth, size and capabilities, including into both complementary and new products and geographies.</p>
<p><b>Through this:</b></p> <p>We ensure our people and facilities are equipped with the right tools and skillsets to work in an increasingly complex and connected mobility environment.</p> <p>We develop imaginative mobility products which use the power of digital and connected technologies to provide greater efficiencies and insights for customers.</p> <p>Investment in our infrastructure to ensure we are well placed to benefit from advances in technology and the automotive energy transition.</p>	<p><b>Ensuring we:</b></p> <p>Have customer service excellence at the heart of our integrated product and services offering.</p> <p>Maintain a reputation for expert and reliable delivery of support to ensure customer mobility.</p> <p>Seek continuous improvement across our network of modern and increasingly energy efficient branch operations and vehicle fleets.</p>	<p><b>Achieved through:</b></p> <p>Expanding relationships with our existing customers, built on trust, partnership and shared benefits of scale and benefits of the integrated mobility platform.</p> <p>Extending our customer base and our operational footprint across our current regions through differentiated products and services.</p> <p>Being agile in exploring opportunities in complementary and new products and geographies.</p>

# Integrated customer service offering.

**We enable customers to best manage their changing mobility needs.**

**Our mobility platform allows us to provide the most responsive and tailored service to customers, fleet drivers and policyholders.**

Our focus on integrated customer service, combined with nationwide coverage and tailored and responsive solutions, is a key differentiator.

We seek to provide meaningful insights and exceptional customer service from a single vehicle to whole fleets.

These are increasingly technology-enabled solutions which allow customers to manage their mobility needs through the most convenient and efficient routes which minimise operational friction.

## Case studies: our integrated mobility in action



### Customer First programme

Our focus on enhancing customer service experience.



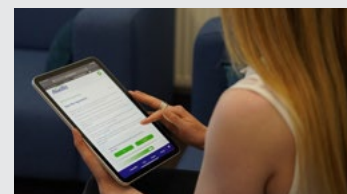
### Out-of-hours claims support

Working with our insurance partners to enhance out-of-hours support to policyholders.



### Simplifying customer engagement

The success of the 'One Road' programme on account simplification.



### Expanding customer service channels

Broadening our service solutions for claims and repair customers.



### Leveraging customer service feedback

How we use NPS surveys to improve the customer claims journey.

See Page 15

See further details of our case studies at: [www.ZIGUP.com/spotlight](https://www.ZIGUP.com/spotlight)

# Proven strategic framework with strong value proposition.

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 21

## Our business model

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

► Page 24

## Stakeholder impact

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

► Page 26



# Impacts on our markets.

## Consumer experience



### Shifting consumption and behaviour

Greater awareness and concern over the environmental impact of consumption and logistics.

#### Relevant core competencies



### Changing customer service expectations

Increasing personalisation of services and data, adapting to changing needs and preferences.

#### Relevant core competencies



## Technology and skills



### Transformative technology and increased outsourcing

Seeking external expertise for non-core services, building strategic partnerships with fewer partners.

#### Relevant core competencies



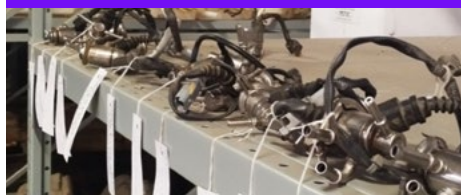
### Employment and skills gap

Technology advances have led to skills gaps in automotive industries and in sustainable mobility.

#### Relevant core competencies



## Resource efficiency



### Natural resource management and circularity

Increasing focus on minimising landfill, with reuse or repair for non-degradable elements.

#### Relevant core competencies



### Sustainable mobility

Delivering cleaner, safer, more inclusive mobility allied to affordability and accessibility.

#### Relevant core competencies



## Energy transition



### Lower carbon vehicles

New technology solutions offering potential alternatives to ICE vehicles even at higher payloads.

#### Relevant core competencies



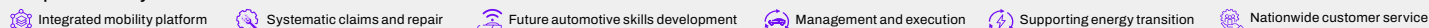
### Climate change infrastructure transition

Need for public infrastructure and investment to support affordable lower carbon mobility.

#### Relevant core competencies



#### Competencies key



Discover more at:

[www.ZIGUP.com/about-us/how-we-create-value/structural-trends/](http://www.ZIGUP.com/about-us/how-we-create-value/structural-trends/)

# Deep technical and industry expertise.

**Trusted by customers to resolve their mobility issues, drawing on our decades of experience.**

We are recognised for our longstanding technical expertise and industry experience, operating one of the largest UK and Spanish rental fleets and the UK's largest integrated claims management platform.

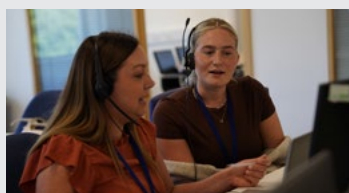
Technical expertise across the vehicle lifecycle is complemented by deep understanding of the maintenance and repair requirements to keep a corporate or leased fleet mobile.

Our expertise in claims management is trusted by participants across the insurance market.

Our award-winning apprentice programme reflects the importance we place on training and mentoring the next generation of automotive technicians.

We are an active participant in many industry forums to help promote best practice.

## Case studies: our integrated mobility in action



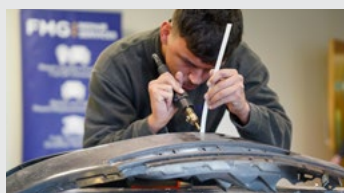
### FNOL: supporting accident reporting

The skills needed by our call centre teams to manage the first notification of loss.



### Supporting industry policy development

Our engagement with BVRLA on the Zero Emission Van Plan and ZEV mandate.



### Introducing plastic welding to FMG RS

Rolling out plastic welding technology through our bodyshops.



### Apprentice skills competition

Helping apprentices hone their practical skills through an internal competition.

▶ See Page 33



### Delivering technical training

Ensuring technical excellence through training.

▶ See Page 34

See further details of our case studies at: [www.ZIGUP.com/spotlight](https://www.ZIGUP.com/spotlight)



# Leveraging analytics and data.

We are embedding new technologies to enable greater analytical understanding and efficiencies for sustainable mobility.

From fleet choices to preventative maintenance, data analytics is helping support better decision making. Ensuring data quality is also the bedrock of full transparency and successful claims.

Our business model enables a joined up view on vehicle management, allowing us to provide customers with the highest level of transparency and enhanced expert analysis of their fleet and vehicle maintenance or repair needs.

We help our customers monitor their mobility footprint and identify ways to be more efficient, reducing both cost and emissions.

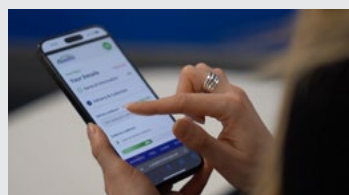
With longstanding experience across the vehicle lifecycle we are best placed to provide strategic advice on long term fleet choices.

## Case studies: our integrated mobility in action



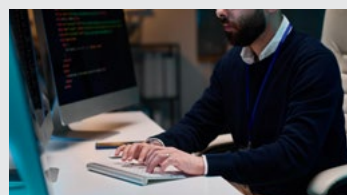
### New LCV fleet portals

The introduction of enhanced fleet reporting, enabling greater insight for fleet customers.



### Self-service claims management

Launching a new online channel for reporting and booking repair services.



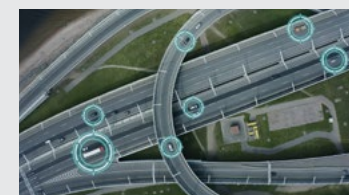
### Claims efficiency through RPA

The benefits of our programme to automate processes within claims management.



### Benefits of ADAS capability

Reviewing our programme of rolling out ADAS testing across our bodyshops.



### The power of telematics

Discussing our new Spanish telematics and analytics programme.

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See further details of our case studies at: [www.ZIGUP.com/spotlight](http://www.ZIGUP.com/spotlight)



# 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 25](#)

# 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

1m

Vehicles under fleet management



## 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 and customers.

131,600

Vehicles

36,300

Vehicles purchased in FY2025



## 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

205,000

Vehicles repaired in FY2025



## 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.

7,700

EVs and hybrid vehicles

10,400

Charging points installed in FY2025



## 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.

182,000

Training hours in FY2025<sup>1</sup>

442

Apprentices<sup>2</sup>



## 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. Fast turnaround times, supported by customer service centres open 24/7.

1,200

Customer service centre colleagues

24/7

Customer service

<sup>1</sup> This is the first year that training hours capture all apprenticeship training totalling 87,000 hours in FY2025.

<sup>2</sup> Our total apprentice number comprises 442 early careers apprentices and 82 advanced apprentices. This number relates to the early careers apprentices only.

# Delivering 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 our customers and consumers mobile and focused on what is important to them.

We enjoy industry leading NPS and Trustpilot scores, and use feedback to improve customer experience.



## 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.



## 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 are a key focus, together with operational safety compliance aspects and personal data handling.

We were a core contributor to successful industry efforts to achieve changes to the UK ZEV mandate.



## Investors

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

We regularly discuss our strategy and business objectives at conferences, group meetings and face-to-face meetings, and have active engagement with our five coverage research analysts.

Our website and investor engagement have been recognised as best in class through industry awards and nominations.



## Our people

With over 7,800 people across three countries and 185 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 also engage in formal communications through The Voice Network and the Have Your Say survey.



## 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 colleagues to volunteer locally, both individually and as part of team activities.

Our engagement in this area includes the loan of vehicles, volunteering and fundraising activities.



See more on our website:

[www.ZIGUP.com/about-us/how-we-create-value/stakeholder-impact/](http://www.ZIGUP.com/about-us/how-we-create-value/stakeholder-impact/)



# Supporting public sector mobility.

**We help keep the UK road network safe and our public sector clients mobile.**

ZIGUP provides a broad range of services to public sector organisations, ranging from local authority and social housing fleets, road maintenance safety and supporting the emergency blue-light and road network services.

Across our businesses we partner with a broad range of public sector clients supporting their mobility needs.

These include supplying a combination of LCV and specialist workforce protection vehicles for infrastructure projects.

We are also uniquely able to deliver joined-up solutions such as digitally integrating into traffic systems for emergency services and National Highways.

These range from statutory recovery requirements and local authority social mandates, through to helping enable the energy transition for public sector clients and contractors.

## Case studies: our integrated mobility in action



### Providing road workforce protection

Blakedale's support for road maintenance at London's new road tunnel.



### Partnering with blue light agencies

Delivering specialist support for police forces including RTA evidence protection.



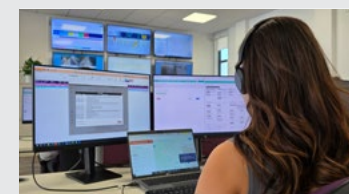
### Delivering council EV infrastructure

Upgrading North Tyneside council's EV charging infrastructure.



### Supporting essential housing services


Helping a large housing association customer with their fleet needs.



### Keeping the UK road network moving

The support we provide National Highways on the UK motorway network.

 See Page 78

 See further details of our case studies at: [www.ZIGUP.com/spotlight](https://www.ZIGUP.com/spotlight)

# Delivering value and positive impact.

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.

Being a sustainable and responsible organisation is essential for building trust with stakeholders and for fostering a resilient and prosperous business. We keep people moving by offering a diverse, well-maintained fleet of lower-emission vehicles.

In the aftermath of incidents, we support our customers by quickly getting them mobile again and back on track.

We support public sector organisations, social housing providers, road network contractors, and emergency services in delivering the essential services vital for daily life and economic activities.

We embrace new technologies and develop more innovative working methods, enabling our customers to outsource, improving their efficiency and returns. As a large employer, we create significant economic value, investing in the economy's productive capacity.



Our approach and accompanying ESG commitments align with our purpose framework and the UN Sustainable Development Goals, which strive to create a more just, prosperous, and sustainable future for all.

Our leadership team fosters a culture that values sustainability, and it empowers our people to reduce environmental impact, positively influence our surrounding communities, and demonstrate industry leadership.

### Our key sustainability framework











































This section forms part of a comprehensive sustainability reporting framework outlining our approach to governing, measuring, and reporting sustainability to our stakeholders:


- Sustainability governance
- Engagement and materiality
- Sustainability strategy
- Climate action
- Data and disclosures

Discover more at  
[www.ZIGUP.com/sustainability](http://www.ZIGUP.com/sustainability)

## SUSTAINABILITY PROGRESS

Progress key:  Completed  On track  More work to do

 <h3>Growing our business responsibly</h3>  	<h4>Our progress</h4> <p>A <b>board evaluation</b> was conducted, concluding that it is highly effective and exhibits key strengths.</p> <p>The Board set a <b>10% ethnic diversity target by FY2027</b> for the Executive Committee and direct reports, with succession plans developed and agreed.</p> <p>The <b>Customer First programme</b>, which aims to enhance the customer experience, has led to a 10% increase in our customer experience rating, now standing at 4.6.</p> <p>Completed the initial phase of work on a <b>double materiality assessment (DMA)</b>, which will inform our ESG approach and reporting disclosures.</p>	<h4>Read more</h4> <p>  <b>Page 90</b></p> <p>  <b>Pages 92 to 95</b></p> <p>  <b>Pages 14 to 17</b></p> <p>  <b>Pages 30 to 31</b></p>	<h4>Future actions</h4> <p>The proposed new CFO appointment will increase the representation of women on the Board to 50%.</p> <p>Enhance Customer First training and relaunch our <u>service promise</u> to clarify expectations.</p> <p>Finalise the DMA identifying material ESG risks, impacts, and opportunities.</p>
 <h3>Supporting our people and communities</h3>  	<p>A <b>6% decrease</b> in FY2025 of voluntary attrition demonstrates the increasing strength of our colleague offering.</p> <p>There has been a <b>15% increase</b> in total UK apprenticeship numbers from our award-winning programme, and in Spain, internship placements have increased by over <b>50%</b>.</p> <p>Awarded the <b>King's Award for Enterprise for Promoting Social Mobility</b> by creating opportunities for individuals from diverse backgrounds to advance in the automotive industry.</p> <p>Participation in our people engagement survey remained strong in both UK and Ireland, and Spain, with satisfaction rates reaching <b>75%</b> and <b>78%</b>, respectively.</p> <p>Increased awareness of benefits led to <b>75%</b> of UK colleagues enrolling in the Benefits HUB, with a <b>4%</b> rise in uptake. In Spain, <b>57%</b> of colleagues registered, and <b>40%</b> made purchases on the wellness platform.</p>	<p>  <b>Page 39</b></p> <p>  <b>Pages 33</b></p> <p>  <b>Page 9</b></p> <p>  <b>Page 35</b></p> <p>  <b>Page 34</b></p>	<p>Continue to enhance our benefits and support colleagues' financial wellbeing.</p> <p>Expand the early careers pipeline by introducing additional technical disciplines.</p> <p>Deploy a group-wide talent management framework to establish success profiles for critical roles.</p>
 <h3>Reducing environmental impact</h3>     	<p>We have reduced our carbon emissions by 23% since our baseline year FY2022, achieving our FY2027 target two years ahead of schedule.</p> <p><b>99%</b> of the electricity we use at our facilities came from renewable sources, and the <b>17</b> solar arrays installed throughout our Spanish branches generated <b>687 MWh</b> of electricity.</p> <p>In the UK, <b>99%</b> of waste was diverted from landfill, and <b>94%</b> was achieved in Spain</p> <p>There was a <b>26%</b> increase in the purchase of green vehicle parts in the UK from FY2024. Our Spanish operations recovered <b>£3m</b> worth of car parts from vehicles, representing a <b>65%</b> increase since FY2023.</p> <p><b>80%</b> increase in EV rentals in the year, with 10,400 EV chargers installed to support the energy transition.</p> <p><b>95%</b> of our company cars are either EV or hybrid due to our forward thinking company car policy.</p>	<p>  <b>Page 72</b></p> <p>  <b>Page 36</b></p> <p>  <b>Page 36</b></p> <p>  <b>Page 36</b></p> <p>  <b>Page 73</b></p> <p>  <b>Page 11</b></p>	<p>A climate change transition plan will be published with revised GHG targets.</p> <p>We have piloted a carbon literacy training module, ready for deployment in FY2026.</p> <p>An FMG RS environmental impact reduction working group, reporting into the Sustainability Committee, will be convened.</p>

 Discover our sustainability commitments across the three pillars on our website [www.zigup.com/sustainability/sustainability-strategy/](https://www.zigup.com/sustainability/sustainability-strategy/)





## Growing our business responsibly

We have commenced work on a double materiality assessment as part of our efforts to prepare for CSRD reporting requirements.

Our continued efforts to improve our service by fostering a customer-centric culture have resulted in the Group's customer experience rating increasing to 4.6 out of 5 and a NPS score of 64.

Our Spanish team won the Dirigentes Award for excellence in customer experience.

The Board was evaluated this year and found to operate effectively, showing strengths in oversight and accountability.

### Commitments

Ensure effective Board oversight of ESG

Reinforce sustainable value creation within our strategy

Foster ethical and responsible behaviour across ZIGUP

Foster a customer-centric continuous improvement culture

Maintain accountability by reporting on our ESG impacts

# Working hard to meet our ESG commitments.

## Our approach

We have developed a robust framework for ESG practices to address increasing customer demands and navigate regulatory challenges in the EU and the UK. The commitment to our sustainability approach instils confidence in our ability to adapt and thrive in the future.

Our governance framework and systematic approach to ESG foster accountability, and transparency. Our policies and management systems effectively manage sustainability risks while also taking advantage of opportunities.



## Leadership

The Board oversees ESG matters, with the CEO holding executive accountability. The CFO, as Chairman of the Sustainability Committee, serves as a liaison between this committee and the Executive Committee, which reports to the Board. Other key roles in managing ESG issues include the Group Head of ESG, the Head of Group Safety and Environment in the UK, and the ESG Manager in Spain.



The Sustainability Committee met on four 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 to address significant risks and opportunities while recommending alternative programmes to improve social and environmental performance. This year's key outcomes of the Committee included the following:

- Review of the GHG baseline and methodologies
- Evaluation of the people strategy
- Double materiality assessment process
- ESG communication plan approval

## Double materiality assessment

We are midway through a 12-month process to conduct a double materiality assessment. The outputs of the assessment will inform our ESG approach and provide clarity on the expected disclosures required under the CSRD reporting framework.

A crucial part of the assessment involved identifying significant strategic ESG aspects, the most relevant of which are detailed on the following page. The relevance of each aspect in relation to our value stream is illustrated in the table on page 31.

In FY2026, we will identify and quantify the impacts, risks, and opportunities associated with the strategic aspects on page 31. A crucial part of this process will be engaging with our stakeholders throughout the entire value stream. This approach will foster a range of perspectives, allowing us to gain a more comprehensive understanding of our impacts, risks, and opportunities.

# Initial phase double materiality assessment.

The identified strategic ESG aspects which will provide a framework for assessing impacts, risks and opportunities.

Aspects	Upstream		Operations & infrastructure				Downstream		CSRD topic
	Suppliers	OEMs	Claim processing	Vehicle hire and servicing	Vehicle recovery and repairs	EV charging installation	Customers	Consumers and end users	
ZIGUP operates a fleet of over 130,000 vehicles and manages around 1 million vehicles in total. To meet regulatory requirements and customer needs, we are addressing the industry-wide challenges of transitioning to low-carbon mobility in the UK and Europe to reduce environmental impact.	●	●	●	●	●	●	●	●	<b>Environment</b> E1 Climate change mitigation E2 Pollution
The maintenance and repair of complex vehicles require significant energy and resources. Therefore, the automotive repair industry must seize opportunities to support the circular economy, promoting sustainability and minimising the impact of waste.	●	●	●	●	●	●	●	●	<b>Environment</b> E1 Energy E5 Circular economy
Managing safety risks and upholding people's rights to adequate physical health and mental wellbeing is of paramount importance to ZIGUP, our suppliers and customers.	●	●	●	●	●	●	●	●	<b>Social</b> S1 Own workforce S2 Workers in the value chain S4 Consumers and end users
The automotive industry faces a shortage of skilled labour. To address this risk, ZIGUP and other industry stakeholders in the value chain must recruit diverse talent, invest in training and reskilling, and attract more young people to the field.	●	●	●	●	●	●	●	○	<b>Social</b> S1 Own workforce S2 Workers in the value chain
Retaining people is crucial for an organisation's success and sustainability. Effective colleague engagement, appropriate rewards and recognition and increased flexibility can have a positive impact and lower the likelihood of colleagues leaving the Group.	○	○	●	●	●	●	○	○	<b>Social</b> S1 Own workforce
ZIGUP, directly and on behalf of insurance companies, collects and stores personal information; establishing effective risk management processes that prioritise data protection is essential for maintaining privacy, security, and trust in today's digital landscape.	○	○	●	●	●	●	●	●	<b>S4 Social</b> S1 Own workforce S4 Consumers and end users
Providing clear, accurate, and easily understood information to consumers and end users, including vulnerable groups, positively impacts their ability to make informed and confident decisions.	○	○	●	●	●	●	●	●	<b>Social</b> S4 Consumers and end users
Building mutually beneficial supply chain relationships and fostering trust requires alignment on expectations, adherence to timely payment practices, and compliance with ethical standards.	●	●	●	●	●	●	●	○	<b>Governance</b> G1 Business Conduct

Level of relevance to our value stream: ● High ● Medium ● Low ○ N/A



## Supporting our people and communities

**10%**

increase in early careers apprentices compared to FY2024

**115%**

increase in advanced apprentices compared to FY2024

**92%**

of our technicians are trained on EVs across both Northgate and FMG RS.

The Employee Engagement Forum was reformed as The Voice Network to increase reach and impact across the organisation.

### Commitments

Work towards the goal of no harm or injuries

Foster a mutually supportive workplace

Recruit and nurture talent from diverse communities

Generate positive social impact in the community

Invest in the development of an early careers programme

Invest in vehicle repair training and technology

# Investing in our people.

## Overview

We recognise that our industry reputation and our continued success is achieved through the hard work and dedication of our people. Central to this is their growth in knowledge, prosperity, health and wellbeing.

Our three-year people strategy is targeted at empowering our colleagues to be their best. The strategy is designed to enhance the colleague experience, strengthen our culture, and build the capabilities needed for long term success. We seek to remain at the forefront of advancing automotive technology through industry leading technical training, development, and apprenticeship schemes.

As a large employer of 7,800 people, we are conscious we can create significant economic value for society, by investing in skills and training to enhance the productive capacity of the economy. We are committed to providing a secure and safe working environment and service for all our people and customers and to giving back to our communities.



## Recruiting and developing talent

Our focus is on developing talent and building the capabilities needed for long term success. Key priorities include increasing the number of 'ready now' successors, ensuring robust succession plans are in place, offering progression routes that allow all our people to realise their potential and embedding a high-performance culture.

We have worked hard to ensure we recruit and nurture talent from diverse communities, and to ensure a balanced technical and behavioural training mix. We are also reducing the average age of our technician population through the success of the early careers programme, which will help to deliver longer term sustainable growth, now at 41 years compared to 46 years last year and 54 years in FY2023. Additionally, we are focused on enhancing diversity, with targets for recorded diversity data, and increasing ethnic minority and female representation in leadership to be achieved by FY2027.

**6ppt**

Reduction in voluntary attrition since FY2024

**33%**

of roles filled internally, demonstrating our aim to encourage career progression



## Developing our people

Our goal is to create an outstanding colleague experience by improving engagement, retention, and inclusivity. Targeted outcomes include reducing voluntary attrition, maintaining high levels of colleague engagement and reducing sickness absence. We also aim to strengthen internal mobility, increase participation in SAYE and active take-up of the colleague benefits we offer.

This year we have looked to leverage technology and embrace automation as core enablers of operational excellence within our HR shared services team, removing friction in our systems and processes and better supporting our colleagues. Our immediate priorities have been to resolve service requests quickly, increasing self-service adoption, automating processes, and using data and analytics to support smarter decisions.



## SUSTAINABILITY PROGRESS continued

### Management development and succession planning

Management development and succession planning our new talent management strategy aims to establish a more robust and diverse leadership pipeline. Our goal is to promote from within whenever possible, equipping our people with the knowledge and confidence to advance their careers. One third of all roles were again filled internally over the past year, many through promotion.

We have a clear definition of potential and performance, aligning leadership objectives with DE&I, customer experience, and ESG priorities.

Following a successful talent review with the Nominations Committee, we are implementing a structured approach to identifying and developing talent across the business.

We prioritise leadership development focusing on empathy, ethical decision making, and cultural competence. Our digital upskilling programs in data literacy, cyber security, and ethical AI prepare teams to thrive in a fast changing environment.

To support the scalability and rigour of this approach, we have invested in a new automated talent management application.

### Training

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

**182,000**  
training hours delivered  
in FY2025

### 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.

Across the Group's business entities, we have expanded our apprenticeship provision to cover a diverse range of standards, including Paint, Panel, MET, Light Vehicle, Commercial Electrical, Customer Service, Business Administration, HR and Payroll — helping ensure we support both technical and professional career development.

We recruited 94 early career apprentices this year in the UK and Ireland, taking our total programme participants to 225. Alongside this we grew internal enrolment on advanced apprenticeships by 115%, supporting 82 colleagues to progress and upskill within the business.

To enhance the apprentice experience, we launched a new Technical Skills Competition, aligned with the IMI World Skills framework. This ran alongside our first Apprentice of the Year Awards and two graduation events, celebrating 35 newly qualified apprentices.

Our mentor development programme also stepped up this year, with 78 mentors trained through 14 CMI recognised sessions, together with 36 team leaders at FMG RS trained to better support incoming apprentices. Mentor check-in calls were introduced to provide an added layer of support.

In Spain we have significantly increase apprenticeship and training efforts. Internship placements have increased by over 50%, with 217 participants, mainly in branch roles, with a 96% rise in workshop and bodyshop positions; including the introduction of first-year internships to help build early engagement.

Externally, our Early Careers team reached over 4,200 students through careers fairs, school engagement events and digital panels, such as the Thrive Apprenticeship Live, streamed to 26 schools. This has strengthened our community outreach and is helping position ZIGUP as a purposeful employer brand.



### Spotlight: Deep technical and industry expertise

Discover more  
Page 22

### Apprentice skills competition

Our award-winning early careers programme helps to develop the technical skills needed to deliver the high quality and consistency required to work in our bodyshops and service and maintenance workshops. In 2025 we launched an internal Technical Skills Competition to allow apprentices to showcase their capabilities and test their skills, as well as get valuable feedback from internal and external judges.

Hear from our Talent Facilitator who ran the competition and who himself was a World Skills silver medalist, on the purpose of the competition and how it supports our efforts to attract and nurture our next generation of technical experts



## SUSTAINABILITY PROGRESS continued

### Technical skills and capability

There are increasing skills gaps in the EV 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 Technical Training Academies have played a pivotal role in upskilling both internal and external teams. Over the past year, we have delivered substantial face-to-face and e-learning training, with a strong emphasis on EV technologies and foundational technical skills.

The Academy's recognition as a finalist for the IMI Contribution to the Work award highlights its growing industry impact. With a 54% increase in

Northgate UK training days and expanded facilities, we believe we are well positioned for continued growth and capability building in the year ahead.

Within our bodyshop repair business, our focus has been on meeting the rising demand for advanced technical skills, particularly in EV technologies and sustainable repair solutions. Investments in ADAS calibration and plastic repair are ensuring our workforce meets the latest standards and customer needs.

### Health and safety

To foster a proactive safety culture, we carried out targeted management training and engaged leadership more directly in health and safety matters. Our AFR remained in line with the prior year at 1.7 (FY2024: 1.7).

### Wellbeing, reward and recognition

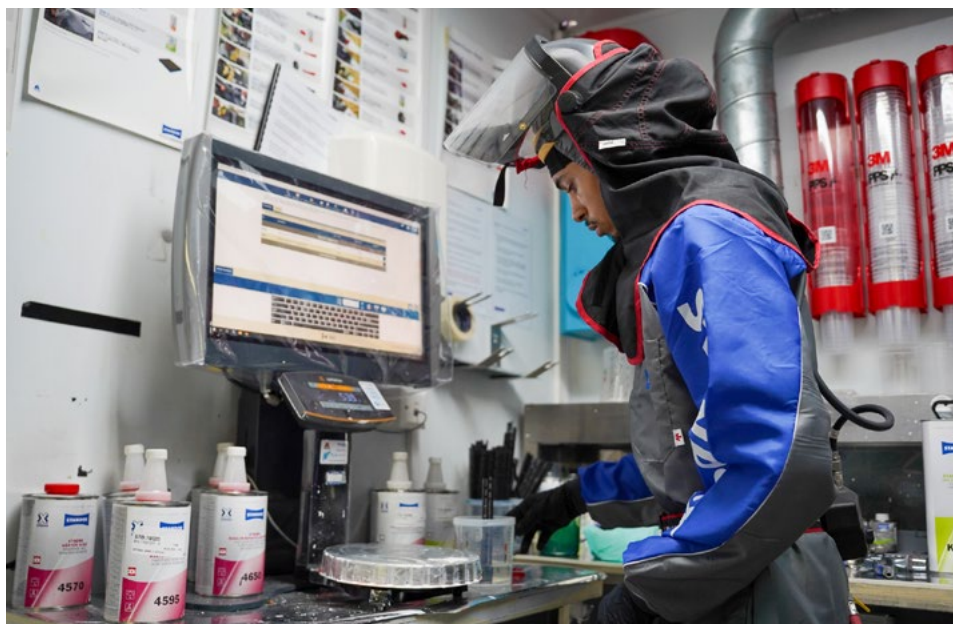
We deeply value our colleagues' mental, social, and financial wellbeing. Our commitment is fostering a workplace where they feel engaged, truly valued, and cared for. We are actively promoting our Employee Assistance Programme in the UK and introduced the Savia platform in Spain, each offering 24/7 access to health services, an online GP, counselling, and support services.

Recognising the growing impact of mental health issues in the community and in the workplace, we have been developing a mental health first aider working group with 'train the trainer' sessions underway.

ZIGUP has also taken deliberate steps to improve awareness and understanding of the benefits available, ensuring colleagues not only know about them but also feel confident accessing and making the most of them. This year 75% of colleagues enrolled in the Benefits HUB with a 4% increase in benefit uptake.

In the prior year 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. 33% of colleagues have now enrolled in Wagestream, with a significant number also setting up savings pots.

In Spain, our Northgate Savings Club provides colleagues with a wellness platform offering discounts, personalised offers, and exclusive promotions with top brands. Uptake has been strong, with 57% of colleagues registered and 40% making purchases.



### Spotlight: Deep technical and industry expertise

Discover more  
Page 22

## Delivering technical training

With the increasingly complex nature of vehicles, ranging from greater connectivity both within the car and into the service workshop, there is a continuous need to ensure that our workshop teams are kept up to date with the latest technology and procedures. With EVs also being a growing proportion of the repairs we do and the vehicles on fleet, we ensure that our technical colleagues have the tools and the training to manage the challenges of a new drivetrain with significant battery storage and consequent risks.

Hear about our technical training programme and how over 3,000 colleagues have had EV training as part of a continuous programme of education supported by the industry standards body, IMI.





# SUSTAINABILITY PROGRESS continued

## Colleague engagement and inclusion

### Colleague 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. The colleague engagement survey saw increased participation in both the UK and Ireland, and Spain, each at over 80% and satisfaction at 75% and 78% respectively.

In the UK, over 80% of colleagues feel valued by their manager and inclusivity is strong, with 82% of colleagues feeling they can bring their true selves to work. In Spain 83% intend to stay with ZIGUP for the next two years, and 88% believe in the Group's future success.

During the year, we reformed the Employee Engagement Forum as The Voice Network: a group-wide, connected system of local forums, anchored in each business unit. These local forums feed into a central network, creating a two-way channel that empowers colleagues to shape and change issues at both local and group levels.

Overall colleague satisfaction at

75%

in line with FY2024



### Diverse and inclusive culture

DE&I is a core pillar of our people strategy, and we have increased our group-wide DE&I activity by evolving our strategic framework and building a sustainable and inclusive culture.

We have introduced targeted recruitment strategies to reach more diverse and marginalised talent pools, removing barriers and widening access to opportunity. We are also building a development pathway to support greater gender balance in senior roles and functions, creating a clearer route for progression and long term change.

This year, we have worked on establishing a network of colleague-led focus groups that will shape and influence our culture from within, focused on topics often less well understood within the workplace. Planned for launch in FY2026, each one is designed to create safe spaces for conversation and support, helping to build momentum across the business.

## Charity and community

We support our colleagues in creating a positive social impact in their communities through volunteering and partnerships with local charities, and have been developing a framework to encourage all colleagues to participate.

We are proud to be board members of Darlington Cares, a local initiative dedicated to improving the community in which we are headquartered. We also participate in the Darlington Employers Environment Partnership, which champions the local business community in achieving a just transition to net zero and reducing environmental impact.

Our long term commitment to investing in and supporting the local community in the North East was recognised by Darlington council, who awarded us the 'Bringing Success to Darlington - Stronger Community Award'.

We continued our support for the Northgate Forests initiative in Spain. More than 40 enthusiastic colleagues and customers gathered to plant 1,000 trees, reaffirming our commitment to sustainability and biodiversity enhancement. Launched in 2022, this initiative has planted a total of 4,000 trees, and this year added activities in León and Vigo.

### Workforce composition

Group workforce	2025		
	Male	Female	Total
UK and Ireland	4,277	2,151	6,428
Spain	940	457	1,397
Total	5,217	2,608	7,825
Senior management			
Directors	4	3	7
Senior managers	7	4	11

Group workforce	2024		
	Male	Female	Total
UK and Ireland	4,309	2,250	6,559
Spain	906	441	1,347
Total	5,215	2,691	7,906
Senior management			
Directors	5	3	8
Senior managers	4	6	10

Information as at 30 April 2025.

Senior managers comprise members of the Executive Committee and the Group Management Boards.





## Reducing environmental impact

80%

increase in EV vehicle rentals as we help more customers adopt low-emission vehicles for their fleets.

99%

of the electricity used at our sites is from renewable sources, up from 64% in FY2024.

17 solar arrays installed throughout our Spanish branches generated 687 MWh of renewable energy.

92% of our sites have fitted low energy LED lights.

### Commitments

10% absolute reduction in Scope 1 and 2 emissions by 2027

Embed circular economy principles in our operations

Environment impact reductions achieved across our sites

Work with key suppliers to set sustainability targets

Enabling a just transition towards low-carbon mobility

## Environmental sustainability.

### Transformational change

We are driving transformational change across the Group to reduce our environmental impact and contribute to the transition towards a low-carbon economy. We are also building the skills, services, and infrastructure necessary to provide low-emission solutions to our customers.

### Impact reduction

We are continuously improving our management systems to reduce environmental impact, minimise water consumption, and enhance energy efficiency.

The re-evaluation of our FY2022 baseline year has produced a c.20% reduction on our previously reported baseline Scope 1 and 2 carbon emissions. Despite this, we have still exceeded our target of a 10% reduction in Scope 1 and 2 carbon emissions by FY2027, achieving 23% reduction two years ahead of the targeted date.

### Circular economy

We continue to embed circular economy principles in our procurement strategy and operations to minimise waste generation. We produced 6,134 tonnes of waste in the UK and Spain, with 99% of this waste diverted from landfill in the UK and 94% in Spain.

£3.3m

worth of car parts recovered and reused from vehicles by our Spanish operations

+111%

Increase in the procurement spend on green parts in the UK over the last three years



### Low-carbon mobility

We are taking a measured approach to the transition towards low-carbon mobility, ensuring that we continue to meet our customers' operational needs. 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.

As a market leader in vehicle fleet management, we recognise our role in guiding policymakers and the industry, toward efficient mobility solutions. Achieving this will involve collaboration on regulation, technical innovation, infrastructure, and fleet management.

## Climate change transition progress and plan

### FY2023

Set a target to achieve a 10% absolute reduction in Scope 1 and 2 emissions by 2027. Reported value stream Scope 3 emissions for the first time.

### FY2024

The proportion of renewable electricity we procure and generate increased to 64% in FY2024, accompanied by a rise in turnover, which resulted in a 31% reduction in emission intensity from FY2022.

### FY2025

Reduced our Scope 1 and 2 carbon emissions by 23% since our baseline year FY2022. Piloted carbon literacy training and increased green energy procurement to nearly 100%. Developed a climate change transition plan.

### FY2026

Set to launch a transition pathway plan with short, medium and long term Scope 1, 2 and 3 targets plotting our route to net zero.

# Enabling the energy transition.

We are an enabler of the energy transition for UK businesses and their corporate fleets, and we are experts in supporting repairs for new, complex electric vehicles.

Our longstanding industry expertise provides us with the understanding and broad perspectives on the challenges faced in making this transition.

We provide end-to-end expert advice and consulting support to help fleets with their first steps on the move to EVs; together with support through rental solutions, charging infrastructure and servicing.

By operating across the vehicle lifecycle at scale, we have unparalleled visibility of how best to address the challenges of moving away from ICE vehicles for all types of commercial fleets, within the increasingly technology-led repair environment.

## Case studies: our integrated mobility in action



### Supporting e-LCV fleet rollouts

The support we provided to a large commercial fleet in their e-LCV transition.



### EV charging: commercial

Our capabilities in providing workplace EV charging infrastructure.



### Introducing micro-mobility solutions

Delivering an e-cargo bike to the Peabody housing team.



### EV charging: residential

Our capabilities in providing residential EV charging infrastructure.



### EV transition consultancy

How our new EV consulting service supports UK fleet transition.

See Page 67

See further details of our case studies at: [www.ZIGUP.com/spotlight](http://www.ZIGUP.com/spotlight)

KEY PERFORMANCE INDICATORS

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.

Growth

Revenue (excluding vehicle sales)

£1,555.0m  
+2.3%

2025	£1,555.0m
2024	£1,520.6m
2023	£1,336.9m

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 the Group's 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 was driven by the rental businesses, with increased VOH in Spain, and careful pricing actions in the UK&I. Claims and services revenue remained in line with prior year.

Risks

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

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.

Profit

Underlying profit before tax

£166.9m  
-7.6%

2025	£166.9m
2024	£180.7m
2023	£165.9m

How we calculate it

Underlying PBT is stated excluding exceptional items and other recurring amounts including amortisation of 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 decreased in the year due to a reduction in disposal profits as residual values normalised. Lower claims and services profits were offset by strong rental profit performance.

Risks

1, 2, 3, 7

Risk key

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

Returns

Underlying earnings per share

58.4p  
-4.9%

2025	58.4p
2024	61.4p
2023	55.6p

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

The reduction in underlying EPS was mainly due to lower profit after tax partially offset by the positive impact of annualising the share buy back programme carried out in the prior year.

Risks

1, 2, 3, 7

Capital allocation

ROCE

12.6%  
-1.9ppt

2025	12.6%
2024	14.5%
2023	14.1%

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 decrease in ROCE is mainly driven by reductions in underlying EBIT coupled with increases in capital employed in the rental businesses as the fleet grows. The Group remains focused on maintaining strong cost control and a disciplined capital allocation approach.

Risks

1, 2, 3, 7



KEY PERFORMANCE INDICATORS continued

Non-financial KPIs

Our non-financial KPIs consider both operational performance and how we create sustainable value:

Operational		Customer		People		Environment	
Fleet size ('000)	Utilisation	Customer experience rating <sup>1</sup>	NPS <sup>2</sup>	Colleague engagement	Voluntary attrition	Hire fleet emissions (gCO <sub>2</sub> /km)	Intensity ratio
131.6	91%	4.6	64	75%	18%	257	13
+2.7%	Oppt	+10%		Oppt	-6ppt	-1.9%	-7%
<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 review a range of customer feedback channels, including Trustpilot and other surveys, to provide an aggregated picture of how customers perceive our service provision.		How our people perceive the support, recognition, and rewards 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 carbon emissions per km of our rental 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 crucial to ensuring customer and contract retention, and feedback helps us identify areas where we can improve.		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 Group fleet size has grown in the year due to strong VOH demand in Spain being partially offset by a reduction in UK&I as VOH reduced in H2. The Claims & Services fleet size was managed down in line with claims volumes. Maintaining utilisation above 90% is a key operational target, with 91% close to the optimal level.		Our aim to enhance the customer experience in the year has led to a 10% increase in Trustpilot scores, moving from 4.2 to 4.6. In the year, NPS has previously been used in individual business areas and now has sufficient coverage to be able to report a consolidated outcome. 64 is considered excellent for our industry.		Our key people engagement metric remained consistent with FY2024. A 6% decrease in attrition demonstrates the strength of our colleague offering.		Usage of more fuel-efficient vehicles and an increasing proportion of non-ICE vehicles has reduced our hire fleet emission intensity for the third year running. The intensity ratio has also decreased for the third year running.	
<b>Risks</b> 1, 2, 3		<b>Risks</b> 2, 3, 4, 6		<b>Risks</b> 4, 5		<b>Risks</b> 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 and has a maximum scoring of 5  
2 This is the first year that we have reported a consolidated NPS score and therefore no comparative is stated. The NPS score represents a weighted average across the Group

## FINANCIAL REVIEW

# Sustainable value creation, from the platform of a refreshed strategic framework.



The Group delivered above market expectations with particularly strong results in our rental businesses. Our refinancing actions during the year and our robust balance sheet positions us well to capitalise on future growth opportunities.

**Richard Clay**  
Interim Chief Financial Officer



## Group revenue and EBIT

Year ended 30 April	2025 £m	2024 £m	Change £m	Change %
Revenue – vehicle hire	682.9	649.3	33.6	5.2%
Revenue – vehicle sales	257.6	312.5	(54.9)	(17.6%)
Revenue – claims and services	872.2	871.4	0.8	0.1%
<b>Total revenue</b>	<b>1,812.6</b>	<b>1,833.1</b>	<b>(20.5)</b>	<b>(1.1%)</b>
Rental profit	119.7	109.7	10.0	9.1%
Disposal profit	52.5	61.9	(9.4)	(15.2%)
Claims and services profit	38.1	51.4	(13.3)	(25.8%)
Corporate costs	(8.5)	(10.6)	2.1	(19.5%)
Underlying operating profit	201.8	212.4	(10.6)	(5.0%)
Income from associates	0.2	1.3	(1.1)	(86.9%)
<b>Underlying EBIT</b>	<b>202.0</b>	<b>213.7</b>	<b>(11.7)</b>	<b>(5.5%)</b>
<i>Underlying EBIT margin<sup>1</sup></i>	<b>13.0%</b>	14.1%		<i>(1.1ppt)</i>
<b>Statutory EBIT</b>	<b>136.5</b>	195.1	(58.6)	(30.0%)

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

### Revenue

Total revenue of £1,812.6m was 1.1% lower than prior year while revenue excluding vehicle sales of £1,555.0m (2024: £1,520.6m), was 2.3% higher than the prior year.

Hire revenues increased 5.2% due to VOH growth in Spain, coupled with careful pricing actions in the UK&I. Claims and services revenue growth of 0.1%, reflecting growth in fleet management services and repair services, partially offset by a reduction in credit hire volumes and credit hire duration.

Vehicle sales revenue decreased by 17.6% with 2,300 fewer vehicles sold in the year coupled with an expected reduction in residual values.

### EBIT

Statutory EBIT decreased by 30.0%, while underlying EBIT of £202.0m reduced by 5.5% compared to the prior year; reflecting a decrease in disposal profits and lower claims and services profits. Statutory EBIT included a £26.5m charge for adjustments to depreciation rates (2024: £nil), amortisation of acquired intangible assets of £18.3m (2024: £18.6m) and other exceptional items of £20.6m (2024: £nil).

Rental profit increased £10.0m to £119.7m (2024: £109.7m) with a £1.9m increase in UK&I and a £8.0m increase in Spain.

Disposal profits for the year of £52.5m were 15.2% lower than the prior year due to a reduction in sales volume, with 34,500 vehicles sold (2024: 36,800), coupled with residual values starting to normalise in the UK and Spain following a period of values being higher than normal with market disruption to vehicle supply.

Claims and services profit decreased £13.3m to £38.1m (2024: £51.4m) reflecting decreases in credit hire volumes and hire duration as well as a £4.2m impact of the previously announced cyber incident during the first quarter of the year.

## FINANCIAL REVIEW continued

### UK&I Rental

Year ended 30 April Underlying financial results	2025 £m	2024 £m	Change %
Revenue – vehicle hire <sup>2</sup>	<b>392.1</b>	384.4	2.0%
Revenue – vehicle sales	<b>180.5</b>	226.9	(20.5%)
<b>Total revenue</b>	<b>572.6</b>	611.4	(6.4%)
Rental profit	<b>61.7</b>	59.8	3.2%
Rental margin %	<b>15.7%</b>	15.5%	0.2ppt
Disposal profit	<b>28.7</b>	34.0	(15.6%)
<b>Underlying EBIT</b>	<b>90.4</b>	93.8	(3.6%)
EBIT margin % <sup>3</sup>	<b>23.1%</b>	24.4%	(1.3ppt)
ROCE %	<b>12.5%</b>	15.1%	(2.6ppt)
<b>KPIs</b>	<b>(‘000)</b>	(‘000)	%
Average VOH	<b>43.9</b>	45.1	(2.6%)
Closing VOH	<b>43.1</b>	43.8	(1.6%)
Average utilisation %	<b>91%</b>	91%	–

2 Including intersegment revenue of £9.3m (2024: £9.2m)

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

### Highlights

Rental revenue rose 2.0% compared to the prior year, with underlying demand strong across all key rental product areas. Revenue growth was achieved through carefully managed pricing actions, together with a focus on maximising availability, with fleet utilisation consistent at 91%. Rental profits increased 3.2% to £61.7m (2024: £59.8m) demonstrating strength in the underlying business. Disposal profits of £28.7m were 15.6% lower, reflecting both lower PPUs and reduced volumes, after the higher defeets of the prior year.

Average VOH increased throughout H1 with a reduction in H2 reflecting seasonal off hires and a reprofiling of the fleet away from lower margin business. A receptive used vehicle market enabled the defeeting of certain older vehicle cohorts, helping reduce fleet age by 5.5 months over the year to 28.5 months. LCV residual values remained stable throughout the second half having normalised through the summer of 2024.

The One Road strategic programme simplifying sales and account management has been embedded across the UK&I operations, supporting better account engagement and maximising cross-hire opportunities. Over 250 new vehicle rentals came from cross-referrals between the specialist and core product teams. With new business enquiries at five-year highs as rental penetration in our markets continues to accelerate, growth has come through a combination of market share gains and greater outsourcing by large fleets. New business VOH grew 44% while existing customer VOH churn fell to a three-year low.

Blakedale's and FridgeXpress' fleets grew by over 20% and the Northgate car proposition expanded its fleet over three times. An increasing number have seen additional services ranging from vehicle fit-outs and telematics (11% of vehicles) requested as part of the rental order. Overall, ancillary revenues grew 8.6% as customers recognised the benefit of our range of value-added services, both differentiating our offering and delivering profitable growth.

An asset-tracking product was launched and the first micro-mobility vehicle delivered to a longstanding public sector client. EVs on hire grew over 80% to nearly 1,800 while our ChargedEV business added Hive, Ayvens and Holmans to its partnerships, each focused on retail installations which grew 8%, alongside signing British Gas and Scottish Power in H1. Initiatives within the service workshops saw a significant reduction in technician attrition, with a resulting improvement in workshop capacity and turnaround times.

Rental margin at 15.7% remains in line with our long term target and reflects the focus on efficiency both within the branches and between the UK and Ireland teams. The Customer First programme and increasing digitalisation has also allowed for greater customer self-service and analysis, including real-time and branch-level feedback, helping to deliver improving Trustpilot scores.

### Rental business

Vehicle hire revenue was £392.1m (2024: £384.4m), an increase of 2.0%. A 4.7% increase in average revenue per vehicle reflected fleet mix and rate increases, partially offset by a 2.6% reduction in average VOH. Rental profits were £61.7m compared to £59.8m in the prior year.

Average VOH of 43,900 was 1,200 lower than the prior year, with average utilisation at 91% in line with prior year.

Our minimum term proposition accounted for 44% of average VOH (2024: 42%). 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 has increased to 15.7% compared to 15.5% in the prior year. Margin was maintained through operating and cost efficiencies and increasing hire rates to offset cost inflation.

### Management of fleet and vehicle sales

The closing rental fleet was 45,400 compared to 46,600 at 30 April 2024. During the year, 13,800 vehicles were purchased (2024: 10,900) and 15,300 vehicles were defeeted (2024: 15,900). The leased fleet increased by 200 vehicles (2024: 500 increase).

The average age of the fleet (excluding leased vehicles) was 28.5 months at the end of the year, a 5.5 month decrease from 30 April 2024 as we recycle the older cohorts of the fleet upon supply availability improving, to support the customer experience and reduce time in the workshop.

A total of 20,600 vehicles were sold during the year which was 7% lower than the prior year (2024: 22,200), taking account of 4,600 cars and other non-fleet vehicles (2024: 7,100), including those which had been defeeted from the Claims & Services fleet and sold via Van Monster.

Disposal profits of £28.7m (2024: £34.0m) decreased 15.6% compared to prior year due to a decrease in volumes, combined with a reduction in the PPU (£1,400 compared to £1,500 in the prior year). This reflected a reduction in residual values, which had been temporarily higher due to market supply restrictions which started to ease in FY2024.



## FINANCIAL REVIEW continued

### Spain Rental

Year ended 30 April Underlying financial results	2025 £m	2024 £m	Change %
Revenue – vehicle hire	300.1	274.0	9.5%
Revenue – vehicle sales	75.6	84.5	(10.5%)
<b>Total revenue</b>	<b>375.7</b>	358.5	4.8%
Rental profit	58.0	50.0	16.2%
Rental margin %	19.3%	18.2%	1.1ppt
Disposal profit	23.7	27.8	(14.7%)
<b>Underlying EBIT</b>	<b>81.8</b>	77.8	5.1%
EBIT margin % <sup>4</sup>	27.3%	28.4%	(1.1ppt)
ROCE %	12.3%	14.2%	(1.9ppt)
<b>KPIs</b>	<b>(‘000)</b>	(‘000)	%
Average VOH	61.0	55.7	9.4%
Closing VOH	63.9	57.6	11.0%
Average utilisation %	91%	91%	–

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

### Highlights

Rental revenue growth of 9.5% (up 12.3% in constant currency) reflected average VOH up 9.4%, together with pricing increases which helped to mitigate cost inflation, delivering rental profit growth of 16.2% to £58.0m (2024: £50.0m). Disposal profits were lower at £23.7m (2024: £27.8m) reflecting a 4.6% reduction in volume sold; residual values continue to normalise with PPUs still ahead of the long term historical average. Vehicle disposals are now managed through an upgraded e-auction IT platform which went live in H2, providing greater functionality and ability to manage disposals at scale.

The market environment was very positive throughout the year, supported by the resilient Spanish economy, with strong interest in both flexible and minimum term rental solutions. Growth was achieved across a broad range of end-market sectors and customer profiles; strength in minimum term hire reflected greater longer term confidence and forward planning by customers, looking to secure vehicles supported by the significant service solution that Northgate offers. This service infrastructure is a key differentiation for the business, with a market leading branch network and value-added services offering hard to replicate at scale.

New vehicle supply was robust and allowed for growth capex from early in the year, enabling VOH growth in both our core rental offerings, and also a 50% increase in the online-only B2C business line, offering cars on extended hire duration. Average age of our fleet at the end of the year was 27.4 months, 2.7 months lower than previous year. Ancillary services such as the enhanced telematics offering continued to grow strongly, up 23% on the prior year.

Rental margin at 19.3% was 1.1ppt higher than the prior year, reflecting both operational leverage, careful pricing actions and a number of cost improvement and efficiency programmes, offsetting increasing depreciation through fleet growth. These programmes included further work on the digitalisation of administration processes and enhancing green parts reuse to maximise the benefits of internally salvaging high-value parts.

There was high utilisation of the repair workshops throughout the year for both internal and corporate customers which benefitted from additional capacity from recent branch and depot openings. New Barcelona and Cadiz branches were opened at the start of the year, together with the Algeciras branch launched later in the year. In April we also launched a delivery hub in Madrid, to speed up the handover of new vehicles across all four branches in the area. This model will be replicated in other cities as part of a programme of optimising capacity and branch efficiencies.

### Rental business

Hire revenue increased 9.5% to £300.1m (2024: £274.0m), driven by the increase in average VOH and managed increases in pricing. Average VOH increased 9.4% and closing VOH increased 11.0% to 63,900.

Our minimum term proposition accounted for 38% (2024: 37%) of average VOH. The average term of these contracts is approximately three years, providing visibility of future rental revenue and earnings.

Rental profit increased by 16.2% in the year to £58.0m (2024: £50.0m) due to careful cost control offsetting higher depreciation charges and workshop costs due to higher available fleet. This resulted in a rental margin of 19.3%, 1.1ppt higher than the prior year.

### Management of fleet and vehicle sales

The closing rental fleet was 71,900 compared to 65,100 vehicles at 30 April 2024. During the year 20,500 vehicles were purchased (2024: 17,600) and 13,700 vehicles were defleeted (2024: 13,900).

The average age of the fleet at the end of the year was 27.4 months, 2.7 months lower than at the same time last year, due to replacement of older vehicles with improved market supply.

A total of 13,800 (2024: 14,500) vehicles were sold during the year, 4.6% lower than the prior year, due to lower defleeting activity in order to satisfy VOH growth.

Disposal profits of £23.7m (2024: £27.8m) decreased 14.7% due to the decrease in number of vehicles sold coupled with a decrease in LCV PPUs to £1,700 (2024: £1,900).

# FINANCIAL REVIEW continued

## Claims & Services

Year ended 30 April Underlying financial results	2025 £m	2024 £m	Change %
Revenue – claims and services <sup>5</sup>	882.4	882.3	–
Revenue – vehicle sales <sup>6</sup>	50.6	77.9	(35.0%)
<b>Total revenue</b>	<b>933.0</b>	960.3	(2.8%)
Gross profit	160.2	171.0	(6.3%)
Gross margin % <sup>7</sup>	18.2%	19.4%	(1.2ppt)
Operating profit	38.1	51.4	(25.8%)
Income from associates	0.2	1.3	(86.9%)
<b>Underlying EBIT</b>	<b>38.3</b>	52.7	(27.3%)
EBIT margin % <sup>7</sup>	4.3%	6.0%	(1.7ppt)
ROCE %	17.6%	17.6%	–

5 Including intersegment revenue of £10.2m (2024: £10.9m)

6 Including intersegment revenue of £49.1m (2024: £76.9m)

7 Gross profit margin calculated as underlying gross profit divided by total revenue (excluding vehicle sales). EBIT margin calculated as underlying EBIT divided by total revenue (excluding vehicle sales)

## Highlights

Claims and services revenue was in line with the prior year, while vehicle sales were 35% lower, reflecting the significant defeeting which had taken place in the prior year. A number of major customers extended or renewed contracts within the year as part of their renewal cycles and six new partners joined the platform or were preparing to go-live in the year.

Reflecting the broader market with drops in claims frequency, Auxillis experienced a quieter summer up to September. Replacement hire days normalised in the first half and then remained steady for the remainder of the year. Repair capacity and parts supply constraints improved as a result, allowing for shorter overall repair cycle durations. Four additional counterparties went into protocol, reflecting the confidence in the benefits this offers.

Across the businesses, investments in technology and processes helped to deliver operational efficiencies and an improved customer experience, such as self-service hire portals, increased use of API technology with insurer partners and third party handling agents as well as the introduction of 55 additional RPA processes focused on high-volume manual processes. Repair technologies such as ADAS testing and plastic welding were rolled out to all bodyshops, reducing both insurer repair costs and waste and emission profiles, as well as delivering strong returns and efficiencies.

FMG RS opened its 67th facility, in Dundee, filling in a geographical gap in Scotland and has plans for further bodyshop capacity growth in the coming year as this business delivered strong profitable growth. These efforts resulted in Trustpilot and NPS scores being amongst the highest in the industry, a key metric for existing and potential insurer partners.

The result of our apprentice scheme scaling up its vehicle technician cohort has been a significant reduction in bodyshop vacancies and improved productivity. The King's Award was a reflection of the quality of our early careers programmes and its success in addressing industry-wide gaps in the automotive technical skills talent pool.

The combination of the quieter summer for our higher margin credit hire operations, with hire durations also reducing, and the impact of the cyber incident, were the drivers of the reduction in EBIT margin for this year to 4.3%; we believe the cyber incident is one-off in nature and the reduction in hire length has now materially normalised.

## Revenue and profit

Revenue for the year (excluding vehicle sales) remained in line with prior year at £882.4m (2024: £882.3m) due to increased volumes in repair services and fleet management services, offset by a reduction in credit hire volumes and hire duration in comparison to the prior year.

Gross margin of 18.2% declined 1.2ppt (2024: 19.4%). EBIT decreased 27.3% to £38.3m reflecting decreases in credit hire volumes and hire duration as well as an estimated £4.2m trading impact of the cyber incident. This has then been partially offset by growth in the FMG RS business due to increases in repair volumes, technician efficiencies and higher paint margins, as well as increases in external repair volumes and average repair costs.

## Management of fleet

The total fleet size was 14,300 vehicles at the end of the year, down from 16,500 in prior year with the lower fleet reflecting reduced credit hire lengths and volumes.

The average fleet age (including leased vehicles) was 14.7 months (2024: 16.0 months), reflecting the lower fleet holding period than in the rental businesses due to the different composition of the fleet and usage of those vehicles.

The core fleet is funded through a combination of fully owned and leased vehicles, with cross-hires being used for short term needs or during seasonal peak periods.

## Cyber incident and NewLaw strategy

The cyber incident in May 2024 reflected the increasing level of sophistication and frequency of attempts globally to gain access to corporate infrastructure. As discussed in our interim report, we responded very swiftly and our ability to restore the majority of our businesses as fully operational within a week owes much to the protection and recovery processes we already had in place and the immense efforts of all of our operational teams. Other than the implications in respect of data protection, which were successfully and comprehensively mitigated, there was no breach of relevant law or regulation.

The impact on trading was estimated to be £4.2m with no ongoing consequences and the costs associated with managing this incident of £2.8m (2024: £nil) have been recognised as exceptional items.

We made a decision later in the year to exit the UK personal injury market accessed through NewLaw which no longer offers attractive returns. Non-cash costs of £12.8m reflecting a lower recoverability of assets have been recognised as exceptional items.

## Underlying financial highlights

### EBIT

**£202.0m**

**-5.5%**

### Profit before tax

**£166.9m**

**-7.6%**

### EBITDA

**£464.5m**

**+4.1%**

### Earnings per share

**58.4p**

**-4.9%**

### Spotlight: Leveraging analytics and data

Discover more  
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## The power of telematics

Vehicles are increasingly connected and able to provide significant amounts of data which provide valuable insights to support fleet efficiencies, load tracking and preventative maintenance. Through such insights, fleet managers can help extend the life of a vehicle both in terms of gaps between services and minimizing unscheduled maintenance requirements, as well as overall useful economic life.

Hear from our Spanish team on their next-generation telematics offering which is being installed across the fleet and the benefits it brings to customers and our internal fleet team.



## Group PBT and EPS

Year ended 30 April	2025 £m	2024 £m	Change £m	Change %
Underlying EBIT	<b>202.0</b>	213.7	(11.7)	(5.5%)
Net finance costs	<b>(35.1)</b>	(33.0)	(2.1)	6.2%
Underlying profit before taxation	<b>166.9</b>	180.7	(13.8)	(7.6%)
Statutory profit before taxation	<b>101.5</b>	162.1	(60.6)	(37.4%)
Underlying effective tax rate	<b>21.5%</b>	23.0%	–	(1.5ppt)
Underlying EPS	<b>58.4p</b>	61.4p	(3.0p)	(4.9%)
Statutory EPS	<b>35.6p</b>	55.2p	(19.6p)	(35.5%)

### Profit before taxation

Underlying PBT was 7.6% lower than prior year, reflecting the lower EBIT in UK&I Rental and Claims & Services. Statutory PBT was 37.4% lower than the prior year, including £20.6m (2024: £nil) exceptional administrative expenses, amortisation of acquired intangibles of £18.3m (2024: £18.6m) and a £26.5m cost (2024: £nil) relating to adjustments to depreciation rates on certain fleet.

### Exceptional items

Exceptional costs of £20.6m have been recognised in the year comprising of £12.8m following the decision to exit the personal injury market through NewLaw, £4.0m impairment to goodwill, £1.0m restructuring costs and £2.8m relating to the cyber incident in May 2024. Further details of exceptional items can be found in Note 28 of the financial statements.

### Amortisation of acquired intangibles and depreciation rate changes

Amortisation of acquired intangibles and adjustments to underlying depreciation charges are not exceptional items as they are recurring. However, these items are excluded from underlying results in order to provide a better comparison of performance of the Group. The total amortisation of acquired intangibles in the year was £18.3m (2024: £18.6m).

Depreciation rate adjustments of £26.5m (2024: £nil) on vehicles purchased before FY2021 have been excluded from underlying results.

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.



## FINANCIAL REVIEW continued

Matching of future market values of vehicles to net book value 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 net book value 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 increased significantly in the period from 2020 to 2023 due to the disruption of new vehicle supply supporting used vehicle values, and have started to normalise since then. As a result of the increase in used vehicle values and vehicles being held on the fleet longer than expected in order to mitigate shorter supply constraints, 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 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	11.0	5.3	0.2	109.9
Reduced disposal profits	(8.5)	(38.3)	(37.5)	(20.6)	(5.0)	(109.9)
<b>Updated expected impact on statutory EBIT</b>	<b>46.6</b>	<b>–</b>	<b>(26.5)</b>	<b>(15.3)</b>	<b>(4.8)</b>	<b>–</b>
Previously expected impact on statutory EBIT	46.6	–	(24.8)	(18.2)	(3.6)	–

No further depreciation rate changes have been made on the existing fleet. The updated phasing of the adjustment reflects our latest fleet plans with respect to this older fleet cohort.

The impact of the changing depreciation rates on this component of the fleet will re-phase statutory EBIT over a five-year period as outlined in the table above, but will have no impact on underlying results, no overall impact on statutory profit over the life of the fleet and no impact on cash.

Depreciation rates on vehicles purchased in FY2026 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 £35.1m (2024: £33.0m) due to higher average debt compared to the prior year. Interest rates are significantly sheltered with 69% of borrowings held as fixed rate debt at 30 April 2025.

### Taxation

The Group's underlying tax charge was £35.8m (2024: £41.6m) and the underlying effective tax rate was 21.5% (2024: 23.0%) which included some one-off adjustments to the tax charge due to the timing and composition of fleet replacements. The statutory effective tax rate was 21.3% (2024: 22.9%).

### Earnings per share

Underlying EPS of 58.4p was 3.0p lower than prior year, reflecting decreased profits in the year partially offset by a 0.7p impact of the share buyback programme. Statutory EPS of 35.6p was 19.6p lower, reflecting the movement in underlying EPS, exceptional items and depreciation rates adjustments which are not included within the underlying results.

### Share buyback programme

During the year the Group completed its previously announced £30m share buyback programme, purchasing 1,271,112 shares for a total consideration of £5.3m (2024: 7,104,291 shares were purchased for a total consideration of £24.9m).

### Group balance sheet

Net assets at 30 April 2025 were £1,063.2m (2024: £1,043.4m), equivalent to net assets per share of 473p (2024: 465p). Net tangible assets at 30 April 2025 were £856.9m (2024: £816.4m), equivalent to a net tangible asset value of 381p per share (2024: 364p per share).

The calculations above are based on the number of shares in issue at 30 April 2025 of 246,091,423 (2024: 246,091,423) less treasury and own shares of 21,353,976 (2024: 21,748,799).

Gearing at 30 April 2025 was 97.6% (2024: 90.9%) and ROCE was 12.6% (2024: 14.5%).

## FINANCIAL REVIEW continued

### Group cash generation

Year ended 30 April	2025 £m	2024 £m	Change £m
Underlying EBIT	202.0	213.7	(11.7)
Underlying depreciation and amortisation	262.5	232.6	29.9
<b>Underlying EBITDA</b>	<b>464.5</b>	<b>446.3</b>	<b>18.2</b>
Net replacement capex <sup>8</sup>	(388.3)	(280.2)	(108.1)
Lease principal payments <sup>9</sup>	(59.5)	(65.0)	5.5
<b>Steady state cash generation</b>	<b>16.7</b>	<b>101.1</b>	<b>(84.4)</b>
Working capital and non-cash items	49.0	(5.6)	54.6
Exceptional cash costs	(3.8)	–	(3.8)
Growth capex <sup>8</sup>	(65.1)	(1.7)	(63.4)
Taxation	(18.3)	(33.4)	15.1
<b>Net operating cash</b>	<b>(21.5)</b>	<b>60.4</b>	<b>(81.9)</b>
Distributions from associates	0.5	2.0	(1.5)
Interest and other financing cash flows	(37.1)	(28.0)	(9.1)
Acquisition of business	–	(4.1)	4.1
<b>Free cash flow</b>	<b>(58.1)</b>	<b>30.3</b>	<b>(88.4)</b>
Dividends paid	(59.0)	(56.2)	(2.8)
Payments to acquire treasury shares	(5.3)	(24.9)	19.6
Add back: Lease principal payments <sup>10</sup>	59.5	65.0	(5.5)
<b>Net cash (consumed) generated</b>	<b>(62.9)</b>	<b>14.2</b>	<b>(77.1)</b>

8 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

9 Lease principal payments are included so that steady state cash generation includes all maintenance capex irrespective of funding method

10 Lease principal payments are added back to reflect the movement on net debt

### Steady state cash generation

Steady state cash generation reduced to £16.7m compared to prior year (2024: £101.1m), with strong underlying EBITDA offset by an increase in net replacement capex as improvements in vehicle supply enabled replacement of the fleet, reducing average fleet age.

### Net capital expenditure

Net capital expenditure increased by £171.5m at £453.4m due to a £108.1m increase in net replacement capex and a £63.4m increase in growth capex.

Net replacement capex was £388.3m, which was £108.1m higher than in the prior year resulting in a reduction in fleet age. Net replacement capex was £77.4m higher in UK&I, £40.0m higher in Claims & Services and £9.3m lower in Spain.

Growth capex of £65.1m (2024: £1.7m) included £101.2m to grow the fleet size in Spain, partially offset by a £36.1m inflow in UK&I and Claims & Services where the fleets reduced in size as utilisation was maintained.

Lease principal payments of £59.5m (2024: £65.0m) decreased by £5.5m as legacy hire purchase contracts from acquisitions were run off.

### Free cash flow

Free cash flow decreased by £88.4m to an outflow of £58.1m (2024: £30.3m inflow).

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 £388.3m, capex lease payments of £59.5m and growth capex of £65.1m.

### Net cash (consumption) generation

Net cash consumed of £62.9m (2024: £14.2m generated) includes £59.0m of dividends paid (2024: £56.2m) and £5.3m (2024: £24.9m) for treasury shares purchased. Leverage has increased to 1.8x (2024: 1.5x) due to growth and replacement of the fleet.

### Net debt

Net debt reconciles as follows:

As at 30 April	2025 £m	2024 £m
Opening net debt	742.2	694.4
Net cash consumed (generated)	62.9	(14.2)
Other non-cash items	31.2	75.1
Exchange differences	0.4	(13.1)
<b>Closing net debt</b>	<b>836.7</b>	<b>742.2</b>

Closing net debt increased by £94.5m in the year driven by net cash consumed, non-cash items and exchange differences. Other non-cash items consist of £33.0m of new leases acquired less £1.8m of other items.

## FINANCIAL REVIEW continued

### Borrowing facilities

As at 30 April 2025 the Group had headroom on facilities of £412m (2024: £244m), with £706m drawn (net of available cash balances) against total facilities of £1,118m:

	Facility £m	Drawn £m	Headroom £m	Maturity	Borrowing cost
UK bank facilities	523	164	359	Apr 30	4.4%
Loan notes	481	481	–	Nov 27-Oct 34	2.4%
Asset financing facility	100	50	50	Apr 29	5.9%
Other loans	14	11	3	Nov 25	3.1%
	<b>1,118</b>	<b>706</b>	<b>412</b>		<b>3.1%</b>

The other loans drawn consist of £10m of local borrowings in Spain which were renewed for a further year in November 2024 and £0.5m of preference shares.

During the financial year ending 30 April 2025, the Group completed a debt refinancing programme over three transactions resulting in the Group's facility maturities being extended out to 2034 and increasing liquidity by £285m. In October 2024, the Group raised €190m (£160m) of additional loan notes at an average borrowing cost of 4.4% with maturities of 7 and 10 years. In December 2024, the Group arranged a £100m asset financing facility provided on a one-year rolling commitment, with drawn debt repaid over 40 months. In April 2025, the Group completed a refinancing of UK bank facilities. The facility size was increased by £25m, pricing terms were improved, together with extending the tenor out five years to April 2030 with options to extend for a further two years (subject to approval).

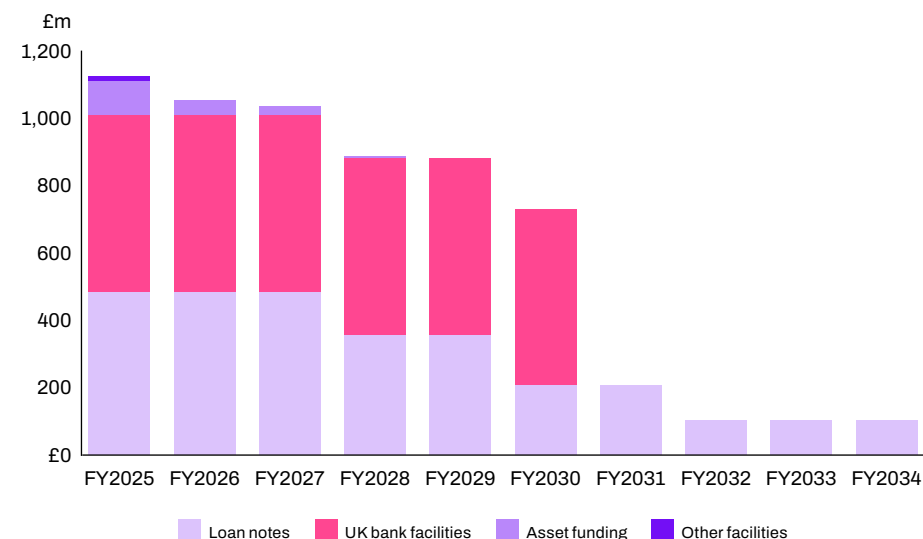
The above drawn amounts reconcile to net debt as follows:

	Drawn £m
Borrowing facilities	706
Unamortised finance fees	(7)
Leases	138
<b>Net debt</b>	<b>837</b>

The overall cost of borrowings at 30 April 2025 is 3.1% (2024: 3.5%).

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 3.00%. The net debt to EBITDA ratio at 30 April 2025 corresponded to a margin of 1.95% (2024: 1.95%).

### Maturity of facilities



The split of net debt by currency was as follows:

As at 30 April	2025 £m	2024 £m
Euro	<b>649.9</b>	522.2
Sterling	<b>194.1</b>	224.9
<b>Borrowings and lease obligations before unamortised arrangement fees</b>	<b>844.0</b>	747.1
Unamortised finance fees	<b>(7.3)</b>	(4.9)
<b>Net debt</b>	<b>836.7</b>	742.2

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

As at 30 April	Threshold	2025	Headroom	2024
Interest cover	3x	<b>7.1x</b>	£112m (EBIT)	8.3x
Loan to value	70%	<b>43%</b>	£448m (Net debt)	41%
Debt leverage	3x	<b>1.8x</b>	£167m (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 17.6p per share (2024: 17.5p) will be paid on 30 September 2025 to shareholders on the register as at close of business on 29 August 2025.

Including the interim dividend paid of 8.8p (2024: 8.3p), the total dividend relating to the year would be 26.4p (2024: 25.8p). The dividend is covered 2.2x 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 and it is policy not to engage in speculative activity and 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 69% at 30 April 2025 (2024: 65%).

Foreign exchange risk

The Group's reporting currency is Sterling and 77% of its revenue was generated in Sterling during the year (2024: 80%). 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:

	2025 £:€	2024 £:€
Average	1.19	1.16
Year end	1.17	1.17

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.

Richard Clay

Interim Chief Financial Officer

9 July 2025

## GAAP RECONCILIATION

### Consolidated income statement reconciliation

Year ended 30 April	Footnotes (below)	Statutory 2025 £m	Adjustments 2025 £m	Underlying 2025 £m	Statutory 2024 £m	Adjustments 2024 £m	Underlying 2024 £m
Revenue	(a)	1,812.6	(257.6)	1,555.0	1,833.1	(312.5)	1,520.6
Cost of sales	(b)	(1,414.7)	284.1	(1,130.6)	(1,400.2)	312.5	(1,087.7)
<b>Gross profit</b>		<b>397.9</b>	<b>26.5</b>	<b>424.4</b>	432.9	–	432.9
Administrative expenses	(c)	(261.5)	38.9	(222.6)	(239.1)	18.6	(220.5)
<b>Operating profit</b>		<b>136.4</b>	<b>65.4</b>	<b>201.8</b>	193.8	18.6	212.4
Income from associates		0.2	–	0.2	1.3	–	1.3
<b>EBIT</b>		<b>136.5</b>	<b>65.4</b>	<b>202.0</b>	195.1	18.6	213.7
Finance income		1.5	–	1.5	0.6	–	0.6
Finance costs		(36.6)	–	(36.6)	(33.6)	–	(33.6)
<b>Profit before taxation</b>		<b>101.5</b>	<b>65.4</b>	<b>166.9</b>	162.1	18.6	180.7
Taxation	(d)	(21.6)	(14.2)	(35.8)	(37.1)	(4.5)	(41.6)
<b>Profit for the year</b>		<b>79.8</b>	<b>51.2</b>	<b>131.1</b>	125.0	14.1	139.1
Shares for EPS calculation		224.3m		224.3m	226.3m		226.3m
Basic EPS		35.6p		58.4p	55.2p		61.4p

Adjustments comprise:	Footnotes	Adjustments 2025 £m	Adjustments 2024 £m
Revenue: sale of vehicles	(a)	(257.6)	(312.5)
Cost of sales: revenue sale of vehicles net down	(a)	257.6	312.5
Depreciation adjustment (Note 28)		26.5	–
Cost of sales	(b)	284.1	312.5
<b>Gross profit</b>	(a)+(b)	<b>26.5</b>	–
Exceptional items (Note 28)		20.6	–
Amortisation of acquired intangible assets (Note 6)		18.3	18.6
Administrative expenses	(c)	38.9	18.6
<b>Adjustments to EBIT</b>		<b>65.4</b>	18.6
<b>Adjustments to profit before taxation</b>		<b>65.4</b>	18.6
Tax on exceptional items (Note 28)		(3.1)	–
Tax on depreciation adjustment and amortisation of acquired intangibles		(11.1)	(4.5)
<b>Tax adjustments</b>	(d)	<b>(14.2)</b>	(4.5)
<b>Adjustments to profit for the year</b>		<b>51.2</b>	14.1

## GAAP RECONCILIATION continued

### Cash flow reconciliation

Year ended 30 April	2025 £m	2024 £m
<b>Underlying EBIT</b>	<b>202.0</b>	213.7
Add back:		
Depreciation of property, plant and equipment	<b>287.5</b>	231.3
Depreciation adjustment not included in underlying EBIT	<b>(26.5)</b>	–
Loss on disposal of assets	–	(0.1)
Intangible amortisation included in underlying operating profit (Note 13)	<b>1.5</b>	1.4
<b>Underlying EBITDA</b>	<b>464.5</b>	446.3
Net replacement capex	<b>(388.3)</b>	(280.2)
Lease principal payments	<b>(59.5)</b>	(65.0)
<b>Steady state cash generation</b>	<b>16.7</b>	101.1
Exceptional items (cash expenses)	<b>(3.8)</b>	–
Working capital and non-cash items	<b>49.0</b>	(5.6)
Growth capex	<b>(65.1)</b>	(1.7)
Taxation	<b>(18.3)</b>	(33.4)
<b>Net operating cash</b>	<b>(21.5)</b>	60.4
Distributions from associates	<b>0.5</b>	2.0
Interest and other financing costs	<b>(37.1)</b>	(28.0)
Acquisition of business net of cash acquired	–	(4.1)
<b>Free cash flow</b>	<b>(58.1)</b>	30.3
Dividends paid	<b>(59.0)</b>	(56.2)
Purchase of treasury shares	<b>(5.3)</b>	(24.9)
Add back: Lease principal payments	<b>59.5</b>	65.0
<b>Net cash (consumed) generated</b>	<b>(62.9)</b>	14.2
<b>Reconciliation to cash flow statement:</b>		
Net increase (decrease) in cash and cash equivalents	<b>2.6</b>	(17.7)
<b>Add back:</b>		
Receipt of bank loans and other borrowings	<b>(212.7)</b>	(33.1)
Repayments of bank loans and other borrowings	<b>87.7</b>	–
Principal element of lease payments	<b>59.5</b>	65.0
<b>Net cash (consumed) generated</b>	<b>(62.9)</b>	14.2

### Cash flow reconciliation

Year ended 30 April	2025 £m	2024 £m
<b>Reconciliation of capital expenditure</b>		
Purchases of vehicles for hire	<b>672.7</b>	553.6
Proceeds from disposals of vehicles for hire	<b>(232.5)</b>	(288.0)
Proceeds from disposal of other property, plant and equipment	<b>(1.0)</b>	(1.4)
Purchases of other property, plant and equipment	<b>11.1</b>	15.7
Purchases of intangible assets	<b>3.1</b>	2.0
<b>Net capital expenditure</b>	<b>453.4</b>	281.9
Net replacement capex	<b>388.3</b>	280.2
Growth capex	<b>65.1</b>	1.7
<b>Net capital expenditure</b>	<b>453.4</b>	281.9

	UK&I Rental 2025 £000	Spain Rental 2025 £000	Group sub-total 2025 £000
Underlying operating profit <sup>1</sup>	<b>90,383</b>	<b>81,780</b>	<b>172,163</b>
<i>Excludes:</i>			
Vehicle disposal profits	<b>(28,723)</b>	<b>(23,735)</b>	<b>(52,458)</b>
<b>Rental profit</b>	<b>61,660</b>	<b>58,045</b>	<b>119,705</b>
Divided by: Revenue: hire of vehicles <sup>2</sup>	<b>392,083</b>	<b>300,098</b>	<b>692,181</b>
<b>Rental margin</b>	<b>15.7%</b>	<b>19.3%</b>	<b>17.3%</b>

	UK&I Rental 2024 £000	Spain Rental 2024 £000	Group sub-total 2024 £000
Underlying operating profit <sup>1</sup>	<b>93,788</b>	<b>77,789</b>	<b>171,577</b>
<i>Excludes:</i>			
Vehicle disposal profits	<b>(34,017)</b>	<b>(27,834)</b>	<b>(61,851)</b>
<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>	<b>384,448</b>	<b>274,016</b>	<b>658,464</b>
<b>Rental margin</b>	<b>15.5%</b>	<b>18.2%</b>	<b>16.9%</b>

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

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



# Embedded risk and financing know-how.

**Our longstanding expertise through industry cycles and focus on diversification helps us manage our financial and other risk exposures.**

**As one of the largest buyers and sellers of LCVs in UK and Spain, we have unrivalled visibility and experience in the financial management of vehicle assets, throughout their lifecycle.**


We mitigate concentration risk across our businesses through broad diversification of vehicle profiles and rental counterparts, and targeting the most attractive end markets.

This is complemented by expert claims management, maximising recovery rates.

Managing risks and financing both at a divisional and group level, we target meaningful returns on capital invested in vehicle assets, enhanced by value-added mobility and repair services and solutions.

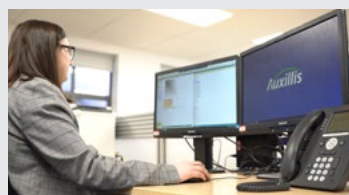
This supports a financing profile which is very attractive to a broad range of lending partners.

## Case studies: our integrated mobility in action




**Diversifying rental counterparty risk**

How our rental credit team view risk management and diversification.




**Customer benefits of claims protocol**

The benefits to insurance partners of claims protocol.



**Balance sheet asset strength**


Looking at our balance sheet, leverage and asset profile.



**Managing vehicle purchasing**

Working with OEMs to manage Spain's large scale fleet purchasing.

See Page 16



**Our refinancing actions**

Review of our financing strategy and FY2025 actions.

See Page 17

See further details of our case studies at: [www.ZIGUP.com/spotlight](http://www.ZIGUP.com/spotlight)

# 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.

At the start of the year, the Group experience a cyber incident to which the Group promptly responded, isolating the Group's exposure and enacting the Group's business continuity plans, limiting the impact of the incident. Immediately following the incident, the Group strengthened its defences, but these threats are continuously reported in the media and management remain aware of the continuing risk. Following recent political changes across the world the macro environment remains uncertain, particularly following the increase in global tariffs. In this early stage, it is difficult to fully appraise the impact of these tariffs on the markets in which we operate and how they will impact costs in our supply chain and demand for our products and services, but this will continue to be closely monitored as it evolves. Vehicle supply conditions have improved throughout the year, allowing the fleet to be refreshed and vehicle sales values and credit hire lengths have continued to moderate, following post COVID-19 tailwinds.

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 76 to 78.

## 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.

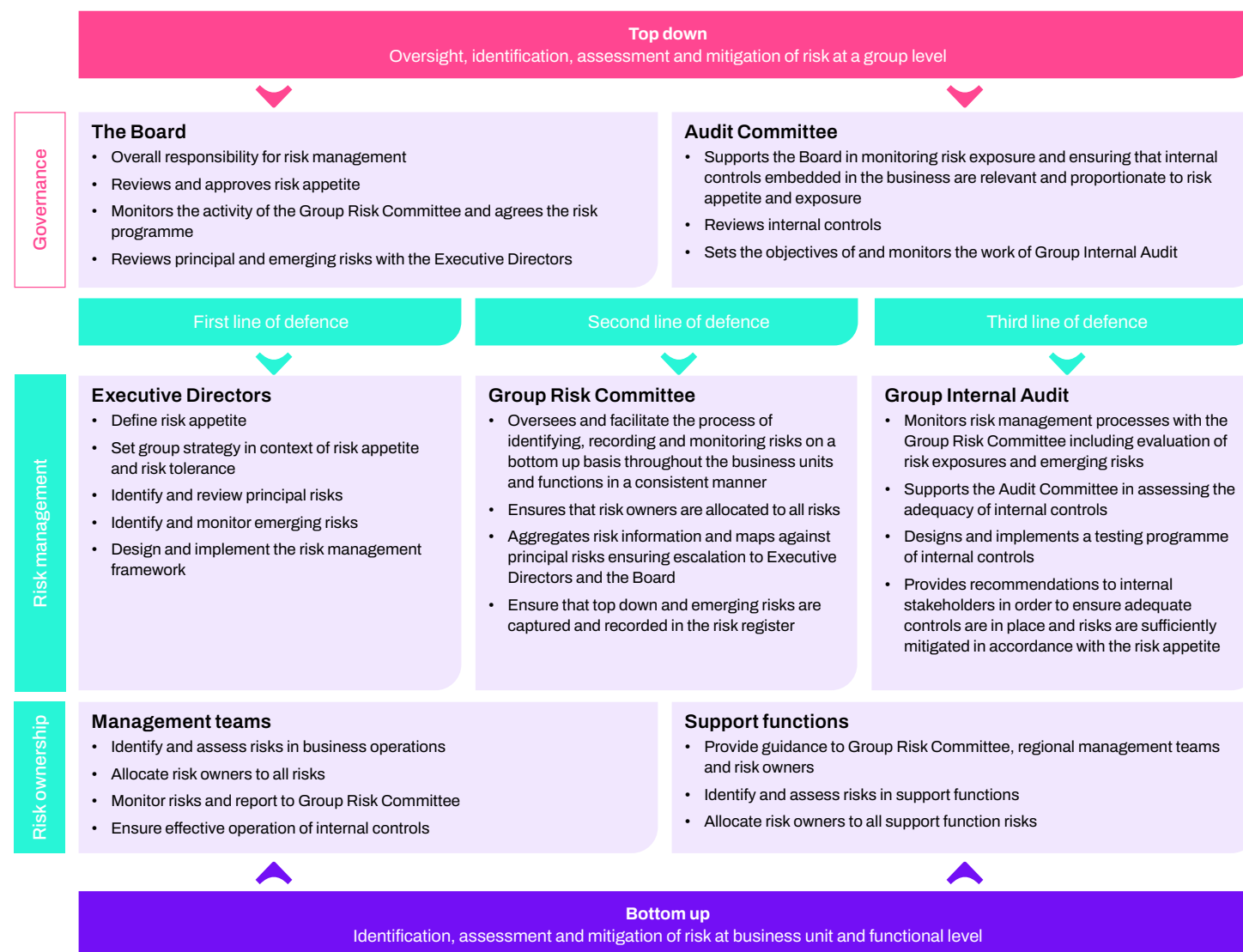
On behalf of the Board, the Audit Committee takes responsibility for overseeing the effectiveness of internal control systems which are embedded into our risk management systems. The Group Risk Committee continues to review and evaluate the robustness of the risk management systems on behalf of the Board. The Board is also preparing for the incoming disclosure Provision 29 of the revised Corporate Governance Code .

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. 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 risk-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 and regulatory	Underlying				
Health and 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. 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	Emerging risks
<p>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.</p> <p>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 materially. 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 2025 compared to the same point in the previous year.</p> <p>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</p>	<p>sustainability commitments supported by our ESG strategy and framework and approach to data collection and reporting. The Group is in the process of preparing a double materiality assessment in readiness of CSRD regulations (further details of which can be found on pages 30 and 31) which closely aligns to the Group risk register in respect to risks and opportunities in the short and medium term.</p> <p>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 and development of our double materiality assessment for longer term implications, as set out on pages 64 to 73. This better reflects the risks and opportunities which will arise over the longer term.</p> <p>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 52 to 54 and in the Corporate Governance report on pages 88 to 91.</p>
<p>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:</p> <ul style="list-style-type: none"><li>• identify potential emerging risks; using horizon scanning techniques, published external research and investor peers or competitor review;</li><li>• assess these risks taking into account our industry sector and market position, and our strategy, to determine relevance;</li><li>• 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</li><li>• regularly monitor these risks and develop actions to address them where appropriate.</li></ul>	<p>The Board considers climate-related matters, including the recommendations from the TCFD as emerging risks. Our assessment around this area continues to develop, as set out on pages 30 to 31, as we progress our double materiality assessment and continually monitor developments in this area. 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.</p>

# Our principal risks.

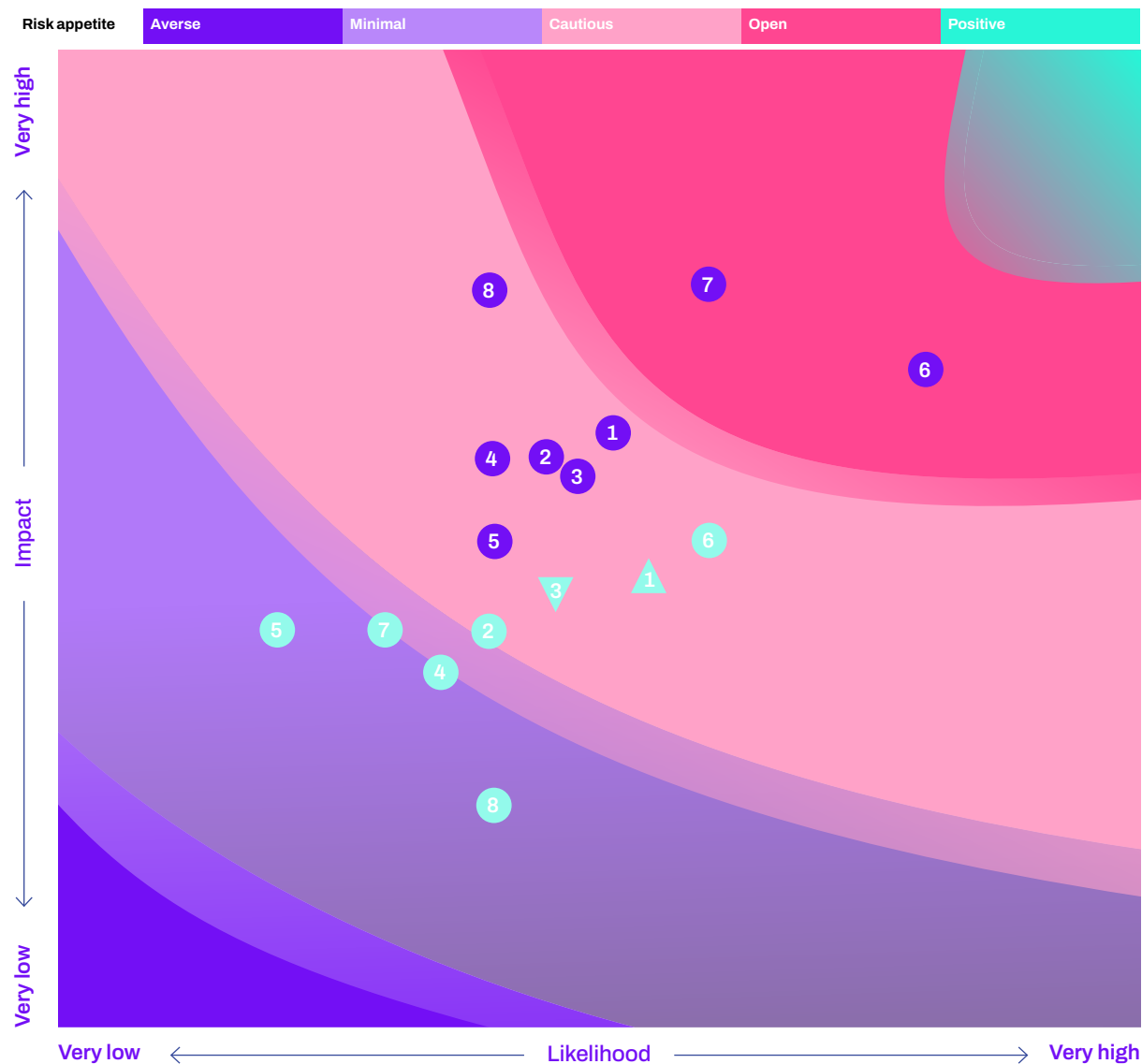
The Group's risk register records over 700 individual risks which are aggregated into 25 key risks and allocated against the six risk appetite categories (see page 54). They are then mapped to the eight individual principal risks (categorised into strategic, financial and operational risks, although 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>Worldwide political change is creating policy change and in some cases uncertainty in the macro-environment</li> <li>The impact of increases to trading tariffs on global supply chains remains to be seen</li> <li>Demand for our rental services remains high</li> <li>Volumes and hire lengths have reduced in Claims &amp; Services consistent with the market, but the underlying market remains strong</li> <li>Inflationary pressures have eased compared to recent years and continue to be managed against the cost base through operational efficiencies and targeted 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 group purpose statement</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>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>Continually strong colleague engagement scoring reflects the measures taken to improve communication, training and development of our people</li> <li>Continual review and widening of benefits including a further free shares issuance, and initiatives such as buying and selling of annual leave</li> <li>Routes to employment 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>The complexity, frequency and threat of cyber attacks remains high. The Group experienced a cyber incident in the year. This demonstrated the Group's ability to react quickly and minimise potential impact, which defenses being further strengthened</li> </ul>
Financial risks	7 Recovery of contract assets	Cautious to open	✓	=	<ul style="list-style-type: none"> <li>The number of partners under protocol arrangements has increased, with the overall risk remaining consistent with the prior year</li> </ul>
	8 Access to capital	Cautious to open	✓	=	<ul style="list-style-type: none"> <li>Debt markets remain liquid and supportive of investment grade credit profiles</li> <li>A comprehensive debt financing programme has taken place in the year to increase flexibility and extend maturities ensuring that debt facility amounts and maturities remain adequate for funding strategic objectives</li> </ul>

# Strategic risks.

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 is 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
- Increases to global tariffs could increase the costs in the supply chain and affect our customers' businesses
- 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 the 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
- Management continue to assess the impact of global tariffs on the operations of the Group

Stakeholder impact



Link to strategy

 Enable.  Deliver.  Grow.

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, that are greater than one year in length

Stakeholder impact



Link to strategy

 Enable.  Deliver.  Grow.

Key to stakeholder impact:

 Customers and Consumers

 Partners and Suppliers

 Government and Regulators

 Investors

 Colleagues

 Community

# Operational risks.

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

- Global supply improved in the previous year and continued to do so in FY2025
- Higher new vehicle purchase price as the proportion of the fleet made up of non-ICE vehicles grows
- Residual values continue to be affected by the vehicle supply interruption and are influenced by other economic conditions
- The impact of increases to global tariffs on the automotive industry remains uncertain

### 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

### Stakeholder impact

### Link to strategy

Enable. Deliver. Grow.

Key to stakeholder impact:



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 people and reputation across all stakeholders. The Group continues to ensure that the health and safety procedures we have in place are robust to minimise this threat as far as possible.

### 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 colleague's 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

- Engagement with the Group's leadership teams through The Voice Network forums and the annual Have Your Say survey
- Internal communications establish values which are aligned to the Group's strategy, and we undertake regular communication of the strategic progress by the Group and how that best serves our people through various platforms
- Ongoing benchmarking of reward and benefits against the comparable employment market
- Regular performance reviews including personal development and tailored training as well as a mentoring programme
- Regular engagement with colleagues and access to health and wellbeing initiatives
- Widening of rewards and benefits including share ownership, financial wellbeing initiatives and holiday buy and sell initiatives
- Group health and safety team develops policy and processes to ensure safe working practices and monitors compliance with those policies
- Continual development of the Group's health and safety initiatives to promote an ongoing safe working environment

### Stakeholder impact

### Link to strategy

Enable. Deliver. Grow.

Risk trend	INCREASED	DECREASED	NOT CHANGED
Evaluation is defined as management's assessment of whether the risk factor has:	↑	↓	=

# Operational risks.

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 the Group's policies and procedures
- External advisors are retained where necessary

Stakeholder impact

Link to strategy

Enable. Deliver.

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. In May 2024, the Group was impacted by a cyber incident in part of its UK operation. The Group's systems were immediately isolated to contain and eliminate the threat. Most businesses experienced limited impact and rapidly returned to normal operational capacity with the NewLaw business being affected for the longest period. Defences were strengthened immediately following the incident but the risk continues to be monitored, with cyber attacks on other organisations regularly reported in the media.

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
- The Board approved a new cyber security policy
- Increased training on cyber security made mandatory to all staff
- 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

Stakeholder impact

Link to strategy

Enable. Deliver. Grow.

Key to stakeholder impact:

Customers and Consumers

Partners and Suppliers

Government and Regulators

Investors

Colleagues

Community



# Financial risks.

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

**Stakeholder impact**

**Link to strategy**

Enable. Deliver.

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
- In the current year, the Group secured three further tranches of funding, via private placement debt facilities, asset-backed financing facility and the refinancing of the Group's revolving credit facility, which evidences investors are confident in the Group's operations
- 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 63

**Stakeholder impact**

**Link to strategy**

Enable. Deliver. Grow.

Key to stakeholder impact:

	Customers and Consumers		Partners and Suppliers		Government and Regulators		Investors		Colleagues		Community
--	-------------------------	--	------------------------	--	---------------------------	--	-----------	--	------------	--	-----------

Risk trend	INCREASED	DECREASED	NOT CHANGED
Evaluation is defined as management's assessment of whether the risk factor has:	↑	↓	=

# Disclosure statements.

63	Viability statement
64	TCFD and SECR report
74	Non-financial and sustainability information statement
76	Section 172 statement

# Viability statement.

The Group completed a comprehensive debt refinancing programme in the year, supporting the three strategic pillars: Enable, Deliver, Grow. The Group continues to see sustainable growth opportunities in all markets.

## 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 18 and 24. In the prior year, the Group launched a new brand and name, and rolled out a refreshed strategic framework, to lead the Group through its next phase of sustainable growth. The Group successfully secured additional financing as discussed in further detail later in this report, supporting the Group's operations and providing the flexibility to realise the Group's ambitions and deliver its strategic objectives. The Group is well established within the markets it operates in, details of which can be found on pages 12 to 13, and continues to capitalise on key structural trends. The Board made a decision in the year to exit the personal injury market in order to focus on the core operations of the business. The Group continues to make strong underlying profits, proving the Group's resilience and commitment to delivering sustainable value to its stakeholders.

In the prior year, the Board launched a refreshed strategic framework, introducing Enable, Deliver, Grow as the pillars of the Group's strategy. During the year, the Group has made progress against those strategic objectives. 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 52 to 61. 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 2028, 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 rental 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 Claims & 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 2028.

## 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

In the year, the Group completed a comprehensive debt refinancing programme, allowing for refinancing on an investment grade basis and with improved commercial terms. The financing programme increased the Group's revolving credit facility to £500m with five-year maturities, an additional €190m of private placement loan notes alongside the existing €375m loan notes extending the maturity profile to 2034 and a further £100m vehicle funding facility on a one-year rolling commitment further diversifying the funding base of the Group. Headroom against the Group's existing banking facilities at 30 April 2025 was £412m as detailed on page 47. This compares with headroom of £244m at 30 April 2024 and reflects the additional financial capacity financial capacity following refinancing, to support the delivery of our objectives under our strategic pillars of Enable, Deliver, Grow. The refinancing in the year demonstrates the Group's financial strength and is testament to the relationship we have with our lenders and their confidence in the sustainable manner in which we operate and continue to deliver on our strategy.

Taking into account further 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 £500 reduction to per vehicle assumptions in the plan for the residual value of used vehicles
- A 7.5% 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 2028. 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.

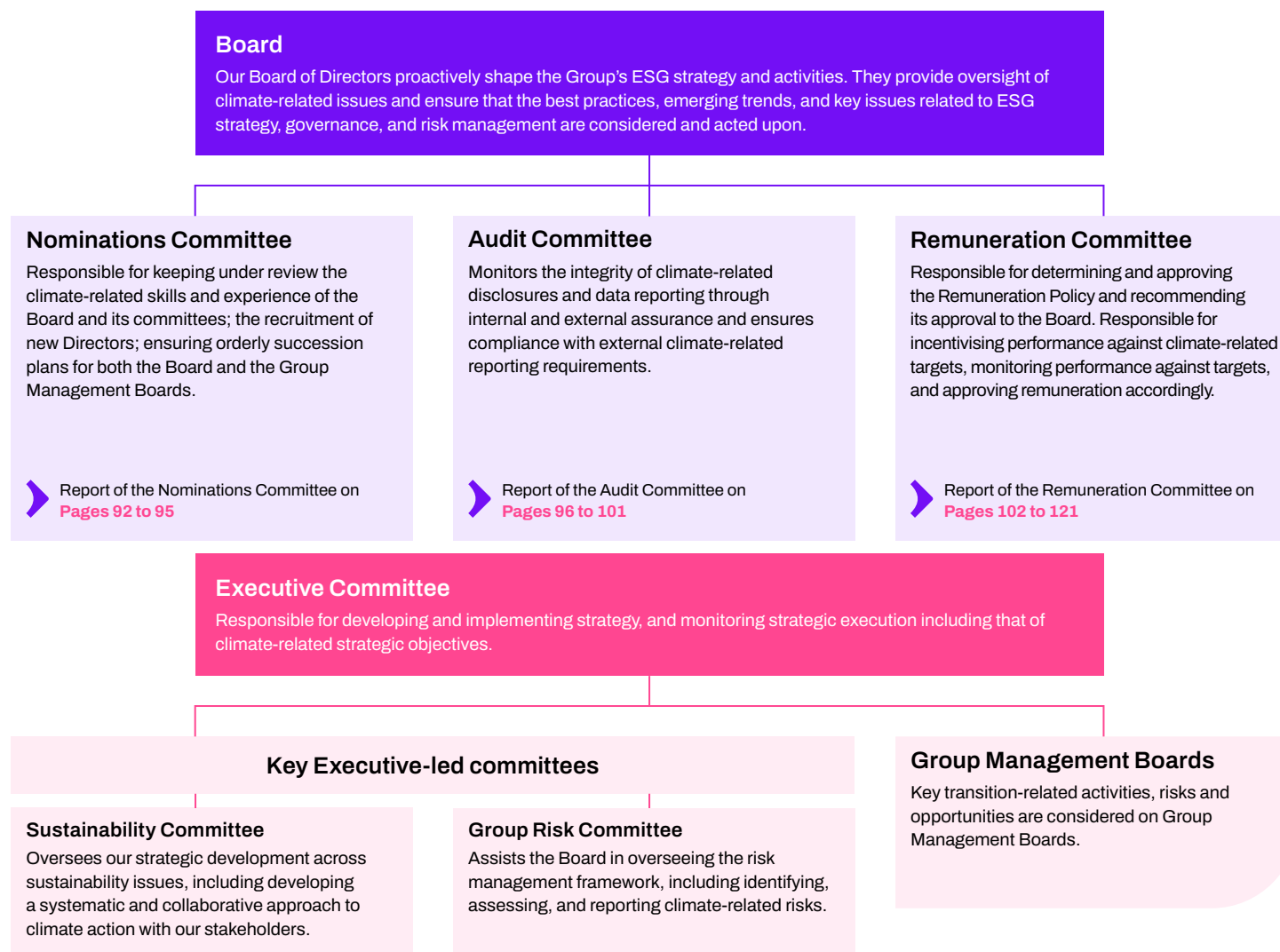
# Climate change governance framework.

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 annexe 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 95% of Scope 3 emissions. We confirm a position of consistency with the 11 recommendations under the TCFD framework.

## 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 domestic transport sector is the most significant contributor to GHG emissions in the UK and the second-largest in Europe. Reducing emissions in this sector is crucial for achieving overall climate goals.

Vehicle manufacturers are pursuing a transition to EVs. Some take a progressive approach, while others are more pragmatic with their transition strategies. They are factoring into their decision making the impact of current and future policy mechanisms to stimulate customer demand for EVs.

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 must produce annually up to 2030. In 2025, amendments to the regulations confirmed the 2035 phase-out date for ICE vehicles. The 2025 changes also provided additional scope for manufacturers to meet the rising yearly targets. These changes aim to balance the push towards zero emissions with practical considerations for consumers and manufacturers.

LCV fleets and rental companies face significant challenges in managing the transition to e-LCVs. Improvements are needed across the entire sector to align vehicle fleets with the EV percentages required by the ZEV mandate, including holding cost, vehicle capabilities, and charging infrastructure, along with appropriate government support mechanisms.

In FY2026, we intend to publish a transition plan to set out how to meet our long term climate commitment to be net zero by 2050. The plan will include details of the factors impacting the pace of our transition to net zero, including overall customer sentiment on the suitability of alternative drivetrains for their operational activities.

## Drive to Zero

We are working with our customers to enable a smooth transition towards lower-carbon mobility. At present, we operate from 185 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.

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

## The impacts of transitioning our fleet

Shifting our fleet to EVs and manufacturers' efforts to lower their operational and supply chain emissions will reduce emissions across the entire value chain.

As a market leader in vehicle fleet management, we recognise our role in guiding policymakers and the industry toward efficient mobility solutions. Achieving this will involve collaboration on regulations, technical innovation, infrastructure, and fleet management.

From the starting point of our FY2022 baseline, we are committed to using 100% renewable electricity and an absolute Scope 1 and Scope 2 emission reduction target of 10% by 2027. Our long term commitment is to be net zero by 2050. We expect that to achieve this target, we must offset the remaining emissions balance to achieve carbon neutrality. The transition pathway plan we intend to publish in FY2026 will include updated short, medium and long term Scope 1, 2 and 3 targets and an indication of the volume of emissions which may need to be offset to become carbon neutral.

**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. ZIGUP has a finite capacity for financial impacts, and recognises that this capacity is best reserved in pursuit of strategic and tactical objectives that create value. The Group is therefore cautious of financial impacts arising from risks and will accept only medium residual risks with low probability, with a strong preference to reduce risks to low and very low residual levels.

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 Table 3 on page 69.

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.

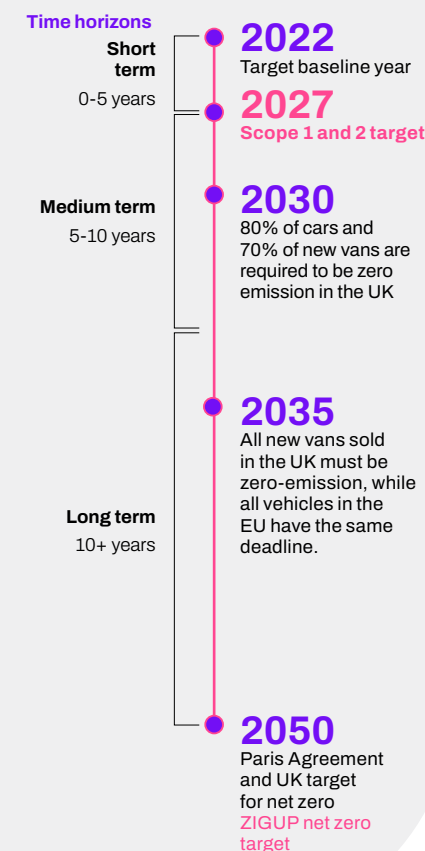
Further details on material impacts and mitigation activities can be found in the risk table [Page 69](#)

## 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	

As set out in Table 3, 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.

Table 1. Risk assessment timeframes



# Climate outcome scenarios.

Through scenario analysis, we have improved our understanding of physical and transition risks to our business across short, medium, and long term time horizons.

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 average surface warming of 1.5 degrees Celsius, above pre-industrial temperatures, 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 68.

Physical risk exposure was assessed under two future states of the world using the latest Inter-governmental Panel on Climate Change (IPCC) scenarios specified in their sixth assessment report. The IPCC Shared Socio-economic Pathways 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 2040.

Transition risks were explored by applying IEA Global Energy and Climate 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 68](#)



## Spotlight: Enabling the energy transition

▶ Discover more  
[Page 37](#)

## EV transition consultancy

With the growing regulatory and commercial sustainability pressures to transition away from ICE vehicles, many corporate fleets are starting to review the potential for bringing e-LCVs and other EVs onto their fleets. This is a complex environment across charging infrastructure, route distances and in-route charging potential, as well as the choice of vehicle and payload capabilities.

Hear from our Head of Product on the newly-launched EV consulting service which gives customers a holistic view of their potential transition actions and an ability to analyse in near-real time their fleet profile and identify real-world opportunities for transition to EVs.





# 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 2035, all new light-duty vehicles sold, including vans, will be low-emission vehicles. The number of car lanes will be reduced in urban environments to give greater space to public transport, pedestrians and cyclists.	Phasing out of ICE vehicles is 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>	Some large OEMs will cease ICE production by 2035, with growing 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 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		1	2	3	4	5		
Transition risks												
<b>Fit for purpose e-LCVs</b> There is a limited supply of fit-for-purpose low-emission LCVs optimised to meet diverse operational requirements, affecting our ability to transition customers' vehicle fleets.	4	5	3	2	Orderly transition						We have longstanding 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							
					Adaptation							
<b>Vehicle charging</b> Rising energy prices and increased charging costs undermine ownership savings on lower-carbon vehicles and slow down their adoption.	3	4	3	2	Orderly transition						Our ChargedEV business is a supplier and installer of Electric Vehicle Supply Equipment, installing over 10,400 chargers in 2025. We are taking a measured approach to the transition towards low-carbon mobility, ensuring that we continue to meet our customers' operational needs.	
					Disorderly transition							
					Adaptation							
<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						We understand market dynamics and have expertise in managing large-scale vehicle fleet purchasing, holding, and disposal during market cycles in the UK, Ireland and Spain.	
					Disorderly transition							
					Adaptation							
<b>Skills gaps</b> Increasing skills gaps in the EV mobility ecosystem, particularly in repair and maintenance.	5	5	4	3	Orderly transition						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							
					Adaptation							
<b>Vehicle-related emission taxation and policies</b> The UK and EU Governments' inconsistent approach to phasing out ICE vehicles creates significant uncertainty.	4	5	4	3	Orderly transition						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							
					Adaptation							
<b>Emission reduction action</b> There is an increasing expectation among larger customers, especially in the insurance sector, for organisations to establish a clear pathway to net zero, accompanied by appropriate GHG reduction actions.	4	4	3	2	Orderly transition						We are developing a net zero transition plan, which will be reported in FY2026. Additionally, we are forming an environmental working group focused on minimising the carbon emissions and environmental impact of vehicle accident repairs.	
					Disorderly transition							
					Adaptation							
Physical risks												
Significant changes in weather patterns, with water stress impact operations across the Group. Risk of damage or loss to our vehicles and facilities through increasing flooding incidents, as experienced in Spain in the current year.	2	1	2	3	Orderly transition						Business resilience plans are in place covering all operations in the UK, Ireland, and Spain. They outline how we will continue to operate during and after unexpected extreme weather disruptions, continuing operations with minimal impact.	
					Disorderly transition							
					Adaptation							

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

Table 4: Climate-related opportunities

	Impact contribution	Timeframe			Scenario sensitivity	Our response				
		Short	Medium	Long						
Opportunities						1	2	3	4	5
<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					
<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					
<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					
<b>Fleet management support</b> Fleet managers are tasked with achieving cost savings, increasing efficiency, and reducing their fleets' GHG emissions.	4	4	2	1	Orderly transition					
					Disorderly transition					
					Adaptation					
<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					
<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					
<b>Energy efficiency</b> Save money, reduce GHG emissions and enhance our sustainability credentials by investing in energy efficiency measures and education programmes.	3	4	2	1	Orderly transition					
					Disorderly transition					
					Adaptation					

# Climate metrics and targets.

## Approach and methodology

We seek to enhance our disclosures through improved year-on-year reporting. This includes reviewing our data collection processes and our calculation methodology. 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 predominantly used 2024 DESNZ conversion factors to arrive at the information supplied (supplemented by Our World in Data 2023 and Sustainable Energy Authority of Ireland 2023). An independent, UKAS-accredited, third party assessor has verified the GHG data.

## Reporting and baseline year

Our carbon reporting and fiscal years are aligned, so the information presented covers the FY2025 year as we have defined FY2025 in the glossary. Following the introduction of FMG RS emissions data in FY2021, FY2022 was considered a suitable year to establish as our baseline year. Throughout FY2024 and FY2025 we have made continuous improvements to methodologies across all emission categories, and as a result we are restating our FY2022 baseline, and several

categories for FY2024. This ensures our approach is consistent across all years and we can confidently compare values and improvements over time.

## Energy efficiency

More than 70% of our natural gas usage relates to our repair services. In the UK, FMG RS introduced a fast-curing paint to reduce processing and drying times, hence reducing energy usage. In FY2025 we have seen a reduction in our overall UK gas consumption of 2%. To further address gas consumption within repair services, at an FMG RS site we are conducting a monitoring pilot on gas consumption by paint booths of different ages. The results will guide a group-wide programme to reduce gas usage.

To improve energy efficiency and enhance visibility in the workplace, we have undertaken a multi-year replacement programme, transitioning from incandescent bulbs and fluorescent tubes to LED lights, with 92% of our sites now converted.

**99%**  
of the electricity used at  
our sites is from renewable  
sources, up from 64% in  
FY2024

## Scope 3 Analysis

95% of our Scope 3 emissions are from categories 2, 11, and 13, related to vehicles within our value chain. Categories 8, 10, and 14-15 are not relevant to ZIGUP. Other categories contribute less than 1% each, except for category 1 at 2.8%. Overall, in FY2025, our Scope 3 emissions decreased by 1% to 2,404,334 tCO<sub>2</sub>e.

Category 2 – Capital goods refers to the emissions from the vehicles we purchase, which we use Green NCAP's Life Cycle Assessment to evaluate. EVs have higher production emissions due to their batteries compared to ICE vehicles, so we expect category 2 emissions to rise as we transition to EVs. However, the lower in-use emissions from EVs will offset this increase. In FY2025, category 2 emissions increased by 15% compared to FY2024, primarily due to the types and number of vehicles purchased.

Category 11 – Use of sold product refers to the expected emissions from fleet vehicles we dispose of and those sold on behalf of third parties. As we upgrade to more efficient vehicles, we sell older, less efficient ones. Emissions for category 11 remained nearly unchanged from FY2024. Medium to long term, we anticipate a decrease in emissions as we transition to selling more EVs.

Category 13 – Downstream assets pertain to emissions from our vehicle fleet, which customers drive. In FY2025, our emissions have decreased for the fourth consecutive year, dropping from 837,484 tCO<sub>2</sub>e in FY2024 to 769,886 tCO<sub>2</sub>e, an 8% reduction. This trend highlights our efforts and those of our customers to enhance fleet management, adopt fuel-efficient vehicles, and increase the use of EV and hybrid models.



### Scope 1 and 2 analysis

The re-evaluation of our FY2022 baseline year has produced a c.20% reduction on our previously reported baseline Scope 1 and 2 carbon emissions. Despite this, we have still exceeded our target of a 10% reduction in Scope 1 and 2 carbon emissions by FY2027, achieving 23% reduction two years early. In FY2026 we intend to publish a transition plan which will include updated Scope 1, 2 and 3 targets.

Our restated FY2024 Scope 1 emissions are higher than previously reported. Consequently, this produces a 9% reduction in Scope 1 emissions compared to FY2024, and a 4% reduction compared to our FY2022 baseline.

These reductions arise from increasing fleet efficiencies (EV, hybrid and improved ICE vehicles) and a steady decrease in gas usage. Coupling these reductions with revenue growth, we can see improvements in our carbon intensity of 31% from FY2022 to FY2025.

The proportion of renewable electricity we procure and generate increased from 64% in FY2024 to 99% this year. As a result, our Scope 2 market-based emissions have reduced 93% when compared to our FY2022 baseline.

### 1.1. GHG and energy

		Unit	FY2025	FY2024 <sup>6</sup> (restated)	FY2022 (restated baseline)
<b>GHG emissions</b>					
<b>Scope 1</b> Combustion of fuel and operation of facilities	UK	tCO <sub>2</sub> e	12,670	13,561	12,870
	Non-UK	tCO <sub>2</sub> e	2,873	3,488	3,248
<b>Scope 2</b> Electricity, heat, steam and cooling	UK Market-based <sup>1</sup>	tCO <sub>2</sub> e	286	2,395	3,629
	UK Location-based	tCO <sub>2</sub> e	3,336	3,732	3,194
	Non-UK Market-based	tCO <sub>2</sub> e	3	17	813
	Non-UK Location-based	tCO <sub>2</sub> e	868	729	853
Total Gross Scope 1 and 2 (market-based)	UK	tCO <sub>2</sub> e	12,956	15,956	16,499
	Non-UK	tCO <sub>2</sub> e	2,876	3,505	4,061
Total Gross Scope 1 and 2 (market-based)	Group	tCO <sub>2</sub> e	15,832	19,461	20,560
Revenue (£m) <sup>2</sup>	Group	£m	1,555	1,521	1,094
Intensity ratio: <sup>3</sup>	Group	tCO <sub>2</sub> e per £m of revenue	13	14	18
<b>Scope 3 emissions<sup>4</sup></b>					
Cat 2: Purchased capital goods	Group	tCO <sub>2</sub> e	425,604	371,400	286,752
Cat 11: Use of sold products	Group	tCO <sub>2</sub> e	1,090,166	1,088,838	525,840
Cat 13: Downstream leased assets	Group	tCO <sub>2</sub> e	769,886	837,484	925,329
Other categories <sup>5</sup>	Group	tCO <sub>2</sub> e	118,678	134,333	87,179
Total gross Scope 3 emissions	Group	tCO <sub>2</sub> e	2,404,334	2,432,055	1,825,100
Total gross Scope 1, 2 and 3 emissions	Group	tCO <sub>2</sub> e	2,420,166	2,451,516	1,845,660
<b>Energy consumption</b>					
<b>Scope 1</b>	UK	kWh	58,859,411	62,792,736	59,630,457
	Non-UK	kWh	11,374,025	13,948,999	12,890,025
<b>Scope 2</b>	UK	kWh	16,108,101	18,023,965	15,044,033
	Non-UK	kWh	6,222,747	4,550,161	4,197,372

1 UK FY2022 market data higher than location data as we had not yet begun transitioning our portfolio to renewable tariffs

2 Revenue excludes vehicles sales

3 Intensity ratio based on Scope 1 and Scope 2 location data

4 Scope 3 categories are calculated as Well-To-Wheel emissions

5 Other Scope 3 categories includes categories 1, 3, 4, 5, 6, 7, 9, and 12

6 FY2024 restatement due to changes in scope 3 methodology (cat 11) and replacement of estimated data with actuals for a vehicle subset within Scope 1 and 2 calculation



# Climate metrics and targets.

We monitor various performance metrics to reduce emissions from our operations and vehicles used by our customers. We remain committed to improving our data collection and stakeholder engagement in order to drive our performance against achieving our goals.

Metric	Scope 1 and 2, and Scope 3	EV resource and capability	Charging infrastructure	Low emission fleet
Risk/ opportunity	<b>Risk</b> Carbon pricing  <b>Opportunity</b> Energy efficiency  We monitor our greenhouse gas emissions to track exposure to carbon pricing, as they act as indicators of potential future regulatory costs.	<b>Risk</b> Skills gap  <b>Opportunity</b> Future automotive skill development  We must ensure that we are closing the skills gaps in the electric vehicle mobility ecosystem, particularly in repairing and maintaining low-emission vehicles.	<b>Risk</b> Availability of fit-for-purpose e-LCVs  <b>Opportunity</b> Supporting the energy transition  We, along with other installers, can help ensure sufficient charging infrastructure is in place to support the energy transition.	<b>Risk</b> Fit-for purpose e-LCVs  <b>Opportunity</b> Supporting the energy transition  Increase the supply of low-emission cars and optimised e-LCVs to meet diverse operational requirements.
Progress	Tonnes of CO <sub>2</sub> e	% of technicians trained to service and repair low-emission vehicles	Number of domestic and commercial EV chargers installed	% of low-emission vehicles in the fleet
	<b>FY2025 performance</b> Scope 1 and 2      Scope 3 <b>15,832</b> <b>2,404,334</b>	<b>FY2025 performance</b> <b>92%</b> technicians in the UK trained to EV Level 3 in IMI EV and hybrid vehicles.	<b>FY2025 performance</b> <b>10,400</b>	<b>FY2025 performance</b> <b>6.0%</b>
	<b>FY2024 performance</b> (restated) Scope 1 and 2      Scope 3 <b>19,461</b> <b>2,432,055</b>	<b>FY2024 performance</b> This is the first year of reporting this statistic for both FMG RS and Northgate technicians.	<b>FY2024 performance</b> <b>9,600</b>	<b>FY2024 performance</b> <b>4.5%</b>
Comment	Scope 1 and 2 emissions have decreased 19% compared to our restated FY2024 market-based figure, due to our widespread utilisation of renewable electricity and increasing fleet efficiencies (EV, hybrid and improved ICE vehicles) while Scope 3 emissions remain comparable year-on-year. Further information regarding our energy efficiency initiatives can be found on page 71.	We are remaining at the forefront of advancing automotive technology with our vocational training and instruction programmes.	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.	Our Drive to Zero program is helping more customers adopt electric vehicles (EVs) for their fleets, with EV rentals in the UK increasing by 80%. The increased proportion of EVs and hybrids in our total fleet, at 6%, contributed to a 2% reduction in hire fleet emissions, down to 257gCO <sub>2</sub> /km.

# 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 at [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 sustainability policy</li> <li>Health and safety policy</li> <li>Waste and resource efficiency policy</li> <li>Whistleblowing policy</li> </ul>	<b>Stakeholder value and impact</b> page 26	<b>Sustainability progress</b> page 36
<b>Our people</b>	<ul style="list-style-type: none"> <li>The Respect Training eLearning package</li> <li>Diversity, Equity and Inclusion policy</li> <li>Code of business conduct</li> <li>Whistleblowing policy</li> <li>Health and safety policy</li> </ul>	<b>Colleague numbers by gender</b> page 35 <b>Diversity</b> pages 35 and 97	<b>Stakeholder value and impact</b> page 26 <b>Sustainability progress</b> pages 32 to 35 <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 88
<b>Anti-corruption and anti-bribery</b>	<ul style="list-style-type: none"> <li>Code of business conduct</li> <li>Whistleblowing policy</li> <li>Anti-corruption and anti-bribery policy</li> </ul>	<b>Governance</b> page 88	<b>Ethics, anti-corruption and compliance</b> page 88
<b>Social matters</b>		<b>Sustainability progress</b> pages 32 to 35 <b>Charity and community</b> page 35	<b>Stakeholder value and impact</b> page 26
<b>Policy embedding, due diligence and outcomes</b>		<b>Governance framework and structure</b> pages 84 and 85	<b>Board activity during the year</b> page 83 <b>Report of the Audit Committee</b> pages 96 to 101
<b>Principal risks and impact on business activity</b>		<b>Identifying and managing risks</b> pages 52 to 55	<b>Principal risks and uncertainties</b> pages 56 to 61
<b>Description of business model</b>		<b>Our business model</b> page 24	<b>Our strategy</b> page 18
<b>Non-financial key performance indicators</b>			<b>Key performance indicators</b> page 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 64
How ZIGUP identifies, assesses and manages climate-related risks and opportunities	<b>Climate risk management</b> page 66
Integration of climate-related risk identification, assessment and management processes into our overall risk management process	<b>Identifying and managing risks</b> pages 52 to 55 <b>Climate risk management</b> page 66
Principal climate-related risks and opportunities arising in connection with our operations	<b>Climate-related risks</b> page 69 <b>Climate-related opportunities</b> page 70
The time periods by reference to which those risks and opportunities are assessed	<b>Climate risk management</b> page 66
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 69 <b>Climate-related opportunities</b> page 70
Resilience of our business model and strategy in different climate-related scenarios	<b>Climate-related risks</b> page 69 <b>Climate-related opportunities</b> page 70
Our targets to manage climate-related opportunities and performance against targets	<b>Climate metrics and targets</b> pages 71 to 73
Key performance indicators for assessing progress against targets	<b>Climate metrics and targets</b> pages 71 to 73

# Promoting success 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 people and gives consideration to their interests, understands the impact of our operations on the communities and regions where we operate and the environment we depend upon and attributes importance 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 our people, 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 26. 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 88 to 91.

The Group's continuing strength is underpinned by our business model and refreshed strategic framework which is central to Board decision-making.

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.

## Key stakeholders



Customers and consumers



Partners and suppliers



Government and regulators



Investors



Community



Our people



### 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
- 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 benefiting the customers and communities in which we operate
- The Board approved new or renewed contracts with a number of key insurance referral partners in line with the Group's delegation of authority policies
- As part of approval of the strategic plan, the Board reviewed and approved the decision for the Group to exit the personal injury market accessed through NewLaw, which no longer offers attractive returns
- Throughout the cyber incident early in the year the Board received comprehensive updates from the CEO and CIO, on the approach taken by the Group to deal with this

### Partners and suppliers



- The Board has taken care in reviewing current and future fleet supply conditions in the markets in which we operate
- The Board has also invested significant time and expertise considering the Group's pipeline of vehicles, as the Group has focused on building and maintaining 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 the 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 and also approved an updated Anti Slavery and Human Trafficking Policy

### 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.

- During the year the Board approved the Group's three-year people strategy, which is based on the strategic pillars of Enable, Deliver and Grow. The Employee Engagement Forum was also repurposed during the year to The Voice Network in order to augment the effectiveness of existing workforce engagement channels across the Group
- The Group conducted its annual Have Your Say survey. The results of the survey noted high levels of colleague participation across its workforce, with our UK and Irish businesses achieving 75% and a strong response rate of 78%, from our Spanish colleagues. Key themes included the value that colleagues put to the benefits they receive, continued recognition of peer dedication, greater inclusivity within the Group and pride in the service that we offer our customers and recognition of greater collaboration and teamwork
- Much of the engagement this year has centred around the People Strategy and the progress made to date on the Group's refreshed strategic framework following its launch last year. Both events were attended by c.100 senior leaders and was well received by all. These Leadership events allowed colleagues the opportunity to better understand their role in delivering on the People Strategy and the Group's strategy

The Board has made our people a key 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 increase. For FY2026 the Board approved a 2% rise at mid to senior levels, a 7% rise for those on the national minimum wage with a linear increase for those between the national minimum wage and certain thresholds to maintain the gap in pay gradings above the national minimum wage. 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 colleagues were provided with £500 of free shares in the in the SIP.

The Board supported succession plans for the wider business and oversaw restructuring activities which followed on from the previously announced organisational changes to the senior management structure in the UK and Ireland.

For further information on our people, see pages 32 to 35.

### Investors



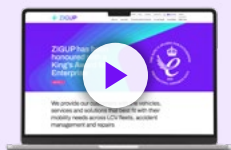
Our unique proposition, continuing strong performance and financial resilience alongside a robust capital allocation approach offers an attractive proposition to equity investors and debt lenders.

- The Executive Directors maintain a regular dialogue with our shareholders, analysts and prospective investors on the Group's strategy and performance
- Our AGM is 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 23 September 2025 and provides an opportunity for shareholders to put questions to the Board in person and in advance. Further details are included in the Notice of AGM
- The Group has maintained a conservative approach to capital allocation and leverage has remained within our 1–2x target range, being 1.8x at 30 April 2025. The Board declared an interim dividend of 8.8p per share and has proposed a final dividend of 17.6p per share subject to shareholder approval at the AGM bringing the total dividend relating to year to 26.4p, a 2% increase on the prior year
- The Group's strong financial profile supports our longstanding relationships with lenders, providing us with the financial flexibility to operate and grow our business and strategic proposition. The Board approved a series of financing transactions in the year which have continued to diversify funding risk and extend out facility maturities on improved terms

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.

Further information can be found on our corporate website [www.ZIGUP.com](http://www.ZIGUP.com)

#### Video discussions



#### Sustainability library



#### AI search tool



**Best Mid-Cap Website**  
2023, 2024 and 2025

**Award winner**  
Europe 2025

#### IR Update



#### IR Booklet



### 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 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, and received updates from the CFO and Group Head of ESG at Board meetings on the work of the Sustainability Committee
- A new volunteering policy was approved this year through which ZIGUP colleagues receive paid leave each year to undertake community volunteering work
- The Head of ESG presented to the Board on several EU sustainability reporting standards, including their potential impact on the Group's disclosures and operations. These updates informed the Board's understanding of emerging regulatory obligations

#### Spotlight: Supporting public sector mobility

Discover more  
Page 27

### Keeping the UK road network moving

We have been providing support to National Highways since 2008 in keeping over 4,300 miles of motorways and A roads moving.

Hear from our operations team on the work they do to support over 20,000 incidents per year, 24 hours a day.



#### Further information

Further information on the Board's principal activities can be found in the governance section on pages 83 to 85. 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 9 July 2025 and signed on its behalf by:

**Martin Ward**  
Chief Executive Officer

9 July 2025

# Corporate Governance.

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107	Directors' Remuneration report
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126	Statement of Directors' responsibilities in respect of the financial statements
127	Independent auditors' report

# Our Board is committed to the sustainable and responsible management of the Group's businesses.



Our Board is committed to robust governance and in promoting the long term interests of our shareholders and stakeholders.

**Avril Palmer-Baunack**  
Chairman

### Dear stakeholder,

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 30 April 2025. I have included a summary of the Board's key areas of focus and activities throughout the year. I have also outlined the Group's wider corporate governance framework, which underpins our decision-making and business operations. The Board remains firmly committed to the sustainable and responsible management of the Group, as we continue to pursue long term value creation for all our stakeholders.

### Our strategy and performance

We have taken time to reflect on the current operating environment and how the Group's revised strategic framework is evolving and delivering for our stakeholders. To this end, despite some challenges within the operating environment, I am pleased to say that our strategy continues to deliver strong performance and is well placed for our broadening position in the essential market for mobility services. A number of new contract wins and good supply of new vehicles has reduced our fleet age and strengthened our asset base. With our strategic initiatives yielding positive results, coupled with a strong financial footing, we are well positioned to continue our growth trajectory and to capitalise on opportunities within the mobility services market.

### Board changes

In October 2024, we announced that Philip Vincent had taken the decision to step down from the Board, following six years of service. On behalf of the Board, I would like to thank Philip for his valued contribution to the Board and the Group and he leaves with our very best wishes. Following a robust search process led by the Nominations Committee, the Board has proposed the appointment of Rachel Coulson as our new CFO, joining us in August 2025.

Rachel brings a wealth of experience to the Board having held several senior finance roles in her career, coupled with significant experience of driving international business growth and digital transformation. I am looking forward to welcoming Rachel to the Board and working with her as we continue to evolve the business through our strategic pillars of Enable, Deliver, and Grow.

### 2025 Governance activities

- Assessed progress on the Group's revised strategic framework and purpose
- Reviewed succession plans for the Board and senior management and approved diversity targets for senior management
- Oversaw the recruitment process of CFO and recommended the appointment of Rachel Coulson
- Reviewed the Group's performance, including approval of the strategic plan
- Approval of shareholder dividends and a series of financing transactions
- Reviewed and approved significant investment decisions and commercial contracts in line with the Group's delegation of authority policy
- Reviewed and approved the Group's people strategy including actions from the annual survey and decisions on pay and benefits arrangements
- Undertook an internally facilitated evaluation of the Board and committees
- Reviewed changes required to the Group's governance processes, policies and framework
- Recommended the appointment of PwC as the Group's auditors following a competitive tender processes



See a detailed account of activities  
Page 83



## CHAIRMAN'S INTRODUCTION TO GOVERNANCE continued

### Diversity

The Board is committed to operating in a way that supports diversity and inclusivity, and this is integral to how succession plans are prepared and recruitment is carried out.

During the year, the Board approved a target for 10% representation of ethnically diverse groups within senior management by 2027, and we continue to monitor progress against this target.

We have met the diversity targets outlined in the FTSE Women Leaders Review and the Parker Review to have at least 40% female representation on the Board and at least one Director from an ethnic minority background. We also complied with the Board and senior executive gender and ethnicity targets set out in the Listing Rules. Female representation on the Board at 30 April 2025 was 43%, which will increase to 50% following the proposed appointment of the CFO. The Board will continue to make appointments to the Board having due regard to the benefits of diversity, social and cognitive personal strengths.

### Sustainability

The Group continues to place importance on embedding ESG principles in its governance programme which underpins the Group's long term success. 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 64 to 73.

### Regulatory developments

In January 2024, the Financial Reporting Council published the 2024 Corporate Governance Code (the revised Code). This will first apply to the Group in FY2026 (with the exception of the revisions to Provision 29) which relates to a company's internal control environment and the Board's role in monitoring, reviewing and declaring its effectiveness in the Annual Report, which will be first applicable in FY2027). The Board has reviewed the changes and the Group's current practices, including making recommendations for changes if necessary, to comply with the revised Code in a timely manner.

### Stakeholder engagement

The Board's significant decisions during the year, and its considerations in making them, are set out on pages 76 to 78. 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 all provisions of the Code.

### Board effectiveness

As Chairman, I am responsible for ensuring that the Board operates effectively, and that the Board, its Committees and each individual Director is evaluated on an annual basis. For FY2025, an internal evaluation process was carried out. The outcome of the evaluation confirmed that all of our Directors contribute effectively and continue to demonstrate commitment to their roles, and that the Board and its Committees continue to operate effectively. The evaluation process and its outcomes are described on page 90.

### Avril Palmer-Baunack

Chairman

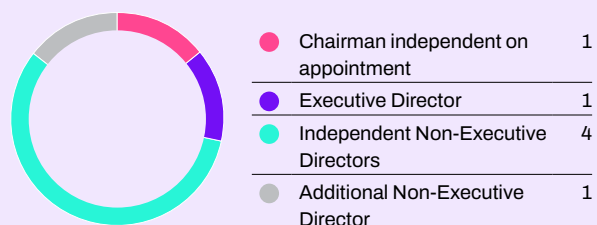
9 July 2025

### Principles of the Code

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## GOVERNANCE AT A GLANCE

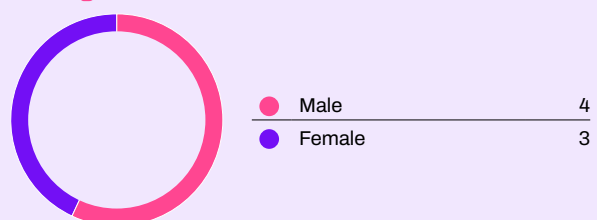
### Board independence



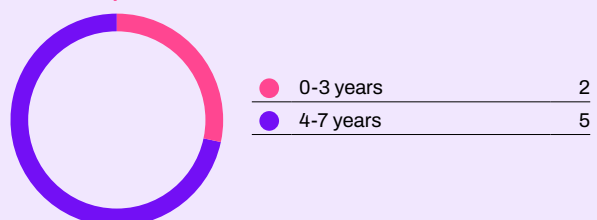
### Board ethnicity balance<sup>1</sup>



### Board gender balance



### Non-Executive Director (including Chairman) tenure as at 30 April 2025



The graphs above represent the position as at 30 April 2025.

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 Listing Rules

### Key matters reserved for the Board

▶ The Group's long term objectives, strategy, and risk appetite	▶ Changes to the corporate or capital structure of the Company
▶ The Group's organisation and capability	▶ Annual Report and financial and regulatory announcements
▶ Stakeholder engagement	▶ Significant changes in accounting policies or practices
▶ Overall corporate governance arrangements, including Board and Committee composition, committee terms of reference, Directors' independence and conflicts of interest	▶ Approval of annual budgets and financial commitments above delegated authority limits
▶ Internal controls, governance and risk management frameworks	▶ Succession planning for the Board and senior management. Succession process to be led by the Nominations Committee, with the Board approving all Board appointments

### 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	3	4	5
Avril Palmer-Baunack	10	3	4	5
Martin Ward	10	3	4	5
Philip Vincent <sup>2</sup>	9	3	4	5
John Pattullo	10	3	4	5
Mark Butcher	10	3	4	5
Bindi Karia <sup>3</sup>	10	3	3	5
Mark McCafferty	10	3	4	5
Nicola Rabson <sup>4</sup>	8	2	2	4

1 Including attendance by invitation at Nominations, Audit and Remuneration Committee by Directors who are not members of those Committees

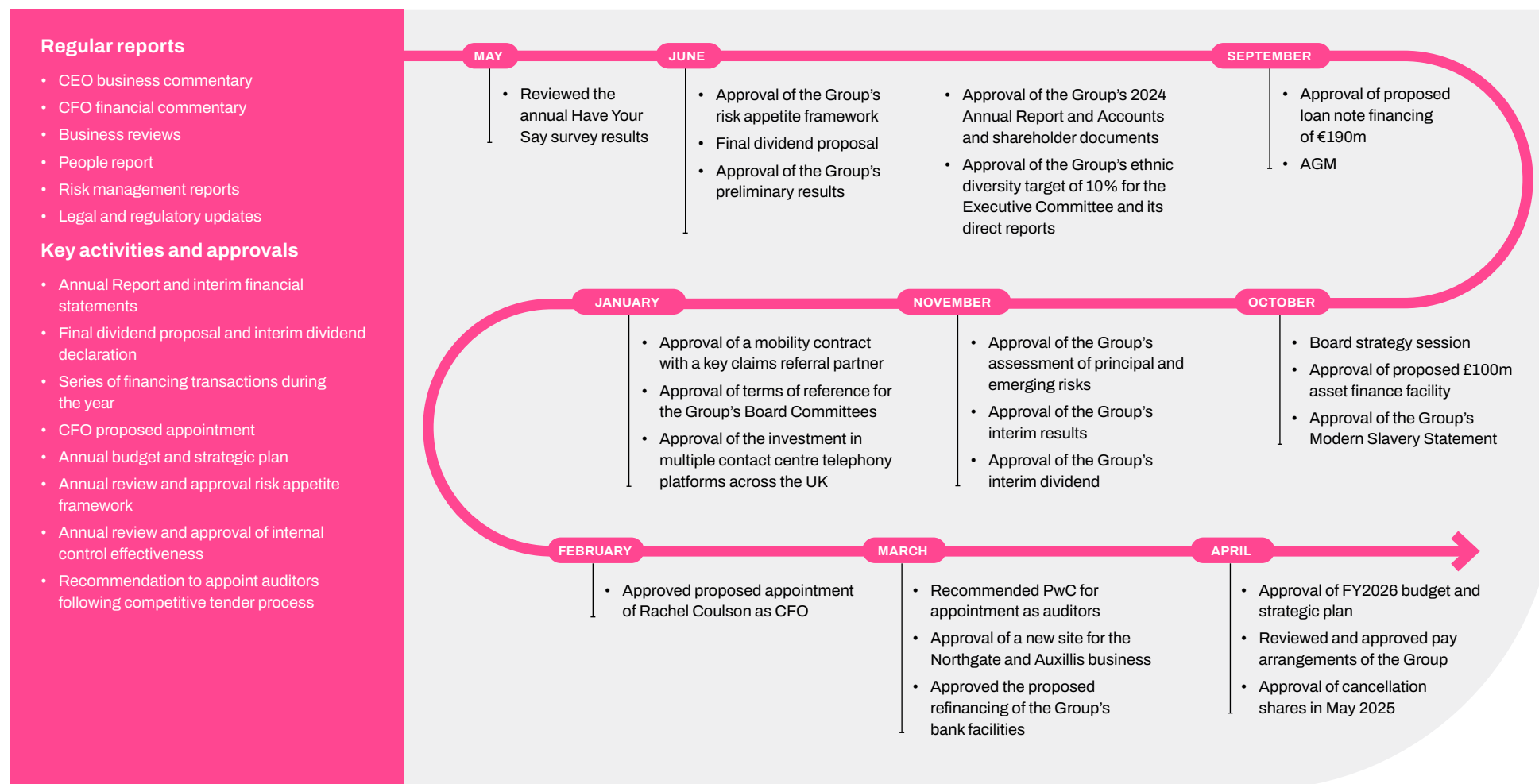
2 Philip Vincent stepped down from the Board with effect from 28 March 2025

3 Bindi Karia was unable to attend one Audit Committee meeting owing to an external commitment

4 Nicola Rabson was unable to attend two Board, two Audit Committee and one Nominations and one Remuneration Committee meetings owing to external commitments

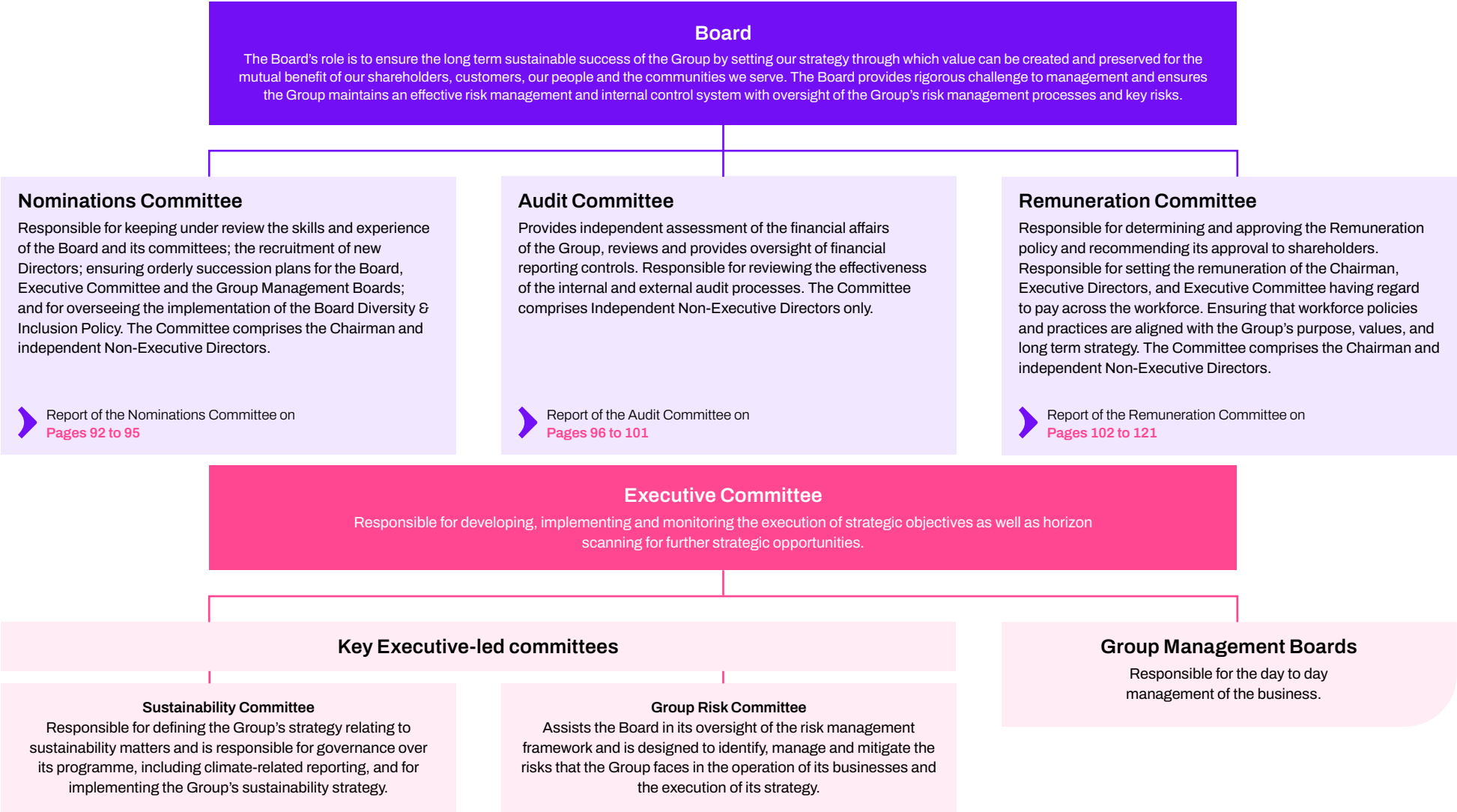
# 2025 Governance activities.

Our annual agenda reflects our strategy and gives us sufficient time to discuss and develop our strategic proposals to continue to promote the long term prosperity of the Group.



GOVERNANCE STRUCTURE AND RESPONSIBILITIES continued

There is a clear and effective leadership structure in place for the Group. The Board has established three principal Board committees to assist with 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)





# 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 one Executive Director. There is a clear division between executive and non-executive responsibilities, which ensures accountability and oversight. The roles of Chairman and CEO 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
Chairman	<ul style="list-style-type: none"> <li>Oversees Board responsibilities</li> </ul>
CEO	<ul style="list-style-type: none"> <li>Develops and executes the strategic plan and manages risk</li> </ul>
Senior Independent Director	<ul style="list-style-type: none"> <li>Oversees governance procedures</li> </ul>
Committee Chairman	<ul style="list-style-type: none"> <li>Oversees Committee responsibilities</li> </ul>
Non-Executive Director	<ul style="list-style-type: none"> <li>Carries out Board responsibilities</li> </ul>
Company Secretary	<ul style="list-style-type: none"> <li>Facilitates effective operation of the Board and Board committees</li> </ul>

	Responsibilities
Board	<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</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>
Executive Directors	<ul style="list-style-type: none"> <li>Ensuring the Group's strategy is executed effectively through the Executive Committee</li> <li>Monitoring the Group's performance</li> <li>Managing the Group's financial affairs</li> <li>Implementing the systems of internal control</li> </ul>
Executive Committee	<ul style="list-style-type: none"> <li>Developing and implementing strategy</li> <li>Overseeing operational plans</li> <li>Approval of key risk management policies to support a consistent approach to group-wide behaviour and risk decision-making</li> <li>Monitoring operational and financial performance</li> <li>Assessing and controlling risk</li> <li>Prioritising and allocating the Group's 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

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.



**Avril Palmer-Baunack**

Non-Executive Chairman

N R

### Board Tenure 5 years

### 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, Non-Executive Chairman of Safe Harbour Holdings 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

### Board Tenure 5 years

### 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.



**John Pattullo OBE**

Senior Independent Director

N A R

### Board Tenure 6 years

### 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

Chairman of Berkshire and Surrey Pathology Service.

### Previous experience

John was Chairman of V Group until December 2020. Other previous non-executive roles include Non-Executive Director of Wincanton plc, Senior Independent Director and Remuneration Committee Chairman of Electrocumponents 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.

▶ For further information relating to the ZIGUP plc Board skills see the skills matrix on page 93 of the Nominations Committee Report

# Our leadership.



**Mark Butcher**

Non-Executive Director



**Board Tenure** 5 years

## 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 Zytronic plc, Logistics Development Group plc and EBP Holdings Limited.

## Previous experience

Non-Executive Director of AssetCo plc from 2012 to 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



**Board Tenure** 3 years

## 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

Currently a Non-Executive Director for Telecomms plc, a Venture Partner at Molten Ventures Plc, which is 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

**Board Tenure** 5 years

## 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



**Board Tenure** 2 years

## 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

A partner in the London office of Linklaters LLP, a Non-Executive Director at Nxera Pharma, Senior Independent Director at Kent Football Association and a Governor at Royal Russell School.

## 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.

For further information relating to the ZIGUP plc Board skills see the skills matrix on page 93 of the Nominations Committee Report

Listed commercial 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 2018 UK Corporate Governance Code. 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 76 to 78

Ethics, anti-corruption and compliance

Our Code of Conduct, applicable to our colleagues, 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 the Audit Committee holds ultimate responsibility for managing any reports; in FY2025, 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.

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 to be the leading supplier of mobility solutions and automotive services, is underpinned by our culture.

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



Through interaction with Executive Directors, 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, internal audit reports and follow-up actions, customer engagement, health and safety, whistleblowing, modern slavery, and regulatory breaches



Through receipt of reports from management on a range of indicators, including staff engagement, retention, absence, gender pay, diversity, and the results of colleague surveys

During the year, the Board was satisfied that the Group's workforce policies practices and behaviour were aligned with the Group'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.



## CORPORATE GOVERNANCE continued

### 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:

- 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

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.



## Site visit to Spain

During the year, the Board held its annual strategy day in Spain, with members of the senior management team invited to present to the Board on the Group's long term strategic plan. As part of this programme of events the Board also visited the Seville branch, which provided Board members with the opportunity to deepen their understanding of the Group's operations, engage directly

with local management, and observe first hand the implementation of the Group's strategic initiatives.

Site visits provide the Board with greater visibility on execution of the Group's strategy, key risks, health and safety and also allow the Board to engage with different stakeholders across the Group.



2. Division of responsibilities

The Group is overseen by the Board of Directors. More information about the members of the Board can be found on pages 86 to 87. An overview of the leadership of the Group, including the responsibilities and activities of each component can be found on pages 84 and 85.

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 process 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.

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 plc Board. Due to his previous service, Mark has served consecutively on both boards for over nine years. 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 and that he made 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 92 to 95) sets out its activities during the year, including information on succession planning, diversity, and inclusion.

The Nominations Committee is 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 three times in the year satisfying its terms of reference.

Board evaluation

The Board conducted its annual evaluation process, which demonstrated a consistent trajectory of improvement across a broad range of measures regarding the operation of both the Board and its Committees.

In 2024 an externally facilitated review of the Board, its Committees and individual member's effectiveness was conducted by Equitura. This year the Company Secretary facilitated an internal review, utilising an approach consistent with that adopted in 2022 and 2023 which provided the Board with an opportunity to consider its performance over a wider time horizon and monitor trends. The Board reflected on the recommendations of the prior year's review and determined that these had been effectively adopted in its working practices throughout the year. Key advances were: the introduction of an annual Board strategy day, solely focussed on considering the wider issues facing the business sectors in which the Group operates and its strategic response to those issues; and a full review of succession planning and executive talent throughout the Group's leadership teams by the Nominations Committee. These areas will continue to be the focus of the Board and its Committees.

This year's evaluation process concluded that the Board, its Committees and individual Directors are functioning effectively and collaboratively, that the Board effectively discharges its oversight responsibilities, and there is a high degree of openness and debate which leads to effective meetings.

The review of the Chairman's performance was led by the Senior Independent Director and the findings were presented to the Board without the Chairman being present. It was noted that Company benefitted substantially from the Chairman's deep industry and marketplace knowledge, she facilitated the effective contribution of each Non-Executive Director and fostered constructive relationships and communications within the Board.

4. Audit and internal control

The Report of the Audit Committee on pages 96 to 101 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 52 to 55](#)

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).

▶ Contained in the Identifying and managing risk report on [Pages 52 to 55](#)

Cyber security and data privacy

Regular training programmes keep our colleagues 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 Remuneration report on pages 102 to 121 describes the work of the Committee during the year. It sets out how executive remuneration is aligned to the Group'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 2025, the Board considers that it has applied the principles and complied in full with the provisions of the Code.

Avril Palmer-Baunack

Chairman

9 July 2025

REPORT OF THE NOMINATIONS COMMITTEE



This year the Committee’s focus was on succession planning, ensuring that the right people are in place to enable ZIGUP to execute its strategic aims.

**Avril Palmer-Baunack**  
Nomination Committee Chairman

Committee membership

Committee membership	Number of meetings
Avril Palmer-Baunack	3/3
Mark Butcher	3/3
Bindi Karia	3/3
John Pattullo	3/3
Nicola Rabson*	2/3

\* Nicola Rabson was unable to attend one Nominations Committee meeting owing to an external commitment.

Dear stakeholder,

I am pleased to present the Report of the Nominations Committee (the Committee) for the year ended 30 April 2025. The Committee focuses on promoting diversity, reviewing the structure of the Board and senior management, and ensuring effective succession planning. We also oversee Board appointments, ensuring a transparent selection process and a thorough induction for new Directors.

This year succession planning was the Committee’s main area of focus, following Philip Vincent’s decision to step down from the Board in March 2025 after six years. The Committee undertook an extensive search process and selected Rachel Coulson, who has a wealth of experience of driving international business growth and digital transformation, coupled with significant public listed company experience which will bring valuable experience to the Executive Committee and the Board. Rachel is expected to join the Board in August 2025.

Further information relating to the CFO recruitment process, can be found on **page 93**

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 Board and other senior managers of the Group. The Committee’s role, authority, responsibilities, and scope are set out on pages 84 to 85 and in detail in its terms of reference which are available on the governance section of our website.

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 composition

The Board recognises the importance of monitoring the composition of the Board to ensure it has the right skills and experience to enable sustainable success. The composition of the Board and Board Committees is continually assessed by the Chairman and kept under review by the Nominations Committee, to ensure an appropriate balance of skills and experience is maintained. The composition is more formally reviewed annually by the Nominations Committee as part of the Board effectiveness review process. As demonstrated by their biographies on pages 86 and 87, all Board members together form a diverse and effective team focused on promoting the long term sustainable success of the Group.

Activities

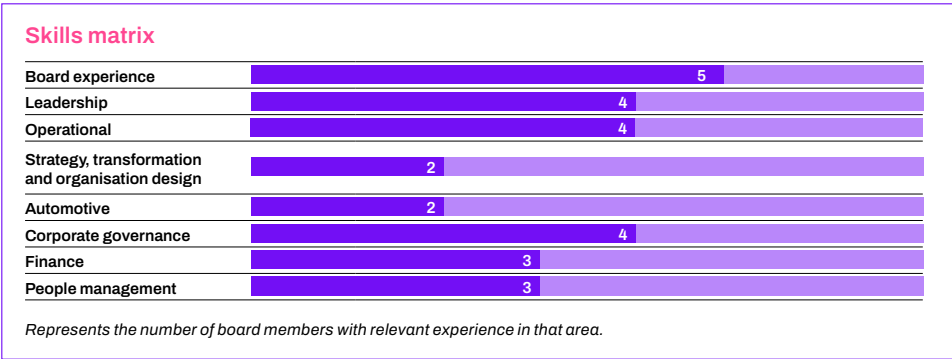
Since May 2024, the Committee has:

- Reviewed talent and succession plans for Board and senior management roles
- Overseen the process and approved the appointment of a new CFO
- 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



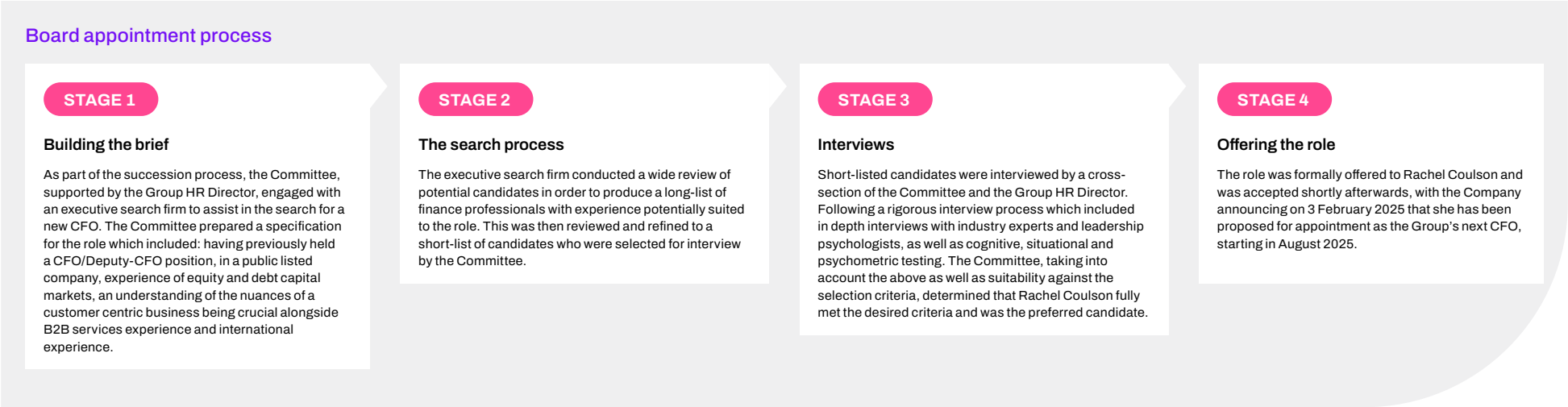
Demonstrating our skills

The skills matrix below details some of the key skills and experience that our Board has, and is particularly valuable for the effective oversight of the Group and execution of our strategy. Directors bring those skills to the Boardroom from their roles both within and outside ZIGUP plc. The skills matrix aligns with the Group's strategic priorities, to ensure the Board remains fully equipped to support delivery of the Group's strategy and purpose and provide challenge to the executive and senior management teams.



CFO appointment

The timeline below summarises each stage of the process which concluded with the Nomination Committee's recommendation to appoint Rachel Coulson to the Board as the Group's new CFO. The Committee is satisfied that the process described below was appropriately thorough.



## REPORT OF THE NOMINATIONS COMMITTEE continued

### Succession planning

Succession planning for the Executive Committee and its direct reports is key to the long term sustainable success of the Group, and ensuring there is a leadership pipeline of talent is part of the Committee's role. The Committee discusses the likely skills and talent that will be needed in the future, as the Group's business and external environment evolve.

The Committee, along with the Board, is also committed to recognising and nurturing talent within the executive management levels and its direct reports across the Group. This manifested itself in two principal ways during the year. Firstly, the Committee completed its ZIGUP Talent Management Review, which led to actions being identified to enhance the Talent Management Review process. In addition, the Committee received a presentation from the Group HR Director on succession plans for senior management and its direct reports, including broad views on potential timings and implications for diversity in those positions. The presentation assessed potential successors who were ready now, those ready on a short to long term nature and discussed aims to accelerate their development and enable them to play a crucial role in delivering on the Group's strategic aims in the future. The Committee satisfied itself that appropriate succession planning arrangements were in place for the orderly succession for senior management positions and its direct reports, supported by a diverse pipeline for such succession.

### 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 understanding 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.

### Board Diversity Policy

Objective	Progress
<b>Ensure that the Board composition is sufficiently diverse and reflects an appropriate balance of skills, knowledge, independence, and experience to enable it to meet its responsibilities, duties, and strategic objectives effectively.</b>	The Committee undertakes an annual review of the composition of the Board and its Committees, with further discussions during the year. An assessment of the Board, including skills, knowledge, independence and experience, and the strategic objectives of the Group, informs the criteria for any new appointment to the Board. This year the search process for a new CFO was conducted in line with the Group's Board Diversity Policy and included a gender balanced list of candidates from diverse backgrounds for the Committee to consider.
<b>Ensure that both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, and the Board aims that there should be:</b> <ul style="list-style-type: none"> <li>• at least 40% female Board representation;</li> <li>• at least one Board member from a minority ethnic background; and</li> <li>• at least one senior Board position (being the Chairman, CEO, CFO, and/or SID) being held by a woman</li> </ul>	Appointments to the Board are made on merit with an objective set of criteria based on the needs of the Board and the business, and the value and importance of increased diversity on the Board. At 30 April 2025, 43% of the Directors on the Board were women. Diversity will continue to be taken into account in all recruitment processes and when we consider composition of our committees, and this was the case regarding the recruitment process for the role of CFO. Following Rachel Coulson's proposed appointment in August 2025, the representation of women on the Board will increase to 50%. At 30 April 2025, there was one Director who self-identified as being from an ethnic minority background.
<b>Ensure that when seeking to appoint a new Director, the search pool will be wide and where executive search firms are used, the Group will only engage with those that have adopted the Voluntary Code of Conduct for Executive Search Firms or equivalent code.</b>	This year the Committee engaged an executive search firm to assist in the recruitment process for a new CFO. The recruitment process considered a long-list of candidates, which was then reduced to a short-list of candidates that were taken forward to the interview process. The external executive search firm engaged by the Committee (Russell Reynolds Associates) adopts the Voluntary Code of Conduct for Executive Search Firms.
<b>Ensure that the Board will support workforce initiatives that promote a culture of inclusion and diversity.</b>	The Board is continually apprised of the work undertaken by the Group's Diversity & Inclusion Team and by the Group HR Director. The Board supports the initiatives being undertaken to promote inclusivity and diversity.

Independence of the Non-Executive Directors

During the year, the Committee considered the tenure and independence of the 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 2025 AGM, the Committee considered the performance and effectiveness of each Director as well as the findings from the internal 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 86 to 87.

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 Group'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 Group's chosen target on an annual basis.

As at 30 April 2025, one of the senior positions on the Board was held by a woman. The Board also included one Director from an ethnic minority background. The 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 2025

	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	4	57%	2	4	67%
Women	3	43%	1	2	33%

Ethnic background of Board and executive management as at 30 April 2025

	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)	6	86%	3	6	100%
Asian/Asian British	1	14%	–	–	–

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 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 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 the Group management Board is set out on Page 35

Future priorities

In FY2026, 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

9 July 2025

## REPORT OF THE AUDIT COMMITTEE



The Audit Committee continued to focus on continuous improvements in assessing risk, internal controls and financial reporting processes. The Committee led an audit tender which allowed us to shine a spotlight on the effectiveness of the external audit and how technology will provide a roadmap for future improvements.

### 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 86 to 87

Committee membership	Number of meetings
Mark Butcher	4/4
Bindi Karia*	3/4
John Pattullo	4/4
Nicola Rabson*	2/4

\* Bindi Karia was unable to attend one and Nicola Rabson was unable to attend two Audit Committee meetings owing to external commitments. Both had informed the Committee in advance and were able to provide comments to the Committee Chairman ahead of the meeting.

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 comprised 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.

### 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 2025. 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 52 to 55. 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.

### 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 2025 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 Group Internal Audit.

During the year 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, and challenged those assumptions. The Committee is satisfied that the Group is viable, with further details provided within the viability statement found on page 63.

In advance of the 10-year anniversary of PwC's tenure as the Group's external auditor, the Committee, conducted a competitive tender process which resulted in a recommendation to reappoint PwC as the Group auditor; this will be subject to a shareholder vote at the Group's forthcoming AGM. Further detail of the tendering process is detailed on page 100.

The Committee continued to review key accounting judgements over depreciation rates and determining the carrying amounts of claims due from insurance companies and self-insuring organisations. The assessment of depreciation rates took into account the changes in market dynamics in vehicle supply and the review of insurance claims considered the mix of protocol to non-protocol claims looking at historical settlements and what factors would influence future settlements.

The Committee reviewed the presentation of underlying financial results taking into consideration items which have been classed as exceptional or presented as not part of underlying performance. In particular, reviewing management judgements in assessing the impairment of assets and the classification of restructuring costs.

The Committee reviewed and made a recommendation to the Board to approve the Group's tax strategy which the Board approved. The Group's tax strategy demonstrates the Group's commitment to tax transparency and its stated desire to pay the right amount of tax.



REPORT OF THE AUDIT COMMITTEE continued

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 2025 has been included below as it related to the year ended 30 April 2025.

September 2024	November 2024	March 2025	June 2025
<p><b>Key focus</b></p> <p>Reviewed the effectiveness of the FY2024 external audit and agreed the scope of the FY2025 audit work to be undertaken by PwC</p>	<p><b>Key focus</b></p> <p>Reviewed the interim financial statements to be issued in December 2024 and related reports prepared by management and PwC</p>	<p><b>Key focus</b></p> <p>Completed the audit tender process, reviewing documentation and presentations from competing firms in the final stage. Tender scorecard completed and recommendation made to reappoint PwC</p>	<p><b>Key focus</b></p> <p>Reviewed the FY2025 Financial Statements and related reports prepared by management and 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 FY2025</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><li>Reviewed and approved the outline plan for the audit tender process</li></ul>	<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 the presentation of financial statements including consideration of exceptional items</li></ul>	<ul style="list-style-type: none"><li>Reviewed the quality and effectiveness of Group Internal Audit</li><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's tax strategy</li><li>Reviewed the Group's treasury arrangements and policies</li><li>Audit tender presentations to the Committee by short-listed firms</li></ul>	<ul style="list-style-type: none"><li>Reviewed and approved the Group's Fair Balanced and Understandable statement</li><li>Reviewed management's papers on areas of key judgement including depreciation rates, recoverability of contract assets, going concern and viability</li><li>Reviewed management papers on tax accounting and presentation of financial statements</li><li>Reviewed management papers on impairments and exceptional items</li><li>Reviewed and approved non-audit services provided by PwC</li><li>Audit tender scoring completed and recommendation made to the Board</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 without management being present.

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 2025. We discussed these issues at various stages with management during the financial year and during the preparation and approval of the financial statements.

Following a 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 and 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.

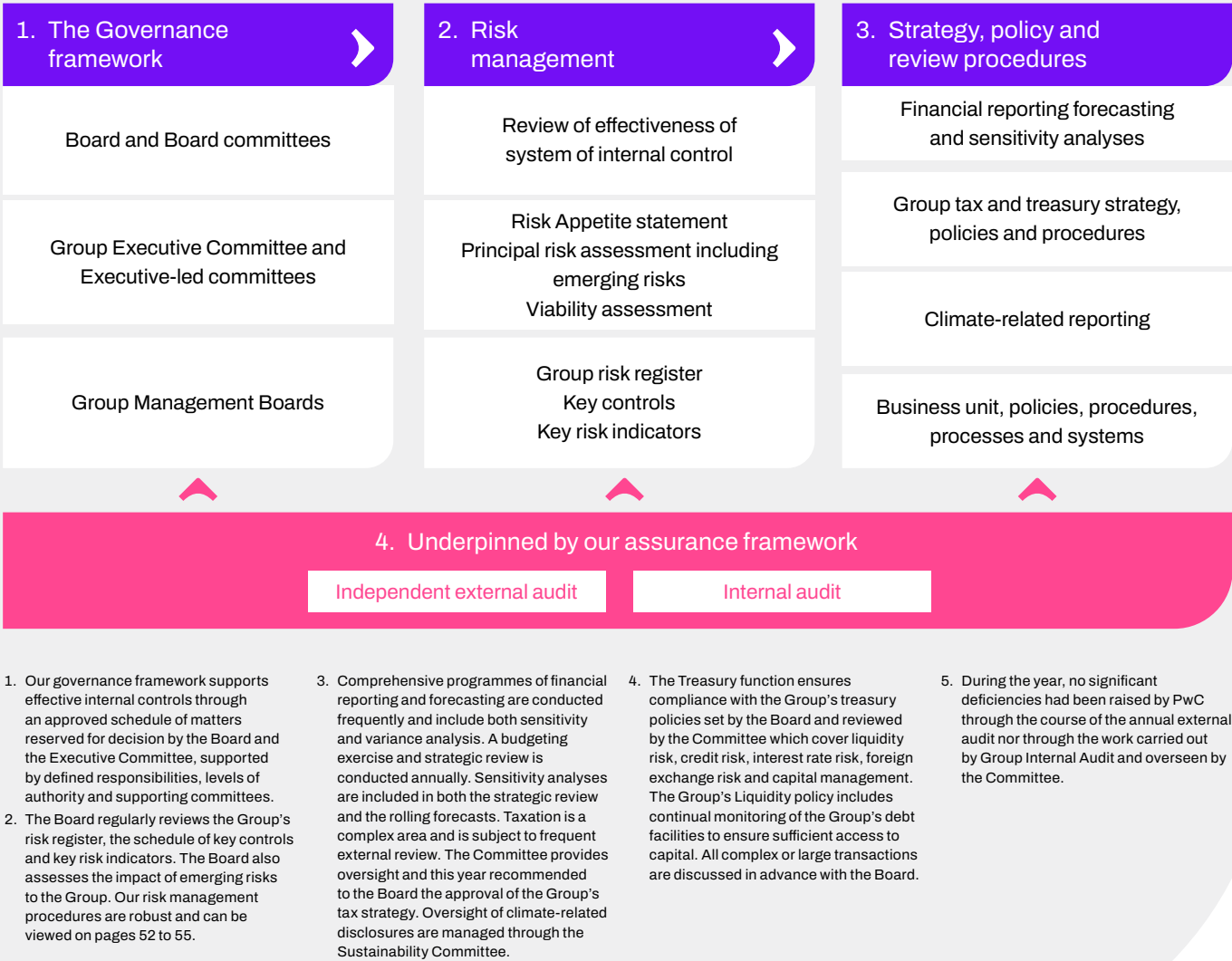
During the year the Board approved an updated Risk Management policy, as well as an updated risk appetite framework which supports the implementation of the Group's risk management framework.

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's 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 a continual 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 the 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.



## REPORT OF THE AUDIT COMMITTEE continued

### 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 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 FY2026.
<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 2025 were appropriate.
<b>Impairment of group assets and disclosure of exceptional items</b>	Ensuring the recoverable amounts of the assets held on the balance sheet are in excess of carrying values and that exceptional items are appropriately presented.	<p>The Committee reviewed a paper prepared by management considering the presentation of certain items as exceptional or reported outside of underlying results including impairment of assets.</p> <p>We challenged the assumptions made and were satisfied with management's assessment.</p>	We reviewed management assessments in calculating the impairment of assets which have been disclosed as exceptional items, along with other costs that have been presented outside of underlying results and agree that this presentation provides a clearer comparison of the underlying performance of the Group.
<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

In accordance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee Responsibilities) Order 2014, the Group is required to carry out a mandatory audit tender every 10 years. As PwC were first appointed for the year ended 30 April 2015, a tender process was carried out for the purposes of appointing an external auditor for the year ending 30 April 2026.

The external audit tender process conducted during the year is outlined on this page.

## Tender of the external audit contract

The Committee commenced the audit tender process at the start of the financial year in order to allow for a fair and thorough process to be carried out and allowing for other non-audit services to be transitioned to alternative firms if required.

The tender approach and scoping was approved by the Committee and it was agreed that the designed selection criteria was transparent and non-discriminatory, and was focused on audit quality covering (independence, challenge and technical competence. A decision panel was formed which included members of the Audit Committee as well as Executive Directors.

The Chairman of the Committee led the tender process and chaired the selection panel, ensuring that the selection of competing firms and the tender process was run in a fair and balanced manner. The Committee was supported by management who provided participating firms with access to relevant information to deliver a high quality proposal.

## Key steps in the tender process:

### 1 Shortlisting of firms and verifying independence

The tender commenced with a review of all relevantly experienced firms participating in the market using publicly available information and through informal meetings with potential participants. There was a pre-qualification stage to eliminate firms that were not deemed to have sufficient experience of auditing public listed companies of a scale and complexity of the Group or were not adequately resourced in the geographical areas where the audit work would be performed. Relevant sector experience was also taken into consideration. The Committee also reviewed the most recently published reports by the FRC and ICAEW on the quality of audit firms.

A short-list of firms was prepared and four firms were formally invited to tender of which two firms accepted the invitation, including PwC as the incumbent firm.

### 2 Information sharing

A request for proposal outlined the process, the composition of the selection panel, key requirements and the scorecard which would be used in order to determine the outcome of the tender. Competing firms were provided with access to relevant management information to design an audit plan. Further information requests were permitted through a specified process to allow the firms to ask questions on the content provided in the data room or request further information from management.

Each firm was invited to a series of meetings with the Committee Chairman, Executive Directors and senior management, providing an opportunity for the firms to develop a deeper understanding of the business and the requirements of the audit scope.

Each firm provided an independence assessment at the start of the process, detailing services currently provided to the Group, and confirmation of their ability to achieve independence within the required timeframe. These responses were reviewed by the Committee to assess consistency with the Group's own assessment and independence status was reconfirmed ahead of the conclusion of the process.

### 3 Tender proposals

Each firm submitted a formal proposal document to the selection panel, followed by a presentation from the proposed engagement lead audit partners from each firm which facilitated a robust discussion over the proposal including quality review ratings; technical expertise; understanding of the business and industry; planned audit approach including the use of technology, team structure, implementation and transition.

### 4 Evaluation

Principal evaluation criteria used to assess the firms:

- Quality of audit firm, including FRC scores, level of independent challenge demonstrated and internal quality processes.
- Strength of proposed team, partner experience in role, sector and with publicly listed audits, wider team credentials and access to experts.
- Understanding of the business and industry, including views of the Group's position within it, observations on the Group's financial reporting processes and reports, and potential areas for improvement.
- Audit approach and use of technology including the approach towards internal controls and accounting judgements

### 5 Decision

Following a detailed review of the performance of each firm during the process and an evaluation against all criteria, the selection panel recommended PwC for appointment as statutory auditors for the 2026 financial year, subject to shareholder approval at the Company's 2025 AGM. The decision recognised the effectiveness of the audit in recent years, the strength of the team and the firm's commitment to future improvements in audit quality through technology. Following the conclusion of the tender process the Committee Chairman provided feedback to the participating firms as well as thanking them for their efforts and commitment throughout the process.



## REPORT OF THE AUDIT COMMITTEE continued

### 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 £71,000 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. The remaining non-audit fees comprised of £6,000 relating to agreed-upon procedures in Spain as well as a total of £3,000 for non-audit fees which was incurred for providing access to PwC online technical resources. The level of non-audit fees is less than 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 reputation of the firm and 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.

### Minimum standard

The FRC's Audit Committees and the External Audit: Minimum Standard (the Minimum Standard) was published in May 2023. The Committee's concluded that no significant changes are required from how the Committee currently operates. During the year, the Committee made use of the FRC's best practice guides in respect of the audit tender process discussed above.

### 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 FY2026, the Committee will continue to support the Board as the business continues to execute its strategy, embedding the Group's governance framework, financial reporting systems, risk management processes and internal controls in the context of the Corporate Governance Code 2024 changes.

### Mark Butcher

Audit Committee Chairman

9 July 2025

## INTRODUCTION TO THE REMUNERATION REPORT



Following extensive consultation with shareholders we are proposing to implement a VCP to incentivise management to accelerate value creation for shareholders.

### John Pattullo

Remuneration Committee Chairman

### Committee membership

Committee membership	Number of meetings
John Pattullo	5/5
Mark Butcher	5/5
Avril Palmer-Baunack	5/5
Bindi Karia	5/5
Nicola Rabson	4/5

- \* Nicola Rabson could not attend one meeting in the year due to a prior external commitment. She informed the Committee in advance and had an opportunity to provide comments to the Committee Chairman ahead of the meeting.

### Dear stakeholder,

I am delighted to present the Directors' Remuneration Report for the year ended 30 April 2025. During the year the Remuneration Committee (the Committee) reviewed the Remuneration Policy to ensure that it continues to be aligned to the Group's strategy.

### Review of Directors Remuneration Policy and implementation of a Value Creation Plan (VCP)

Over the last year the Remuneration Committee has undertaken a comprehensive review of our long term incentive arrangements in the context of business performance, share price performance, and the forward-looking strategy. In recent years the Board believe that there has been a disconnect between share price progression and the underlying performance of the ZIGUP group – despite strong profit performance against market expectations, our multiple has declined during this period.

Faced with this disconnect, we concluded that a VCP could be the most suitable framework to generate value for shareholders by incentivising management to accelerate value creation for shareholders and deliver a material increase in the share price. We have designed a simple, clear, transparent, and leveraged incentive plan where management will only benefit when there are strong returns for shareholders.

In developing the VCP we engaged extensively with our largest shareholders. There were mixed views as we expected given that this structure is not commonly operated in the UK market, but, on the whole, shareholders understood our challenge and were supportive of the concept of a VCP in the context of the disconnect between ZIGUP's share price and business performance.

The key features of the proposed plan are outlined below.

- Hurdle – there will be no pay-out under the plan unless the Company meets the stretching hurdle of share price plus dividends paid during the period of £5.21, equivalent to approximately 18% annual growth in total shareholder return.
- Pool – above this hurdle, management will participate in 10% of the value created for shareholders, ensuring a fair split of returns between management and shareholders.
- Cap – the pool will be subject to a maximum share price and dividend cap of £8. The overall monetary value of the pool therefore cannot exceed c.£63m (with a corresponding maximum of c.£19m for the CEO), which would only be delivered where there has been over £1bn of shareholder value created.
- Time horizons – performance under the plan will be measured over the three-year performance period starting on 1 May 2025 and ending on 30 April 2028. The plan includes a two-year holding period following the vesting of any awards, ensuring that no shares are released for a five-year period, incentivising sustainable decision making and creating value for shareholders.
- Participants – limited to the executive directors and members of the executive committee, being those business leaders having the greatest influence over business performance, strategy and the delivery of value creation.
- Allocation – the CEO will be allocated 30% of the VCP pool, and the CFO 15%; the remainder is distributed among other eligible senior managers with the business unit heads receiving a higher share than the functional roles.

We will be putting a revised Directors Remuneration Policy, including the new VCP to shareholder vote at the AGM in September 2025.

### Performance of the Group

Over the past 12 months, the business has taken advantage of improving vehicle supply to grow its Spanish fleet and refresh a significant portion of the UK&I rental fleet, in what continues to be a strong demand environment. We have also invested in our people, technology and facilities to deliver improvements in customer experience and cost efficiencies, leading to industry leading feedback scores, improved customer retention and contract renewals.

At the same time a number of key industry metrics normalised in the first half of the year, including LCV residual values and replacement vehicle hire days moving closer to historic norms. These impacted aspects of our financial performance as previously guided, principally disposal profits in Spain and UK&I, and Claims & Services EBIT margin.

Against this backdrop management have continued to focus on what they can control, delivering an excellent operational performance and a financial performance ahead of market expectations. The Group reported revenues of £1,812.6m and underlying PBT of £166.9m.

We are delighted to have been awarded the King's Award in 2025, recognising the efforts made in reducing the technical skills gap and supporting the next generation of technicians. This is combined with high levels of colleague satisfaction at 75% overall and reflects our focus on a long term, sustainable people strategy. The new brand and strategic pillars have been embedded within the business, providing stronger group-wide consistency and focus. Our efforts on reducing emissions both within our own business and supporting the energy transition for commercial fleets has also seen the business achieve its near-term emissions targets.

This is a very strong overall performance in shifting market conditions requiring dedication and focus from across the executive and management team to deliver.

## INTRODUCTION TO THE REMUNERATION REPORT continued

### Remuneration outcomes for the year ended 30 April 2025

#### Annual bonus

The maximum annual bonus opportunity for the year was 125% of salary for the CEO. 75% of the award was based on underlying PBT, with actual performance for the year being £166.9m, which was between target and maximum. The remaining 25% was based on strategic and ESG targets, against which the Group performed strongly. The CEO received an overall annual bonus of 75.85% of maximum. 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. 50% of the annual bonus is awarded in shares and subject to deferral for three years.

#### 2022 LTIP vesting

The 2022 LTIP awards were granted in July 2022 subject to challenging underlying PBT and EPS targets. Following solid delivery over the three-year performance period, the target for EPS has been fully achieved, and the PBT outcome was delivered between threshold and target. Awards will therefore vest at 69.6% of maximum on 13 July 2025. The Committee is satisfied that these outcomes are consistent with the overall business performance over the relevant performance period and that no discretion is required. Awards for Executive Directors are subject to a two-year post vesting holding period.

#### CFO transition

In October 2024, the Company announced that Philip Vincent had taken the decision to step down from the Board, following six years of service. Philip was paid his salary, benefits and pension up to the date he left the Company in March 2025. There was no further compensation payable in respect of his loss of office and all unvested options under the LTIP lapsed under the terms of the scheme. Additionally, he was not entitled to a bonus for the year ended 30 April 2025. Philip remains subject to the post-employment shareholding guideline.

The Company announced on 3 February 2025 that, following a robust search process, Rachel Coulson would join the Group as CFO in August 2025. Rachel will be appointed on a salary of £400,000, below that of her predecessor reflecting that this is her first group CFO role. The Committee may make salary adjustments greater than the wider workforce in the future as she develops and performs in the role. The pension contribution and annual bonus opportunity are in line with our policy. Rachel will also participate in the VCP alongside other members of management. There will also be awards made to compensate Rachel for awards that will be forfeited upon leaving her previous employer. These mirror the form, value, and time horizons of forfeited awards. The anticipated maximum value of Rachel's buyout is £550,000. Full details will be provided in the Directors' Remuneration Report next year.

### Operation of policy for FY2026

#### Base salary

The CEO's salary has been increased by 2% to £659,386. This salary increase is aligned with the rate applied to mid and senior management levels and below the average 4% pay increase across the wider UK business.

#### Pension

Executive Director pension levels remain aligned to the majority of the UK workforce (currently 4% of salary).

#### Annual bonus

There are no changes to the maximum opportunity for FY2026 (125% of salary for the CEO and 100% of salary for the CFO) or to the performance measures, with the annual bonus continuing to be based 75% on PBT performance and 25% on strategic and operational measures including ESG. 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.

#### Long term incentive plans

Executive Directors and other eligible senior managers will participate in the VCP as outlined above.

#### Wider workforce pay and benefits

In FY2025, the Group made pay increases to colleagues at lower salary levels of between 2% and 7%, and a capped 2% rise at mid to senior levels. FY2025 also saw a 24% increase in the number of colleagues participating in the SAYE scheme compared to previous years. Since 2022 the Company has made an annual grant of Free Shares to eligible colleagues up to the value of £500. The first set of awards were made to 4,904 colleagues and are due to vest in December 2025. The Group continues to recognise the financial challenges which face many colleagues, and following the launch of Wagestream's savings product, 1,031 colleagues have opened a savings account. There has been a total investment of £625,000 by colleagues saving directly from their salary. In the Group's Spanish business, greater focus was given to financial wellbeing through the introduction of the Northgate Savings Club which broadened and enhanced the benefits available to our Spanish colleagues.

There has been a focus during FY2025 to improve awareness of colleague benefits, resulting in a 4% increase in the number of colleagues accessing Benefits HUB. Initiatives like the benefits road shows piloted across the Auxillis and Principia businesses in the UK, have helped colleagues better understand the value of the benefits that are available to them. Awareness has also increased due to a new benefits booklet called 'work perks', and a new app making access to Benefits HUB easier for our remote-working colleagues. Following the recent colleague engagement survey there has been a 10%ppts increase in the number of colleagues from Auxillis and Principia "agreeing" or "strongly agreeing" with the statement, "I value the benefits that are available from my company". Across the UK the number of colleagues opting into additional benefits increased by almost 95% across a 12-month period.

In response to colleagues' feedback, the UK business communicated to colleagues that 'Holiday Flex' would be introduced in 2025. The business recognises that colleagues want more flexibility to decide how to use their annual leave (in line with working time regulations), and this new scheme will give colleagues the opportunity to buy or sell up to one week of annual leave per year. Additionally, holiday entitlement was increased for colleagues within FMG RS to align with the wider UK business.

Board engagement with wider workforce

The Group continues to engage regularly with the wider workforce. During FY2025 in the UK and Ireland the Employee Engagement Forum was relaunched as The Voice Network (the Forum) with a refreshed terms of reference and purpose. The Forum is chaired by a senior member of the Group Management Board and includes representatives from across the business and group functions. To improve communication and feedback channels further, the Forum now comes together more frequently, in person, six times a year. During the last 12 months the Forum has been instrumental in supporting initiatives such as the introduction of Holiday Flex, the launch of the colleague benefits booklet, the identification of Charity Ambassadors across the Group, and in raising awareness of the importance of mental health. In Spain, greater focus was given to wellbeing support, with the introduction of Savia, a 24/7 wellness platform. Additionally, following a successful consultation process with the workers' councils a single framework for collective bargaining has been agreed and implemented across 14 branches in Spain during FY2025. In FY2026 the Group remains committed to maintaining an effective dialogue between senior management and the wider workforce through the introduction of local forums across the Group.

Colleague engagement

The Group reviewed and discussed the results of its fifth annual Have Your Say colleague survey. Key themes emerging included: continued recognition from colleagues that they are proud of the service they provide to customers, acknowledgement from colleagues that collaboration and teamwork across the Group has improved (which was previously identified as an opportunity for improvement) and importantly colleagues feel valued by their manager and the Group for their contribution to the Group's success. Some areas for improvement were also noted through the survey which included: whilst colleagues' perception of senior leaders is largely positive there is an opportunity for senior leaders to increase their presence and continue to demonstrate progress against the strategic pillars and share more insight into long term growth opportunities. Overall, attrition has reduced across the Group by 6ppts which demonstrates our focus on people is having a positive impact on colleagues.

Conclusion

The Committee feels it has successfully balanced its responsibilities to retain and motivate senior leaders, support the broader workforce and align with the interests of all stakeholders. Following the conclusion of an extensive consultation process we are proposing the introduction of a VCP, and we have taken significant steps to enhance colleague engagement.

I would like to thank our shareholders for their valuable input to the development of the VCP and thank my fellow Committee members for all their hard work through the year. We look forward to your support for the revised Directors Remuneration Policy and Annual Remuneration Report at the upcoming AGM in September.

John Pattullo

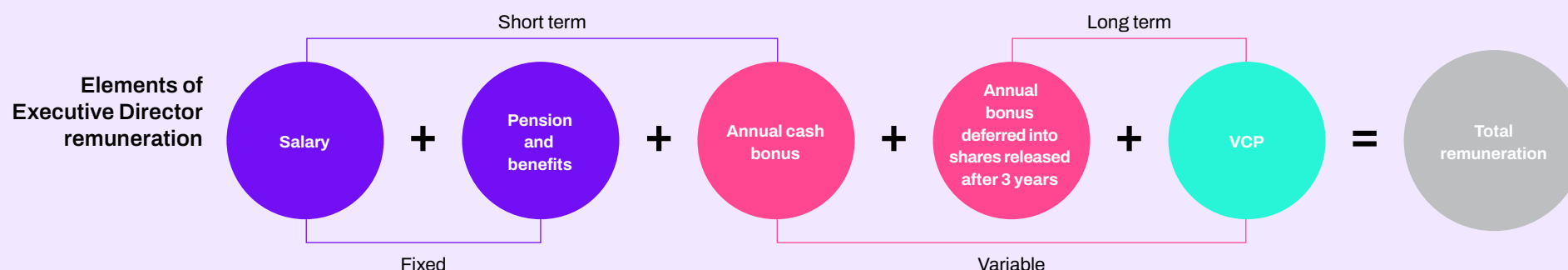
Remuneration Committee Chairman

9 July 2025



# Aligning remuneration with our strategy.

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.



## Executive Directors pay, in FY2025



(£'000)	Martin Ward	Philip Vincent*
Salary, pension and benefits	690	417
Annual bonus	613	Nil
LTIP vesting	575	Nil
<b>Total Remuneration</b>	<b>1,878</b>	<b>417</b>

\* Philip Vincent stepped down from the Board on 28 March 2025 and remuneration is shown to this date. He was not entitled to receive an annual bonus and all unvested share awards were forfeited on that date.

## How performance was reflected in executive pay in FY2025

Underlying PBT  
**£166.9m**

Underlying EPS  
**58.4p**

Enable	5% out of 5%
Deliver	3.75% out of 7.5%
Grow	12.5% out of 12.5%

## FY2025 annual bonus targets

	Stretch target	Actual outcome	Outcome (% of max. award)	Outcome
75% PBT	£171.3m	<b>£166.9m</b>	<b>73%</b>	<b>54.60%</b>
25% strategic/non-financial objectives including sustainability and environmental goals			<b>85%</b>	<b>21.25%</b>
<b>Total for the overall award outcome</b>				<b>75.85%</b>

## Vesting of 2022 LTIP<sup>^</sup>

	Stretch target	Actual	Outcome (% of max. award)
PBT 50% of total LTIP	£175.0m	<b>£166.9m</b>	<b>39.2%</b>
EPS 50% of total LTIP	55.8p	<b>58.4p</b>	<b>100%</b>
<b>Total award</b>			<b>69.6%</b>

<sup>^</sup> Assessed over a three-year performance period to 30 April 2025

# Remuneration across the Group.

## Remuneration policy and implementation for FY2026

Fixed pay	
CEO – £659,386 (2% increase) CFO – £400,000 on appointment	Pay increase of 2% aligned to senior management and below average for the wider UK workforce of 4%. Pension rate of 4% aligned to wider workforce
Annual bonus	Measures
CEO – Maximum opportunity 125% CFO – Maximum opportunity 100%  50% paid in cash, 50% deferred to shares subject to a three-year holding period	75% based on financial (PBT) performance  25% based on strategic and operational measures (including ESG)
VCP	Measures
Participants will have the opportunity to share in 10% of the value created (share price plus dividends) over and above a hurdle of £5.21 over the period 1 May 2025 to 30 April 2028  The CEO's share is 30% of the pool and the CFO's share in 15%	Value creation (share price plus dividends)
Shareholding requirements	
200% of salary  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.	

Further detail can be found in the pages of the Remuneration report pages 107 to 114

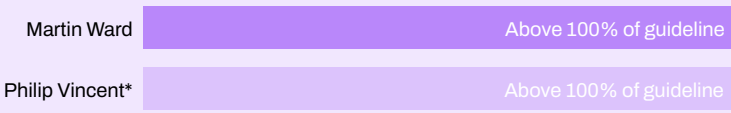
## Wider workforce pay and benefits.



## 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 two-year post-employment holding period
- As at 30 April 2025 both Martin Ward and Philip Vincent met the target of holding shares equivalent in value of at least 200% of basic salary
- TSR targets included for the LTIP award made in the year, in order to create clear alignment between Executive Directors' interests and value created for shareholders
- A new VCP is being implemented to incentivise management to accelerate shareholder value creation

## Executive Directors' shareholding



\* On the date of stepping down from the Board, with this shareholding subject to two year holding period.

DIRECTORS' REMUNERATION REPORT

This part of the Directors' Remuneration Report sets out the Remuneration Policy (the Policy) for the Directors and has been prepared in accordance with the Companies Act 2006, The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018, the UK Corporate Governance Code and the UK Listing Rules.

The Group's existing Directors' Remuneration Policy was approved by shareholders at the Company's AGM in September 2023. Subject to shareholder approval, this revised Policy will take effect from the 2025 AGM and is intended to apply until the 2028 AGM.

The key change under the Policy is the introduction of a Value Creation Plan (VCP) to operate in place of the existing Long Term Incentive Plan (LTIP). The letter from the Remuneration Committee Chairman (the Committee Chairman) sets out the strategic rationale and design process for the proposal of the revised Policy and highlights how proposed changes are in alignment with the overarching strategy of the Group.

The VCP is structured to be a simple, transparent and leveraged incentive plan which looks to incentivise management to generate substantial value for shareholders. The Committee gave extensive consideration to the long term incentive framework which included a detailed review of alternative structures and it was ultimately decided that the VCP was the most suitable framework to incentivise the delivery of the Group's strategy. Other minor changes have been made to the wording of the Policy to aid operation and to increase clarity.

Throughout the process of reviewing the Policy, the Committee took into account the UK Corporate Governance Code (the Code), shareholder views, wider workforce remuneration and emerging best practice in relation to Executive Director remuneration. The Committee also considered input from management and our independent advisers.

How the views of shareholders are taken into account

The Committee considers the views of its shareholders to be paramount in determining remuneration policy. In developing this Policy, the Committee Chairman consulted with our largest shareholders and the proxy agencies on a number of occasions and took into account their feedback in developing the Policy. Whilst there were mixed views on the introduction of the VCP, on the whole shareholders were broadly supportive of the concept in the context of the disconnect between ZIGUP's share price and business performance. Following feedback from some shareholders, the Committee refined and clarified the design of the plan including raising the base price used to determine the minimum plan hurdle and clarifying how share buybacks would be treated to ensure that management will not be disincentivised to undergo a share buyback. Further context is provided in the letter from the Committee Chairman.

Consideration of employment conditions elsewhere in the Group

When setting the policy for the Executive Directors, the Committee takes into account the overall approach to reward and the pay and employment conditions of other colleagues in the Group. Salary increases will ordinarily, in percentage terms, be no more than those of the wider workforce and the Committee also reviews colleague remuneration practices and trends across the Group and these are taken into account when making decisions about Executive Directors' remuneration.

As part of the Committee's broader remit under the Code, the Committee reviews the Group's wider remuneration policies and practices with the objective of ensuring an appropriate cascade of policy from Executive Directors to the rest of the business. The Group has enhanced colleague engagement across the business through the Employee Engagement Forum which during the year was relaunched as the Voice Network with a refreshed purpose. This is chaired by a senior member of the Group Management

Board and is designed to help the Board understand the views of the workforce and to ensure feedback between the workforce and the Board on an ongoing basis. There was engagement with colleagues via the Employee Engagement Forum during the year in relation to Group remuneration matters and how executive remuneration aligns with the Group's wider pay policy.

The Policy for Directors

The Committee aims to ensure that Executive Directors are fairly and competitively rewarded for their individual contributions by means of basic salary, benefits in kind and pension benefits.

High levels of performance are incentivised and shareholder alignment is created for Executive Directors through the annual bonus scheme (with an element deferred into shares) and the VCP, which is delivered in shares and measures performance over a longer period.

The Committee's policy is to focus on longer term sustained performance of the Group by applying greater weighting to the variable elements of executive remuneration. This is done by paying a significant proportion of the potential remuneration package in shares, to ensure that Executive Directors have a strong ongoing alignment with shareholders through the Company's share price performance. The Committee considered that the introduction of the VCP creates an enhanced focus on growth in value for shareholders.

How the Committee considers that the Policy meets the following factors in Provision 40 of the UK Corporate Governance Code:

Clarity	The Policy is set out in a concise and transparent manner. We engage with shareholders periodically on executive pay to ensure it is well understood and that their feedback is considered. We provide disclosure in straightforward and concise terms with maximum award levels being clearly defined.
Simplicity	Remuneration structures are simple and transparent, whilst at the same time incorporating the necessary structural features to ensure a strong alignment to performance.
Risk	Awards under the Policy are subject to malus and clawback provisions. The performance conditions are reviewed annually to ensure that they remain suitable. The Committee also has the right to override formulaic outcomes if it concludes that the outcomes do not reflect underlying performance. To avoid conflicts of interest, Committee members are required to disclose any conflicts or potential conflicts ahead of Committee meetings. No Executive Director or other member of management is present when their own remuneration is under discussion.
Predictability	Incentives are capped in the Policy and the reward scenarios show what the pay-out may be under different performance scenarios.
Proportionality	The link between each element of the Policy and the Group's strategy is noted in the table on pages 108 to 109. Variable pay is subject to a combination of financial and non-financial measures that are linked to the Group's strategy. VCP holding periods (as well as the holding periods for inflight LTIP awards) and shareholding requirements (including post-exit) all ensure alignment to long term value creation and strategic goals.
Alignment to culture	We seek to align incentives to the Group's 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 colleague population.

## DIRECTORS' REMUNERATION REPORT continued

Purpose and link to strategy	Operation	Maximum opportunity
<b>Base salary</b> To recruit, reward and retain executives of a suitable calibre for the role and duties required.	<p>Normally reviewed annually by the Committee, taking account the Group's performance, individual performance, changes in responsibility, changes in the size and complexity of the business and levels of increase for the broader UK population.</p> <p>Consideration is also given to remuneration levels within relevant FTSE index and industry comparator companies.</p> <p>The Committee considers the impact of any base salary increase on the total remuneration package.</p>	<p>There is no set maximum salary or salary increase but salary increases for Executive Directors will not normally exceed the general increase for the broader colleague population. In certain circumstances, for example but not limited to, changes in the scope, or responsibility of the role, changes in the size of the Group or where there has been a significant change in market practice or to allow the base salary of newly appointed executives to increase in line with their experience and contribution, higher increases may be awarded and the Committee will communicate the rationale to shareholders as appropriate.</p> <p>Details of the outcome of the most recent salary review are provided in the Directors' Remuneration Report.</p>
<b>Benefits</b> To provide market competitive benefits to ensure the wellbeing of executives.	<p>The Company typically provides:</p> <ul style="list-style-type: none"> <li>• A car or cash allowance in lieu;</li> <li>• Medical insurance;</li> <li>• Death in service benefits; and</li> <li>• Critical illness insurance.</li> </ul> <p>Executive Directors are also entitled up to 30 days' contractual annual leave per annum and such other leave as the Company offers to colleagues from time to time.</p> <p>The Committee may introduce other benefits if it is considered appropriate to do so.</p> <p>Reimbursement of all costs associated with reasonable expenses incurred for the proper performance of the role including tax thereon where a business expense is deemed taxable by HMRC.</p> <p>Where an Executive Director is required to relocate, appropriate one off or ongoing relocation benefits may be provided (e.g. housing, education etc), which may include a cash payment to cover reasonable expenses.</p> <p>Where appropriate, benefits may include any tax thereon.</p> <p>Executive Directors may participate in the SIP and SAYE up to HMRC approved limits, and any other all-colleague plans on the same basis as other colleagues.</p>	<p>The value of benefits is based on the cost to the Company and is not predetermined.</p>
<b>Pension</b> To provide market competitive retirement benefits.	<p>A Company contribution to a group personal pension plan or provision of cash allowance in lieu at the request of the individual or a combination of the two.</p>	<p>The maximum annual pension contribution or cash allowance is in line with the rate typically applicable for the workforce in the country in which the Executive Director is based. The current Executive Directors are based in the UK, and the Committee has determined that the rate available to the wider workforce that should be used for this purpose is currently 4%.</p>
<b>Annual bonus</b> To encourage and reward delivery of the Group's operational objectives and to provide alignment with shareholders through the deferred share element.	<p>The annual bonus is based on performance against one or more financial targets. A proportion may also be based on non-financial or individual measures. At least 50% of the bonus will be based on financial measures. Performance is normally assessed over a financial year.</p> <p>There will normally be a financial underpin to the non-financial element of the bonus. The Committee will assess the pay-out 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>Details of the performance measures, weightings and targets (where these are not considered commercially sensitive) will be provided retrospectively in the Annual report on remuneration.</p> <p>Half of any bonus earned net of taxes will be used by the Executive Directors to purchase shares which will normally be subject to a three-year holding period and cannot be sold during that time.</p> <p>The Committee has the discretion to adjust the formulaic outcome of the annual bonus where it considers it is not appropriate taking into account such matters as it considers relevant including without limitation the underlying performance of the Group, investor experience, wider colleague or stakeholder experience.</p> <p>Recovery and withholding provisions apply as outlined on page 110.</p>	<p>Maximum opportunity: 150% of salary for CEO and; 100% of salary for other Executive Directors.</p> <p>Target: Normally 50% of maximum.</p> <p>Threshold: No greater than 25% of maximum.</p> <p>For performance below threshold, no bonus is payable.</p> <p>For FY2026 the maximum annual bonus for the CEO will be 125% of base salary.</p> <p>For FY2026 the maximum annual bonus for the CFO will be 100% of base salary.</p>



## DIRECTORS' REMUNERATION REPORT continued

Purpose and link to strategy	Operation	Maximum opportunity
<b>Value Creation Plan</b> To incentivise management to accelerate value creation for shareholders.	<p>Grant of one-off VCP awards.</p> <p>The VCP pool will be determined based on the creation of shareholder value above a hurdle over a three-year performance period from 1 May 2025 to 30 April 2028.</p> <p>The VCP pool will be determined by the Committee based on the share price at the end of the performance period plus the aggregate dividends paid over the performance period in excess of the hurdle. Any value returned to shareholders via a share buyback during the period will also be added to the pool value for the purpose of determining value creation.</p> <p>The minimum share price and dividend hurdle is £5.21.</p> <p>Participants in the VCP will be entitled to receive a portion of 10% of the value created above the hurdle over performance period.</p> <p>If the hurdle has not been achieved, no value will be delivered to participants.</p> <p>The award is normally subject to a three-year performance period. Any VCP value will be converted into Company shares at the end of the performance period and will normally be subject to a two-year holding period.</p> <p>The Committee has the discretion to adjust the formulaic outcome of the VCP where it considers it is not appropriate, taking into account such matters as it considers relevant including without limitation the underlying performance of the Group, investor experience, wider colleague or stakeholder experience.</p> <p>Recovery and withholding provisions apply as outlined on page 110.</p> <p>The Committee retains discretion to administer the VCP in accordance with the VCP plan rules.</p>	<p>10% of the value created will be split among the participants as follows:</p> <ul style="list-style-type: none"> <li>• CEO 30%</li> <li>• CFO 15%</li> <li>• The remaining 55% will be split across the rest of the management team.</li> </ul> <p>The maximum payout under the VCP will be capped at a share price and aggregate dividends over the period of £8 (the cap).</p>
<b>Non-Executive Director Fees</b> To attract and retain a high calibre Chairman and Non-Executive Directors by offering a market competitive fee level.	<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>Additional fees may be paid for new roles and/or additional responsibilities and/or time commitments.</p> <p>The level of these fees is reviewed periodically by the Committee for the Chairman and by the Chairman and Executive Directors for the Non-Executive Directors within the overall limit set by the Articles of Association and with reference to market levels in comparably sized FTSE companies, time commitment and responsibilities of the Non-Executive Directors. Fees are paid in cash.</p> <p>The Chairman and Non-Executive Directors are not normally entitled to participate in any of the Group's incentive plans or pension plans.</p> <p>Reimbursement of all reasonable expenses including costs associated with reasonable expenses, such as tax payable on expenses, incurred for the proper performance of the role.</p> <p>Additional benefits (including the tax thereon) may be introduced if considered appropriate.</p>	<p>The maximum aggregate amount is currently £700,000 as provided in the Articles of Association but this amount may be increased or decreased in accordance with the Company's Articles of Association from time to time.</p>

## DIRECTORS' REMUNERATION REPORT continued

### Recovery and withholding provisions

Recovery and withholding provisions apply under the annual bonus, LTIP and the VCP to all participants in the event of misconduct, an error in or restatement of the Group's accounts, error in assessing performance criteria and/or (in respect of the VCP) pool value and participation percentage corporate failure, serious reputational damage, failure of risk management, misrepresentation or such other exceptional circumstances as the Committee determines. For LTIP and VCP awards, these provisions normally apply for a period of three years from the date at which performance has been determined by the Committee.

### Choice of performance measures and approach to target setting

The annual bonus is based on performance against one or more financial measures and may also include an element of non-financial/individual measures if the Committee considers it appropriate, all based on the priorities for the business in the year ahead. The Committee will set performance targets taking into account market and investor expectations, prevailing market conditions and the Group's business plan for the year.

Awards under the VCP will be based on shareholder value creation above the relevant hurdle as determined by the Committee. The hurdle has been set at a stretching level and management will only receive any value from the plan where there have been significant shareholder returns.

The measures and targets for outstanding awards are set out in the relevant Annual Report on Remuneration.

### Annual bonus plan and share plan policy

The Committee will operate its VCP, LTIP, SIP, SAYE and any other share or bonus schemes that it maintains or introduces from time to time according to the rules of each respective plan and consistent with normal market practice and the Listing Rules, including flexibility in a number of regards.

Factors over which the Committee will retain flexibility include (albeit with quantum and performance targets restricted to the descriptions detailed above):

- How to determine the size of an award, a payment, or when and how much of an award should vest;
- How to deal with a change of control or restructuring of the Group;
- Other than in the case of stated good leaver reasons, whether a Director is a good/bad leaver for incentive plan purposes and whether and what proportion of awards vest at the time of leaving or at the original vesting date(s) as relevant;
- How and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends).

The terms of the VCP and LTIP rules provide the Committee with the discretion to grant and/or settle all or part of a VCP or LTIP award in cash. In practice this discretion would only be used in exceptional circumstances for Executive Directors or to enable the Company to settle any tax or social security withholding which may apply.

The Committee may vary or substitute any performance measure applying to the incentive schemes (including altering the weighting of performance measures or how the VCP pool is determined) if an event occurs which causes it to determine that it would be appropriate to do so (which may include an acquisition), provided that any such variation or substitution is fair and reasonable and (in the opinion of the Committee) the change would not make the measure materially less demanding. If the Committee were to make such a variation, an explanation would be given in the next Directors' Remuneration Report.

All historic awards that were granted under any current or previous share schemes operated by the Company but remain outstanding will normally remain eligible to vest based on their original award terms.

### Share ownership requirements

The Executive Directors are normally expected to accumulate, over a period of five years from the date of appointment, a holding of ordinary shares of the Company equivalent in value to 200% of their basic annual salary, measured annually.

It is intended that this should be achieved primarily through shares acquired on the exercise of share incentive awards and from the deferral of annual bonus and that Directors are not required to go into the market to purchase shares, although this is encouraged and any shares so acquired would count towards meeting the guidelines. Executive Directors are expected to retain all shares which they are required to acquire with annual bonus payments and all vested LTIP, VCP, or other awards, subject to sales to meet tax obligations and the Committee's discretion in exceptional circumstances, until the ownership requirement is met.

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. The Committee retains discretion to waive this guideline if it is not considered to be appropriate in the specific circumstances.

### Differences in remuneration policy for Executive Directors compared to other colleagues

The Policy for the Executive Directors is designed with regard to the policy for colleagues across the Group as a whole. For example, the Committee takes into account the general basic salary increases for the broader UK population when determining the annual salary review for the Executive Directors. There are some differences in the structure of the remuneration policy for the Executive Directors and certain other senior colleagues as against colleagues across the Group more broadly, which the Committee believes are necessary to reflect the different levels of responsibility of colleagues across the Group.

The key differences in remuneration policy between the Executive Directors and colleagues across the Group are the increased emphasis on performance related pay and the VCP plan is only applicable to the Executive Directors and the Executive Committee. Other senior managers will be awarded a long term incentive award. These are not provided outside of the most senior managers as they are reserved for those considered as having the greatest potential to influence group performance.

### External Non-Executive Director positions

Subject to Board approval, Executive Directors will normally be permitted to take on one non-executive position with another company and will normally be permitted to retain their fees in respect of such positions.

### Approach to recruitment and promotions

The remuneration arrangements for a Director will be set in accordance with the terms of the Company's policy in force at the time of appointment, with each element subject to the limits as specified in the Policy table above.

The salary for a new Executive Director will be set by reference to a number of factors including their previous experience, and may be subject to phased increases over the first few years as the executive gains experience in their new role.

# DIRECTORS' REMUNERATION REPORT continued

The Committee may buy-out incentive pay, which would be forfeited by reason of leaving the previous employer, in order to secure an appointment, when it considers this to be in the best interests of the Company and its shareholders.

Any buy-out will take into account and replicate as far as possible, the form (cash or shares), delivery mechanism, performance measures, timing and expected value of the remuneration being forfeited and such other specific matters as the Committee considers relevant. Buy-outs are not subject to the maximum limits described above.

Other benefits, remuneration or contractual entitlements may also need to be bought out and the Committee will use its judgement as to the most appropriate way to structure this taking into account the principle that terms should be no more generous than those forfeited.

For an internal appointment to an Executive Director role, any variable pay element awarded in respect of their prior role will be allowed to pay out according to its terms. In addition, any other ongoing remuneration obligations existing prior to appointment may continue, if relevant.

For any new Executive Directors appointed over the lifecycle of this Policy, the Committee may grant an award under the VCP only where another VCP participant has forfeited their award due to leaving (i.e. the sum of VCP pool allocations will not exceed 100% of the pool). For new appointments, the Committee reserves the right to grant an LTIP award in place of a VCP award in accordance with the terms set out under the previous Remuneration Policy. Where such awards are granted, the Committee will select the performance measures that it considers best support the Group's medium to long term objectives, although these will normally be aligned with other LTIP participants in the Group. The conditions of any LTIP award and the maximum opportunities will be in line with the terms set out under the Policy approved at the 2023 AGM. For completeness, the maximum award level in the 2023 Policy, which will apply in this case, is 150% of salary with an exceptional award limit of 250% of salary. Awards would normally be granted annually in the form of conditional shares or nil-cost options with a three-year performance period followed by a two-year post-vesting holding period.

For external and internal executive appointments, the Committee may agree that the Company will meet certain relocation and other incidental expenses and associated taxation as appropriate. Other elements may be included where the Committee considers this appropriate taking into account the specific circumstances of the recruitment, for example: (i) an interim appointment being made to fill an Executive Director role on a short term basis; and (ii) if exceptional circumstances require that the Chairman or a Non-Executive Director takes on an executive function on a short term basis.

For the appointment of a new Chairman or Non-Executive Director, the fee arrangement would be set in accordance with the approved remuneration policy in force at that time.

### Service contracts and payments for loss of office

The Committee reviews and approves the contractual terms for new Executive Directors to ensure that these reflect best practice.

Service contracts normally continue until the Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination. In line with best practice equal notice periods will apply to the Executive Directors and the Company and these will normally be six months, although in exceptional circumstances a notice period may be agreed of up to a maximum of 12 months.

An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct. If the employing company terminates the employment of an Executive Director in other circumstances, compensation is limited to salary due for any unexpired notice period and any amount assessed by the Committee as representing the value of other contractual benefits (including pension) which would have been received during the period. Payments would normally be subject to mitigation. Service contracts are available for inspection at the Company's registered office.

In circumstances in which a departing Director may be entitled to pursue a legal claim, the Company may negotiate settlement terms and, with the approval of the Committee on the remuneration elements therein, enter into a settlement agreement accordingly.

In summary, the contractual provisions are as follows:

Provision	Detailed terms
Notice period	Current Executive Directors: normally six months from the Director and six months from the Company. Any future Executive Directors: normally six months' notice from both the Company and the Director (up to a maximum of 12 months in exceptional circumstances).
Termination period	Base salary plus benefits (including pension), subject to mitigation and paid on a phased basis for notice period (unless the Committee determines otherwise). In addition, any statutory entitlements or sums to settle or compromise claims in connection with the termination would be paid as necessary.
Remuneration entitlements	A bonus may also become payable for the period of active service, which will normally be pro-rated for time, along with vesting of outstanding share awards (in good leaver circumstances – see below). In all cases performance targets would apply.
Change of control	There are no enhanced terms in relation to a change of control.

Any share based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. The requirement to hold deferred bonus shares will normally continue on their original time horizons. The default treatment for other awards is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, 'good leaver' status can be applied. For VCP awards, these circumstances include death, ill-health, injury, disability, transfer of the colleague's employing business out of the Group or other circumstances at the discretion of the Committee. For other share-based awards, the circumstances include death, ill health, redundancy, retirement with the agreement of the Committee, transfer of the colleague's employing business out of the Group or other circumstances at the discretion of the Committee (taking into account the individual's performance and the reasons for their departure).

Under the VCP and LTIP, awards held by good leavers will usually be scaled back with respect to the actual period of service and vest at the usual time and be subject to the holding period, unless the Committee determines otherwise. For share awards under the VCP and LTIP held by good leavers, awards remain subject to the performance conditions. In the case of death, awards may vest early normally taking into account performance (and in the case of the VCP, the Executive Director's share of the value of the VCP pool); time pro-rating may be disapplied at the discretion of the Committee.

# DIRECTORS' REMUNERATION REPORT continued

On a change of control, awards will normally vest subject to a performance assessment at that time and usually be scaled back for the actual period of service, unless the Committee determines otherwise.

For all leavers, the Committee may also determine to make a payment in reimbursement of a reasonable level of outplacement and legal fees in connection with a settlement agreement as well as any statutory entitlement.

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years, subject to annual reappointment at the AGM. These are available for inspection at the Company's registered office.

This policy provides for a notice period for the Chairman of up to six months and for other Non-Executive Directors up to three months.

The appointment letters for the current Non-Executive Directors provide that no compensation is payable on termination, other than accrued fees and expenses.

### Legacy arrangements

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (i) before the Policy set out above came into effect, provided that the terms of the payment were consistent with any shareholder-approved Directors' remuneration policy in force at the time they were agreed; or (ii) at a time when the relevant individual was not a Director of the Company (or other persons to whom the Policy set out above applies) and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company or such other person. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than at the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

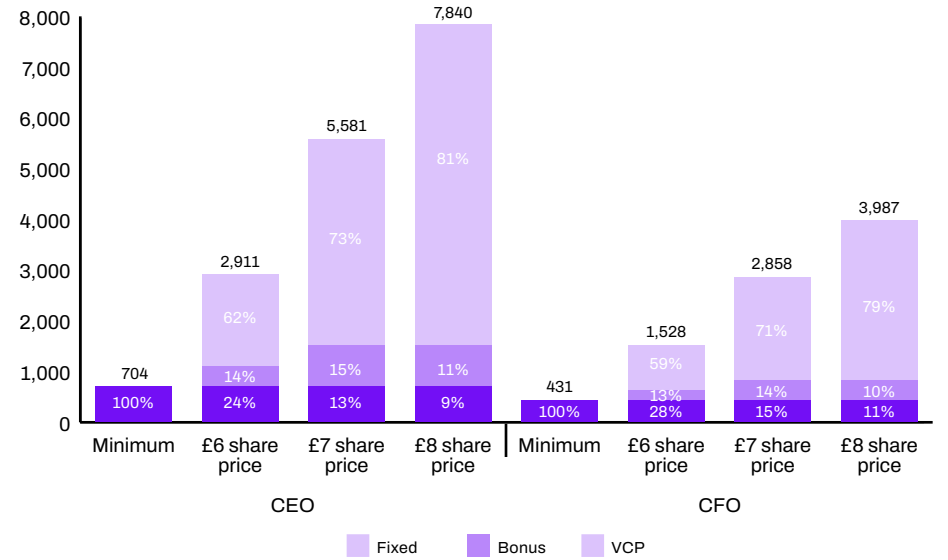
LTIP awards granted under previous policies will continue to vest in accordance with the terms of those policies.

### Reward scenarios

The Policy results in a significant portion of remuneration received by Executive Directors being dependent on the Group's performance. The chart on this page illustrates how the total pay opportunities for the Executive Directors vary under four different performance scenarios: fixed pay only, share price of £6 (incl. dividends), share price of £7 (incl. dividends) and maximum (share price of £8 incl. dividends). As the VCP will be the only long term plan in operation, the values have been annualised over the three years.

Salary levels (on which other elements of the package are calculated) are based on those applying on 1 May 2025. The value of taxable benefits is based on the cost of supplying those benefits (as disclosed) for the year ended 30 April 2025. SAYE awards have been excluded. The annual bonus opportunity is that which will apply for FY2026.

Executive Director total remuneration at different levels of performance (£000)



Minimum	<ul style="list-style-type: none"><li>Consists of base salary, benefits and pension.</li><li>Base salary is the salary to be paid in FY2026.</li><li>Pension of 4% of salary.</li><li>Benefits are based on the FY2025 taxable value</li></ul>
£6 share price (incl. dividends)	<ul style="list-style-type: none"><li>Based on a portion of maximum.</li><li>Annual bonus: 50% of maximum.</li><li>VCP: payout of pool generated at a share price of £6 (incl. dividends) 30%/15% of pool value for the CEO/CFO respectively.</li></ul>
£7 share price (incl. dividends)	<ul style="list-style-type: none"><li>Based on the remuneration receivable at a share price of £7 incl. dividends):</li><li>Annual bonus: maximum bonus of 125%/100% of base salary for the CEO/CFO respectively.</li><li>VCP: payout of pool generated at a share price of £7 (incl. dividends) 30%/15% of pool value for the CEO/CFO respectively.</li></ul>
Maximum (£8 share price incl. dividends)	<ul style="list-style-type: none"><li>The maximum remuneration receivable:</li><li>Annual bonus: maximum bonus of 125%/100% of base salary for the CEO/CFO respectively.</li><li>VCP: payout of pool generated at the capped share price of £8 (incl. dividends) 30%/15% of pool value for the CEO/CFO respectively.</li></ul>



## DIRECTORS' REMUNERATION REPORT continued

### Annual Report on Remuneration

#### Remuneration policy report

The table below summarises the proposed Directors' Remuneration Policy and how the Committee intends to implement it in FY2026.

When implementing the remuneration policy, the Remuneration Committee considers the six factors listed under Provision 40 of the UK Corporate Governance Code. The table below summarises the key aspects of that policy.

Element	Implementation for FY2026																								
Salary	<ul style="list-style-type: none"><li>CEO – £659,386 (2% increase)</li><li>CFO – £400,000 (salary on appointment)</li></ul> <p>The salary increase of 2% for the CEO is aligned with the rate applied to the mid and senior management levels but below the average increase across the wider business of 4%.</p>																								
Pension	<p>No change for FY2026.</p> <p>Pension allowance of 4% of salary, aligned with the wider workforce.</p>																								
Benefits	<p>No change for FY2026.</p> <p>Benefits include a car allowance, healthcare and life assurance.</p>																								
Annual bonus	<p>No change for FY2026.</p> <ul style="list-style-type: none"><li>CEO maximum opportunity: 125% of salary</li><li>CFO maximum opportunity: 100% of salary</li></ul> <p>Performance measures are based 75% on financial (PBT) performance and 25% strategic and operational measures (including ESG). As in previous years, the targets are considered commercially sensitive and will be disclosed retrospectively.</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>The Committee will retain the flexibility to exercise discretion in relation to the bonus pay-out taking into account of the wider performance context and the wider stakeholder and shareholder experience.</p> <p>Malus and clawback provisions apply.</p>																								
Value Creation Plan	<p>The VCP rewards for the creation of shareholder value above a hurdle of £5.21. Shareholder value is measured based on the share price at the end of the performance period and dividends paid during the performance period. Above this hurdle, the Executive Directors and other participants will share 10% of the value created, ensuring a fair split of returns between management and shareholders.</p> <p>The performance period starts on 1 May 2025 and ends on 30 April 2028. A further two-year holding period will apply following the vesting of awards.</p> <p>Of the 10% total pool, the CEO will receive 30% and the CFO will receive 15%. The pool is capped so that if the value created through share price and dividends exceeds £8, the overall monetary value will not increase beyond this point.</p> <p>The Committee will retain the flexibility to exercise discretion in relation to the VCP taking into account of the wider performance context and the wider stakeholder and shareholder experience.</p> <p>Malus and clawback provisions apply.</p>																								
Share ownership requirements	<p>No change for FY2026.</p> <p>In-employment share ownership requirement: 200% of salary.</p> <p>Post-employment share ownership requirement applies for a period of two years.</p>																								
Non-Executive Directors	<p>The Chairman and base Non-Executive Directors fee have been increased by 2%, in line with the increase awarded to the Executive Directors and mid to senior management. No changes have been made to the supplementary fees for Non-Executive Directors.</p> <table><tr><th></th><th>Fee as at 1 May 2024</th><th>Fee as at 1 May 2025</th><th>Increase</th></tr><tr><td>Chairman</td><td>£206,000</td><td>£210,120</td><td>2%</td></tr><tr><td>Base fee</td><td>£58,350</td><td>£59,517</td><td>2%</td></tr><tr><td>Senior Independent Director</td><td>£10,000</td><td>£10,000</td><td>–</td></tr><tr><td>Audit Committee Chair</td><td>£10,000</td><td>£10,000</td><td>–</td></tr><tr><td>Remuneration Committee Chair</td><td>£10,000</td><td>£10,000</td><td>–</td></tr></table>		Fee as at 1 May 2024	Fee as at 1 May 2025	Increase	Chairman	£206,000	£210,120	2%	Base fee	£58,350	£59,517	2%	Senior Independent Director	£10,000	£10,000	–	Audit Committee Chair	£10,000	£10,000	–	Remuneration Committee Chair	£10,000	£10,000	–
	Fee as at 1 May 2024	Fee as at 1 May 2025	Increase																						
Chairman	£206,000	£210,120	2%																						
Base fee	£58,350	£59,517	2%																						
Senior Independent Director	£10,000	£10,000	–																						
Audit Committee Chair	£10,000	£10,000	–																						
Remuneration Committee Chair	£10,000	£10,000	–																						

## DIRECTORS' REMUNERATION REPORT continued

### Remuneration for the year ended 30 April 2025 (audited)

The table below sets out the remuneration received by the Directors in relation to the year ended 30 April 2025 (and for long term incentive awards' performance periods ending in the year) and in the year ended 30 April 2024.

	£000	Salary and fees	Taxable benefits	Annual bonus	Long term incentive	Pension <sup>3</sup>	Total	Total fixed	Total variable
M Ward	2025	646	18	613	575 <sup>1</sup>	26	1,878	690	1,188
	2024	628	20	784	825 <sup>2</sup>	25	2,282	673	1,609
P Vincent	2025	390	12	–	–	15	417	417	–
	2024	405	17	405	533 <sup>2</sup>	16	1,376	438	938
<b>Non-Executive Chairman</b>									
A Palmer-Baunack	2025	206	–	–	–	–	206	206	–
	2024	200	–	–	–	–	200	200	–
<b>Non-Executive Directors</b>									
J Pattullo	2025	78	–	–	–	–	78	78	–
	2024	76	–	–	–	–	76	76	–
M Butcher	2025	68	–	–	–	–	68	68	–
	2024	67	–	–	–	–	67	67	–
B Karia	2025	58	–	–	–	–	58	58	–
	2024	57	–	–	–	–	57	57	–
M McCafferty	2025	58	–	–	–	–	58	58	–
	2024	57	–	–	–	–	57	57	–
N Rabson	2025	58	–	–	–	–	58	58	–
	2024	57	–	–	–	–	57	57	–

Philip Vincent stepped down from the Board on 28 March 2025 and his remuneration is shown to that date.

- For FY2025, the 2022 LTIP vests based on the achievement of PBT and EPS performance to 30 April 2025 and has been valued based on the average share price during the three-month period to 30 April 2025 of 304.1p and a vesting outcome of 69.6%. 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. 2022 LTIP awards will be released in July 2025 subject to continued employment until that date and the post-tax value of the shares will remain subject to a holding period of two years. No dividend equivalents have been allocated to the award on vesting.
- The LTIP amounts shown in last year's report in respect of the LTIPs awarded in 2021 were calculated based on the average share price for the three-month period to 30 April 2024 of 364.4p. The actual share price at vesting on 9 August 2025 was 399.0p and therefore the values have been updated to reflect the share price on that date. No dividend equivalents were allocated to the award on vesting.
- All pension entitlement was paid in cash.

## DIRECTORS' REMUNERATION REPORT continued

### FY2025 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% with effect from 1 May 2024 for the CEO and the CFO were aligned with the capped 3% rate applied to mid and senior management levels, with the greatest increases applied to those at lower salary levels.

	2025	2024	Increase
M Ward	<b>£646,457</b>	£627,628	3%
P Vincent*	<b>£417,531</b>	£405,369	3%

\* Philip Vincent's salary up to the end of his employment on 28 March 2025.

### 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	9
Medical insurance	3	3

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. Martin Ward 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 2025 (audited)

#### Total opportunity

The maximum bonus opportunity for the CEO was 125% of salary. The bonus was based 75% on underlying PBT and 25% on strategic objectives. The targets, performance against them and resulting payment are set out in the tables on this page. The CFO was not entitled to a bonus on leaving in March 2025.

#### Financial objectives

The element related to financial objectives (PBT performance) was awarded at 72.8% of maximum for this element:

	Threshold performance (25% of maximum)	Target performance (50% of maximum)	Maximum performance	Actual PBT performance
PBT performance				
PBT 75% of total bonus	£155.1m	£163.2m	£171.3m	£166.9m

#### Strategic objectives

Awarded at 85% of 25% of the total bonus opportunity (26.56% of salary for M Ward) 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 FY2025 are set out below:

Objective	How the objective has been satisfied	Maximum scoring	Outcome
Enable: Develop products, services and operational capabilities which embrace technologies to enable increasingly connected smart mobility within our customer proposition.	Scope 1 and 2 emissions have reduced by 19% in FY2024 and there has been a 23% reduction since FY2022. These reductions are primarily related to the growing use of green, renewable energy across the Group (99% Group's usage in FY2025 compared to 64% in FY2024).  95% of company cars in the UK are now EVs or Hybrids (FY2024: 67%).  The creation of a climate change transition plan which meets the Transition Plan Taskforce Disclosure Framework requirements.	5%	5%
Deliver: Trusted to provide customer service excellence which exceeds expectations, delivering industry leading responsiveness and operational efficiency.	Delivering excellent customer service continues to be a strength across the Group with NPS averaging 84.  Individual business initiatives such as 'CustomerFirst' across the UK and Ireland businesses, and the introduction of a new CRM system in Spain, has provided leaders and colleagues with a relentless focus on delivering service excellence.  Customer reviews shared online using platforms such as Trustpilot are consistently high.	3.75%	3.75%
	Whilst there has been a continued focus to identify and deliver opportunities to create efficiencies in relation to improving ways of working and streaming organisational structures, revenue per head has remained in line with the prior year.  The focus which has been provided in FY2025 will create strong foundations to deliver efficiencies and growth in FY2026, this includes continuing to develop our technology infrastructure and connectivity across the business. Additionally, projects are underway to optimise ways of working across the customer service centre network, improving the customer journey and increasing productivity.	3.75%	0%
Grow: Exploring opportunities to responsibly grow the business scale and capabilities, including into both complementary and new markets and geographies.	The Group has achieved an increase in revenue (excluding vehicle sales) of 2.3% compared to the prior year, with growth in the UK&I and a standout growth performance for Spain, offsetting volume headwinds in Claims & Services, making the overall revenue growth delivery for ZIGUP positive.  The ZIGUP brand and strategic pillars of Enable, Deliver and Grow, have been embedded across the Group, providing greater alignment, consistency and focus.	12.5%	12.5%
<b>Total</b>		<b>25%</b>	<b>21.25%</b>

## DIRECTORS' REMUNERATION REPORT continued

Based on performance to 30 April 2025, the annual bonus outcomes for Martin Ward during the year is shown on page 115. 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	75.85	94.81	613	306.5	306.5

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 2022 LTIP awards (audited)

The performance conditions related to the 2022 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	£165m	£175m	£166.9m	39.2%
EPS 50% of total LTIP	52.6p	55.8p	58.4p	100%
<b>Total</b>				69.6%

No dividend equivalents were included as part of the award.

The Committee reviewed the formulaic LTIP outcome and determined that this was appropriate in the context of wider business performance over the performance period. As such, no discretionary adjustments were made.

There were no windfall gains associated with this award as it was granted at a share price of 336p.

Further detail is provided in the Remuneration Committee Chairman's letter.

The awards are due to vest in July 2025, 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 22 July 2024, 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 £646,457	424.17p	228,609	969	25%	Three financial years to 30 April 2027
P Vincent*	Nil cost option	150% of salary of £417,531	424.17p	147,653	626	25%	Three financial years to 30 April 2027

\* Philip Vincent stepped down from the Board and as an Executive Director on 28 March 2025, with all unvested LTIP options lapsing on that date.



## DIRECTORS' REMUNERATION REPORT continued

The share price for the award was calculated based on a three-day average prior to the award grant (424.17p).

	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%	57.1p	60.4p

### 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 2024–2025			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	Salary	Taxable benefits	Annual bonus
M Ward	3%	(9%)	(22%)	3%	8%	3%	3%	(4%)	3%	15%	12%	28%	620%	387%	N/A
P Vincent <sup>1</sup>	(4%)	(28%)	(100%)	3%	3%	3%	3%	21%	3%	13%	8%	8%	2%	(14%)	N/A
A Palmer-Baunack	3%	N/A	N/A	0%	N/A	N/A	0%	N/A	N/A	20%	N/A	N/A	31%	N/A	N/A
J Pattullo	2%	N/A	N/A	0%	N/A	N/A	18%	N/A	N/A	3%	N/A	N/A	5%	N/A	N/A
M Butcher	3%	N/A	N/A	0%	N/A	N/A	3%	N/A	N/A	3%	N/A	N/A	65%	N/A	N/A
Bindi Karia	3%	N/A	N/A	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	3%	N/A	N/A	0%	N/A	N/A	3%	N/A	N/A	3%	N/A	N/A	466%	N/A	N/A
N Rabson	4%	N/A	N/A	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*	9%	(36%)	(23%)	7%	(23%)	31%	(22%)	87%	(31%)	44%	(70%)	2015%	(6%)	11%	(87%)

<sup>1</sup> Philip Vincent's salary and benefits for 2024/2025 are up to the end of his employment on 28 March 2025. He was not entitled to a bonus upon leaving.

\* 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.

## DIRECTORS' REMUNERATION REPORT continued

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)

In October 2024, the organisation announced that Philip Vincent had taken the decision to step down from the Board, following six years of service. Mr Vincent was paid his salary, benefits and pension up to the date he left the Company in March 2025. There was no further compensation payable to Mr Vincent in respect of his loss of office and all unvested awards under the Company's Long Term Incentive Plan lapsed under the terms of the scheme. Additionally, Mr Vincent was not entitled to a bonus for the year ended 30 April 2025. Mr Vincent remains subject to the post-employment shareholding guideline.

There were no other payments to past Directors or payments for loss of office during FY2025.

### 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>2025</b>	<b>Option A</b>	<b>67:1</b>	<b>56:1</b>	<b>39.1</b>
2024	Option A	84:1	71:1	50:1
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>2025</b>				
Salary	646	25	33	37
Total remuneration	1,878	28	34	48

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.

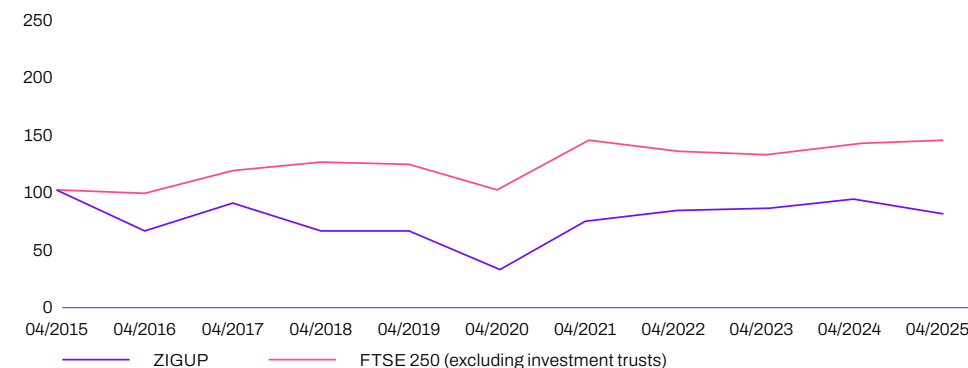
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Unlike the total remuneration for the majority of employees, total remuneration for the CEO is mostly dependent on business performance and share price movements over time. As a result, the ratios may fluctuate significantly from year to year. The pay ratio is lower in 2025 when compared to 2024 primarily due to the value of the LTIP award vesting in respect of FY2025 being lower than in respect of FY2024.

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 2015 to 30 April 2025). 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 2025 was 312.5p (30 April 2024: 385p). The range during the year was 273.5p – 438p.



### 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	<b>2025</b>
Total remuneration £000	1,214	821	490	1,032	1,319	1,200	1,440	4,218	2,282	<b>1,878</b>
Annual bonus (% of maximum)	34.1	–	–	72.4	–	100	100	100	100	<b>75.9</b>
LTIP vesting (% of maximum)	79.2	61.8	–	–	–	–	–	100	100	<b>69.6</b>

## DIRECTORS' REMUNERATION REPORT continued

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	2024	2025	Increase
Staff costs	297,484	310,082	4.2%
Dividends	56,178	59,042	5.1%
Share buybacks	24,878	5,332	(78.6%)

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 2024	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 2025	End of original performance period	Vesting date	Exercise period
LTIP <sup>2</sup>	09.08.21	Nil	206,853	–	206,853	206,853	–	–	–	30.04.24	09.08.24	09.08.24 – 09.08.31
LTIP	13.07.22	Nil	271,763	–	–	–	–	–	271,763	30.04.25	13.07.25	13.07.25 – 13.07.32
LTIP	02.08.23	Nil	273,143	–	–	–	–	–	273,143	30.04.26	02.08.26	02.08.26 – 02.08.33
LTIP <sup>1</sup>	22.07.24	Nil	–	228,609	–	–	–	–	228,609	30.04.27	22.07.27	22.07.27 – 22.07.34
<b>Total</b>			<b>751,759</b>	<b>228,609</b>	<b>206,853</b>	<b>206,853</b>	<b>–</b>	<b>–</b>	<b>773,515</b>			

#### P Vincent

Scheme	Grant date	Exercise price (p)	Shares under option at 30 April 2024	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 2025	End of original performance period	Vesting date	Exercise period
LTIP <sup>2</sup>	09.08.21	Nil	133,601	–	133,601	133,601	–	–	–	30.04.24	09.08.24	09.08.24 – 09.08.31
LTIP	13.07.22	Nil	175,525	–	–	–	–	175,525	–	30.04.25	13.07.25	13.07.25 – 13.07.32
LTIP	02.08.23	Nil	176,416	–	–	–	–	176,416	–	30.04.26	02.08.26	02.08.26 – 02.08.33
LTIP <sup>1</sup>	22.07.24	Nil	–	147,653	–	–	–	147,653	–	30.04.27	22.07.27	22.07.27 – 22.07.34
<b>Total</b>			<b>485,542</b>	<b>147,653</b>	<b>133,601</b>	<b>133,601</b>	<b>–</b>	<b>499,594</b>	<b>–</b>			

Mr Vincent stepped down from the Board on 28 March 2025 and his outstanding LTIP awards lapsed on that date.

1 Performance targets as set out above.

2 The market values on date of exercise were: For M Ward £833,618 at exercise price of 403.0p on 14 August 2024 and for P Vincent £538,412 at exercise price of £403.0p on 14 August 2024.

All outstanding awards are structured as nil-cost options.

## DIRECTORS' REMUNERATION REPORT continued

### SAYE

The Board believes that encouraging wider share ownership by all colleagues will have longer term benefits for the Group and therefore the Group has SAYE schemes available to qualifying colleagues. The SAYE provides an effective way of achieving that aim at no financial risk to individuals.

Under the SAYE, colleagues choose to make monthly savings (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). Colleagues can choose to cease saving and withdraw their money at any time allowing the related options to lapse.

Options over 1,093,211 shares were granted under the SAYE scheme, in August 2024, with approximately 1,126 colleagues contributing monthly savings under the schemes. The next offer to take part in the SAYE scheme is expected to be made later in 2025.

Martin Ward is entitled to participate in the SAYE, but the Non-Executive Directors cannot participate.

### Share Incentive Plan

The SIP, like the SAYE plan is available to all eligible colleagues across the Group.

The Company awarded a grant of free shares up to the value of £500 to all of the Group's colleagues in August 2024. 947,574 shares were granted under the Share Incentive Plan, with approximately 7,765 colleagues participating under both schemes. The next offer to take part in the Share Incentive Plan is expected to be made later in 2025.

Executive Directors are entitled to participate in the Share Incentive Plan, but the Non-Executive Directors cannot participate in the scheme. Martin Ward and Philip Vincent were granted 122 free shares each on 19 August 2024.

### 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:

- 10% of the issued ordinary share capital under all the share plans; and
- 5% of the issued ordinary share capital under the executive and senior management share plans (EPSP and DABP).

The dilution position as at 30 April 2025 was 1.0 % under the EPSP and DABP, and 1.1% under the SAYE and 1.2% 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 Director</b>					
M Ward <sup>1</sup>	21 February 2020	22 December 2010	12 months	12 months	Rolling contract
<b>Non-Executive Directors<sup>2</sup></b>					
A Palmer-Baunack	12 August 2019	12 August 2019	6 months	6 months	Rolling contract
J Pattullo	1 January 2019	18 December 2020	3 months	3 months	Rolling contract
M Butcher	24 September 2019	18 September 2019	3 months	3 months	Rolling contract
B Karia	6 May 2022	6 May 2022	3 months	3 months	Rolling contract
M McCafferty	21 February 2020	21 February 2020	3 months	3 months	Rolling contract
N Rabson	9 November 2022	9 November 2022	3 months	3 months	Rolling contract

<sup>1</sup> Redde plc (as it was) contract rolled over.

<sup>2</sup> 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 2025	Vested but not exercised LTIP	Unvested LTIP	% shareholding guideline achieved at 30 April 2025
M Ward	2,420,111	–	773,515	Fully met
A Palmer-Baunack	110,442	–	–	N/A
J Pattullo	70,000	–	–	N/A
M Butcher	34,676	–	–	N/A
B Karia	–	–	–	N/A
M McCafferty	11,007	–	–	N/A
N Rabson	5,684	–	–	N/A



# DIRECTORS' REMUNERATION REPORT continued

Martin Ward met the shareholding policy guideline as he holds shares with a value in excess of 200% of basic annual salary.

Martin Ward exercised 206,853 shares during the year under the LTIP. Martin Ward's share options includes 227,770 shares under the deferred element of the bonus scheme including 49,033 awarded in July 2024 and 401 shares awarded under the SIPs. 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.

Philip Vincent exercised 133,601 shares under the LTIP during the year and was awarded 25,336 shares in July 2024 under the deferred element of the annual bonus scheme.

Upon leaving the Company on 28 March 2025 Philip Vincent held 546,438 shares outright. His unvested awards under the LTIP all lapsed under the terms of the scheme. At the time of his departure, he had exceeded the target holding of shares of 200% of salary. The two-year post-employment shareholding guideline will apply, in line with the remuneration policy.

No changes in the above interests have occurred between 30 April 2025 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 102.

The CEO and CFO attend meetings by invitation and assist the Committee in its deliberations, except when issues relating to their own 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 (Deloitte) as remuneration adviser to the Committee on 6 September 2022. Since its appointment, Deloitte has provided independent advice to the Committee on certain remuneration matters. The total fees paid to Deloitte in respect of its services to the Committee during the year were £126,000 inclusive of VAT. The fees are charged on a time spent and expenses basis.

Deloitte is a signatory to the Remuneration Consultants' Code of Conduct. During the year Deloitte 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 the 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 2024 AGM:

Directors' Remuneration report 2024 – Resolution 3	Total number of votes	Votes %
<b>Votes cast</b>		
For	172,272,168	98.89
Against	1,932,835	1.11
Total votes cast (excluding votes withheld)	174,205,003	
Votes withheld	18,254	
Total votes cast (including votes withheld)	174,223,257	

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.

## Approval

This annual report on remuneration has been approved by, and signed on behalf of, the Board of Directors.

## John Pattullo

Remuneration Committee Chairman

9 July 2025

# REPORT OF THE DIRECTORS

The Directors present their report and the audited consolidated accounts for the year ended 30 April 2025.

## Results and preparation

Details on financial performance and dividends can be found in the Strategic Report from pages 2 to 78.

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 79 to 115 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 2 to 78 was approved by the Board on 9 July 2025 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 Companies Act) 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 Companies Act 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% (2024: 98.3%).

## Share rights

Subject to the provisions of the Companies Act 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 Companies Act (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 Remuneration report on pages 102 to 121. 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 Companies Act 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 £37,635,977 (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 £37,635,977 (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.

# REPORT OF THE DIRECTORS 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 £11,291,922, 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 £2,258,384 representing approximately 2% of the current issued share capital (excluding treasury shares)
- secondly, an additional aggregate nominal value of £2,258,384 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) 22,583,844 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 1,271,112 shares.

### Directors

The names of the Directors who served on the Board during the year are set out on pages 86 to 87. 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 107.

### 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 2025:

	30 April 2025	%
Fidelity International*	21,128,400	9.36
Lombard Odier Investment Managers*	20,358,322	9.01
Aberforth Partners*	16,134,913	7.14
JO Hambro Capital Management*	14,429,657	6.39
Vanguard Group*	11,941,328	5.29
BlackRock*	11,692,251	5.18
Richard Griffiths & Controlled Holdings	11,129,393	4.92
Schroder Investment Management*	11,023,158	4.88
Dimensional Fund Advisors*	10,744,731	4.76
Janus Henderson Investors*	7,718,995	3.42

\* information obtained from the Company's share register.

### 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.

Stakeholder engagement

The Board understands the importance of the need to foster relationships with customers, suppliers, investors and other stakeholders. Examples of how the Board engaged directly with the Group's people, customers and suppliers during the year are highlighted below.

People 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 colleagues are provided with information on matters of concern to them in their work, through regular briefing meetings and internal publications. To inform colleagues of the economic and financial factors affecting our business, regular updates are posted on our intranet, and we receive regular communications of matters of interest from the CEO. Alongside this, information is cascaded to colleagues through senior management, also boosting 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 eligible colleagues were provided with £500 worth of free shares in the Company.

The Free Shares programme has been deployed since December 2022, when the first grant of awards were made to eligible colleagues; since then, annual grants have been made, 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 colleagues in the business through The Voice Network, 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 Voice Network is a forum which allows colleagues 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 this group see page 103.

The Board approved the launch of our new People Strategy and reviewed key initiatives within it, including enhancing key areas of the HR function. Whilst this is principally managed by the HR function, every leader within the Group is a co-owner and responsible for its effective deployment across the business. To assist in delivery of the people strategy the Group HR Director held a leadership event, at which 100 senior leaders were invited to discuss our core capabilities, key initiatives and discuss progress against these initiatives. The Chief Strategy Officer also led a Leadership event where senior leaders were invited to listen to progress made across the Group since launching the refreshed strategic framework. Both events encouraged senior leaders to engage further in the future strategic roadmap, collaborate on strategic initiatives and share best practice.

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 reviewed and approved the Modern Slavery statement in the year.

Further detail on how the Directors have discharged their duties under Section 172(1) of the Companies Act is included on pages 76 to 78.

Future developments

Details of likely future developments affecting the Group are included within the Chief Executive's review on pages 14 to 17 and within the Our strategy section on page 18.

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 Remuneration report on pages 102 to 121
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



## Dividends

Subject to shareholder approval, the Directors are recommending a final dividend of 17.6p per share (2024: 17.5p) which will be paid on 30 September 2025 to shareholders on the register as at close of business on 29 August 2025. Dividend waiver arrangements are in place for shares held in 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.

## 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 Companies Act (Strategic Report and Directors' Report) Regulations 2013 (as amended) are included in the TCFD and SECOR report of the Strategic Report on pages 64 to 73.

## The Remuneration report

The Remuneration report contains the following sections:

- a statement by John Pattullo, Chairman of the Remuneration Committee;
- the Remuneration Policy; and
- the Directors' Remuneration report, which sets out payments made in the financial year ended 30 April 2025.

The statement by the Chairman and Directors' Remuneration report will be put to an advisory shareholder vote by ordinary resolution. The Directors' Remuneration Policy will also be subject to a shareholder vote at this year's AGM. The full policy is included in the Directors' Remuneration Report on pages 107 to 112.

The Remuneration report can be found on pages 102 to 121 and is incorporated in this Directors' report by reference.

## Length of notice of general meetings

The minimum notice period permitted by the Companies Act for general meetings of listed companies is 21 days, but the Companies Act 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 48 and in Note 22 to the financial statements.

## Important events

On 1 May 2025, the Group cancelled 10,000,000 ordinary shares of 50p each which were held in treasury. Following the cancellation, the Group had 10,252,974 shares held in treasury representing 4.3% of the allotted and fully paid share capital of the Group.

## 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 Companies Act.

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

9 July 2025

# 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 Companies Act 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

9 July 2025

# INDEPENDENT AUDITORS' REPORT

## Report on the audit of the financial statements

### Opinion

In our opinion:

- ZIGUP 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 2025 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group's 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 2025; 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 26 reporting components and the Group financial statements are a consolidation of these reporting components.
- Of the 26 components we identified five which, in our view, required a full scope audit either due to their size or risk characteristics.
- Specific audit procedures were performed over a further five reporting components due to their contributions to the financial statement line items in the Group financial statements. These include procedures over cost of sales, revenue, cash and bank balances, finance costs, borrowings, administration expenses, lease liabilities, provisions, other intangible assets and amortisation of intangible assets.
- As a result of this scoping we obtained coverage over 86% of the consolidated revenues and 84% 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: £7,940,000 (2024: £8,100,000) based on 5% of average profit before tax and exceptional items over 3 years.
- Overall company materiality: £16,600,000 (2024: £15,700,000) based on 1% of total assets.
- Performance materiality: £5,955,000 (2024: £6,100,000) (group) and £12,450,000 (2024: £11,775,000) (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

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
<p><b>Determining appropriate depreciation rates for vehicle assets held for hire (group)</b></p> <p>The Group has a total of £1,511.3m (2024: £1,300.7m) of vehicle assets held for hire with a depreciation charge totalling £258.7m (2024: £205.2m). 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 judgments 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 96 to 101. 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 comparison 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

Claims due from insurance companies and self-insuring organisations, incorporating revenue recognition (group)

Within the Claims & Services operating segment the Group recognises contract assets amounting to £166.1m (2024: £196.0m) 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 hire 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 96 to 101.

How our audit addressed the key audit matter

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 look back 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 auditors range as of the expected provision required. The results of this look back 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.



INDEPENDENT AUDITORS' REPORT continued

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 £454.3m (2024: £451.0m) and amounts owed from subsidiary undertakings amounting to £1,175.9m (2024: £1,078.6m). The recoverable amount of the subsidiary is impacted by various factors, a number of which are outside of the Group'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.

How our audit addressed the key audit matter

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.
- 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 26 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.

Specific audit procedures were performed over a further five reporting components due to their contributions to the financial statement line items in the Group financial statements. These include procedures over cost of sales, revenue, bank balances, finance costs, borrowings, administration expenses, lease liabilities, provisions, other intangible assets 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 86% of the consolidated revenues and 84% 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.



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 focussed 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 EV's and hybrids. Our procedures did not identify any material impact on our audit for the year ended 30 April 2025. 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
Overall materiality	£7,940,000 (2024: £8,100,000).	£16,600,000 (2024: £15,700,000).
How we determined it	5% of average profit before tax and exceptional items over three years	1% of total assets
Rationale for benchmark applied	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. Due to volatility in the benchmark over the last three years, an average was used to calculate the current year materiality. Based on this it is considered appropriate to use the three-year average 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.

## INDEPENDENT AUDITORS' REPORT continued

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 £2,000,000 and £6,500,000. 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% (2024: 75%) of overall materiality, amounting to £5,955,000 (2024: £6,100,000) for the group financial statements and £12,450,000 (2024: £11,775,000) 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 £397,000 (group audit) (2024: £405,000) and £830,000 (company audit) (2024: £785,000) 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

### 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 2025 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 twelve 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 the 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 the 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

### 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, Group 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.

### 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 10 years, covering the years ended 30 April 2016 to 30 April 2025.

### 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

9 July 2025

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## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2025

	Note(s)	2025 £000	2024 £000
Revenue: hire of vehicles	5	682,888	649,271
Revenue: sale of vehicles	5	257,600	312,469
Revenue: claims and services	5	872,156	871,387
<b>Total revenue</b>	5	<b>1,812,644</b>	1,833,127
Cost of sales		(1,414,745)	(1,400,236)
<b>Gross profit</b>		<b>397,899</b>	432,891
Administrative expenses (excluding exceptional items)		(232,497)	(229,270)
Net impairment of trade receivables (excluding exceptional items)	6	(8,417)	(9,782)
Exceptional administrative expenses: impairment of trade receivables	28	(3,006)	–
Exceptional administrative expenses: other operating costs	28	(17,617)	–
<b>Total administrative expenses</b>		<b>(261,537)</b>	(239,052)
<b>Operating profit</b>	6	<b>136,362</b>	193,839
Share of net profit of associates accounted for using the equity method	15	170	1,296
<b>EBIT</b>	5	<b>136,532</b>	195,135
Finance income		1,495	596
Finance costs	8	(36,559)	(33,628)
<b>Profit before taxation</b>		<b>101,468</b>	162,103
Taxation	9	(21,623)	(37,085)
<b>Profit for the year</b>		<b>79,845</b>	125,018

Profit for the year is wholly attributable to owners of the Parent Company. All results arise from continuing operations.

		2025	2024
Earnings per share			
Basic	11	35.6p	55.2p
Diluted	11	34.9p	54.0p

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 49 to 50.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2025

	Note	2025 £000	2024 £000
<b>Amounts attributable to the owners of the Parent Company</b>			
Profit attributable to the owners		<b>79,845</b>	125,018
<b>Other comprehensive expense</b>			
Foreign exchange differences on retranslation of net assets of subsidiary undertakings	27	<b>1,413</b>	(15,326)
Net foreign exchange differences on long term borrowings held as hedges	27	<b>(1,859)</b>	11,252
Foreign exchange difference on revaluation reserve	27	<b>(2)</b>	(33)
Net fair value gains on cash flow hedges		<b>(104)</b>	104
Deferred tax charge recognised directly in equity relating to cash flow hedges		<b>26</b>	(26)
<b>Total other comprehensive expense</b>		<b>(526)</b>	(4,029)
<b>Total comprehensive income for the year</b>		<b>79,319</b>	120,989

All items will subsequently be reclassified to the consolidated income statement.

## CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2025

	Note	2025 £000	2024 £000
<b>Non-current assets</b>			
Goodwill	12	111,906	115,918
Other intangible assets	13	94,336	111,054
Property, plant and equipment	14	1,683,456	1,483,344
Deferred tax assets	23	1,095	1,878
Interest in associates	15	–	4,502
<b>Total non-current assets</b>		<b>1,890,793</b>	<b>1,716,696</b>
<b>Current assets</b>			
Inventories	16	28,509	38,261
Receivables and contract assets	17	378,147	421,032
Derivative financial instrument assets	22	–	104
Income tax assets		4,202	9,271
Cash and bank balances		33,738	39,802
<b>Total current assets</b>		<b>444,596</b>	<b>508,470</b>
<b>Total assets</b>		<b>2,335,389</b>	<b>2,225,166</b>
<b>Current liabilities</b>			
Trade and other payables	18	340,450	335,597
Provisions	19	4,738	4,170
Income tax liabilities		238	29
Lease liabilities	21	39,507	51,442
Borrowings	20	54,367	57,542
<b>Total current liabilities</b>		<b>439,300</b>	<b>448,780</b>
<b>Net current assets</b>		<b>5,296</b>	<b>59,690</b>
<b>Non-current liabilities</b>			
Income tax liabilities		2,549	–
Provisions	19	10,323	10,336
Lease liabilities	21	98,473	113,082
Borrowings	20	678,086	559,964
Deferred tax liabilities	23	43,501	49,607
<b>Total non-current liabilities</b>		<b>832,932</b>	<b>732,989</b>
<b>Total liabilities</b>		<b>1,272,232</b>	<b>1,181,769</b>
<b>Net assets</b>		<b>1,063,157</b>	<b>1,043,397</b>

## CONSOLIDATED BALANCE SHEET AS AT 30 APRIL 2025 continued

	Note	2025 £000	2024 £000
<b>Equity</b>			
Share capital	24	123,046	123,046
Share premium account	25	113,510	113,510
Treasury shares reserve	26	(72,820)	(67,488)
Own shares reserve	26	(3,740)	(9,694)
Translation reserve	27	(7,205)	(6,759)
Other reserves	27	330,454	330,534
<b>Retained earnings</b>			
At 1 May		560,248	500,270
Profit for the financial year		79,845	125,018
Dividends paid		(59,042)	(56,178)
Other changes in retained earnings		(1,139)	(8,862)
At 30 April		579,912	560,248
<b>Total equity</b>		<b>1,063,157</b>	<b>1,043,397</b>

Total equity is wholly attributable to the owners of the Parent Company (Company number 00053171). The financial statements on pages 134 to 187 were approved by the Board of Directors on 9 July 2025 and signed on its behalf by:

**Martin Ward**

Chief Executive Officer

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## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2025

	Note	2025 £000	2024 £000 Restated
<b>Cash generated from operations</b>	(a)	<b>509,730</b>	440,671
Income taxes paid, net		(18,255)	(33,371)
Interest paid		(34,855)	(31,486)
<b>Net cash generated from operations before purchases of and proceeds from disposal of vehicles for hire</b>		<b>456,620</b>	375,814
Purchases of vehicles for hire		(672,744)	(553,537)
Proceeds from disposals of vehicles for hire		232,576	287,983
<b>Net cash generated from operations</b>		<b>16,452</b>	110,260
<b>Investing activities</b>			
Finance income		1,495	596
Distributions from associates	15	476	2,001
Payment for acquisition of subsidiary, net of cash acquired	4	–	(4,051)
Proceeds from disposal of other property, plant and equipment		965	1,432
Purchases of other property, plant and equipment		(11,106)	(15,757)
Purchases of intangible assets		(3,098)	(2,019)
<b>Net cash used in investing activities</b>		<b>(11,268)</b>	(17,798)
<b>Financing activities</b>			
Dividends paid		(59,042)	(56,178)
Receipt of bank loans and other borrowings		212,685	33,078
Repayments of bank loans and other borrowings		(87,680)	–
Debt issue costs paid		(4,022)	–
Principal element of lease payments		(59,501)	(65,047)
Payments to acquire treasury shares		(5,332)	(24,878)
Proceeds from sale of own shares		263	2,829
<b>Net cash used in financing activities</b>		<b>(2,629)</b>	(110,196)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>2,555</b>	(17,734)
Cash and cash equivalents at 1 May		(6,818)	11,681
Effect of foreign exchange movements		393	(765)
<b>Cash and cash equivalents at 30 April</b>	(b)	<b>(3,870)</b>	(6,818)

The line items above net cash generated from operations have been restated to be presented in the Consolidated cash flow statement instead of the Notes to the consolidated cash flow statement in line with the requirements of IAS 7.



## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2025

### (a) Net cash generated from operations

	2025 £000	2024 £000 Restated
Operating profit	136,362	193,839
Adjustments for:		
Depreciation of property, plant and equipment	287,557	231,293
Impairment of goodwill	4,012	–
Impairment of property, plant and equipment	1,043	–
Impairment of interest in associates	4,196	–
Amortisation of intangible assets	19,812	19,961
Gain on disposal of other property, plant and equipment	(31)	(76)
Share options fair value charge	3,691	5,239
<b>Operating cash flows before movements in working capital</b>	<b>456,642</b>	<b>450,256</b>
Decrease (increase) in non-vehicle inventories	1,451	(2,788)
Decrease in receivables	44,888	26,049
Increase (decrease) in payables	6,326	(39,630)
Increase in provisions	423	6,784
<b>Cash generated from operations</b>	<b>509,730</b>	<b>440,671</b>

The line items between cash generated from operations and net cash generated from operations have been restated to be presented in the Consolidated cash flow statement instead of the Notes to the consolidated cash flow statement in line with the requirements of IAS 7.

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

	2025 £000	2024 £000
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	33,738	39,802
Bank overdrafts	(37,608)	(46,620)
<b>Cash and cash equivalents</b>	<b>(3,870)</b>	<b>(6,818)</b>

Cash and bank balances are stated gross where arrangements exist to pool accounts and offset balances, but are not net settled.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2025

	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 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
Total equity at 30 April 2024 and 1 May 2024	236,556	(67,488)	(9,694)	(6,759)	330,534	560,248	1,043,397
Share options fair value charge	–	–	–	–	–	3,691	3,691
Share options exercised	–	–	–	–	–	(5,692)	(5,692)
Dividends paid	–	–	–	–	–	(59,042)	(59,042)
Purchase of shares net of proceeds received on exercise of share options	–	(5,332)	262	–	–	–	(5,070)
Transfer of shares on vesting of share options	–	–	5,692	–	–	–	5,692
Deferred tax on share based payments recognised in equity	–	–	–	–	–	862	862
Total comprehensive income	–	–	–	(446)	(80)	79,845	79,319
<b>Total equity at 30 April 2025</b>	<b>236,556</b>	<b>(72,820)</b>	<b>(3,740)</b>	<b>(7,205)</b>	<b>330,454</b>	<b>579,912</b>	<b>1,063,157</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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 General information

ZIGUP 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 203 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 78.

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 2025, there was £412m of headroom against the Group's borrowing facilities.

### Application of new accounting standards and 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 2025:

- 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 (effective 1 January 2024)
- Amendment to IAS 7 and IFRS 7 – Supplier finance (effective 1 January 2024)
- Amendment to IFRS16 – Liability in a Sale and Leaseback (effective 1 January 2024)

The Group has considered the above amendments to published standards and has concluded that these would have no material impact on the Group.

The following are further standards that have been issued but are not yet effective that would not have a material impact on the Group:

- Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments (effective 1 January 2026)
- Amendment to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (effective 1 January 2026)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)

The following are further standards that have been issued but are not yet effective that would have a material impact on the Group:

- IFRS 18 – Replacing IAS 1 Presentation of Financial Statements (effective 1 January 2027). Whilst IFRS 18 will not directly impact recognition or measurement, it will impact how amounts are presented, with the principal changes being:
  - Categorisation of all income and expenditure into three new defined categories: Operating, Investing and Financing
  - Introduction of two new defined subtotals to be presented within the income statement: Operating profit and Profit before financing and income taxes
  - New disclosure requirement for Management Performance Measures (MPMs) – New requirements regarding the aggregation and disaggregation of information to be presented in the financial statements

## 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 2024 and 30 April 2025.

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

Revenue from the hire of vehicles is recognised under IFRS16. 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.

### Hire of vehicles

Revenue from the hire of vehicles is recognised evenly over the hire period.

### 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.

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.

## 2 Material accounting policies continued

### Revenue recognition continued

#### Claims and services continued

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.

### 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.



## 2 Material accounting policies continued

### 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.

Software assets in the course of development are stated at cost less any impairment losses. Software 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.

### 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 2 Material accounting policies continued

#### Property, plant and equipment continued

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 7.6 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.

#### 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.

#### 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 has applied the exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes.

## 2 Material accounting policies continued

### 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 may use 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 or 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 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.

### 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. Cash at bank and in hand and bank overdrafts are shown gross, where accounts have a right of offset within the same banking facility but are not net settled.

## 2 Material accounting policies continued

### 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.

### 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 incremental borrowing rate relevant to the class of asset.

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 2 Material accounting policies continued

#### Leased assets continued

##### Measurement and recognition of leases as a lessee continued

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.

#### 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 allows colleagues to receive a 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.



## 2 Material accounting policies continued

### Exceptional items and amortisation of acquired intangible assets

Items are classified as exceptional gains or losses where in the opinion of the Directors, disclosing them separately will improve the understanding of the financial statements and will enable the underlying financial performance of the Group to be better understood and more comparable between periods. Items will only be classed as exceptional if they are of a significant size individually or in aggregate and are considered to be non-recurring in nature. Other items may be classified as exceptional items if by nature they need to be separately disclosed to provide a clearer understanding of financial performance. Examples of costs that would be considered as exceptional include non-recurring impairments of assets or restructuring costs arising from significant one-off restructuring programmes. 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.

### Treasury shares

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. Treasury shares may be transferred to the own shares reserve in order to satisfy vestings of share options and are transferred 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 not identified any critical judgements, and has made the following 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 £10.0m 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 48.

### 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 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.

An adjustment of £2.9m was made in the 12 months to 30 April 2025 for claims that were settled at a higher net amount than the carrying value at 30 April 2024 (2024: £7.6m for claims that were settled at a higher net amount than the carrying value at 30 April 2023).

The carrying value of contract assets for claims from insurance companies at 30 April 2025 was £166,091,000 (2024: £195,972,000). The area of estimation which is subject to the highest level of uncertainty are the assumptions made for the recovery rates of non-protocol claims. A 7% change in recovery rates of non-protocol claims would result in a £10m change to the carrying value of assets.

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.

3 Critical accounting judgements and key sources of estimation uncertainty continued

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. Management do not consider any expected credit loss to be material to the accounts.

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. Management do not consider any expected credit loss to be material to the accounts

4 Acquisitions

There were no acquisitions in the current year.

On 2 May 2023 the Group acquired 100% of the equity interests of Fridge express (UK) Limited for a consideration of £4,990,000 (£4,051,000 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 £2,945,000, resulting in goodwill of £2,045,000 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 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 5 Segmental reporting continued

	UK&I Rental 2025 £000	Spain Rental 2025 £000	Claims & Services 2025 £000	Corporate 2025 £000	Eliminations 2025 £000	Total 2025 £000
Revenue: hire of vehicles	382,790	300,098	–	–	–	682,888
Revenue: sale of vehicles	180,473	75,621	1,506	–	–	257,600
Revenue: claims and services	–	–	872,156	–	–	872,156
<b>External revenue</b>	<b>563,263</b>	<b>375,719</b>	<b>873,662</b>	<b>–</b>	<b>–</b>	<b>1,812,644</b>
Intersegment revenue	9,293	–	59,351	–	(68,644)	–
<b>Total revenue</b>	<b>572,556</b>	<b>375,719</b>	<b>933,013</b>	<b>–</b>	<b>(68,644)</b>	<b>1,812,644</b>
Underlying cost of sales <sup>1</sup>	(420,595)	(263,543)	(772,770)	–	68,644	(1,388,264)
Underlying administrative expenses (see page 49)	(61,578)	(30,396)	(122,105)	(8,516)	–	(222,595)
<b>Underlying operating profit (loss)</b>	<b>90,383</b>	<b>81,780</b>	<b>38,138</b>	<b>(8,516)</b>	<b>–</b>	<b>201,785</b>
Share of net profit of associates accounted for using the equity method	–	–	170	–	–	170
<b>Underlying EBIT*</b>	<b>90,383</b>	<b>81,780</b>	<b>38,308</b>	<b>(8,516)</b>	<b>–</b>	<b>201,955</b>
Exceptional Items (Note 6)						(20,623)
Amortisation of acquired intangible assets						(18,319)
Depreciation adjustment (Note 6)						(26,481)
<b>EBIT</b>						<b>136,532</b>
Finance income						1,495
Finance costs						(36,559)
<b>Profit before taxation</b>						<b>101,468</b>
Other information						
<b>Timing of revenue recognition:</b>						
At a point in time	180,473	75,621	473,536	–	–	729,630
Over time	382,790	300,098	400,126	–	–	1,083,014
<b>External revenue</b>	<b>563,263</b>	<b>375,719</b>	<b>873,662</b>	<b>–</b>	<b>–</b>	<b>1,812,644</b>
Capital expenditure	339,771	319,525	63,495	–	–	722,791
Depreciation	120,990	112,351	54,216	–	–	287,557
Reportable segment assets	898,715	815,474	615,903	–	–	2,330,092
Income tax assets						5,297
<b>Total assets</b>						<b>2,335,389</b>
Reportable segment liabilities	372,833	560,567	292,544	–	–	1,225,944
Income tax liabilities						46,288
<b>Total liabilities</b>						<b>1,272,232</b>

<sup>1</sup> Underlying cost of sales is gross of cost of vehicle sales of £257.6m.

\* Underlying EBIT stated before adjustments to depreciation rates, amortisation of acquired intangible assets and exceptional items is the measure used by the Board of Directors to assess segment performance.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 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>
Underlying cost of sales <sup>1</sup>	(459,874)	(248,139)	(789,264)	–	97,058	(1,400,219)
Underlying administrative expenses (see page 49)	(57,722)	(32,619)	(119,571)	(10,577)	–	(220,489)
<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<sup>2</sup></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						(18,563)
Depreciation adjustment (Note 6)						(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>						
Timing of revenue recognition:						
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>
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>

<sup>1</sup> Underlying cost of sales is gross of cost of vehicle sales of £312.5m.

<sup>2</sup> Underlying EBIT stated before adjustments to depreciation rates, 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.

Prior year comparatives have been restated to include the segmental underlying cost of sales and segmental underlying administrative expenses.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 5 Segmental reporting continued

#### Geographical information

Revenues are attributed to countries on the basis of the Group's location.

	Revenue 2025 £000	Non-current assets <sup>1</sup> 2025 £000	Revenue 2024 £000	Non-current assets <sup>1</sup> 2024 £000
United Kingdom and Ireland	1,436,925	1,107,655	1,474,580	1,060,267
Spain	375,719	782,043	358,547	650,049
	<b>1,812,644</b>	<b>1,889,698</b>	1,833,127	1,710,316

1 Non-current assets excludes deferred tax assets £1,095,000 (2024: £1,878,000) and interest in associates £nil (2024: £4,502,000) which are not attributable to segmental analysis.

	United Kingdom and Ireland 2025 £000	Spain 2025 £000	Total 2025 £000
Revenue from contracts with customers	1,054,135	75,621	1,129,756
Revenue from other sources	382,790	300,098	682,888
	<b>1,436,925</b>	<b>375,719</b>	<b>1,812,644</b>

	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
	1,474,580	358,547	1,833,127

There are no external customers from whom the Group derives more than 10% of total revenue.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 6 Operating profit

	2025 £000	2024 £000
<b>Operating profit is stated after charging:</b>		
Depreciation of property, plant and equipment (Note 14)		
Owned	231,677	175,769
Relating to leases	55,880	55,524
Amortisation of intangible assets (Note 13)	19,812	19,961
Staff costs (Note 7)	310,082	297,484
Cost of inventories recognised as an expense	371,975	349,705
Exceptional administrative expenses: impairment of goodwill (Note 28)	4,012	–
Exceptional administrative expenses: impairment of property, plant and equipment (Note 28)	1,043	–
Exceptional administrative expenses: impairment of interest in associates (Note 28)	4,196	–
Exceptional administrative expenses: impairment of other receivables (Note 28)	3,598	–
Exceptional administrative expenses: adjustments to provisions (Note 28)	977	–
Exceptional administrative expenses: other operating costs (Note 28)	3,791	–
Net impairment of trade receivables (Note 28 and Note 30)	11,423	9,782
Auditors remuneration for audit services	1,094	1,059
Auditors remuneration for audit-related assurance services	71	68
Auditors remuneration for non-audit services	9	12
	2025 £000	2024 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	457	432
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	637	627
<b>Total audit fees</b>	<b>1,094</b>	<b>1,059</b>

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 96 to 101 and includes an explanation of how auditor objectivity and independence are safeguarded when non-audit services are provided by the auditor.

### 7 Staff costs

	2025 Number	2024 Number
The average monthly number of persons employed by the Group:		
<b>By geography:</b>		
United Kingdom and Ireland	6,508	6,417
Spain	1,399	1,327
	7,907	7,744
<b>By function:</b>		
Direct operations	5,781	5,663
Administration	2,126	2,081
	7,907	7,744

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 7 Staff costs continued

	2025 £000	2024 £000
The aggregate remuneration of group employees comprised:		
Wages and salaries	264,307	253,621
Social security costs	32,903	30,411
Other pension costs – defined contribution plans	9,181	8,213
Share based payments	3,691	5,239
	<b>310,082</b>	<b>297,484</b>

Wages and salaries include £2,052,000 (2024: £1,261,000) in respect of redundancies.

Details of Directors' remuneration, pension contributions and share options are provided in the Remuneration report on pages 102 to 121.

### 8 Finance costs

	2025 £000	2024 £000
Interest on bank overdrafts and loans	27,278	24,537
Amortisation of arrangement fees	1,879	1,904
Interest arising on lease obligations	6,311	6,533
Preference share dividends	25	25
Unwinding of discount on provisions (Note 19)	319	306
Other interest	747	323
<b>Finance costs</b>	<b>36,559</b>	<b>33,628</b>

### 9 Taxation

	2025 £000	2024 £000
<b>Current tax:</b>		
UK corporation tax	17,699	22,373
UK adjustment in respect of prior years	(293)	2,101
Pillar II	2,549	–
Foreign tax (including adjustment in relation to prior year)	6,125	13,724
	<b>26,080</b>	<b>38,198</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(3,450)	2,086
Adjustment in respect of prior years	(1,007)	(3,199)
	<b>(4,457)</b>	<b>(1,113)</b>
<b>Total tax charge</b>	<b>21,623</b>	<b>37,085</b>

UK corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those respective jurisdictions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 9 Taxation continued

The net charge for the year can be reconciled to the profit before taxation as stated in the consolidated income statement as follows:

	2025 £000	2025 %	2024 £000	2024 %
<b>Profit before taxation</b>	<b>101,468</b>		162,103	
Tax at the UK corporation tax rate of 25% (2024: 25%)	25,367	25.0	40,526	25.0
Tax effect of expenses that are not deductible in determining taxable profit	4,780	3.9	2,004	1.2
Tax effect of income not taxable in determining taxable profit	(4,236)	(4.2)	(1,943)	(1.2)
Pillar II	2,549	2.5	–	–
Difference in tax rates in overseas subsidiary undertakings	(2,183)	(2.2)	(1,443)	(0.9)
Overseas available reliefs	(3,308)	(2.4)	(1,297)	(0.7)
Adjustment in respect of prior years	(1,346)	(1.3)	(762)	(0.5)
<b>Tax charge and effective tax rate for the year</b>	<b>21,623</b>	<b>21.3</b>	37,085	22.9

In addition to the amount charged to the consolidated income statement, a net deferred tax amount of £888,000 has been credited directly to equity (including net of £26,000 of other temporary differences included in other comprehensive income). 2024: £775,000 credited directly to equity (including net of £26,000 of other temporary differences included in other comprehensive income).

There are no deferred tax assets which are not recognised in the balance sheet in the current or prior year.

The tax disclosures reflect deferred tax measured at 25% in the UK (2024: 25%) and 25% in Spain (2024: 25%).

The Group is within the scope of the OECD Pillar II 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 II legislation was enacted in the UK in June 2023 and applies to periods beginning on or after 31 December 2023 and as a result this was the first year the legislation was effective for the Group. 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 resulting in an additional charge recognised of £2,549,000 (2024: £nil) which would result in an 2.5% increase in the Group's statutory effective tax rate. The Group has applied the exemption to recognising and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes, as provided in the amendments to IAS 12 issued in May 2023.

### 10 Dividends

An interim dividend of 8.8p per ordinary share was paid in January 2025 (2024: 8.3p). The Directors propose a final dividend for the year ended 30 April 2025 of 17.6p per ordinary share (2024: 17.5p), which is subject to approval at the AGM and has not been included as a liability as at 30 April 2025. Based upon the shares in issue at 30 April 2025 and excluding treasury shares and shares in employee trusts where dividends are waived, this equates to a final dividend payment of £40m (2024: £39m). No dividends have been paid between 30 April 2025 and the date of signing the financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 11 Earnings per share

	2025 £000	2024 £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	79,845	125,018
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	224,263,336	226,332,009
Effect of dilutive potential ordinary shares – share options	4,294,495	5,023,528
Weighted average number of ordinary shares for the purposes of diluted earnings per share	228,557,831	231,355,537
Basic earnings per share	35.6p	55.2p
Diluted earnings per share	34.9p	54.0p

The calculated weighted average number of ordinary shares for the purpose of basic earnings per share includes a reduction of 20,179,932 shares (2024: 17,579,590) relating to treasury shares acquired during the year and a reduction of 1,648,155 shares (2024: 2,179,823) for shares held in employee trusts.

### 12 Goodwill

	£000
At 1 May 2023	113,873
Acquired through business combinations (Note 4)	2,045
At 30 April 2024 and 1 May 2024	115,918
Impairment of goodwill (Note 28)	(4,012)
<b>At 30 April 2025</b>	<b>111,906</b>

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:

	2025 £000	2024 £000
Northgate UK	–	4,012
Auxillis	74,827	74,827
FMG	31,078	31,078
Blakedale	3,956	3,956
FridgeXpress	2,045	2,045
	<b>111,906</b>	<b>115,918</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 12 Goodwill continued

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 2025. The approved business plan includes the three-year strategic plan of the Group and a forecast for a further two years. With the exception of goodwill previously recognised in the Northgate Vehicle Hire (UK) CGU which related to the historic acquisition of Fleet Technique Limited (in 2006) for which an exceptional impairment has been recognised (Note 28), 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, such as the transition of fleet away from ICE vehicles. This has not materially impacted the business plan and growth rate applied to terminal values used within the value-in-use assessment.

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 2025 £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
Auxillis	74,827	10.4%	2.0%	(101.7)	(68.2)
FMG	31,078	10.4%	2.0%	(12.7)	(8.6)
Blakedale	3,956	9.9%	2.0%	(9.1)	(6.5)
FridgeXpress	2,045	9.9%	2.0%	(5.3)	(3.6)
	<b>111,906</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 2024 using a pre-tax discount rate of 10.5% and pre-tax growth rate of 2.0% for all CGUs. It was concluded that there were no indicators of additional impairment or reversal of impairment of other non-current assets previously charged.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 13 Other intangible assets

	Customer relationships £000	Other software £000	Brand names £000	Total £000
<b>Cost:</b>				
At 1 May 2023	175,150	26,551	13,750	215,451
Acquisition	1,100	–	150	1,250
Additions	–	2,019	–	2,019
Exchange differences	–	(212)	–	(212)
At 30 April 2024 and 1 May 2024	176,250	28,358	13,900	218,508
Additions	–	3,098	–	3,098
Disposals	–	(1)	–	(1)
Exchange differences	–	(3)	–	(3)
<b>At 30 April 2025</b>	<b>176,250</b>	<b>31,452</b>	<b>13,900</b>	<b>221,602</b>
<b>Accumulated amortisation:</b>				
At 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)
At 30 April 2024 and 1 May 2024	79,907	22,812	4,735	107,454
Charge for the year	16,187	2,625	1,000	19,812
Disposals	–	(1)	–	(1)
Exchange differences	–	1	–	1
<b>At 30 April 2025</b>	<b>96,094</b>	<b>25,437</b>	<b>5,735</b>	<b>127,266</b>
<b>Carrying amount:</b>				
<b>At 30 April 2025</b>	<b>80,156</b>	<b>6,015</b>	<b>8,165</b>	<b>94,336</b>
At 30 April 2024	96,343	5,546	9,165	111,054
<b>Weighted average remaining amortisation period (years) at 30 April 2025</b>	<b>5</b>	<b>3</b>	<b>9</b>	
Weighted average remaining amortisation period (years) at 30 April 2024	6	2	9	
			<b>2025 £000</b>	<b>2024 £000</b>
Intangible amortisation is included in the consolidated income statement as follows:				
Administrative expenses: included within underlying EBIT			<b>1,493</b>	1,398
Administrative expenses: excluded from underlying EBIT*			<b>18,319</b>	18,563
			<b>19,812</b>	19,961

\* 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 14 Property, plant and equipment

	Vehicles for hire £000	Land and buildings £000	Plant, equipment and fittings £000	Motor vehicles £000	Total £000
<b>Cost:</b>					
At 1 May 2023	1,742,076	227,545	57,051	4,111	2,030,783
Acquisition	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)
At 30 April 2024 and 1 May 2024	1,857,013	246,713	68,844	7,757	2,180,327
Additions	697,595	7,269	10,749	4,079	719,692
Exchange differences	(838)	(262)	(52)	–	(1,152)
Transfer to inventories	(475,287)	–	–	–	(475,287)
Disposals	–	(7,339)	(826)	(1,513)	(9,678)
<b>At 30 April 2025</b>	<b>2,078,483</b>	<b>246,381</b>	<b>78,715</b>	<b>10,323</b>	<b>2,413,902</b>
<b>Accumulated depreciation:</b>					
At 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)
At 30 April 2024 and 1 May 2024	556,333	94,073	43,882	2,695	696,983
Charge for the year	258,687	18,766	7,321	2,783	287,557
Impairment charge (Note 28)	–	956	87	–	1,043
Exchange differences	(673)	(71)	(42)	–	(786)
Transfer to inventories	(247,142)	–	–	–	(247,142)
Disposals	–	(5,662)	(327)	(1,220)	(7,209)
<b>At 30 April 2025</b>	<b>567,205</b>	<b>108,062</b>	<b>50,921</b>	<b>4,258</b>	<b>730,446</b>
<b>Carrying amount:</b>					
<b>At 30 April 2025</b>	<b>1,511,278</b>	<b>138,319</b>	<b>27,794</b>	<b>6,065</b>	<b>1,683,456</b>
At 30 April 2024	1,300,680	152,640	24,962	5,062	1,483,344

At 30 April 2025, the Group had entered into total contractual commitments amounting to £68,094,000 (2024: £62,034,000).

Land and buildings include the following:

	2025 £000 NBV	2024 £000 NBV
Land and buildings by category:		
Freehold and long leasehold	48,213	49,642
Short leasehold	90,106	102,998
	<b>138,319</b>	<b>152,640</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 14 Property, plant and equipment continued

Property, plant and equipment include the following right-of-use leased assets:

	Vehicles for hire £000	Land and buildings £000	Other property, plant and equipment £000	Total £000
<b>Cost:</b>				
At 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)
At 30 April 2024 and 1 May 2024	110,877	152,033	7,586	270,496
Additions	23,768	6,991	4,000	34,759
Reclassification to owned assets at end of lease	(2,440)	–	(31)	(2,471)
Exchange differences	–	(112)	–	(112)
Disposals	(34,911)	(5,290)	(1,339)	(41,540)
<b>At 30 April 2025</b>	<b>97,294</b>	<b>153,622</b>	<b>10,216</b>	<b>261,132</b>
<b>Accumulated depreciation:</b>				
At 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)
At 30 April 2024 and 1 May 2024	52,680	55,113	2,319	110,112
Charge for the year	36,835	16,295	2,750	55,880
Reclassification to owned assets at end of lease	(616)	–	(14)	(630)
Impairment charge for the year	–	956	–	956
Exchange differences	–	(27)	–	(27)
Disposals	(34,370)	(3,788)	(1,092)	(39,250)
<b>At 30 April 2025</b>	<b>54,529</b>	<b>68,549</b>	<b>3,963</b>	<b>127,041</b>
<b>Carrying amount:</b>				
<b>At 30 April 2025</b>	<b>42,765</b>	<b>85,073</b>	<b>6,253</b>	<b>134,091</b>
At 30 April 2024	58,197	96,920	5,267	160,384

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 15 Interest in associates

The Group has interest in associates, which comprise a minority participation in four (2024: 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 2023	5,207
Group's share of:	
Profit from continuing operations	1,296
Distributions from associates	(2,001)
At 30 April 2024 and 1 May 2024	4,502
Group's share of:	
Profit from continuing operations	170
Distributions from associates	(476)
Impairment charge (Note 28)	(4,196)
<b>At 30 April 2025</b>	<b>–</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 2025 are as follows:

Name	Registered office
Ageas Law LLP	Helmont House, Churchill Way, Cardiff, CF10 2HE
Carole 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 associates) 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

	2025 £000	2024 £000
Vehicles held for resale	18,660	26,196
Spare parts and consumables	9,849	12,065
	<b>28,509</b>	<b>38,261</b>

Replacement cost of spare parts and consumables is considered to not significantly differ from carrying values as stated above.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 17 Receivables and contract assets

	2025 £000	2024 £000
Trade receivables	119,169	135,321
Contract assets – claims due from insurance companies and self-insuring organisations	166,091	195,972
Prepayments	41,422	32,300
Other receivables	51,465	57,439
	378,147	421,032

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:

	2025 £000	2024 £000	2025 %	2024 %
Pending claims	18,852	19,570	11	10
Between 1 and 120 days old	58,546	69,229	35	35
More than 120 days old	88,693	107,173	54	55
<b>Total</b>	<b>166,091</b>	<b>195,972</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 28% (2024: 35%) 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 £166,091,000 (2024: £195,972,000), has decreased mainly as a result of strong cash collection in the year. An adjustment of £2.9m was made in the 12 months to 30 April 2025 for claims that were settled at a higher net amount than the carrying value at 30 April 2024 (2024: £7.6m for claims that were settled at a higher net amount than the carrying value at 30 April 2023).

### 18 Trade and other payables

	2025 £000	2024 £000
Trade payables	202,595	187,395
Social security and other taxes	17,925	17,132
Accruals and deferred income	119,930	131,070
	340,450	335,597

The Group considers that the carrying amount of trade and other payables approximates to their fair value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 19 Provisions

	2025 £000	2024 £000
<b>Current</b>		
Dilapidations	2,716	1,868
Onerous contracts	198	–
Fleet insurance	1,824	2,302
	4,738	4,170
<b>Non-current</b>		
Dilapidations	6,787	7,263
Onerous contracts	679	–
Fleet insurance	2,857	3,073
	10,323	10,336
	15,061	14,506
	2025 £000	2024 £000
<b>Movement in the carrying amount of provisions</b>		
At 1 May	14,506	7,431
Reclassification from accruals	–	5,362
Provisions made during the year	3,887	4,872
Utilised during the year	(4,136)	(3,030)
Change in cost estimates	485	(435)
Unwinding of discount	319	306
<b>At 30 April</b>	15,061	14,506

Dilapidation provisions are estimates of the Group's legal obligations relating to leases of land and buildings. 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 cessation of the related lease but may be longer if the lease is extended or renegotiated. Amounts settled will depend on the level of dilapidations agreed with the landlord.

Onerous contracts relate to properties no longer occupied or fully used, over a time period of 4.5 years after the year end. A provision of £977,000 (2024: £nil) was recognised to reflect the Group's legal obligations of the unavoidable net holding cost of these leases to the end date of those leases.

Fleet insurance provisions are estimates of the Group's legal obligations of future outflows for vehicle accident insurance claims. These balances include estimates based on internal and external sources of information. The timing of outflows is expected to be upon receiving insurance claims from the Group's external insurance provider. Amounts of claims settled will be based on the agreements made with the insurance provider.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 20 Borrowings

Carrying amounts of the Group's borrowings approximate to their fair value.

	2025 £000	2024 £000
Bank loans and overdrafts	200,422	296,672
Loan notes	480,875	320,267
Asset financing facility (secured)	49,987	–
Cumulative preference shares	500	500
Confirming facilities	669	67
	<b>732,453</b>	<b>617,506</b>

All borrowings are unsecured unless otherwise noted.

The borrowings are repayable as follows:

	2025 £000	2024 £000
<b>On demand or within one year (shown within current liabilities)</b>		
Bank loans and overdrafts	46,975	57,475
Confirming facilities	669	67
Asset financing facility (secured)	6,723	–
	<b>54,367</b>	<b>57,542</b>
<b>In the second year</b>		
Bank loans	–	243,811
Loan notes	–	–
Asset financing facility (secured)	19,185	–
	<b>19,185</b>	<b>243,811</b>
<b>In the third to fifth years</b>		
Bank loans	160,398	–
Loan notes	276,835	128,217
Asset financing facility (secured)	24,079	–
	<b>461,312</b>	<b>128,217</b>
<b>Due after more than five years</b>		
Loan notes	204,432	192,325
Cumulative preference shares	500	500
	<b>204,932</b>	<b>192,825</b>
Unamortised finance fees relating to the bank loans and loan notes	(7,343)	(4,889)
<b>Total borrowings</b>	<b>732,453</b>	<b>617,506</b>
<b>Amounts due for settlement within one year (shown within current liabilities)</b>	<b>(54,367)</b>	<b>(57,542)</b>
<b>Amounts due for settlement after more than one year</b>	<b>678,086</b>	<b>559,964</b>

The bank loans and overdrafts, totalling £207,373,000 (gross of unamortised fees) at 30 April 2025, would become repayable in full in the event of a change in control of the Group. The holders of the loan notes, totalling £481,267,000 (gross of unamortised fees) at 30 April 2025, would have to be offered full repayment in the event of a change in control of the Group.

20 Borrowings continued

Bank loans and overdrafts

Bank loans are unsecured and bear interest at rates of 1.00% to 1.95% (2024: 1.00% 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%. UK bank loans mature in April 2030. Spain bank loans of £10m were renewed for a further year to November 2025. Overdrafts are unsecured and can be withdrawn at any time and are repayable on demand.

Loan notes

The Group has £481,267,000 (2024: £320,542,000) of loan notes (gross of unamortised fees) which bear interest at an average rate of 2.4% (2024: 1.3%). Loan notes are unsecured and are repayable in November 2027, November 2029, October 2031, November 2031 and October 2034.

Asset financing facility

In the year, the Group entered into a £100m Vehicle Funding Facility with a drawn balance of £49,987,000 as at 30 April 2025 (2024: £nil). Drawn balances are amortised over a 40-month period and attract a floating rate charge equal to Bank of England Base Rate plus 1.40% interest margin. The facility is secured against certain vehicles for hire with the carrying amounts of assets pledged as security as at 30 April 2025 totalling £49,923,000 (2024: £nil).

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 (2024: 1,300,000), of which 1,000,000 (2024: 1,000,000) were allotted and fully paid at the balance sheet date.

Confirming facilities

Spanish confirming facilities of £669,000 (2024: £67,000) 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:

	2025 £000	2024 £000
Less than one year	72,109	12,712
In one year to five years	339,601	231,189
	411,710	243,901

The total amount permitted to be borrowed by the Company and its subsidiary undertakings under the 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.

Group reserves includes paid up share capital and all other balances within the statement of changes in equity, less goodwill and other intangible assets. The Company and its subsidiary undertakings were fully compliant with this requirement of the Articles of Association in the current and prior year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 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 2024 £000	Cash flow £000	Other non-cash changes £000	Foreign exchange movements £000	At 30 April 2025 £000
Bank loans	250,052	(84,401)	(2,062)	(775)	<b>162,814</b>
Bank overdrafts	46,620	(8,734)	–	(278)	<b>37,608</b>
Loan notes	320,267	159,419	(392)	1,581	<b>480,875</b>
Asset financing facility	–	49,987	–	–	<b>49,987</b>
Lease liabilities	164,524	(59,501)	33,042	(85)	<b>137,980</b>
Cumulative preference shares	500	–	–	–	<b>500</b>
Confirming facilities	67	–	593	9	<b>669</b>
	<b>782,030</b>	<b>56,770</b>	<b>31,181</b>	<b>452</b>	<b>870,433</b>
<b>Cash and bank balances</b>	<b>(39,802)</b>	<b>6,179</b>	<b>–</b>	<b>(115)</b>	<b>(33,738)</b>
<b>Consolidated net debt</b>	<b>742,228</b>	<b>62,949</b>	<b>31,181</b>	<b>337</b>	<b>836,695</b>

Borrowings are designated as financial liabilities carried at amortised cost.

	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)	250,052
Bank overdrafts	2,441	44,491	–	(312)	46,620
Loan notes	329,854	–	(275)	(9,312)	320,267
Lease liabilities	156,765	(65,047)	73,317	(511)	164,524
Cumulative preference shares	500	–	–	–	500
Confirming facilities	593	–	(512)	(14)	67
	<b>708,556</b>	<b>12,522</b>	<b>75,100</b>	<b>(14,148)</b>	<b>782,030</b>
<b>Cash and bank balances</b>	<b>(14,122)</b>	<b>(26,757)</b>	<b>–</b>	<b>1,077</b>	<b>(39,802)</b>
<b>Consolidated net debt</b>	<b>694,434</b>	<b>(14,235)</b>	<b>75,100</b>	<b>(13,071)</b>	<b>742,228</b>

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 2025, the gearing of the Group amounted to 97.6% (2024: 90.9%) where net borrowings (including lease obligations) are £836,695,000 (2024: £742,228,000) and shareholders' funds less goodwill and the net book value of intangible assets are £856,913,000 (2024: £816,425,000).



## 20 Borrowings continued

Under the terms of the borrowing facility, the Group is required to comply with the following financial covenants<sup>1</sup> at the end of each annual and interim reporting period<sup>1</sup>:

- Interest cover of at least three times annualised EBIT;
- Group loan to value must not exceed 70%
- Net debt must not exceed three times EBITDA.

The Group has complied with these covenants throughout the current and prior reporting period as detailed in the Financial Review found on page 40.

### 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 the Group's 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 2025, 68.7% (2024: 64.6%) of net borrowings (excluding unamortised finance fees and including leases arising under HP obligations) were at fixed rates of interest comprising loan notes of £481,267,000, £500,000 of preference shares, £669,000 of confirming facilities and leases arising under HP obligations of £7,345,000 (30 April 2024: 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).

<sup>1</sup> All three covenants listed above must be adhered to for loan notes. However, for bank loans, only the 'interest cover' and 'leverage' covenants are required to be met.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 20 Borrowings continued

#### 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 2025</b>			
Bank loans	18,176	144,638	162,814
Bank overdrafts	10,682	26,926	37,608
Loan notes	–	480,875	480,875
Asset financing facility	49,987	–	49,987
Lease liabilities	119,986	17,994	137,980
Cumulative preference shares	500	–	500
Confirming facilities	–	669	669
	<b>199,331</b>	<b>671,102</b>	<b>870,433</b>
	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>

### 21 Lease liabilities

#### As lessee

Lease liabilities are presented in the balance sheet as follows:

	2025 £000	2024 £000
Current	39,507	51,442
Non-current	98,473	113,082
	<b>137,980</b>	<b>164,524</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 21 Leases continued

#### As lessee continued

The tables below describe the nature of the Group's leasing activities by the type of right-of-use asset recognised:

At 30 April 2025	Number of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)	Carrying value at 30 April 2025 £000	Depreciation expense for year to 30 April 2025 £000
Land and buildings	177	1–95	5	85,073	16,295
Computer equipment	2	1–5	4	515	135
Motor vehicles	329	1–4	2	5,738	2,615
Vehicles for hire	10,726	0–4	2	42,765	36,835

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

The lease liabilities are secured by the related underlying assets. Future minimum lease payments are as follows:

At 30 April 2025	<1 year £000	1-2 years £000	2-5 years £000	>5 years £000	Total £000
<b>Lease payments:</b>					
Total lease payments	44,230	30,726	46,125	37,954	159,035
<b>Finance charges:</b>					
Total finance charges	(4,723)	(3,093)	(4,466)	(8,773)	(21,055)
<b>Net present values</b>	<b>39,507</b>	<b>27,633</b>	<b>41,659</b>	<b>29,181</b>	<b>137,980</b>

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	56,718	34,996	46,327	50,233	188,274
<b>Finance charges:</b>					
Total finance charges	(5,276)	(3,282)	(5,312)	(9,880)	(23,750)
<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>

The total cash outflow for leases was £65,812,000 (2024: £71,580,000) which includes principal element of lease payments and interest arising on lease obligations.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 21 Leases continued

#### As lessee 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). Expenses of £6,622,000 were recognised in the year (2024: £26,919,000) 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 or less over the lease term. Expenses of £1,526,000 were recognised in the year (2024: £1,013,000) 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:

	2025 £000	2024 £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 fixed rate instruments and 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. During the financial year ending 30 April 2025, the interest rate derivative matured. 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 2025, the nominal amount attributable to the hedging instrument equated to £622,666,000 (2024: £492,353,000). 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 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 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
At 30 April 2024 and 1 May 2024	24,671	342	(2,569)	27,790	(76)	(2,429)	47,729
Charge (credit) to the income statement	(4)	–	286	(4,447)	70	(362)	(4,457)
(Credit) charge to equity	–	–	(862)	–	–	(26)	(888)
Exchange differences	24	(1)	–	–	–	(1)	22
<b>At 30 April 2025</b>	<b>24,691</b>	<b>341</b>	<b>(3,145)</b>	<b>23,343</b>	<b>(6)</b>	<b>(2,818)</b>	<b>42,406</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 2025</b>	
Deferred tax assets	(1,095)
Deferred tax liabilities	43,501
<b>Net deferred tax liabilities</b>	<b>42,406</b>
At 30 April 2024	
Deferred tax assets	(1,878)
Deferred tax liabilities	49,607
<b>Net deferred tax liabilities</b>	<b>47,729</b>

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 2023, 30 April 2024 and at 30 April 2025	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 2023, 30 April 2024 and at 30 April 2025	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 141. 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 2025, the Group held 20,252,974 of the Company's shares (2024: 18,981,862). The total number of shares held in treasury represents 8.2% (2024: 7.7%) 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 2025, the Guernsey Trust held 1,101,002 (2024: 2,766,937) 50p ordinary shares and the YBS Trust held 182,812 (2024: 164,277) 50p ordinary shares. The total number of shares held by these employee trusts represents 0.5% (2024: 1.2%) 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'.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 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 2023	(2,685)
Exchange differences recognised in total comprehensive income	(4,074)
30 April 2024	(6,759)
Exchange differences recognised in total comprehensive income	(446)
<b>30 April 2025</b>	<b>(7,205)</b>

#### 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 2023	40	1,155	67,463	–	261,831	330,489
Foreign exchange differences	–	(33)	–	–	–	(33)
Other comprehensive income	–	–	–	78	–	78
At 30 April 2024	40	1,122	67,463	78	261,831	330,534
Foreign exchange differences	–	(2)	–	–	–	(2)
Other comprehensive (expense)	–	–	–	(78)	–	(78)
<b>At 30 April 2025</b>	<b>40</b>	<b>1,120</b>	<b>67,463</b>	<b>–</b>	<b>261,831</b>	<b>330,454</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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 28 Exceptional items

Exceptional items are recognised in the income statement as follows:

	2025 £000	2024 £000
Exceptional administrative expenses: impairment of trade receivables	3,006	–
Exceptional administrative expenses: other operating costs	17,617	–
<b>Exceptional administrative expenses</b>	<b>20,623</b>	<b>–</b>

Exceptional administrative expenses comprise the following:

	2025 £000	2024 £000
Impairment of goodwill	4,012	–
NewLaw strategy	12,820	–
Other exceptional operating costs	3,791	–
<b>Exceptional administrative expenses</b>	<b>20,623</b>	<b>–</b>
<b>Total exceptional items included within EBIT</b>	<b>20,623</b>	<b>–</b>
<b>Total pre-tax exceptional items</b>	<b>20,623</b>	<b>–</b>
Tax credits relating to exceptional items	(3,104)	–
<b>Cash expenses</b>	<b>3,791</b>	<b>–</b>
<b>Non-cash expenses</b>	<b>16,832</b>	<b>–</b>
<b>Total pre-tax exceptional items</b>	<b>20,623</b>	<b>–</b>

#### Impairment of goodwill

Goodwill relating to the previous acquisition of Fleet Technique Limited (in 2006) has been written off in the year. This goodwill balance was previously allocated to the Northgate Vehicle Hire (UK) CGU.

#### NewLaw Strategy

Included in exceptional administrative expenses, is £12,820,000 relating to a strategic decision made to exit the personal injury and legal services market in the UK. This relates to the business of NewLaw within the Claims & Services operating segment. The business is not core to the mobility solutions provided to customers across the Group and been operating in a challenging environment since regulatory reforms were put in place in this market in 2021. Exiting the market will allow greater focus on the core operations of the Group and ensure that capital is allocated optimally. No new business has been accepted and existing cases have been put into a managed run off.

The exceptional items relate to impairments of assets that have arisen due to the decision to unwind the trade of the business over the shortest time possible whilst remaining compliant with regulatory obligations.

## 28 Exceptional items continued

### NewLaw Strategy continued

#### Impairment of property, plant and equipment

An impairment to the right-of-use asset of £1,043,000 (2024: £nil) relating to a property lease within the NewLaw business has been recognised due to the downsizing of the operation.

#### Impairment of interest in associates

An impairment of interest in associates has been recognised of £4,196,000 (2024: £nil) in line with the strategy plan to unwind the NewLaw business.

#### Impairment of trade receivables

An exceptional cost of £3,006,000 (2024: £nil) has been recognised to the extent that certain trade receivables are no longer deemed recoverable whilst managing the NewLaw business in run-off.

#### Impairment of other receivables

A further impairment was recognised in respect to other receivables totalling £3,598,000 (2024: £nil).

#### Adjustment to provisions

An exceptional cost of £977,000 (2024: £nil) was recognised in relation to unavoidable costs for the element of the property lease which is no longer in use.

### Other exceptional operating costs

Restructuring costs of £1,033,000 (2024: £nil) were recognised of which £343,000 arose in Claims & Services, £565,000 in UK&I Rental and £125,000 in Corporate costs. This followed the announcement in the prior year to streamline the organisational structure of the UK part of the Group.

In May 2024, the Group was impacted by a cyber incident in part of its UK operation. The Group's systems were immediately isolated to contain and eliminate the threat. Most businesses experienced limited impact and rapidly returned to normal operational capacity with the NewLaw business being affected for the longest period. The costs associated with managing this incident of £2,758,000 (2024: £nil) have been recognised in exceptional items in the year.

### Other costs not classified as exceptional items but excluded from underlying results

#### Amortisation of acquired intangible assets

Amortisation of acquired intangible assets of £18,319,000 (2024: £18,563,000) 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 £1,493,000 (2024: £1,398,000) 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 48. The depreciation adjustment is a debit to the consolidated income statement of £26,481,000 (2024: debit of £17,000). 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 29 Share based payments

The Group and Company's share incentive plans are as follows:

#### DABP

The DABP is closed for new awards. Remaining options are all fully vested and are exercisable until ten years after the date of grant. Options are nil cost options to be settled in equity.

#### Free shares

The Board makes 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 free shares. Free shares are settled in equity.

#### EPSP

EPSP awards have a three-year vesting period from the date of grant and the level of vesting is determined against certain market and non-market based performance conditions. After vesting, options are exercisable until ten years after the date of grant. Options are nil cost options to be settled in equity.

#### SAYE

The SAYE has a three-year savings period where employees save at an agreed rate. At the end of the savings period, employees can choose to exercised options for equity or withdrawn their savings. Options granted under the SAYE have exercise prices ranging from £2.64 to £3.45. Options can be exercised and settled in equity up to six months following the end of the relevant savings period.

Details regarding the plans in the year ended 30 April 2025 are outlined below:

	DABP Number of share options	Free shares Number of free shares	EPSP Number of share options	SAYE Number of share options
At 1 May 2024	13,171	1,737,033	2,708,133	2,195,907
Granted during the year	–	947,818	1,152,944	1,093,211
Exercised during the year	(5,104)	–	(773,052)	–
Vested during the year	–	(5,748)	–	(106,040)
Forfeited/lapsed during the year	–	(283,336)	(751,593)	(407,458)
<b>At 30 April 2025</b>	<b>8,067</b>	<b>2,395,767</b>	<b>2,336,432</b>	<b>2,775,620</b>
Exercisable at the end of the year	8,067	–	32,726	–

	DABP 2025	Free Shares 2025	EPSP 2025	SAYE 2025
Weighted average remaining contractual life at the end of the year	<b>1.0 years</b>	<b>1.5 years</b>	<b>7.3 years</b>	<b>1.4 years</b>
Weighted average share price at the date of exercise of options in the year	<b>£4.28</b>	<b>£3.63</b>	<b>£3.89</b>	<b>£4.03</b>
Date options granted during the year		<b>Aug 2024</b>	<b>Jul 2024</b>	<b>Aug 2024</b>
Aggregate estimated fair value of options at the date of grant		<b>£2,180,000</b>	<b>£3,083,000</b>	<b>£875,000</b>
The inputs into the Black-Scholes/Monte Carlo model were as follows:				
Weighted average share price		<b>£4.07</b>	<b>£4.25</b>	<b>£4.00</b>
Weighted average exercise price		<b>£nil</b>	<b>£nil</b>	<b>£3.45</b>
Expected volatility		<b>45.3%</b>	<b>45.5%</b>	<b>45.4%</b>
Expected life		<b>3 years</b>	<b>3 years</b>	<b>3 years</b>
Risk free rate		<b>3.7%</b>	<b>3.9%</b>	<b>3.7%</b>
Expected dividends		<b>7.1%</b>	<b>7.2%</b>	<b>7.1%</b>

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 29 Share based payments continued

Details regarding the plans in the year ended 30 April 2024 are outlined below:

	AESS Number of matching shares	DABP Number of share options	Free shares Number of free shares	EPSP Number of share options	SAYE Number of share options
At 1 May 2023	111,720	21,822	817,375	4,318,856	2,902,118
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	(102,007)	–	(4,234)	–	(1,330,193)
Forfeited/lapsed during the year	(9,713)	(425)	(217,710)	(93,124)	(392,841)
At 30 April 2024	–	13,171	1,737,033	2,708,133	2,195,907
Exercisable at the end of the year	–	13,171	–	179,613	139,111
	AESS 2024	DABP 2024	Free Shares 2024	EPSP 2024	SAYE 2024
Weighted average remaining contractual life at the end of the year	–	1.8 years	2.1 years	8.2 years	1.7 years
Weighted average share price at the date of exercise of options in the year	–	£3.35	£3.66	£3.34	£3.54
Date options granted during the year			Oct 2023	Aug 2023	Oct 2023
Aggregate estimated fair value of options at the date of grant			£2,113,000	£2,382,000	£807,000
The inputs into the Black-Scholes/Monte Carlo model were as follows:					
Weighted average share price			£3.23	£3.46	£3.23
Weighted average exercise price			£nil	£nil	£2.64
Expected volatility			52.1%	54.0%	52.0%
Expected life			3 years	3 years	3 years
Risk free rate			4.4%	4.5%	4.4%
Expected dividends			6.7%	6.7%	6.7%

In addition, 74,369 options were awarded in the year under the EAB (2024: 102,517 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 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 (2024: €0.20) increase and decrease in the Euro/Sterling exchange rate.

A €0.20 (2024: €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 (2024: €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
2025			
Profit before taxation	101,468	91,177	115,910
<b>Total equity</b>	<b>1,063,157</b>	<b>1,045,364</b>	<b>1,088,257</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
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>

#### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 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% (2024: 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
<b>2025</b>			
Profit before taxation	101,468	98,835	104,102
<b>Total equity</b>	<b>1,063,157</b>	<b>1,061,182</b>	<b>1,065,132</b>
<b>2024</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
Profit before taxation	162,103	159,555	164,651
Total equity	1,043,397	1,041,486	1,045,308

#### 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.

#### 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 2025	Weighted average effective interest rate	<1 year £000	2nd year £000	3–5 years £000	>5 years £000	Total £000
Non-interest bearing	–	240,872	–	–	–	240,872
Fixed interest rate instruments	2.35%	11,340	11,340	307,996	230,597	561,273
Variable interest rate instruments	4.64%	25,700	27,709	205,690	–	259,099
		277,912	39,049	513,686	230,597	1,061,244

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 30 Financial instruments continued

#### Liquidity and interest risk tables continued

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

#### 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 are recorded at amortised cost, except for derivatives which are held at fair value. For the majority of borrowings, the fair values are not materially different from their carrying amounts, since either the interest rate payable on those borrowings is close to current market rates or the borrowings are of a short term in nature. The only borrowings which have been assessed as having a material difference are loan notes which have carrying value of £480,875,000 (Note 20) and an estimated fair value of £445,446,000. The fair value has been calculated based on discounted cash flows using a comparable current borrowing rate. They are classed as level three fair value measurements due to the use of unobservable inputs, including credit risk.

#### 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 £33,738,000 (2024: £39,802,000) include £33,522,000 (2024: £39,467,000) held under a pooled overdraft arrangement with the same banking institution which has a right of set-off but where the balances are not net settled. Bank overdrafts of £37,608,000 (2024: £46,620,000) were available to offset against bank balances under this agreement, therefore the residual credit risk exposure was £Nil (2024: £Nil). 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 30 Financial instruments continued

#### Credit risk management continued

	2025 £000	2024 £000
<b>Trade receivables</b>		
Trade receivables (maximum exposure to credit risk)	<b>147,598</b>	159,540
Allowance for doubtful receivables	<b>(28,429)</b>	(24,219)
	<b>119,169</b>	135,321
<b>Ageing of trade receivables not impaired</b>		
Not overdue	<b>87,521</b>	91,066
Past due not more than two months	<b>14,594</b>	19,381
Past due more than two months but not more than four months	<b>5,734</b>	8,197
Past due more than four months but not more than six months	<b>11,320</b>	16,677
<b>Total</b>	<b>119,169</b>	135,321

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, £4,205,000 (2024: £3,528,000) 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.

	2025 £000	2024 £000
<b>Movement in the allowance for doubtful receivables</b>		
At 1 May	<b>24,219</b>	24,589
Impairment losses recognised	<b>15,838</b>	12,162
Amounts written off as uncollectable	<b>(7,157)</b>	(9,692)
Impaired losses reversed	<b>(4,415)</b>	(2,380)
Exchange differences	<b>(56)</b>	(460)
At 30 April	<b>28,429</b>	24,219

Net impairment of trade receivables as at 30 April 2025 totalled £11,423,000. This comprises of £8,417,000 (2024: £9,782,000) in underlying results and £3,006,000 (2024: £nil) recognised as an exceptional item in the year (Note 28). 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.



30 Financial instruments continued

Credit risk management continued

Included in the allowance for doubtful receivables are trade receivables with customers which have been placed under liquidation of £204,000 (2024: £86,000).

	2025 £000	2024 £000
Ageing of impaired trade receivables		
Not overdue	3,963	814
Past due not more than two months	1,051	1,229
Past due more than two months but not more than four months	3,317	3,672
Past due more than four months but not more than six months	998	972
Past due more than six months	19,100	17,532
	28,429	24,219

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 198.

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 £4,983,000 (2024: £7,809,000) and made purchases of £204,000 (2024: £272,000) from those associates. At the year end, the Group was owed £320,000 (2024: £2,063,000) 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 102 to 121.

The fair value charged to the income statement in respect of equity settled share based payment transactions with the Directors is £601,000 (2024: £1,644,000). There are no other long term benefits accruing to key management personnel, other than as set out in the Remuneration report.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 32 Investments

At 30 April 2025, 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*^	03902646	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Auxillis Limited*^	02948256	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Auxillis Services Limited*	02686430	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Blakedale Ltd*^	03045741	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Cab Aid Limited*^	05013600	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Car Monster Limited*^	03217696	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Charged Electric Vehicles Limited	12702971	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
FMG Finance Limited*^	09347579	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Group Holdings Limited*^	09341508	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Legal LLP*	OC378834	Helmont House, Churchill Way, Cardiff, CF10 2HE
FMG Repair Services Limited*	05120241	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
FMG Support (FIM) Ltd*^	02658067	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
F M G Support (HO) Limited*^	03576057	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Support (RRRM) Limited*^	02762997	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Support Group Limited*^	06489429	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
FMG Support Ltd*^	03813859	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
Fridgexpress (UK) Limited^	06554050	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Goode Durrant Administration Limited*^	00059051	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
GRG Public Resources Limited*^	02946432	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
HAS Accident Management Solutions Limited*^	03198299	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Helphire EBT Trustee Limited*^	03852243	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Moco Group Limited (formerly ZIGUP Limited)*^	09713395	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### 32 Investments continued

Name	Company number+	Registered office
Northgate (CB2) Limited*^	07983969	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Northgate (Europe) Limited^	05932194	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Northgate España Renting Flexible S.A.*	(CIF) A-28659423 (Spain)	Av. de Bruselas 20, 28108 Alcobendas, 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	Greystone House, Rudheath Way, Northwich, CW9 7LL
Recovery Management Services Limited*^	02948091	Broad Lea House, Dyson Wood Way, Bradley, Huddersfield, West Yorkshire, HD2 1GZ
Moco Claims and Services Limited^	03120010	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ
Total Accident Management Limited*^	03156157	Northgate Centre, Lingfield Way, Darlington, DL1 4PZ

\* 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 2025. A guarantee has been or will be provided by ZIGUP plc as the ultimate Parent Company.

+ UK registered unless stated otherwise.

### 33 Events after the reporting period

On 1 May 2025, the Group cancelled 10,000,000 ordinary shares of 50p each which were held in treasury. Following the cancellation, the Group has 10,252,974 shares held in treasury representing 4.3% of the allotted and fully paid share capital of the Group.

## COMPANY BALANCE SHEET AS AT 30 APRIL 2025

	Note	2025 £000	2024 £000
<b>Non-current assets</b>			
Investments	5	454,294	451,022
Deferred tax assets	6	3,229	2,694
<b>Total non-current assets</b>		<b>457,523</b>	453,716
<b>Current assets</b>			
Receivables and contract assets	7	1,176,765	1,079,263
Derivative financial instrument assets		–	104
Cash and bank balances		27,414	37,108
<b>Total current assets</b>		<b>1,204,179</b>	1,116,475
<b>Total assets</b>		<b>1,661,702</b>	1,570,191
<b>Current liabilities</b>			
Trade and other payables	8	210,770	266,690
Borrowings	9	6,603	838
<b>Total current liabilities</b>		<b>217,373</b>	267,528
<b>Net current assets</b>		<b>986,806</b>	848,947
<b>Non-current liabilities</b>			
Income tax liability		2,549	–
Borrowings	9	634,822	559,964
<b>Total non-current liabilities</b>		<b>637,371</b>	559,964
<b>Total liabilities</b>		<b>854,744</b>	827,492
<b>Net assets</b>		<b>806,958</b>	742,699
<b>Equity</b>			
Share capital	10	123,046	123,046
Share premium account	11	113,510	113,510
Treasury shares reserve	12	(72,820)	(67,488)
Other reserves	13	325,030	325,108
<b>Retained earnings</b>			
At 1 May		248,523	188,216
Profit for the financial year		124,158	110,445
Dividends paid		(59,042)	(56,178)
Other changes in retained earnings		4,553	6,040
At 30 April		318,192	248,523
<b>Total equity</b>		<b>806,958</b>	742,699

The financial statements on pages 188 to 198 were approved by the Board of Directors on 9 July 2025 and signed on its behalf by:

**Martin Ward**

Chief Executive Officer

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2025

	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 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)
Sale of shares to employee share trust	–	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
Total equity at 30 April 2024 and 1 May 2024	236,556	(67,488)	325,108	248,523	742,699
Group share options fair value charge	–	–	–	3,691	3,691
Purchase of treasury shares	–	(5,332)	–	–	(5,332)
Dividends paid	–	–	–	(59,042)	(59,042)
Deferred tax on share based payments recognised in equity	–	–	–	862	862
Total comprehensive income	–	–	(78)	124,158	124,080
<b>Total equity at 30 April 2025</b>	<b>236,556</b>	<b>(72,820)</b>	<b>325,030</b>	<b>318,192</b>	<b>806,958</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 except for the revaluation of certain financial instruments. 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 £124,158,000 (2024: £110,445,000).

### 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 the net income statement for the year.

#### Income 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 may use 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.

### 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.

## NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

### 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 judgments relate to those made in performing impairment reviews as these are based on forward looking forecasts and future cash flows are discounted using discounts rates and growth rates which are inherently judgmental, to assess 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 50 (2024: 45), engaged in management and administrative activities.

	2025 £000	2024 £000
Wages and salaries	7,026	7,199
Social security costs	1,006	1,273
Other pension costs	514	438
Share based payments	418	2,147
<b>Staff costs</b>	<b>8,964</b>	<b>11,057</b>

The above employee figures include remuneration paid to Directors, details of which are set out in the Remuneration Report.

### Share based payments

The Group's and Company's various share incentive plans are explained in the Remuneration report on pages 102 to 121 and in Note 29 of the Notes to the Group financial statements.

All options granted under the DABP, EPSP and EAB are nil-cost options. Options granted under the SAYE Scheme have exercise prices ranging from £2.64 to £3.45.

The Board makes 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 2023	447,930
Capital contribution	3,092
At 30 April 2024 and 1 May 2024	451,022
Capital contribution	3,272
<b>At 30 April 2025</b>	<b>454,294</b>

Subsidiary holdings, included in the Group financial statements for the year ended 30 April 2025, 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.

## NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

### 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 2023	3,591	158	3,749
(Charge) to the income statement	(1,823)	(7)	(1,830)
Credit/(charge)	801	(26)	775
At 30 April 2024 and 1 May 2024	2,569	125	2,694
(Charge) to the income statement	(286)	(67)	(353)
Credit to equity	862	26	888
<b>At 30 April 2025</b>	<b>3,145</b>	<b>84</b>	<b>3,229</b>

### 7 Receivables and contract assets

	2025 £000	2024 £000
Amounts due from subsidiary undertakings	1,175,898	1,078,557
Prepayments	759	461
Other receivables	108	245
	<b>1,176,765</b>	<b>1,079,263</b>

Amounts due from subsidiary undertakings includes £1,153,325,000 (2024: £970,740,000) non-interest bearing and repayable on demand, a loan £nil (2024: £46,700,000) which was settled in the year and last year bore interest at 1.95% above SONIA and a £22,573,000 balance (2024: £61,117,000) on a loan repayable in June 2028 which bears interest at a fixed rate of 5.00% (2024: 5.95%).

Where amounts due from subsidiary undertakings are non-interest bearing and repayable on demand, the Company does not intend to call upon these amounts due in the 12 months following the date of issuance of the Annual Report.

### 8 Trade and other payables

	2025 £000	2024 £000
Trade payables	62	41
Amounts due to subsidiary undertakings	204,292	258,957
Social security and other taxes	261	227
Accruals and deferred income	6,155	7,465
	<b>210,770</b>	<b>266,690</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 £66,620,000 (2024: £121,318,000) non-interest bearing and repayable on demand and a loan repayable in June 2028 of £137,672,000 (2024: £137,639,000) which bears interest at 1.95% above SONIA (2024: 1.95%).

## NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

### 9 Borrowings

	2025 £000	2024 £000
Bank loans and overdrafts	160,050	240,035
Loan notes	480,875	320,267
Cumulative preference shares	500	500
	<b>641,425</b>	<b>560,802</b>

The carrying value of the Company's borrowings approximate to their fair value as the interest rate payable on those borrowing is close to current market rates, other than the loan notes of £480,870,000 which have an estimated fair value of £445,446,000. The fair value has been calculated based on discounted cash flows using a comparable borrowing rate.

The borrowings are repayable as follows:

	2025 £000	2024 £000
<b>On demand or within one year (shown within current liabilities)</b>		
Bank loans and overdrafts	6,603	838
	<b>6,603</b>	<b>838</b>
<b>In the second year</b>		
Bank loans	–	243,811
Loan notes	–	–
	–	243,811
<b>In the third to fifth years</b>		
Bank loans	160,398	–
Loan notes	276,835	128,217
	<b>437,233</b>	<b>128,217</b>
<b>Due after more than five years</b>		
Loan notes	204,432	192,325
Cumulative preference shares	500	500
	<b>204,932</b>	<b>192,825</b>
Unamortised finance fees relating to the bank loans and loan notes	(7,343)	(4,889)
<b>Total borrowings</b>	<b>641,425</b>	<b>560,802</b>
Amounts due for settlement within one year (shown within current liabilities)	(6,603)	(838)
<b>Amounts due for settlement after more than one year</b>	<b>634,822</b>	<b>559,964</b>

#### Bank loans and overdrafts

Bank loans and overdrafts are unsecured and bear interest at rates of 1.95% (2024: 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 April 2030. Overdrafts are unsecured and can be withdrawn at any time and are repayable on demand.



9 Borrowings continued

Loan notes

The Company has £481,267,000 (2024: £320,542,000) of loan notes (gross of unamortised fees) which bear interest at an average rate of 2.4% (2024: 1.3%). These are unsecured and are repayable in November 2027, November 2029, October 2031, November 2031 and October 2034.

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 (2024: 1,300,000), of which 1,000,000 (2024: 1,000,000) were allotted and fully paid at the balance sheet date.

10 Share capital

	Number of shares	£000
At 1 May 2023, 30 April 2024 and at 30 April 2025	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 2023, 30 April 2024 and at 30 April 2025	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 189. 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 2025, the Company held 20,252,974 of the Company's shares (2024: 18,981,862). The total number of shares held in treasury represents 8.2% (2024: 7.7%) of the allotted and fully paid share capital of the Company.

## NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

### 13 Other reserves

	Capital redemption reserve £000	Merger reserve £000	Hedging reserve £000	Other reserve £000	Total other reserve £000
At 1 May 2023	40	63,159	–	261,831	325,030
Change to comprehensive income	–	–	78	–	78
At 30 April 2024	40	63,159	78	261,831	325,108
Change to comprehensive income	–	–	(78)	–	(78)
<b>At 30 April 2025</b>	<b>40</b>	<b>63,159</b>	<b>–</b>	<b>261,831</b>	<b>325,030</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 189. Further information on certain of these reserves is given below:

#### Merger reserve

The merger reserve in the Company and the 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 8.8p per ordinary share was paid in January 2025 (2024: 8.3p). The Directors propose a final dividend for the year ended 30 April 2025 of 17.6p per ordinary share (2024: 17.5p), which is subject to approval at the AGM and has not been included as a liability as at 30 April 2025. Based upon the shares in issue at 30 April 2025 and excluding treasury shares and shares in employee trust where dividends are waived, this equates to a final dividend payment of £40m (2024: £39m). No dividends have been paid between 30 April 2025 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 £9,366,000 (2024: £9,332,000) interest payable, £3,534,000 (2024: £8,769,000) interest receivable and £10,869,000 (2024: £10,013,000) 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 102 to 121.

The fair value charged to the income statement in respect of equity settled share based payment transactions with the Directors is £601,000 (2024: £1,644,000). There are no other long term benefits accruing to key management personnel, other than as set out in the Remuneration report.



# Other information.

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## Other information

200 Glossary

204 Shareholder Information

## GLOSSARY

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>ADAS</b>	Advanced Driver Assistance Systems: A set of technologies, designed to assist drivers in the safe operation of vehicles
<b>AFR</b>	Accident Frequency Rate: a standard measure of recording workplace accidents
<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>API technology</b>	A set of protocols and tools that allow different software applications to communicate with each other
<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 & 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>Blue-chip</b>	A nationally or internationally recognised, well-established company
<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>CIO</b>	Chief Information 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
<b>CMI</b>	A UK professional body supporting careers and training

Term	Definition
<b>Companies Act</b>	The Companies Act 2006
<b>Consumer Duty</b>	A regulatory framework for financial services in the UK, introduced by the FCA
<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>CRM</b>	A technology tool used to manage and analyse customer interactions throughout the customer lifecycle
<b>CSRD</b>	Corporate Sustainability Reporting: European legislation requiring certain qualifying businesses to report on a range of ESG impacts and actions
<b>DABP</b>	Deferred Annual Bonus Plan: a senior management share award scheme
<b>DE&amp;I</b>	Diversity, equity and inclusion
<b>Dirigentes Award</b>	An industry award in Spain for corporate social responsibility
<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 project related to the Group's targets to reduce emissions
<b>e-auction</b>	The part of the Group which generates vehicles sales revenue through the Group's online sales platforms
<b>EAB</b>	Executive Annual Bonus scheme: a senior management share award scheme
<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>e-LCV(s)</b>	Electrically powered LCV(s)
<b>EPS</b>	Basic earnings per share. Underlying unless otherwise stated
<b>ERM</b>	Enterprise Risk Management: a risk management methodology
<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 £1,118m less net borrowings of £706m. Net borrowings represent net debt of £837m excluding lease liabilities of £138m and unamortised arrangement fees of £7m and are stated after the deduction of £34m of cash balances which are available to offset against borrowings
<b>FCA</b>	Financial Conduct Authority, a UK regulatory body

## GLOSSARY continued

Term	Definition
<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>FN50</b>	A ranking of the top 50 fleet operators in the UK based on their fleet size
<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
<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
<b>FTSE</b>	The Financial Times Stock Exchange: the UK based index for global equity markets
<b>FTSE 100</b>	An index or group of the 100 largest companies on the FTSE by market capitalisation
<b>FTSE 250</b>	An index or group of the next 250 largest companies on the FTSE by market capitalisation after the FTSE 100
<b>FTSE 350</b>	An index or group of companies combining the FTSE 100 and FTSE 250
<b>FY2021/FY2022/ FY2023/FY2024/ FY2025</b>	Each of the financial years ended 30 April 2021 to 30 April 2025
<b>FY2026/FY2027/ FY2028/FY2029/ FY2030/FY2031/ FY2032/FY2033/ FY2034</b>	Each of the financial years ending 30 April 2026 to 30 April 2034
<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

Term	Definition
<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>H1/H2</b>	Half year period. H1 being the first six months and H2 being the second six months of the financial year
<b>HP obligations</b>	Lease liabilities that would have been recognised on the balance sheet as finance leases prior to adoption of IFRS 16 (Leases)
<b>Have Your Say survey</b>	An annual group-wide survey to facilitate colleague engagement across the Group
<b>Hybrid vehicles</b>	Vehicles that are powered by a combination of a combustion engine and a battery powered electric motor
<b>ICAEW</b>	A professional body in the UK of accountants and finance professionals
<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
<b>IR Society</b>	A UK industry body, promoting best practice in investor relations
<b>Income from associates</b>	The Group's share of net profit of associates accounted for using the equity method
<b>King's Award</b>	The Kings Award for Enterprise. An awards programme, recognising outstanding UK businesses
<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



## GLOSSARY continued

Term	Definition
<b>M&amp;A</b>	Referring to inorganic growth/growth opportunities
<b>Micro-mobility</b>	Referring to a range of small, lightweight wheeled vehicles, operated by an individual and intended for travel or usage over a short distance
<b>Motor Insurance Taskforce</b>	A UK cross-government and industry body set up to promote fairness of pricing in the motor insurance market
<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>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</b>	The vehicle rental business in UK, Ireland and Spain
<b>Northgate Spain</b>	Referring to the Spain Rental operating segment
<b>Northgate UK</b>	The UK based vehicle rental business, part of the UK&I Rental operating segment
<b>NPS</b>	Net promoter score: a measure used to assess customer satisfaction
<b>Ocasión Northgate</b>	A trading name used within the Spain Rental operating business, when selling used vehicles to business and retail customers
<b>OEM(s)</b>	Original equipment manufacturer(s): a reference to our vehicle suppliers
<b>Parker Review</b>	An independent framework reporting on the diversity of UK boards of directors of publicly listed companies
<b>PBT</b>	Profit before taxation. Underlying unless otherwise stated
<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>RPA</b>	A technology that uses software to automate repetitive and rule-based tasks
<b>RTA</b>	Road Traffic Accident: a term used in the insurance industry for vehicle accidents

Term	Definition
<b>SAYE</b>	The Company's all employee share saving scheme
<b>SECR</b>	Streamlined Energy & Carbon Reporting: UK regulation requiring certain companies to report on their energy use and GHG emissions
<b>Section 172</b>	Referring to Section 172 of the Companies Act 2006
<b>SIP</b>	The Company's HMRC-approved share incentive plan, including the All Employee Share Scheme (AESS) and the Free Shares programme
<b>Spain</b>	Referring to the Spain 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>SMEs</b>	Small or medium sized businesses. No formal definition: generally interpreted to mean companies falling below the Companies Act 2006 medium sized business size company thresholds
<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 business</b>	Referring to the Group
<b>The Code</b>	The UK Corporate Governance Code: setting standards for good practice corporate governance for listed companies in the UK
<b>The Company</b>	ZIGUP plc
<b>The Group</b>	The Company and its subsidiaries
<b>The merger</b>	The acquisition of Redde plc by Northgate plc (now ZIGUP plc) in February 2020
<b>The Remuneration Report</b>	Referring to pages 102 to 121 of this report, comprising the Introduction to the Remuneration report, Remuneration at a glance and the Directors' remuneration report
<b>The UK business</b>	Referring to all of the Group's operations and businesses located within the UK
<b>The Voice Network</b>	A connected system of forums in the UK and Ireland led by a member of the Group Management Board, to facilitate colleague engagement
<b>Transition Plan Taskforce Disclosure Framework</b>	A UK-adopted set of disclosure recommendations for climate-related reporting
<b>Trustpilot</b>	An independent digital platform for consumers to share experiences of interactions with businesses

## GLOSSARY continued

Term	Definition
<b>UK Climate-Related Financial Disclosures Guidance</b>	Mandatory climate-related disclosures for publicly listed companies issued by the UK Government in 2022
<b>UK&amp;I</b>	Referring to the UK&I Rental operating segment
<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>UN Sustainable Development goals</b>	A set of 17 sustainable development goals to be achieved by 2030 as adopted by all United Nations Member States in 2015
<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>VCP</b>	Value Creation Plan: a long term incentive plan
<b>VOH</b>	Vehicles on hire. Average unless otherwise stated
<b>Well-to-Wheel</b>	A method to evaluate efficiency and emissions of an energy source by considering its entire lifecycle.
<b>YourShare</b>	Part of the SIP
<b>Zero Emission Van Plan</b>	A campaign organised by the BVRLA to consult with UK government in supporting the greater take up of zero emission LCVs across the UK
<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

SHAREHOLDER INFORMATION

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 Deutsche Bank AG, London Branch (trading for these purposes as Deutsche Numis) and the Company's ordinary shares are traded on the Stock Exchange Trading system for Money Market, (SETSm).

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

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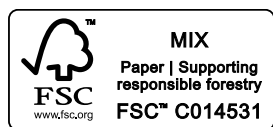
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The paper is Carbon Balanced with World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land. Through protecting standing forests under threat of clearance, carbon is locked-in that would otherwise be released.

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