

CORPORATE GOVERNANCE

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Image:
The Vienna metro extension utilises Groundforce's modular bracing equipment.



Board of Directors



N

Jeremy Pilkington

Chair

Appointment

Appointed to the Board in 1979 and became Chair in 1981.

Previous experience

Jeremy was Chair and Officer to Chief Executive between 1981 and 2004.



Anna Bielby

Chief Executive

Appointment

Appointed to the Board in January 2023, became Chief Executive on 1 September 2024.

Experience

Anna was previously Chief Financial Officer at KCOM plc and Lookers plc, before which she was a director at PwC.



Keith Winstanley

Chief Financial Officer

Appointment

Appointed to the Board as Chief Financial Officer in January 2024.

Experience

Keith previously held senior finance roles at both Lookers plc and KCOM plc. Keith is a Chartered Accountant.



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R
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Mark Bottomley

Independent Non-Executive Director

Appointment

Appointed to the Board in January 2023.

Experience

Mark is currently Chief Financial Officer of Cranswick plc and historically has held senior finance roles in the food production industry.



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Stuart Watson

Independent Non-Executive Director

Appointment

Appointed to the Board in January 2023.

Experience

Stuart retired as a senior partner in EY in 2017. He is a Non-Executive Director and Audit Committee Chair of both the Humber and North Yorkshire Integrated Care board and Flowtech Fluidpower plc.



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Phil White

Independent Senior Non-Executive Director

Appointment

Appointed to the Board in April 2013.

Experience

Phil has extensive experience within both listed and private companies including as Chief Executive of National Express Group and Chair of Unite Group, Lookers plc, Kier Group.



Sally Jones

Company Secretary

Appointment

Appointed as General Counsel and Company Secretary in September 2023.

Previous experience

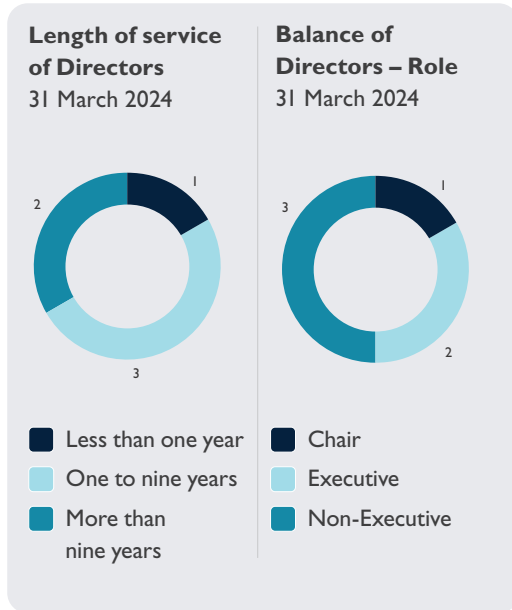
Sally is a corporate lawyer with over 20 years of experience, including General Counsel and Company Secretariat experience at Zenith (car leasing) and KCOM plc.

Key to Committee membership

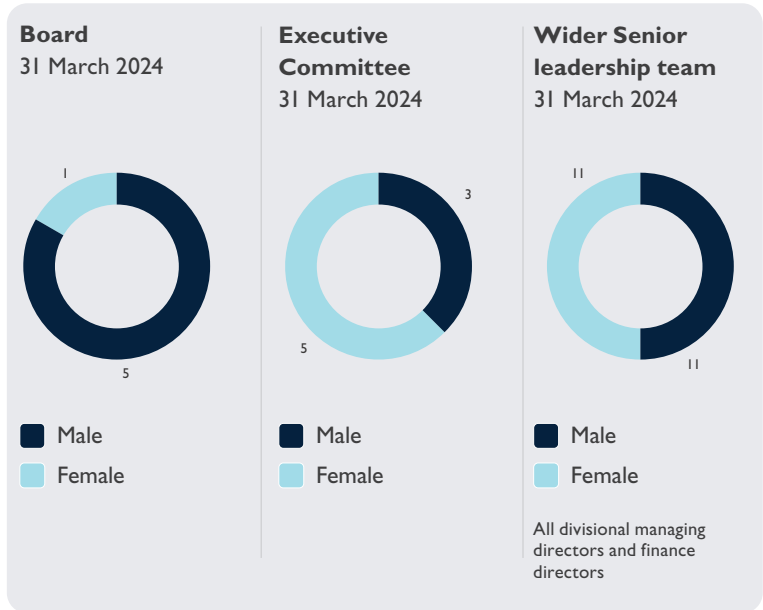
- Committee Chair
- A Audit Committee
- R Remuneration Committee
- N Nomination Committee

Governance at a glance

Board composition



Gender



Meeting attendance

	Board	Audit	Remuneration	Nomination
Number of meetings held	6	3	3	2
Executive Directors				
Jeremy Pilkington	6	–	–	2
Neil Stothard	2	–	–	–
Anna Bielby	6	–	–	–
Keith Winstanley	2	–	–	–
Non-Executive Directors				
Phil White	6	3	3	2
Stuart Watson	6	3	3	2
Mark Bottomley	6	3	3	2

Committee meeting attendees by invitation include (but are not limited to) the Chair, Chief Executive and Chief Financial Officer

Board and senior leadership training

January 2024

- Anti Trust and Competition Law Training

February 2024

- Directors' Duties
- UK Market Abuse Regulations
- Horizon Scanning: Legal & Regulatory
- UK Corporate Governance Code 2024
- Key activities by the Board during the year



Corporate governance report

Jeremy Pilkington
Chair



Dear shareholders

Introduction from the Chair

The Company is led by an effective Board, which promotes the long-term success of the Company and engages with its shareholders and stakeholders. The Board has established the Company's purpose, values and strategy, and is satisfied that these, and its culture, are aligned. The Board is also responsible for the effectiveness of the Group's corporate governance.

The values and ethical standards of the Group are based upon principles of fairness, integrity and mutual respect and the Board seeks to promote and exemplify these values in discharging its responsibilities. These principles are commercially central to delivering our strategic and growth objectives and the long-term success of the Group.

The Corporate governance report is set out on pages 62 to 93 and includes the Remuneration report on pages 70 to 84. This section of the Annual Report aims to communicate the Group's corporate governance standards, policies and practices and to provide an overview of the Group's business model and operations, structure, activities and performance.

The Board reports that throughout the year, the Company has applied the principles of, and complied with the provisions, of the UK Corporate Governance Code 2018 (the Code) with the following exceptions:

- Phil White has served as a Non-Executive Director for more than nine years. This is considered as an indicator of independence impairment by provision 10 of the Code. Having considered the independence of Phil White, the Board is of the opinion that, given Phil's extensive experience in listed businesses together with his knowledge of the business and management team, Phil brings a valuable level of seniority and experience during what has been a period of change for the Group. Phil has also onboarded Mark Bottomley and Stuart Watson as new Non Executive Directors (each of whom were appointed in January 2023). The Board has therefore concluded that Phil White remains an independent Non



The values and ethical standards of the Group are based upon principles of fairness, integrity and mutual respect”

Executive Director. Furthermore, Phil will remain as the Senior Independent Director as he contributes as a consistent and experienced member of the Board, who is available to both the Chair and shareholders as required.

- I have served as Chair for more than nine years. The Code recommends that the term of a Chair's appointment does not exceed nine years (provision 19). The Board is of the view that I bring invaluable stability, corporate memory, industry expertise and strategic oversight. As such, the Board considers that it is important to retain my services in a strategic capacity.
- I previously received pension contributions of 15% of base salary, which does not comply with provision 38 as it is not in line with the wider workforce. As of 1 April 2024, this is being reduced to 10% to bring it within the Code. In line with the Group's Remuneration Policy, Anna Bielby and Keith Winstanley receive a lower pension contribution of 10%.
- The Group is not compliant with provision 5 in respect of effective engagement with its workforce. Workforce engagement does occur throughout the year, and this has been materially improved throughout the year. The methods of engaging with our workforce are set out on page 24 to 25 in the Stakeholder engagement section and this is led by our Chief Executive, our Chief Operating Officer and our Human Resources Director.
- Mark Bottomley became Chair of our Remuneration Committee in July 2023. On appointment Mark is, and remains, an independent Non-Executive Director but he has not served on a previous Remuneration Committee for 12 months, which is non compliant with provision 32 of the Code. Given Mark's experience in the listed business environment and his knowledge of the workings of Remuneration Committees as an Executive Director, the Board felt there were clear advantages to appointing someone new in role as Chair to bring a fresh perspective to the Committee.

The Board continues to review its governance procedures to maintain proper control and accountability and, notwithstanding the explanations above, the Board and its Committees continued to act in accordance with the spirit of the Code's principles. The UK Corporate Governance Code 2018 is available from the Financial Reporting Council at www.frc.org.uk

This report and the following reports of the Committees describe the structures, processes and events through which compliance is achieved.

Jeremy Pilkington
Chair

4 June 2024

Corporate governance

Board structure

During the year, the composition of the Board changed. On 1 September Anna Bielby, previously the Chief Financial Officer, became Chief Executive replacing Neil Stothard who stood down as Chief Executive with effect from 1 September 2023 and who retired from the Board on 30 September 2023. The Board immediately undertook a formal recruitment process for a new Chief Financial Officer, using an external recruiter. During this process, Anna Bielby undertook the role of Chief Financial Officer until 1 January 2024, when Keith Winstanley was appointed as Chief Financial Officer. The Board is now comprised of two Executive Directors, three Non-Executive Directors and the Executive Chair.

Additionally in September 2023 the Board appointed Sarah (Sally) Jones as the Group's General Counsel and Company Secretary.

All Directors are subject to annual re-election by shareholders at the Group's Annual General Meeting (AGM). Details of the Group's Directors are provided on page 60.

The roles of the Chair and Chief Executive are separate and clearly defined. The Chair, Jeremy Pilkington, is responsible for the effective working of the Board and leading the strategic agenda for the Group. The Chief Executive, Anna Bielby, has operational responsibility for the management of the Group's business and for implementation of the strategy, as agreed by the Board.

The role of the Non-Executive Directors is to provide independent and considered advice to the Board on matters of strategy, risk and performance while also providing constructive challenge, governance and oversight through the operation of the Board's Committees.

As set out in the Chair's introduction on page 62, whilst the Chair and one of the Non-Executive Directors have served for more than nine years each, the Board has reviewed these directorships and has satisfied itself that the contribution by the Chair and Phil White from a strategic, oversight, continuity and seniority perspective means that the Board is satisfied that both Jeremy Pilkington and Phil White should remain on the Board. The other two Non-Executive Directors are considered as independent. There are no circumstances or relationships which may affect judgements.

Our Non-Executive Directors are available to shareholders if they request a meeting or have concerns, which contact through normal channels has failed to resolve. No such requests were received during the year.

Each Director is required, in accordance with the Companies Act 2006, to declare any interests that may give rise to a conflict of interest with the Company on appointment and subsequently as they may arise. Where such conflict, or potential conflict arises, the Board is empowered under the Company's Articles of Association to consider and authorise such conflicts as appropriate and subject to such terms as they think fit. No such conflict arose during the year under review.

The Board is assisted by the Audit, Remuneration and Nomination Committees, from which it receives regular updates. Separate reports from these Committees can be found on pages 65 to 84.

Board meetings and operation

There is a clear division of responsibilities between the running of the Board and the running of the business.

At each Board meeting, the Chief Executive delivers an overview of performance and her thoughts on the strategic direction, key projects and challenges facing the business, and the Chief Financial Officer reports on the financial performance of the Group. The Board reviews business and financial performance, considers specific reports, and is updated on key business areas including strategy, health & safety, risk, people, ESG, governance, together with an update on ongoing transformation activities. Additionally throughout the year, the Executive Committee, managing directors and other members of senior management deliver presentations to the Board on proposed strategies, initiatives and ongoing or upcoming projects.

To assist the Board's planning and to provide clarity as to where responsibility for decision making lies, the Board has a clearly documented schedule of matters reserved for its approval including:

- Strategy;
- Group results and the Annual Report and Accounts;
- Significant market announcements;
- Dividends and dividend policy;
- Annual budgets and business plan;
- Major capital expenditure, significant investments, acquisitions or disposals;
- Environmental, Social and Governance matters;
- Review of internal control and risk management; and
- Treasury policy.

To support the refreshed governance, reporting and controls and processes, during the course of the year, a review was undertaken of the delegated authorities and capital expenditure controls in place across the Group, following which updated controls processes were implemented.

The Company Secretary assists the Chair in ensuring that Board procedures are followed and is available to assist Directors generally, as well as advising on matters of corporate governance.

The Board had six scheduled meetings during the year, but also met on other occasions and communicated regularly as required by specific activities.

While Jeremy Pilkington, Neil Stothard (until 30 September 2023) and Anna Bielby are not members of the Audit Committee, they did attend all meetings; they also attended, as appropriate, Remuneration and Nomination Committee meetings. Keith Winstanley similarly attended such Committee meetings following his appointment.

Corporate governance report continued

During the year, the Non-Executive Directors met with the Chair without the Executive Directors present, and the Non-Executive Directors also met without the Chair present, including an appraisal of the Chair's performance led by the Senior Independent Director.

The Board is satisfied that the Chair and each of the Non-Executive Directors committed sufficient time during the year to enable them to fulfil their duties as Directors of the Company.

Appointments to the Board

The Nomination Committee is chaired by the Company's Chair, Jeremy Pilkington, supported by the Group's Non-Executive Directors. The Nomination Committee meets as required to consider succession planning and to ensure that appointments to Board roles are made after due consideration of the skills, knowledge and experience of the potential candidates. The report of the Nomination Committee is shown on page 65.

As referred to on page 63, Anna Bielby was appointed as Chief Executive Officer with effect from 1 September 2023, and Keith Winstanley was appointed as Chief Financial Officer from 1 January 2024.

The Board appointed a Company Secretary Sarah (Sally) Jones as General Counsel and Company Secretary in September 2023. Sally is a lawyer with over 20 years of experience in both private practice and senior in-house roles.

The Group's policy on diversity is set out on page 33 in the Strategic report.

Executive Committee

In order to support robust and effective reporting and communication, and to support engagement with the workforce, an Executive Committee was established in December 2023 made up of the Chief Executive, Chief Financial Officer, Company Secretary, Chief Operating Officer, Group HR Director, Group Risk and Sustainability Director, Group IT Director and the Interim Director of Communications. The Committee meets monthly and in advance of each meeting receives detailed papers, including an overview of business and financial performance. At the meetings, each of the members of the Committee report on their areas of responsibility, highlighting key projects and initiatives and any areas of concern.

Training and induction

All new Directors receive a full, formal and tailored induction on joining the Board, including meetings with senior management and advisers and visits to the Group's operational locations. In addition, the Board undertook training from its solicitors in February 2024 on: Director's Duties; UK Market Abuse Regime; and the UK Corporate Governance Code. The training requirements of the Board are kept under regular review.

Advice is also available from the Company's solicitors, Auditors and brokers as required. There is an agreed procedure for

Directors to take independent professional advice at the Company's expense.

Performance evaluation

The Board undertakes a periodic appraisal of its performance. An internal evaluation of Board performance was undertaken in 2022. Given the changes to the Board during the course of 2023, the Board has agreed to undertake a formal external Board effectiveness evaluation during the FY2024/25.

Whistleblowing Policy

The Group's Whistleblowing Policy enables colleagues to report concerns on matters affecting the Group or their employment, without fear of recrimination. Posters publicising whistleblowing channels are distributed to all branches, depots and offices. The Group has a dedicated whistleblowing hotline and email inbox, which are both managed independently from the Group. During the year, the Whistleblowing Policy was reviewed and approved by the Audit Committee, and the Audit Committee receives regular summaries of whistleblowing contacts and resolutions.

Risk management

The Board retains overall responsibility for setting the Group's risk appetite as well as risk management and internal control systems. As set out in the Strategic Report on page 51, the effectiveness of the Group's risk management and internal control systems is under frequent review by the Board.

A Risk Committee was established during the year which is comprised of the Chief Executive, Chief Financial Officer, Group Risk and Sustainability Director, Chief Operating Officer, Company Secretary, Group IT Director and Group HR Director. This Committee meets quarterly, and reports into the Audit Committee and includes all Non-Executive Directors. The Director of Risk and Sustainability is also a member of the Group's Executive Committee and provides monthly updates to that Committee on all risk-related matters, management and governance.

A detailed report regarding the Group's systems of risk management and internal controls is prepared annually. Having reviewed and discussed this report, the Board is satisfied that these systems and processes are effective. The principal and emerging risks to which the Group is exposed and the measures to mitigate such risks are described on pages 52 to 55.

Directors' report

The respective responsibilities of the Directors and the independent Auditors in connection with the accounts are explained on page 87 and the Statement of the Directors in respect of going concern appears on page 86. The Group's viability statement is set out on page 56.

Annual General Meeting ("AGM")

The AGM will be held at Ridding Park on Thursday 25 July 2024. The Notice of the AGM and explanatory notes regarding the ordinary and special business to be put to the meeting will be set out in a separate circular to shareholders.

Nomination Committee report

Jeremy Pilkington

Chair of the Nomination Committee



Dear shareholders

As Chair of the Nomination Committee I am pleased to report on the work of the Committee in leading the process for appointments to the Board and senior management roles, and building an appropriate succession plan for the Group.

Background

The role of the Nomination Committee is to establish a framework for appointment of Executive and Non-Executive Directors and to ensure plans are in place for orderly and diverse succession to both.

The Nomination Committee meets as required to assist the Board in considering the skills, knowledge, independence, diversity and experience requirements of the Board and senior management, ensuring the Board and senior management's size, structure and composition is reviewed and refreshed as required.

The Committee also considers succession planning in order to ensure the continued ability of the Group to support continuous and efficient business function, whilst nurturing diversity and inclusion. The Group's policy on diversity is set out on page 33 in the Strategic report.

Membership and meetings

In addition to my role as Chair, the Committee includes the Group's Non-Executive Directors.

The Committee met twice during the year in order to discuss the succession of the Group's previous Chief Executive, Neil Stothard, the appointment of Anna Bielby as the new Chief Executive and the appointment of a new Chief Financial Officer.

Appointment of Directors

During the year, appointments were facilitated through both personal recommendation and an external recruitment process.

Anna Bielby was appointed as Chief Executive Officer following meetings held with each member of the Board. The Committee discussed the merits of appointing Anna, as well as the



The Board supports the principle of diversity across its Board, Executive Committee, senior leadership teams and wider workforce.

alternative options, together with impact on the business, and it was unanimously agreed that she had the right skills, attitude and capability to lead Vp as Chief Executive Officer.

Following an external recruitment process, and discussion with each member of the Board, Keith Winstanley was appointed as Chief Financial Officer.

Shareholders are asked to vote annually in resolutions proposing each Director for re-election at the Annual General Meeting.

Board culture

The Board aims to enlist differences of opinion and areas of expertise. The Chair encourages open debate to foster a supportive and co-operative approach for all participants, during which strategic decisions are discussed openly and constructively. In line with its overarching strategy, the Board aims to be open and transparent with shareholders and other stakeholders, and for the Company to conduct itself responsibly, ethically and fairly in all of its relationships. It is the Board's belief that this contributes to the greater success of the Company, as well as being an appropriate way to conduct relations between parties engaged in a common purpose.

Performance evaluation

As stated in the corporate governance report, the Board undertakes a periodic appraisal of its performance. An internal evaluation of Board performance was undertaken in 2022. Given the changes to the Board during the course of 2023, the Board has agreed to undertake a formal external Board effectiveness evaluation during the financial year 2024/2025.

Diversity policy

The Board supports the principle of diversity across its Board, Executive Committee, senior leadership teams and wider workforce. The Group's policy is that the Board and its Committees should be comprised of directors who collectively display the necessary balance of professional skills, experience, length of service and industry knowledge and that appointments to the Board and its Committees should be made on merit, against objective criteria, including diversity in its broadest sense.

The objective of the policy is to have a broad range of approaches, backgrounds, skills, knowledge and experience represented on the Board. The Directors believe that this will make the Board and its Committees more effective at promoting the long-term sustainable success of the Company and generating value for shareholders by ensuring there is a breadth of perspective among the Directors and the challenge needed to support good decision making.

Nomination Committee continued

When appointing new Board members, the Directors will consider gender and ethnic diversity alongside knowledge, skills and experience. However, the Board does not feel that it would be appropriate to set targets as all appointments are made on merit.

The Board is aware that gender representation objectives have been set for FTSE 350 companies and that targets concerning ethnic diversity have been recommended for each FTSE 250 board to have the same by 2024.

Board diversity

The Board is supportive of the FCA's recently updated Listing Rules (LR 9.8.6R(9)) to encourage greater diversity on listed company boards to the effect that:

- i. at least 40% of the individuals on its board are women;
- ii. at least one of the senior board positions is held by a woman; and
- iii. at least one individual on the board is from a minority ethnic background.

The FCA's disclosure requirements apply to financial years starting on or after 1 April 2022 and will serve as guidelines when appointing new Directors.

The Company has chosen to align its diversity reporting reference date with the Company's financial year-end and proposes to maintain this alignment for future reporting periods. The Company has met one of the three targets on

board diversity as at its chosen reference date, 31 March 2024, the Chief Executive is a woman. Moreover, approximately two-thirds of the Executive Committee is made up of women. There have been no changes to the Board that have occurred between the reference date of 31 March 2024 and the date on which the annual financial report will be approved.

The relatively small size of the Company's Board and, therefore, more infrequent vacancies and opportunities for recruitment, make achieving diversity on the Board a more challenging, but ongoing, process. As succession planning of the Board progresses over future years, the Company will continue to strive for increased diversity on its Board through its Diversity policy.

As required under LR 9.6.8 R(10), further details in respect of the three targets outlined above, as at 31 March 2023 and 31 March 2024, are disclosed as set out below. For the purposes of the disclosures set out below, made pursuant to LR 9.8.6 R(9) and (10), the relevant data comes from the Board directly and, in the case of executive management, the data is contained within the Group's human resources management system. The data is provided with the consent of the relevant individuals. The Group considers that improved employee ethnicity data is required and this will be worked upon in the coming year.

I hope that you find this report a clear account of the Committee's decisions for the year and I would be happy to answer any questions you may have at the upcoming AGM.

	Number of Board members		Percentage of the Board		Number of senior positions on the Board (CEO, CFO, SID and Chair)		Number in Executive management		Percentage of Executive management	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Men	5	5	83	83	3	3	–	3	–	38
Women	1	1	17	17	1	1	–	5	–	62
Not specified/prefer not to say	–	–	–	–	–	–	–	–	–	–
Total	6	6	100	100	4	4	–	8	–	100
White British or other White (including minority White groups)	6	6	100	100	4	4	–	8	–	100
Mixed/multiple ethnic groups	–	–	–	–	–	–	–	–	–	–
Asian/Asian British	–	–	–	–	–	–	–	–	–	–
Black/African/Caribbean/	–	–	–	–	–	–	–	–	–	–
Black British	–	–	–	–	–	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–	–	–	–	–	–

Jeremy Pilkington

Chair of the Nomination Committee

4 June 2024

Audit Committee report

Stuart Watson

Chair of the Audit Committee



Dear shareholders

I am pleased to present our Audit Committee report for the year ended 31 March 2024.

Main responsibilities of the committee

The Audit Committee provides an independent overview of the effectiveness of the financial reporting process and internal financial control systems including:

- Reviewing the financial statements of the Group, including its annual and interim reports, trading updates and preliminary results announcements, reporting to the Board on the significant issues considered by the Committee in relation to the financial statements and how these were addressed;
- Advising the Board in relation to whether the Annual Report is fair, balanced and understandable;
- Keep under review the Group's internal financial controls and risk management systems, including arrangements for whistleblowing and the detection of fraud and error;
- Monitor and review the scope, remit and effectiveness of the Group's internal audit function;
- Consider and recommend to the Board the appointment, reappointment, and remuneration of the external Auditors, including considering tendering the external audit appointment;
- Assessing the scope and results of the annual external audit and reporting to the Board on the effectiveness of the audit and the independence and objectivity of the Auditors;
- Reviewing significant legal and regulatory matters; and
- Reporting to the Board on how the Committee has discharged its responsibilities.



The Board is responsible for the overall system of internal controls for the Group and for reviewing its effectiveness.”

- Developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services and considering the impact this may have on independence.

Membership and meetings

Committee members	Meetings attended
Stuart Watson – Chair	3/3
Phil White	3/3
Mark Bottomley	3/3

Since the year-end we have met twice.

As mentioned in the introduction from the Chair, Phil White has served as a Non-Executive Director for more than nine years. Both the Board and the Committee have considered the independence of Phil White and have concluded that Phil remains an independent Non-Executive Director within the spirit and meaning of the UK Corporate Governance Code. In particular, Phil White facilitates experienced management of the Group and has a valuable level of seniority and experience during what has been a period of change for the Group.

The Committee is authorised to seek outside legal or other independent advice as it sees fit, but has not done so during the year.

The qualifications of the Committee members are outlined in the Directors' biographies on page 60. The Board is satisfied that each member of the Committee has recent and relevant financial experience as required by the Code. The effectiveness of the Committee in fulfilling its remit was considered by the Board as part of the most recent evaluation of its performance.

Other regular attendees

The Chair, Chief Executive, Chief Financial Officer, Head of Internal Audit, Group Risk and Sustainability Director, External Audit Partner and members of the external audit team attend by invitation as required.

The Group's Company Secretary attends as secretary to the Committee.

Meetings with internal and external Auditors without management present are held at least once a year.

Audit Committee report continued

Activities undertaken during the year

The activities undertaken included:

- Reviewed PwC's audit strategy and plan for the audit of the year ended 31 March 2024, including materiality and areas of particular audit focus;
- Agreed the PwC audit engagement letter and the statutory audit fee for the year ended 31 March 2024;
- Confirmed the independence of the external Auditors and assessed the effectiveness of their work;
- Reviewed and discussed the report from PwC setting out their comments and findings arising from their audit;
- Reviewed and discussed the financial statements and considered management's significant accounting judgements and policies being applied;
- Reviewed the basis for preparing the financial statements as a going concern and the viability statement included in the financial statements, and recommending them to the Board;
- Assessed the Annual Report and recommended it to the Board as being fair, balanced and understandable;
- Considered the findings of Group Internal Audit and the management response to their findings;
- Reviewed and approved the Group Internal Audit plan for the year to 31 March 2024;
- Reviewed the effectiveness of the risk management and internal control systems and recommended to the Board that they be considered effective; and
- Undertook the annual review of the effectiveness of the Audit Committee.

Significant accounting issues

In respect of the year to 31 March 2024, the following significant issues were reviewed.

Going concern and viability statement

The basis for adopting the going concern assumption in the financial statements is discussed on page 86 of this report. The Group Viability statement is on page 56.

The Committee, therefore, reviewed management's paper on the budget and forecasts for two years, including downside sensitivity analysis.

We reviewed and approved the continued adoption of the going concern assumption in the financial statements, concluded that two years remains an appropriate time horizon for the Viability statement and approved the Viability statement disclosure in the financial statements.

Existence and valuation of rental equipment

The Group holds a significant quantum and carrying amount of rental equipment. Management carries out fleet checks to confirm the existence of the rental fleet. We have reviewed management's judgement in estimating the useful economic lives, residual values and any impairment of rental assets.

Intangible assets – goodwill

The Group's opening balance sheet includes £44.6 million of goodwill. The Group has taken a £28.1 million impairment charge against intangible assets, including £26.1 million against goodwill. This goodwill is not amortised but is subject to an annual impairment test. We have considered the appropriateness of the assumptions and estimates used by management in assessing the carrying value of goodwill. The Committee has specifically considered the discount and growth rates used in the cashflow projections used to assess the carrying value of goodwill allocated to the Brandon Hire Station CGU. Cashflow projections for Brandon Hire Station have also been considered against current year performance and budgets. More information is available in note 10.

Fair balanced and understandable views

The Committee reported to the Board its conclusion that the Report and Accounts for the year ended 31 March 2024, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Risk management and internal controls

The Board is responsible for the overall system of internal controls for the Group and for reviewing its effectiveness. The responsibilities and processes in respect of risk management are described on page 51. The Committee has reviewed the process for identifying, evaluating and managing significant risk faced by the Group. Risk management reports for each of the divisions, as reviewed also by Group Internal Audit, were submitted for review to the Audit Committee. The reports highlighted risks and mitigating controls. The Committee also considered the risk tolerance levels that the Group is prepared to accept in the course of carrying out its business.

The Committee monitored and reviewed the Group's internal control systems, accounting policies and practices, risk management procedures and compliance controls. Internal control systems are designed to manage rather than eliminate business risk. They provide reasonable but not absolute assurance against material misstatement or loss. Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group.

The Committee also reviews the Group's whistleblowing policy. There have been no whistleblowing reports that required changes in the control environment during the year.

The Committee has concluded that the Group continues to operate a well designed and effective system of internal controls.

Group internal audit

The Group Internal Audit function provides assurance that the Group's system of internal control is effective and appropriate to the level of risk facing the Group.

The Internal Audit plan is considered and approved at set intervals by the Committee. The current plan runs from 2023 to 2025, with facility to engage with emerging and new risks as required. In reviewing the proposed plan, the Committee considers the Group's strategic priorities, specific initiatives which could impact the business, and the Group's risk register. The Committee assess the appropriateness of the Group Internal Audit plan and the resourcing of the Group Internal Audit function to deliver it. Progress against the plan is assessed at each Committee meeting.

During the year, the Chair of the Committee met with the Head of Internal Audit twice, to discuss completed projects and issues arising. The Head of Internal Audit attended each Audit Committee meeting and presented Group Internal Audit reports. The Committee considered the results of Group Internal Audit and the adequacy of management's response to matters raised in them. The Committee were satisfied with the reports and the management response to them.

Auditor's effectiveness and independence

The Committee keeps the scope, cost and effectiveness of the external audit under review. The Committee assessed the effectiveness of the external audit process during the year, based on feedback from the Group Finance Team and Group Internal Audit, and through Committee interactions with the external Auditors. As a result, the Committee has satisfied itself that PricewaterhouseCoopers LLP (PwC), the external Auditors, has provided an effective audit service.

The Committee ensures that the Auditors remain independent of the Group and reviews this on an annual basis. PwC provided a written report to the Committee to show its compliance with professional and regulatory requirements designed to ensure their independence. The Committee has satisfied itself that they remain independent.

The Committee has a policy in relation to the use of the Auditors for non-audit services, set out in an appendix to the Committee terms of reference. In the year, the only non-audit service provided by the Auditors was a subscription to an accounting knowledge portal with fees of £1,300 representing 0.2% of the audit fee.

PwC were first appointed as the Group's Auditors in October 2014 for the audit of the year ended 31 March 2015 and re-appointed in October 2021 following a tender process. Tom Yeates has completed his third year as the Group's audit partner.

The Committee recommended to the Board that a resolution to re-appoint PwC as Auditors be proposed at the Annual General Meeting. I hope that you find this report a clear account of the Committee's decisions for the year and I would be happy to answer any questions you may have at the upcoming AGM.

Stuart Watson

Chair of the Audit Committee

4 June 2024

Remuneration report

Mark Bottomley

Chair of the Remuneration Committee



Dear shareholders

On behalf of the Remuneration Committee, I am pleased to present the Directors' remuneration report for the year ended 31 March 2024. I am delighted to have taken over as Remuneration Committee Chair following the AGM in July 2023, having served on the Committee since my appointment to the Board at the start of the 2023 calendar year. Phil White, former Chair of the Committee, remains a member of the Committee and I would like to thank him for his continued support.

As in previous years, this report is split into three sections: this Annual statement, the Directors' remuneration policy report and our Annual report on remuneration for the year ended 31 March 2024. Our Remuneration policy was last submitted to shareholders at the 2023 AGM, with the Committee pleased to receive 91.38% votes in favour. No changes are being proposed to the policy this year; however, we have reproduced the Policy report in full over pages 72 to 76 for ease of reference and in order to provide context to the decisions taken by the Committee during the year.

Background

The year to 31 March 2024 saw robust overall results despite a mixed market backdrop. Group revenues and adjusted profit before tax, amortisation, impairment of intangible assets and exceptional items (PBTAE) were 0.8% and 1.9% down on the prior year. Challenging conditions in the general construction and housebuilding divisions were offset by further strong performance across the rail, transmission and water sectors covered by our infrastructure division. Operational excellence has remained a priority throughout the year, with continued progress against both the Group's digital roadmap and ESG ambitions, reflecting our customers' needs and providing an important point of differentiation for Vp.

Our focus moving into FY2025 is on starting to implement a refreshed long-term strategy and continuing to deliver sector leading results across each of our key markets. In approving remuneration outcomes for the year ended 31 March 2024, the Committee took into account the aforementioned financial and operational performance and considered also the experience of its main stakeholders. We are comfortable that actions taken on pay during the year across the Group were appropriate.

Board changes

During the year, Vp made a number of changes to its Board and senior leadership team, with the Committee in each case having determined the remuneration arrangements for outgoing and incoming Directors, in accordance with the policy approved by shareholders.

After 26 years with Vp, including roles as Finance Director, Managing Director and most recently Chief Executive, Neil Stothard retired from the Group and stood down from the Board on 30 September 2023. Neil's notice period runs until 30 June 2024, during which time he will continue to receive base salary, pension and other contractual benefits in accordance with the policy. As a retiree, Neil was considered a "Good Leaver" for the purposes of his variable incentives, and remained eligible for an annual bonus in respect of the financial year ended 31 March 2024, pro-rated for his period of active service. Neil's outstanding LTIP awards granted in 2021, 2022 and 2023 were pro-rated for time served (where applicable) and remain subject to the original performance conditions set. Further details are set out on page 79.

Neil was succeeded as Chief Executive by Anna Bielby, who had served as Chief Financial Officer of the Group since 1 January 2023. In determining Anna's remuneration package in her new role, the Committee took into account her recent experience serving as a Board Director at Vp and previous experience at a number of other UK-listed companies. Anna's starting salary as CEO was set at £400,000 - slightly lower than her predecessor and around 10% below market for the role (based on data provided by the Committee's external adviser). In line with the policy, and subject to her continued performance and development in role, the Committee intends to increase Anna's salary to a more market-aligned rate of £450,000 with effect from April 2025. Anna continues to receive a pension contribution of 10% of salary, and her variable incentive opportunities remain unchanged at 150% of salary under the annual bonus and 100% of salary under the LTIP (in both cases aligned with her predecessor).

After considering a range of internal and external candidates, the Board was pleased to appoint Keith Winstanley as Vp's new Chief Financial Officer with effect from 1 January 2024. Keith's base salary was set at £270,000 – 13% lower than his predecessor – which took into account his relevant experience in senior finance leadership roles at other FTSE-listed companies, while acknowledging that this would be his first Board Director role. In line with the policy, the Committee will look to increase Keith's salary to market levels over the short to medium term subject to his performance and development

in role. The remainder of Keith's remuneration package was aligned with his predecessor and our recruitment policy, including a pension contribution of 10% of salary, an annual bonus opportunity of 150% of salary and a maximum annual LTIP award of 100% of salary.

2023/24 Remuneration outcomes

Base salary – also see page 77

In line with the Group-wide salary increase, the Committee approved a 4% salary increase for Anna Bielby and Neil Stothard which took effect from 1 April 2023; Jeremy Pilkington's salary was not increased during the year. As noted above, on taking up the role of Chief Executive, Anna's base salary was increased to £400,000. Keith Winstanley's salary on appointment as Chief Financial Officer was set at £270,000.

Pensions – also see page 77

As long-serving employees, pension contributions for Jeremy Pilkington and Neil Stothard (until his retirement) remained at 15% of base salary during the year. As of 1 April 2024, this is being reduced to 10% for Jeremy Pilkington. Anna Bielby and Keith Winstanley received a pension contribution of 10% of salary.

Annual bonus – also see page 77

The maximum bonus opportunity for the financial year ended 31 March 2024 was 150% of salary.

Targets for the annual bonus were set by the Committee at the beginning of the financial year and were based upon growth PBTAE. Targets are set by the Committee to be stretching and generally reflect year-on-year growth, with entry thresholds set in line with the Group's budget PBTAE for the relevant financial year and full payout requiring a material outperformance of budget. A similar approach to target setting is taken in respect of other Group and divisional participants to ensure fairness and alignment.

For 2023/24, the Committee approved a PBTAE range of £42.0 million (threshold) to £48.0 million (maximum), which was considered to be both stretching and motivational at the time the targets were set. Reflecting challenging market conditions, actual PBTAE¹ was £39.7 million, which meant that no bonuses were payable to Executive Directors in respect of the 2023/24 financial year. No discretion was used to adjust this formulaic result, reflecting the Committee's view that the outcome is a genuine reflection of the performance of the business and appropriately reflects the experience of stakeholders during the year.

LTIP – also see page 77

LTIP awards granted to Jeremy Pilkington and Neil Stothard in 2021 reached the end of their performance period at 31 March 2024. Vesting of these awards was based wholly on three-year absolute EPS performance, underpinned by a minimum ROACE hurdle. Similar to the annual bonus, and despite the Group's resilient performance, a mixed market backdrop meant that the

stretching performance targets were not met and accordingly these awards will lapse in full in July 2024. The Committee considered that this outcome was both appropriate and a fair reflection of underlying performance over the period, and accordingly has not exercised any discretion in respect of this vesting result.

Implementation of policy for 2024/25

Base salary – also see page 81

Following a review of Executive Directors' base salaries, the Committee approved an increase of 3% for Anna Bielby and Keith Winstanley with effect from 1 April 2024, in line with the average increase applied across the wider workforce. Jeremy Pilkington's salary will again remain unchanged.

Pensions – also see page 81

To align more closely with the wider workforce pension contributions for Jeremy Pilkington will reduce from 15% to 10% of base salary. Anna Bielby and Keith Winstanley will continue to receive a pension contribution of 10% of salary.

Annual bonus – also see page 81

The maximum bonus opportunity will remain at 150% of base salary for all Executive Directors. Bonuses will be based on challenging growth targets for PBTAE derived from the Group's budget, with the maximum payout target set at a level which is stretching and appropriately reflects the maximum opportunity available. As in previous years, details of the target range and the Group's actual performance will be disclosed in next year's report. In line with the policy, deferral may apply to any bonus earned in excess of 100% of salary where a Director has not, at the time of payment, met their minimum share ownership requirement.

LTIP – also see page 81

Executive Directors will each receive an LTIP award in 2024/25 with face value of 100% of salary. Vesting of this year's awards will continue to be based on the achievement of challenging EPS growth targets, underpinned by a minimum ROACE hurdle, details of which are set out later in this report.

Looking forward

The Committee will continue to monitor market developments throughout the year and will consider the appropriateness of any emerging trends for the Group. I hope that you find this report a clear account of the Committee's decisions for the year and I would be happy to answer any questions you may have at the upcoming AGM.

This report has been approved by the Board and is signed on its behalf by:

Mark Bottomley

Chair of the Remuneration Committee

4 June 2024

¹ These measures are explained and reconciled in the Alternative Performance Measures section on page 143.

Remuneration report continued

Directors' remuneration policy report

This report has been prepared in accordance with the provisions of the Companies Act 2006, and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It also meets the requirements of the UK Listing Authority's Listing Rules and the Disclosure and Transparency Rules.

The Vp remuneration policy was approved by shareholders at the 2023 AGM on 20 July 2023, and came into effect from that date. The report, save for the minor changes listed below, is as disclosed in the 2023 Directors' remuneration report, which is available to download from the Company's website at www.vpplc.com/investors:

- References to financial years have been updated where appropriate.
- Pay-for-performance charts have been updated to reflect packages for Executive Directors for the financial year ending 31 March 2025.
- New service contract dates have been added and details of external appointments have been updated.

Policy overview

The Group aims to balance the need to attract, retain and motivate Executive Directors of a high calibre with the need to be cost effective, while at the same time appropriately rewarding performance. The Committee has designed a remuneration policy that balances those factors, taking account

of prevailing best practice, investor expectations and the level of remuneration and pay awards made generally to employees of the Group. Our remuneration policy is consistent with the principles set out in Provision 40 of the 2018 UK Corporate Governance Code, namely:

- The policy is clear, simple and easy to understand, with a single short and long-term incentive and a small number of important financial targets. Our approach to remuneration has remained broadly consistent for a number of years and is well-understood both internally and externally;
- The design and implementation of the policy takes into account possible risks. Incentive targets are set by the Committee ahead of each cycle to be appropriately stretching and achievable within the risk appetite set by the Board, and the Committee has discretion to adjust outcomes where the formulaic assessment would lead to an outcome that is misaligned with underlying Company performance. Where it is deemed appropriate, an expanded list of recovery provisions ensures that the Committee can withhold or recover incentives in certain cases;
- Incentives are clearly and appropriately capped. The balance of pay is aligned with market norms and a significant proportion is dependent on the achievement of stretching short and long-term targets; and
- Performance measures are aligned with our strategy and culture.

Policy table for Directors

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Base salary To attract, retain and motivate individuals with skills and experience required to deliver the strategy. To provide a competitive fixed reward	Base salaries are reviewed annually, taking into account a range of relevant reference points. Any changes are normally effective from 1 April in the financial year	Current salary levels are set out on page 77. In determining Executive Director salary increases, the Committee considers the range of increases for the broader employee population	None
Pension To provide retirement benefits in a cost-efficient manner	All Executive Directors are either members of a defined contribution scheme or receive a cash allowance in lieu of pension contribution	The maximum pension contribution for Executive Directors appointed prior to July 2020 is 15% of salary. As of 1 April 2024 the pension contribution for Jeremy Pilkington has been reduced to 10%. The maximum pension contribution for Executive Directors appointed since July 2020, and for future Executive Director appointments, is 10% of base salary	None

Purpose and link to strategy	Operation	Opportunity	Performance metrics
<p>Taxable benefits To provide market consistent benefits</p>	<p>Can include car allowance, health insurance and other benefits paid from time to time. The cost of providing benefits is paid monthly or as required for one-off events</p>	<p>Benefits values vary by role and are reviewed periodically relative to the market. It is not anticipated that the cost of benefits provided will change materially year-on-year over the period for which this policy will apply</p>	<p>None</p>
<p>Annual bonus To provide a direct link between annual performance and reward. To incentivise achievement of stretching short-term performance targets</p>	<p>Performance measures and targets are set by the Committee at the start of the year to reflect the Group's strategic priorities. At the end of the year, the Committee determines the extent to which these have been achieved</p> <p>Annual bonuses are typically paid in cash following year-end. For the 2023/24 annual bonus onwards, where an Executive Director has not met their minimum share ownership requirement at the time of payment, any bonus earned in excess of 100% of salary will be deferred in shares</p> <p>Payments under the annual bonus are subject to malus and clawback provisions, further details of which are set out in the notes to this table</p>	<p>Up to 150% of base salary</p>	<p>Bonuses for Executive Directors will be based primarily on financial performance. The Committee retains flexibility to introduce an element based on relevant non-financial measures, where appropriate (with a total weighting of not more than 25% of bonus)</p> <p>The Committee retains discretion to adjust the formulaic bonus outcome (either upwards or downwards) if it considers that the payout is inconsistent with the Company's underlying performance when taking into account any factors it considers relevant</p>
<p>Long-Term Incentive Plan (LTIP) To drive sustained long-term performance that supports the creation of shareholder value</p>	<p>Annual grant of nil cost options, which normally vest after three years, made in accordance with the LTIP rules</p> <p>For awards made from 1 April 2021, an additional holding period applies so that the total vesting and holding period is at least five years. Shares subject to awards may accrue dividend equivalents. Sufficient shares can be sold at the end of three years to cover tax liabilities</p> <p>The LTIP award to Jeremy Pilkington will typically be in the form of notional shares settled by cash. LTIP awards are subject to malus and clawback provisions, further details of which are set out in the notes to this table</p>	<p>Up to 100% of base salary</p>	<p>The vesting of awards will be subject to continued employment and performance against relevant metrics measured over a period of at least three years. The Committee will select performance measures ahead of each cycle that reinforce delivery of the Company strategy. Details of the performance measures attaching to awards (and the targets for these) will be disclosed in the relevant Annual report on remuneration</p> <p>The Committee retains discretion to adjust the formulaic LTIP outcome (either upwards or downwards) if it considers that the payout is inconsistent with the Company's underlying performance when taking into account any factors it considers relevant</p>

Remuneration report continued

Purpose and link to strategy	Operation	Opportunity	Performance metrics
Save as you Earn To encourage share participation in the entire workforce	HMRC approved plan under which regular monthly savings are made over a three-year period and can be used to fund the exercise of an option whereby the exercise price is discounted by up to 20%	Up to the savings limit as determined by HMRC from time to time (or such lower limit as determined by the Committee), across all sharesave schemes in which an individual has enrolled	None
Share Ownership Guidelines To ensure strong alignment between Executive Directors and shareholders	Shareholding to be built up within five years of an Executive Director's appointment	At least 100% of salary for Executive Directors On stepping down from the Board, Executive Directors will typically be required to retain shares to the lower of 100% of salary or their actual shareholding at the time. These shares must be held for at least one year post-cessation	None
Non-Executive Director fees To attract and retain high calibre Non-Executive Directors To reflect the time commitment and responsibilities of the role, and the fees paid by similar sized companies	Fees are reviewed on an annual basis and are currently paid 100% in cash The Company retains flexibility to pay either a single 'all-in' fee or to differentiate fees to reflect additional responsibilities (e.g. to the Senior Independent Director, Chairs of Board Committees, etc.)	No prescribed maximum increase	None

Notes to the policy table

Malus and clawback policy

Annual bonus payments and LTIP awards granted prior to the approval of the remuneration policy detailed in this report (i.e. prior to July 2023) are subject to clawback in the event of a material misstatement of results.

For annual bonuses and LTIP awards granted following approval of this policy, malus and clawback will apply in cases of a material misstatement of results, an error in determining performance outcomes, gross misconduct, corporate failure as determined by the Remuneration Committee, or where a participant has been deemed to have caused, in full or in part, a material loss for the Group as a result of negligent, reckless or wilful actions or inappropriate behaviour or values. Cash bonuses will be subject to clawback, with deferred shares subject to malus. LTIP awards will be subject to malus and clawback over the vesting period to the fifth anniversary of grant.

Payments under existing awards

The Company will honour any commitment entered into, and Directors will be eligible to receive payment from any award granted, prior to the approval and implementation of the remuneration policy detailed in this report, even if these commitments and/or awards fall outside the above policy (but were in line with the policy in force at the time, if so required).

Performance measures and targets

Performance measures applying to the annual bonus and LTIP are selected at the start of each performance cycle to reflect the Group's short and longer-term strategic objectives. Incentive targets are set at an appropriately stretching level, taking into account relevant internal and external reference points. LTIP targets will typically be disclosed prospectively in the remuneration report.

Illustration of application of remuneration policy

The chart below illustrates the total remuneration for each Executive Director that could result from the remuneration policy in 2024/25 under different performance scenarios.

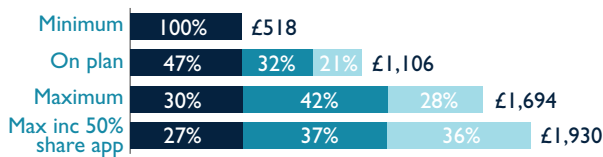
The value of base salary for 2024/25 is set out on page 77.

The value of taxable benefits in 2024/25 is taken to be the value of taxable benefits received in 2023/24 as shown in the single total figure of remuneration table set out on page 77 (valued on a full-year equivalent basis for Keith Winstanley). On target performance assumes bonus payout of 75% of salary and LTIP vesting at 50% of maximum award.

Maximum performance assumes bonus pay out of 150% of base salary and LTIP vesting at 100% of maximum award. Share price appreciation has been included in the value of the LTIP under the fourth scenario, at an assumed 50%.

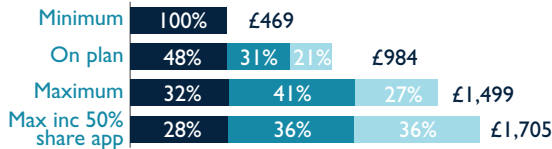
Jeremy Pilkington

Percentages/Amounts (£000)



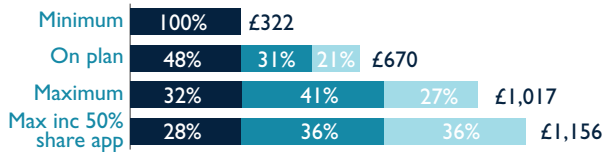
Anna Bielby

Percentages/Amounts (£000)



Keith Winstanley

Percentages/Amounts (£000)



- Bonus salary, benefits and pension
- Annual bonus
- LTIP

Consideration of employment conditions elsewhere in the Group

In designing this remuneration policy, the Committee did not expressly seek the views of employees. Through the Board, however, the Committee is regularly updated as to employee views on remuneration more generally. Additionally, when making decisions around Executive Director remuneration, the Committee takes into account the pay and conditions of other employees to ensure fairness.

Overall, there is a strong degree of alignment between the pay of senior executives and other employees, as follows:

- Our approach to annual salary reviews is consistent across the Group, with consideration given to the level of experience, responsibility, individual performance and salary levels in comparable companies.

- There are a number of pension arrangements across the Group. However, with the exception of some legacy arrangements for long-serving employees, the majority of senior management is eligible for a pension contribution of up to 10% of salary, subject to their own contribution level.
- Most employees are eligible to participate in an annual bonus scheme. The maximum opportunities available are based upon the seniority and responsibility of the role with business area specific metrics incorporated where appropriate.
- Certain senior managers can qualify to participate in the LTIP. Performance conditions are consistent for all participants, while award sizes vary by organisational level.
- Employees can qualify to participate in approved and unapproved share option schemes whereby they are granted rights to acquire shares at a predetermined price, which cannot be less than the midmarket price on the dealing day immediately before the date of the award. Awards under these schemes are not granted to Executive Directors.
- All UK employees are eligible to participate in the Company’s SAYE scheme on the same terms.

Approach to recruitment

The Group operates in a highly competitive employment market. The Committee’s approach to remuneration on recruitment is to pay sufficient to attract appropriate candidates to the role. The package of a new Executive Director is likely to include the same elements, and be subject to similar constraints as those of existing Executive Directors. In particular:

- The base salary of a new Executive Director will be determined by reference to relevant market data, experience and skills of the individual, internal relativities and their current basic salary. The Committee may set the salary for a newly appointed Executive Director above that of their predecessor where it considers it necessary in order to recruit an individual of sufficient calibre for the role. Alternatively, where a new Executive Director has their starting salary set below market level, any shortfall may be managed with phased increases over a period of up to two years subject to the individual’s development in the role (and which may exceed the workforce average increase).
- New appointees will receive company 10% pension contributions or an equivalent in cash allowance. Benefits will generally be aligned to those offered to other Executive Directors.
- The annual bonus structure described in the policy table will apply to new Executive Director appointees, with the maximum opportunity (i.e. up to 150% of salary) being pro-rated to reflect the proportion of the year worked.
- New appointees will be granted awards under the LTIP on the same terms as other Executives Directors, as described in the policy table (i.e. up to 100% of salary).

Remuneration report continued

The Committee may make an award in respect of a new appointment to “buy-out” incentive arrangements forfeited on leaving a previous employer on a like-for-like basis. In doing so, the Committee will consider relevant factors including time to vesting, any performance conditions attached to these awards and the likelihood of those conditions being met. Any such “buy-out” awards will typically be made under existing annual bonus and LTIP schemes, although in exceptional circumstances the Committee may exercise discretion under the relevant Listing Rule to make awards using a different structure. Any “buy-out” awards would have a fair value no higher than the awards forfeited.

Date of Directors’ service contracts or letter of appointment

Director	Date of service contract/ letter of appointment
Jeremy Pilkington	10 June 2002
Phil White	15 April 2013
Anna Bielby	1 January 2023
Mark Bottomley	3 January 2023
Stuart Watson	3 January 2023
Keith Winstanley	1 January 2024

The service agreements of the Executive Directors are terminable by either the Company or the Director on between six and twelve months’ notice. The contracts contain no specific provision for compensation for loss of office, other than an obligation to pay salary and benefits for any notice period waived by the Company. Non-Executive Directors are appointed under letters of appointment one of which is terminable on six months’ notice and the other two are terminable on thirty days notice. There were no other significant contracts with Directors.

The terms and conditions of appointment the Executive and Non-Executive Directors are available for inspection by any person at the Company’s registered office during normal business hours and at the AGM.

Approach to leavers

The Company’s policy is to limit severance payments on termination to pre-established contractual arrangements. Such contracts contain no specific provision for compensation for loss of office, other than an obligation to pay for any notice period waived by the Company, where pay is defined as salary plus benefits only.

The following payments may also be made to departing Executive Directors, depending on circumstances. In all cases, the Committee retains discretion to alter these provisions on a case-by-case basis following a review of circumstances and to ensure fairness for both shareholders and participants:

- An annual bonus may be payable for the period of active service in certain prescribed “good leaver” circumstances and in other circumstances at the discretion of the Committee and subject to the achievement of the relevant performance targets. Outstanding deferred bonus awards will typically be retained by a departing Executive Director with no acceleration of the applicable deferral period;
- Unvested LTIP awards will normally lapse. For “good leavers”, unvested awards will typically vest on the normal vesting date subject to the achievement of any relevant performance condition(s) and with a pro-rata reduction applied to reflect the proportion of the vesting period served. LTIP awards, which are subject to an additional holding period, will typically be retained and released at the end of the relevant holding period;
- At the discretion of the Committee, a contribution to reasonable outplacement costs may be made where considered appropriate. The Committee also retains the ability to reimburse reasonable legal costs incurred in connection with a termination of employment; and
- Any payment for statutory entitlements or to settle claims in connection with a termination of any existing or future Executive Director may be made, as necessary.

Policy on external appointments

Executive Directors are encouraged to hold a non-executive role in addition to their full-time position in order to broaden their experience, and may retain any fees received in respect of such roles. All appointments must first be agreed by the Committee and must not represent a conflict to their current role. During the year:

- Jeremy Pilkington, Keith Winstanley and Neil Stothard held no external directorships and
- Anna Bielby is a director of BLB (UK) Limited, a dormant professional services company.

Consideration of shareholder views

The Committee considers shareholder feedback received at the AGM each year. This feedback, plus any feedback received during other meetings, is then considered as part of the Group’s ongoing review of remuneration. Given the best-practice nature of changes proposed, the Committee did not engage directly with major shareholders during the most recent policy review. The Committee, however, remains committed to engagement with investors and their respective bodies should any material changes be made to the remuneration policy in future.

Details of votes cast for and against the resolution to approve last year’s Annual report on remuneration and in respect of the current remuneration policy are set out on page 84.

Annual report on remuneration

The following section provides details of how the remuneration policy was implemented during the financial year ending 31 March 2024 and how it is proposed to be implemented in the financial year ending 31 March 2025. Any information in this section of the report subject to audit is highlighted.

Single total figure of remuneration (audited)

The following table shows a single total figure of remuneration for the year ended 31 March 2024 together with the comparative figures for 2023.

		Salaries and fees £000	Taxable benefits £000	Pensions £000	Annual bonus £000	Grant date face value of vested LTIP shares £000	Share price appreciation (depreciation) £000	Total £000	Total fixed pay £000	Total variable £000
Executive Directors										
Jeremy Pilkington	2024	471	–	71	–	–	–	542	542	–
	2023	471	–	71	212	34	(6)	782	542	240
Neil Stothard	2024	204	12	31	–	–	–	247	247	–
	2023	392	25	59	176	27	(5)	674	476	198
Anna Bielby	2024	363	16	36	–	–	–	415	415	–
	2023	75	4	8	34	–	–	121	87	34
Keith Winstanley	2024	68	4	7	–	–	–	79	79	–
	2023	–	–	–	–	–	–	–	–	–
Non-Executive Directors										
Phil White	2024	50	–	–	–	–	–	50	50	–
	2023	46	–	–	–	–	–	46	46	–
Mark Bottomley	2024	50	–	–	–	–	–	50	50	–
	2023	12	–	–	–	–	–	12	12	–
Stuart Watson	2024	50	–	–	–	–	–	50	50	–
	2023	12	–	–	–	–	–	12	12	–

The table above reflects the following changes in roles and responsibilities:

- Neil Stothard stood down as Chief Executive on 1 September 2023 and retired from the Board with effect from 30 September 2023;
- Anna Bielby joined the Board as Chief Financial Officer on 1 January 2023, and was promoted to Chief Executive with effect from 1 September 2023;
- Keith Winstanley joined the Board as Chief Financial Officer on 1 January 2024; and
- Mark Bottomley and Stuart Watson joined the Board as Non-Executive Directors on 3 January 2023.

Base salaries and fees

Following a review of the Executive Directors' base salaries, the Committee approved an increase of 4% for Neil Stothard and Anna Bielby with effect from 1 April 2023, in line with the average increase applied across the Group. Anna's salary was increased to £400,000 on her promotion to CEO and Keith Winstanley was appointed as CFO on a salary of £270,000. Jeremy Pilkington's salary remained unchanged and there was no increase to the fees payable to Non-Executive Directors during the year.

Taxable benefits

Taxable benefits consist primarily of company car or car allowance and private health care insurance.

Pension benefits

As long-serving employees, Jeremy Pilkington and Neil Stothard received 15% of base salary in lieu of pension contributions. As of 1 April 2024, this is being reduced to 10% for Jeremy Pilkington. Anna Bielby and Keith Winstanley receive 10% of base salary in lieu of pension contributions.

Annual report on remuneration continued

Annual bonus payments

The annual bonus out-turn presented in the table was based on Group profit before tax, amortisation, impairment of intangible assets and exceptional items targets as measured over the 2023/24 financial year.

Targets for annual bonus payments typically are set by the Committee at the beginning of the financial year and are based upon growth in adjusted profit before tax, amortisation, impairment of intangible assets and exceptional items (PBTAE). The targets are challenging and look for year-on-year growth with entry thresholds set in line with the Group's budget PBTAE for the relevant financial year.

For 2023/24, the Committee approved a PBTAE target range of £42.0 million (threshold) to £48.0 million (maximum), which was considered to be suitably stretching and motivational. Reflecting challenging market conditions, actual PBTAE was £39.7 million, which meant that no bonuses were payable to Executive Directors in respect of the 2023/24 financial year. Although disappointing, the Committee is satisfied that this outcome delivered is a genuine reflection of the performance of the business and appropriately reflects the experience of stakeholders in financial year.

Executive	Maximum (% of salary)	PBTAE	PBTAE	Actual PBTAE £m	Actual % of salary	Actual bonus £000
		required for threshold bonus (0% of salary) £m	required for maximum bonus (150% of salary) £m			
Jeremy Pilkington	150	42.0	48.0	39.7	–	–
Neil Stothard	150	42.0	48.0	39.7	–	–
Anna Bielby	150	42.0	48.0	39.7	–	–
Keith Winstanley	150	42.0	48.0	39.7	–	–

Vesting of LTIP awards (audited)

The LTIP figures included in the 2022/23 single total figure of remuneration have been updated from last year's report to reflect the actual share price at the date of vesting in July 2023 of £5.75 (vs. a three-month average share price to 1 May 2023 of £6.88).

The 2023/24 single total figure of remuneration includes zero value in respect of the LTIP. Vesting of the awards granted in July 2021 was dependent on earnings per share performance over the three years ended 31 March 2024, the achievement of a minimum return on average capital employed of 12% and continued service until July 2024. Despite the Group's resilient performance, as a result of a mixed market backdrop, the stretching performance targets were not met and these awards will lapse in full.

The performance targets for this award and actual performance against those targets was as follows:

Metric	Threshold target	Stretch target	Actual	% Vesting
Earnings per share ¹	89.65 pence	109.58 pence	74.8 pence	–
ROACE ²	12.0%	12.0%	14.5%	–

¹ EPS is measured on a net basis, in accordance with International Financial Reporting Standards, but excluding IFRS 16 profit impact and assuming a fixed corporation tax charge on profits currently at the rate of 25% and excluding any amortisation, impairment of intangible assets and exceptional items shown on the face of the Income Statement or in the notes to the Company's accounts and utilising the whole of the issued ordinary share capital of the Company, assuming a constant level of issued ordinary share capital over the three years, in this case 40.154 million shares.

² Return on average capital employed is calculated by dividing the profit before tax, interest, amortisation, impairment of intangible assets and exceptional items excluding IFRS 16 profit impact by the aggregate of average net assets and average net debt consistent with those shown in the management accounts of the Company for the relevant financial year.

Vesting of LTIP awards (audited) – continued

The LTIP award details for the Executive Directors are as follows

Metric	Number of shares at grant July 2021	Number of shares to vest July 2024	Grant date face value of vested shares £000	Estimated value of shares vesting £000
Jeremy Pilkington	51,800	–	–	–
Neil Stothard	41,900	–	–	–

The award of the LTIP above was based upon the policy of awarding up to an equivalent of 100% of salary. As recent joiners, neither Anna Bielby nor Keith Winstanley held awards under the 2021 LTIP.

Share scheme interests awarded during the financial year (audited)

The following awards were granted to Executive Directors:

Executive	Scheme	Basis of award granted	Date of grant	Share price at date of grant £	Number of shares	Face value £000	Performance period end date
Jeremy Pilkington	LTIP	100% of salary	20 July 2023	5.68	82,996	471	31 March 2026
Neil Stothard	LTIP	100% of salary	20 July 2023	5.68	71,894	408	31 March 2026
	SAYE	N/A	24 July 2023	5.98	753	5	N/A
Anna Bielby	LTIP	100% of salary	20 July 2023	5.68	54,978	312	31 March 2026
	SAYE	N/A	24 July 2023	5.98	753	5	N/A

The share price at the date of grant has been used to calculate the face value of the awards granted. Targets for LTIP awards were disclosed in last years report, with performance in line with threshold resulting in 0% vesting, rising on a straight-line to 100% vesting for stretch performance. Anna Bielby's 2023 LTIP was granted when she was Chief Financial Officer, using her base salary at the time. Keith Winstanley did not receive an LTIP award during the 2023/24 financial year.

Leaver arrangements for Neil Stothard (audited)

Neil Stothard retired as Chief Executive on 1 September 2023, and stood down from the Board on 30 September 2023, with his notice period running until 30 June 2024. As noted in the Chair's Statement on page 62, the Committee determined the remuneration arrangements for Neil in line with the approved policy, as follows:

- Neil will continue to receive base salary, pension and other contractual benefits until 30 June 2024. In respect of the period to 31 March 2024 covered by this report, Neil received phased payments in lieu of base salary of £203,774, pension supplements of £30,566 and benefits of £12,498 after stepping down from the Board.
- As a retiree and "Good Leaver", Neil remained eligible for an annual bonus in respect of the financial year ended 31 March 2024, pro-rated for his period of active service. As noted on page 78, no bonus was earned by Executive Directors for 2023/24.
- Neil was similarly treated as a "Good Leaver" for the purposes of his outstanding 2021 LTIP award. As noted on page 73, the performance conditions applying to the 2021 LTIP were not met and accordingly the entire award will lapse. Neil has been treated as a "Good Leaver" also for the purposes of his outstanding 2022 and 2023 LTIP awards. In both cases, these awards were pro-rated to reflect the proportion of the period served (equating to 33,133 and 23,965 shares respectively). The proportion of these awards, which ultimately vests, will be calculated in accordance with the original performance conditions.

Payments to past directors and for loss of office (audited)

Details of the leaver arrangements for Neil Stothard are detailed in the section above. No other payments were made to past Directors or for loss of office in the year ended 31 March 2024.

Annual report on remuneration continued

Outstanding share awards (audited)

The table below sets out details of unvested share awards held by Executive Directors. Details of vested awards are shown in the statement of Directors' shareholdings and share interests as below.

Executive	Scheme	Grant date	Exercise price £	No. of shares at 1 Apr 2023	Granting during the year	Vested during the year	Lapsed during the year	No. of shares at 31 Mar 2024	Exercise period	End of performance period
Jeremy Pilkington	Total LTIP	Various	Nil	179,000	82,996	4,718	62,682	194,596	Jul 2024 to Jul 2033	31 Mar 2024 to 31 Mar 2026
Neil Stothard	Total LTIP	Various	Nil	145,000	71,894	3,738	114,158	98,998	Jul 2024 to Jul 2033	31 Mar 2024 to 31 Mar 2026
	SAYE	2020	5.84	616	–	616	–	–	Oct 2023 to Mar 2024	N/A
	SAYE	2021	6.93	519	–	–	29	490	Oct 2024 to Mar 2025	N/A
	SAYE	2022	5.60	642	–	–	321	321	Jan 2026 to Jun 2026	N/A
	SAYE	2023	4.78	–	753	–	544	209	Oct 2026 to Mar 2027	N/A
	Total SAYE			1,777	753	616	894	1,020		
Anna Bielby	Total LTIP	29 July 2023	Nil	–	54,978	–	–	54,978	Jul 2026 to Jul 2033	31 Mar 2026
	SAYE	2023	4.78	–	753	–	–	753	Oct 2026 to Mar 2027	N/A

Keith Winstanley held no outstanding share awards at any point in the year.

Statement of Directors' shareholdings and share interests (audited)

	Shareholding as % of salary /fee at 31 Mar 2024	Shares beneficially owned at 31 Mar 2024	Shares beneficially owned at 31 Mar 2023	Options vested but not yet exercised 31 Mar 2024	Options vested but not yet exercised 31 Mar 2023	Unvested LTIP awards ¹	Outstanding SAYE awards
Jeremy Pilkington	*	29,220	29,220	257,281	252,563	194,596	–
Neil Stothard ²	2,334%	864,790	864,790	–	–	98,998	1,914
Anna Bielby	–	–	–	–	–	54,978	753
Keith Winstanley	–	–	N/A	–	N/A	–	–
Stuart Watson	17%	1,505	–	N/A	N/A	N/A	–

Neither of Phil White or Mark Bottomley held any shares at any point in the year.

The share price used to calculate the value of shares beneficially owned for the purposes of establishing shareholding as a percentage of salary is the share price as at 31 March 2024: £5.50.

*During the year, Jeremy Pilkington was interested in shares owned by Ackers P Investment Company Limited. This company is ultimately controlled by a number of trusts of which, for the purposes of Sections 252 to 255 of the Companies Act 2006, Jeremy Pilkington is deemed to be a connected person. As at 31 March 2024, Ackers P Investment Company Limited owned 20,181,411 shares (2023: 20,181,411 shares).

The LTIP awards outstanding in respect of Jeremy Pilkington are notional shares, which would be settled by a cash payment.

The Executive Directors are each in compliance with the Company's requirements to hold shares equivalent to at least 100% of salary, to be built up within five years of appointment. Both Anna Bielby and Keith Winstanley have five years to meet this requirement having been appointed on 1 January 2023 and 1 January 2024 respectively.

There were no changes in the interests of the Directors between 31 March 2024 and 4 June 2024.

¹ Unvested LTIP awards are subject to performance conditions.

² Shareholding and share interests for Neil Stothard reflect the position as at the date of stepping down from the Board on 30 September 2023.

Implementation of the remuneration policy for the year ending 31 March 2025 (unaudited)

A summary of how the Directors' remuneration policy will be applied during the year ended 31 March 2025 is set out below.

Base salary and fees

The Committee approved a 3% increase in base salary for Anna Bielby and Keith Winstanley from 1 April 2024, in line with the average salary increase across the Group. No increases are proposed for the Executive Chairman or for the Non-Executive Directors.

	1 April 2024 £000	1 April 2023 (or date of appointment) £000	% increase
Jeremy Pilkington	471	471	–
Anna Bielby	412	400	3%
Keith Winstanley	278	270	3%
Phil White	50	50	–
Mark Bottomley	50	50	–
Stuart Watson	50	50	–

A salary increase averaging 3% across the Group was proposed at the annual 2024 pay review, effective from 1 April 2024.

Pension arrangements

To align more closely with the wider workforce, pension contributions for Jeremy Pilkington will reduce from 15% to 10% of base salary. Anna Bielby and Keith Winstanley will continue to receive 10% of base salary in lieu of pension contributions.

Annual bonus

The maximum bonus potential will remain at 150% of base salary. Bonuses will continue to be based on challenging growth targets for PBTA, with the maximum payout target set at a level that appropriately reflects maximum opportunity available.

The Committee is of the opinion that the performance targets for the annual bonus are commercially sensitive and that it would be detrimental to the interests of the Group to disclose them before the start of the financial year. The targets will be disclosed after the end of the relevant financial year in that year's remuneration report.

Long-term incentives

The maximum LTIP award in 2024 will remain at 100% of salary for all Executive Directors. Consistent with past awards, the extent to which any LTIP awards granted in 2024 will vest will be dependent upon the achievement of a challenging target growth in the Group's adjusted earnings per share, underpinned by Group ROACE.

The targets for the LTIP awards granted in 2024 are as follows:

Year of award	Threshold target (0% vesting) for EPS	Stretch target (100% vesting) for EPS	Target for ROACE
2024	82.68	97.62	12%

Clawback and malus provisions in the event of significant misstatement of the results will apply to both the annual bonus and the long-term incentive as noted on page 74.

Annual report on remuneration continued

Performance graph and table (unaudited)

The following graph charts the Total Shareholder Return of the Group and the FTSE Small Cap Index over the ten-year period from 1 April 2014 to 31 March 2024.



The FTSE Small Cap index excluding investment trusts is regarded as an appropriate benchmark for the Group's shareholders, being an index which the Group has previously been a constituent of during the period shown. Total shareholder return is defined as the total return a shareholder would receive over the period inclusive of both share price growth and dividends.

The total remuneration and incentive payouts for the Executive Chair, Jeremy Pilkington, across the same period were as follows:

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Single figure (£000)	2,259	1,613	1,580	1,498	1,770	919	915	1,098	782	542
Annual bonus (% of maximum)	100	27	72	57	94	–	75	54	30	–
LTIP vesting (% of maximum)	100	100	100	100	100	71	–	24	7	–

Executive Chair pay ratio (unaudited)

The table below provides the ratio between the Executive Chair single figure of total remuneration and total remuneration for UK employees identified at the lower quartile, median and upper quartile. Consistent with previous years, and reflecting that the data is already readily available, we have selected the comparative employees using hourly rate data as at 5 April 2023 collected for our reporting under the gender pay gap legislation (Option B). The day by reference to which the date for the three percentiles was determined was 31 March 2024.

	Year	Method	Pay ratio			Remuneration		
			25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
Total remuneration	2024	B	22	18	12	£24,265	£29,331	£46,010
Salary	2024	B	20	17	11	£23,507	£28,293	£42,417
Total remuneration	2023	B	34	28	20	£23,502	£27,863	£39,743
Salary	2023	B	21	18	13	£22,955	£27,000	£35,598
Total remuneration	2022	B	49	41	29	£22,527	£26,880	£38,200
Salary	2022	B	21	18	14	£22,160	£26,000	£34,334
Total remuneration	2021	B	44	38	27	£20,554	£24,238	£33,366
Salary	2021	B	23	20	15	£20,466	£23,968	£30,905
Total remuneration	2020	B	44	37	27	£20,650	£24,624	£33,731
Salary	2020	B	23	20	15	£20,131	£23,915	£30,600

The Committee has considered the pay data for the three individuals identified and believes that it fairly reflects pay at the relevant quartiles among our UK workforce. The median total remuneration ratio has fallen further this year (from 28:1 to 18:1) reflecting that there was no payout recorded under either the annual bonus or long-term incentive. The Committee has considered the findings of the pay ratio analysis and believes that it is reasonable in the context of the Group's sector and taking into account the composition of the Group's UK workforce.

Percentage change in all Directors' remuneration (unaudited)

The table below shows the percentage change in the Directors' salary, benefits and annual bonus between the financial year ended 31 March 2023 and 31 March 2024 compared to the percentage change for UK employees of the Group for each of these elements of pay.

		Salary	Taxable benefits	Annual bonus ¹
Jeremy Pilkington	2024	–	–	(45%)
	2023	–	(100%)	9%
	2022	5%	1,600%	100%
	2021	(5%)	(33%)	(100%)
Neil Stothard	2024	4%	–	(43%)
	2023	3%	–	43%
	2022	8%	2%	100%
	2021	(4%)	(4%)	(100%)
Anna Bielby	2024	32%	–	N/M
	2023	N/A	N/A	N/A
Keith Winstanley	2024	N/A	N/A	N/A
Phil White	2024	8%	–	N/A
	2023	3%	–	N/A
	2022	5%	–	N/A
	2021	(4%)	–	N/A
Mark Bottomley	2024	–	–	N/A
	2023	N/A	N/A	N/A
Stuart Watson	2024	–	–	N/A
	2023	N/A	N/A	N/A
UK Employees	2024	(5%)	(18%)	(19%)
	2023	5%	10%	43%
	2022	12%	5%	169%
	2021	1%	(7%)	(67%)

N/A – not applicable, either because the Director is not eligible for the element of pay or there is no prior year comparative figure.

N/M – not meaningful, e.g. a change from a prior year comparative figure of zero.

The percentage change for UK employees is based upon a consistent set of employees and is calculated using P60 and P11D data.

The employee data set includes employees from all employing entities, including Vp plc, in order to reflect fairly the position across the Group.

¹ To be comparable to the data for the UK employees the annual bonus for the Directors disclosed above is the bonus paid in the relevant tax year.

Annual report on remuneration continued

Relative importance of spend on pay (unaudited)

The following table shows the Group's actual spend on pay (for all employees) relative to dividends

		2023	2024	% change
Staff costs	£m	123.3	124.3	1%
Dividends	£m	14.5	15.0	3%

Dividend figures relate to amounts paid in respect of the relevant financial year.

Remuneration Committee (unaudited)

The Group's approach to Executive Directors' remuneration is determined by the Board on the advice of the Remuneration Committee.

The primary role of the Committee is to:

- Review, recommend and monitor the level and structure of remuneration for Executive Directors;
- Approve the remuneration packages for Executive Directors; and
- Determine the balance between base pay and performance-related elements of the package so as to align Directors' interests to those of shareholders.

The Committee's terms of reference are set out on the Company's website.

The members of the Remuneration Committee, all independent Non-Executive Directors, during the year under review were as follows:

- Phil White (Committee Chair until 20 July 2023)
- Mark Bottomley (Committee Chair from 21 July 2023)
- Stuart Watson

Biographical information on Committee members and details of attendance at the Committee meetings during the year are set out on pages 60 and 66.

External Advisors

During 2023/24, the Committee received advice on remuneration matters from Ellason LLP (Ellason), who were recommended by the Committee members' external networks. Ellason are signatories of the Code of Conduct for Remuneration Consultants, details of which can be found at remunerationconsultantsgroup.com, and the Committee is therefore satisfied that the advice it receives from Ellason is independent and objective. The Committee is also satisfied that there is no connection between the advisers and the Company or individual Directors. The fees paid by the Company to Ellason during the financial year were £9,360 (on the basis of time and materials) which related to Executive Director benchmarking and Remuneration Reporting drafting support. Ellason provided no other material services to the Company or to the Group,

Annual General Meeting voting outcomes (unaudited)

The following table details votes for and against the 2023 Directors' remuneration policy and the Directors' remuneration report for 2022/23, along with the number of votes withheld. The Committee will continue to consider the views of shareholders when determining and reporting on remuneration arrangements.

	Directors' remuneration policy 2023	Directors' remuneration report 2022/23
Votes for	30,858,360 (91.38%)	33,760,970 (99.98%)
Votes against	2,910,178 (8.62%)	7,768 (0.02%)
Votes withheld	900	700

The Company's remuneration policy was approved by shareholders at the Annual General Meeting held on 20 July 2023 and applies for up to three years. The Remuneration Committee's Annual Report for 2022/23 was approved at the Company's Annual General Meeting held on 20 July 2023.

Directors' report

The Directors of Vp plc present their annual report and the audited financial statements of the Group and Parent Company for the year ended 31 March 2024.

Principal activities

The principal activity of the Group is equipment rental and associated services.

Strategic report

Pursuant to sections S414c(11) Companies Act 2006, elements of required reporting including future developments, engagement with others, and environmental matters are included within the Strategic report, which can be found on pages 1 to 57.

Results and dividend

Group loss after tax for the year was £5.3 million (2023: profit £23.0 million). The Directors recommend a final dividend of 27.5 pence per share. Subject to approval, the final dividend will be paid on 7 August 2024 to all shareholders on the register as at 21 June 2024.

Directors

Details of the Directors of the Company who were in office during the year and up to the date of signing the financial statements are given on page 60. Details of Directors' interests in shares are provided in the directors' remuneration report on page 79. During the financial year, and up to the date of approval of these financial statements, the Group has maintained an appropriate level of Directors' and Officers' insurance whereby Directors were indemnified against liabilities to third parties. This is a qualifying third party indemnity provision.

Share capital

Details of the Company's share capital structure are shown in note 21 to the accounts. All shares have the same voting rights. There are no restrictions on the transfer of shares in the Company or restrictions on voting rights.

Substantial shareholders

As at 22 March 2024, the following had notified the Company of an interest of 3% or more in the Company's issued ordinary share capital.

	Number of ordinary shares	Percentage of issues ordinary shares %
Ackers P Investment Company Limited	20,209,411	50.33
Jupiter Asset Management	1,824,250	4.54
Chelverton Asset Management	1,633,921	4.07
Invesco Asset Management Limited	1,430,017	3.56
Aberforth Partners	1,427,965	3.56
Schroder Investment Management	1,421,073	3.54
Canaccord Genuity Wealth Management	1,250,000	3.11

Jeremy Pilkington is a Director of Ackers P Investment Company Limited, which is the holding company of Vp plc.

Financial risk management

Consideration of the financial risk management of the Group has been included in the Strategic report on page 54.

Engagement with stakeholders

We set out on page 24 of the Strategic report how the Group meets the needs and expectations of its stakeholders.

Disclosure of information under Listing Rule 9.8.4.

The Directors confirm that the Company has entered into a relationship agreement with Ackers P Investment Company Limited (a controlling shareholder) and has complied with the independence provisions of the agreement. As far as the Directors are aware, the controlling shareholder and its associates have also complied with the independence provision.

Pursuant to Listing Rule 9.8.4 the Company is required to disclose that an arrangement is in place whereby the trustee of the Company employee benefit trust has agreed to waive present and future dividend rights in respect of certain shares that it holds, as the Trust only holds the shares to facilitate future share awards.

Employee engagement

The Directors are committed to maintaining effective communication with its workforce on matters which affect their continued employment, job roles, and future prospects as well as being transparent about the Group's financial and business performance, strategy, market challenges, and key projects, both operational and transformational.

This communication is multi layered in the form of: communications from the Chief Executive and wider Executive Committee, delivered either in person, by video conference or by emails and/or via the website.

The Group is committed to ensuring opportunities for employment are available to all those in our communities. With particular reference to those employers with disabilities, we have signed a commitment to a government initiative called Disability Confident, whose aim it is to encourage employees to recruit and retain disabled people, and those with other health conditions. It is the policy of the Group to employ and train disabled people whenever their skills and qualifications allow and suitable vacancies are available. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

Further details regarding employees are provided in the strategic report on pages 26 to 41.

Political and charitable contributions

The Group made no political contributions during the year. Donations to charities amounted to £109,520 (2023: £85,000). The donations made in the year principally relate to environmental initiatives and sponsorship of employee driven fund raising activities on behalf of local and national charities.

Directors' report continued

Supplier payment policy

It is the Company's policy to make payment to suppliers on agreed terms. The Company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The number of days purchases outstanding at 31 March 2024 was 36 days (2023: 37 days). This figure fluctuates dependent on the creditor position for fleet purchases at the year-end compared to the average purchases during the year.

Taxation principles

We operate in accordance with our Tax Strategy, which can be found at: www.vpplc.com/responsible-business.

In 2023/24 the Group paid £9.2 million (2023: £5.5 million) in corporate taxes. We are a responsible corporate tax payer and conduct our affairs to ensure compliance with all laws and relevant regulations in the countries in which we operate.

Contracts

There are no disclosures required under S417 of the Companies Act in relation to contractual or other arrangements with customers or suppliers.

Purchase of own shares

A resolution is to be proposed to the Company's shareholders at the AGM to authorise the Company to purchase its own shares up to a maximum of 10% of the Company's issued share capital either to be cancelled or retained as treasury shares. This resolution will be proposed as a special resolution in line with previous years. The maximum and minimum prices that may be paid for an ordinary share in exercise of such powers are set out in paragraphs (b) and (c) of Resolution 12 of the Notice of Meeting. The Directors undertake to shareholders that they will only exercise this power after careful consideration, taking into account the financial resources of the Company, future funding opportunities and the price of the Company's shares. The Directors will not exercise the ability to purchase the Company's own shares unless to do so would result in an increase in earnings per share and would be in the best interest of shareholders generally.

During the year ended 31 March 2024, the Company did not acquire any shares under the authority of the resolution passed at the Annual General Meeting.

Going concern

The Group ended the financial year in a healthy financial position. The Group continues to generate strong cash flows. Net debt, excluding lease liabilities reduced by £9.2 million from £134.4 million at 31 March 2023 to £125.2 million at 31 March 2024. This was after funding an increase in fleet capital investment of £62.8 million. EBITDA before exceptional items¹ and IFRS 16 impact totalled £91.0 million, which was 2% lower than prior year of £92.9 million. The business review on pages 14 to 21 sets out the Group's business activities, markets and outlook for the forthcoming year and beyond.

The Group finances its operations through a combination of shareholders' funds, bank borrowings, finance leases and operating leases.

The capital structure is monitored using the gearing ratio of adjusted Net Debt/EBITDA. The Group allocates its capital using a disciplined capital allocation policy that prioritises organic growth and ordinary dividends.

In November 2023, the Group refinanced its committed revolving credit facility with a new three year, £90 million facility, maturing in November 2026. The revolving credit facility agreement also includes a £30 million uncommitted accordion facility. Financial covenants associated with the revolving credit facility remain unchanged from the previous facility.

As at 31 March 2024, the Group had £183.0 million of debt capacity (2023: £183.0 million) comprising committed revolving credit facilities of £90.0 million and £93.0 million private placements, which are subject to covenant testing. At 31 March 2024, £132.0 million of the combined facilities were drawn down (2023: £146.0 million). In addition to the committed facilities, the Group net overdraft facility at the year-end was £7.5 million (2023: £7.5 million). The Board has evaluated the facilities and covenants on the basis of the budget for 2024/25 (including 2025/26 long-term forecast). All of which has been prepared taking into account the current economic climate, together with appropriate sensitivity analysis. Stress scenarios have also been considered by the Board. Under these scenarios material revenue reductions have been applied for the financial year ended 31 March 2025 against the Group's original budget and extended to 30 September 2025. All scenarios retain adequate headroom against borrowing facilities and fall within the existing covenants.

Our most severe downside modelling, which reflects a 15% reduction in revenue levels demonstrates headroom over borrowing facilities and existing covenant levels throughout the forecast period to the end of September 2025.

On the basis of this testing, the Directors have a reasonable expectation that the Group and Parent Company has adequate resources to continue in operation for the foreseeable future. For this reason, the going concern basis has been adopted in preparation of the consolidated financial statements. This is covered further in note I Basis of Preparation on page 104.

Corporate governance

The Corporate governance statement on pages 62 to 64 forms part of the Directors' report.

¹ These measures are explained and reconciled in the Alternative Performance measures section on page 143

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 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 and the Company financial statements in accordance with UK-adopted international accounting standards.

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, 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

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the governance section of the Annual Report confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the profit of the Group; and
- the business review and financial review 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.

Independent Auditors

In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as Auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board

Jeremy Pilkington

Chair

4 June 2024

Independent Auditors' report to the members of Vp plc

Report on the audit of the financial statements

Opinion

In our opinion, Vp 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 31 March 2024 and of the group's loss and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- 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 Parent Company Balance Sheets as at 31 March 2024; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Changes in Equity and the Consolidated and Parent Company Statements of Cash Flows 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 3 to the financial statements, 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 12 reporting units. The group financial statements are a consolidation of these reporting units.
- Of the 12 reporting units, we identified three which, in our view, required an audit of their complete financial information.
- Audit procedures were also performed over certain financial statement line items within two further reporting units.
- Reporting units over which we performed full scope audit procedures accounted for 77% of the group's reported revenues and 70% of the group's profit before tax, amortisation, impairment of intangible assets and exceptional items. These coverages are based on absolute values.

Key audit matters

- Existence of fleeted rental equipment (group and parent)
- Short term cash flows used in determining the valuation of goodwill and other intangible assets in relation to the Brandon Hire Station CGU (group)

Materiality

- Overall group materiality: £1,993,000 (2023: £2,000,000) based on 5% of profit before tax, amortisation and impairment of goodwill, trade names and customer relationships and exceptional items.
- Overall company materiality: £3,274,000 (2023: £3,000,000) based on 1% of total assets.
- Performance materiality: £1,494,000 (2023: £1,500,000) (group) and £2,455,000 (2023: £2,250,000) (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.

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.

Short term cash flows used in determining the valuation of goodwill and other intangible assets in relation to the Brandon Hire Station CGU is a new key audit matter this year. Material uncertainty related to going concern and the valuation of rental equipment (group and parent), which were key audit matters last year, are no longer included because of, respectively, the renewal of the group's revolving credit facility in November 2023 and limited audit findings in relation to the recoverable amount of rental equipment in recent years. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p>Existence of fleeted rental equipment (group and parent) Refer to page 68 (Significant accounting issues), page 104 (Material accounting policies) and note 9 in the financial statements.</p> <p>We focused on this area because the group and parent company hold a significant quantum and carrying amount of rental equipment in the normal course of business. The net book value of rental equipment was £226.0 million and £103.3 million as at 31 March 2024 (2023: £220.6 million and £100.9 million) for the group and parent company respectively. Given the volume of assets and the frequency of movement (through purchases, hires and sales) there is the potential for assets to go missing. This results in complexity in maintaining an accurate fixed asset register.</p> <p>We consider the significant risk to be focused on the fleeted rental equipment (typically higher value and itemised assets with a unique serial identifier) given the individual value of these items and proportion that these make up of the overall rental equipment balance.</p>	<p>Our audit work in respect of the existence of fleeted rental equipment included understanding and evaluating management's key controls in this area, confirming the correct recording of fleeted assets movements on the fixed asset register on a sample basis and substantively testing the existence of a sample of assets.</p> <p>For a sample of fleeted asset purchases in the year we agreed to invoice and capitalisation onto the fixed asset register, confirming the value and the appropriateness of capitalisation. We agreed the existence of a sample of fleeted assets out on hire at the year end to rental invoice and, for settled invoices, cash receipt. We attended a sample of year end fleeted asset counts and:</p> <ul style="list-style-type: none"> • Considered the design and implementation of count controls by understanding and observing the count procedures; • Counted a sample of assets and reconciled these to both management's count and the fixed asset register; and • Tested the movements of these assets between the inspection and year end date in order to confirm their existence at 31 March 2024. <p>We found, based on the results of our testing, that the amounts recorded, and disclosures made in the financial statements were consistent with the supporting evidence obtained.</p>
<p>Short term cash flows used in determining the valuation of goodwill and other intangible assets in relation to the Brandon Hire Station CGU (group) Refer to page 68 (Significant accounting issues), page 105 (Material accounting policies) and note 10 in the financial statements.</p> <p>Vp holds a significant amount of goodwill and other intangible assets on the balance sheet, £33.9 million of which was allocated to the Brandon Hire Station ('Brandon') cash generating unit ('CGU') prior to impairment.</p> <p>Management is required to perform an annual impairment assessment over CGUs to which goodwill is allocated in line with IAS 36, using a value in use ('ViU') model based on discounted future cash flows or a calculation of fair value less costs to sell ('FVLCTS'). The recoverable amount of the CGU is the higher of the two valuations.</p> <p>After assessing the results of the Brandon CGU for the year ended 31 March 2024 and the group's outlook for the division we considered the risk of impairment of goodwill attached to the CGU to be a significant risk, specifically in relation to short term cash flow projections given the estimation uncertainty in determining the timing and pace of growth.</p>	<p>We obtained management's impairment model for the Brandon CGU. Procedures performed included:</p> <ul style="list-style-type: none"> • tested the mathematical accuracy of the impairment model and agreed the carrying value of the CGU being assessed for impairment to the year-end balance sheet of Brandon included in the consolidation; • evaluated the historical accuracy of the budgeting process to assess management's ability to forecast accurately; • compared cash flows in the forecast period to: <ul style="list-style-type: none"> i. recent actual performance; and ii. external market commentary on expected growth in the UK construction sector <p>to assess the achievability of those forecasts;</p> <ul style="list-style-type: none"> • traced the forecast financial information within the model to the latest Board approved budgets; • assessed management's fair value less costs to sell ('FVLCTS') valuation cross-check, which they prepared in accordance with IAS 36 so as to conclude on the appropriate recoverable amount; • performed sensitivity analysis over the short term cash flows to understand the impact on the impairment charge of reasonable changes in growth assumptions; and • assessed the disclosures in the Annual Report relating to goodwill and impairment for compliance with the accounting framework. <p>We found, based on the results of our testing, that the impairment recognised in relation to the goodwill and other intangible assets allocated to the Brandon CGU to be appropriate.</p>

Independent Auditors' report to the members of Vp plc continued

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's accounting process is structured around a group finance function at its head office in Harrogate which is responsible for the group's reporting units. The group is organised into 12 reporting units and the group financial statements are a consolidation of these reporting units. Of the 12 reporting units, we identified three which, in our view, required an audit of their complete financial information. The reporting units over which we performed full scope audit procedures accounted for 77% of the group's revenues and 70% of the group's profit before tax, amortisation, impairment of intangible assets and exceptional items (calculated on an absolute value basis).

All of the audit procedures have been performed by the group engagement team. In addition, the group audit team performed analytical review procedures over a number of smaller reporting units. This included an analysis of year on year movements, at a level of disaggregation to enable a focus on higher risk balances and unusual movements. This gave us the evidence we needed for our opinion on the financial statements as a whole.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and parent company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. In particular we considered the nature and useful economic lives of the group's and parent company's rental equipment and the potential impact on the group of maintaining / replacing these assets in line with climate targets. Our procedures did not identify any material impact as a result of climate risk on the group's and parent company's financial statements.

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	£1,993,000 (2023: £2,000,000).	£3,274,000 (2023: £3,000,000).
How we determined it	5% of profit before tax, amortisation and impairment of goodwill, trade names and customer relationships and exceptional items.	1% of total assets
Rationale for benchmark applied	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. The benchmark is consistent with the prior year.	We have used an asset based measure for the parent company, which is a generally accepted auditing benchmark. Where applicable, we have performed our testing to a lower, group allocated, materiality for individual balances that contribute to the consolidated group results.

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 £50,000 and £1,750,000. 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% (2023: 75%) of overall materiality, amounting to £1,494,000 (2023: £1,500,000) for the group financial statements and £2,455,000 (2023: £2,250,000) 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 £100,000 (group audit) (2023: £100,000) and £163,000 (company audit) (2023: £150,000) 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:

- Obtaining management's latest forecasts that support the Board's assessment and conclusions with respect to the going concern basis of preparation of the financial statements;
- Checking the mathematical accuracy of management's forecasts;
- Considering the out-turn of previous forecasts to assess management's forecasting accuracy;
- Corroborating management's base case forecast to appropriate supporting documentation including board approved budgets and divisional budgets; and
- Evaluating management's base case forecast and downside scenarios, challenging the underlying data and adequacy and appropriateness of the assumptions used in making their assessment. We also evaluated the directors' plans for future actions in relation to their going concern assessment, should these be required.

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 twelve 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 Directors' report, 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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the 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.

Independent Auditors' report to the members of Vp plc continued

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, 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 company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 the Listing Rules and health and safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as

UK tax legislation and the Companies Act 2006. 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 management bias in key accounting estimates and posting of inappropriate journal entries to improve the group's result for the period. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Specifically we tested journal entries which increased the group result for the period with unusual offset entries, and we tested a risk based sample of journal entries impacting revenue with unusual offset entries to detect any potentially fraudulent revenue being recognised;
- Review of correspondence with regulators; and
- Review of the financial statement disclosures and agreeing to underlying supporting documentation.

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. 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 Annual report on remuneration 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 15 October 2014 to audit the financial statements for the year ended 31 March 2015 and subsequent financial periods. The period of total uninterrupted engagement is 10 years, covering the years ended 31 March 2015 to 31 March 2024.

Other matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Tom Yeates (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Leeds

4 June 2024