



## **Interim Report 2023/24**

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# Chairman's Statement

**I am pleased to report solid Interim Results demonstrating a resilient performance against a background of macro-economic challenges.**

## Financial Performance

In the period to 30 September 2023, adjusted profit before tax, amortisation, impairment of intangible assets and exceptional items\* ('Adjusted PBTAE') rose 1.9% to £21.9 million (H1 2023: £21.5 million) on revenue 2.4% ahead at £190.9 million (H1 2023: £186.5 million). This achieved a net margin\* of 11.5%, consistent with the prior period. Statutory profit before tax was £19.9 million (H1 2023: £17.9 million).

The Group's interest cost rose by £0.9 million compared with the prior period, mainly due to increases in Sterling Overnight Indexed Average ('SONIA'). We remain in a strong position with 70% of the Group's period-end debt fixed at low rates into the medium term. In November 2023, we successfully refinanced our revolving credit facility of £90 million for an additional three years, on similar terms and with an increase to the accordion from £20 million to £30 million.

Adjusted earnings per share pre-amortisation, impairment of intangible assets and exceptional items\* ('Adjusted Basic EPS') fell 5.2% to 40.3 pence per share (H1 2023: 42.5 pence per share), largely due to changes in the rate of corporation tax.

Return on Average Capital Employed\* improved to 14.7% (H1 2023: 14.4%), demonstrating the high and sustainable quality of the Group's earnings.

The Group continues to have a strong balance sheet:

- We have a young, well-maintained fleet and continue to invest with capex of £27.8 million (H1 2023: £33.8 million) in the period. Around two thirds of this spend was either zero emissions at point of use or represented the transition towards lower emission technologies.
- We have maintained our Days' Sales Outstanding (DSO) at 61, despite a more challenging credit environment.
- Net debt excluding lease liabilities\* is £133.4 million, which is £15.5 million lower than the comparative period. Pre-IFRS 16 gearing is below 1.5x leaving the Group well placed to exploit organic and M&A opportunities as they arise.

Reflecting these results and our confidence of the prospects of the Group, the Board is declaring an interim dividend of 11.5 pence per share (H1 2023: 11.0 pence per share) an increase of 4.5%, payable on 10 January 2024 to shareholders registered at 8 December 2023. As previously stated, the dividend cover target is 2x over the cycle and the interim dividend announced today continues the Group's 30 year uninterrupted dividend track record.

ESG remains an important element of our strategy and we have continued to make progress, including SBTi validation of our Science Based Targets received in November. ESG is

embedded into our day to day operations and we have been working closely with our suppliers and customers on initiatives such as the Vp Capture system and TPA's carbon comparison model.

Our well-established Digital capabilities give us a platform to improve both the customer experience and our operational processes. We continue to develop new initiatives such as YourSolution Pro in Groundforce, a self-service design solution adding value to our customers. Further progress on the Group's Digital roadmap is expected in the remainder of the year.

## Business Performance

Our key infrastructure markets including water (AMP7), rail (CP6) and transmission were supportive, whilst elsewhere general construction activity remained soft. Housebuilding fundamentals are, in our view, positive over the medium term and current activity is stable but marginally below prior year levels.

The announcement of the cancellation of HS2 beyond Birmingham was not unexpected and will have little impact on immediate business activity. We hope that activity from alternative rail initiatives, replacing HS2, will provide opportunities for TPA UK and Groundforce in particular.

During the period, we have seen the difficulties that previously affected supply chains ease, however staff and skills shortages have emerged as near universal themes across our businesses and geographies. Higher interest rates have not only raised our borrowing costs but have also adversely impacted the viability of certain elements of our customer base, particularly at sub-contractor level. Despite this, we have maintained DSO levels in line with the comparative period.

In UK Forks, activity has settled at a lower level since the beginning of the calendar year, largely down to subdued housebuilding activity. In response, we have re-emphasised cost management disciplines and re-sized the fleet to better align with current demand. Supportive markets have enabled this business to dispose of surplus fleet at a useful profit in the period and we expect residual values to be maintained going forward. Pricing improvements have been achieved and the business is now well positioned to take full advantage of any future upturn in demand.

Brandon Hire Station has suffered from the softness of the general construction market and its performance is materially below prior year levels. Now led by a new management

# Chairman's Statement

team, targeted revenue and cost initiatives will significantly improve profitability in this highly operationally geared business into H2 and beyond. Brandon Hire Station remains the only tools and small plant provider able to service its customer base from a truly national footprint. The latent capacity of a young, well-maintained rental fleet will enable the business to respond to an upturn in demand without requiring significant additional capital investment.

MEP suffered from a slightly slower start to the year with some major project delays in London, but momentum is building and we expect the business to deliver another good performance for the year as a whole. Whilst well controlled, bad debt experience has deteriorated as its sub-contractor customer base has experienced cash flow challenges.

ESS has faced the same market challenges as elsewhere in the Group, but significant opportunities exist to refocus and expand the product offering on the back of a leaner cost base following last year's successful restructuring exercise.

Groundforce is enjoying a period of strong trading with particular contributions from water (AMP7) and other major infrastructure projects. In Europe, Groundforce has performed well benefitting from significant project activity.

Torrent Trackside enjoyed a solid first half ahead of prior year levels, supported by CP6 workloads. Torrent is more a maintenance rather than new-build oriented provider and the curtailment of the HS2 programme will not therefore have a major negative impact and indeed, if promised investment elsewhere in the network is delivered, there may be an overall benefit to the business.

TPA UK has enjoyed an excellent first half with supportive markets, nimble contract selection and effective cost management. TPA in Europe has had a much-improved first half with all its major markets performing strongly and a very positive forward order book.

TR has enjoyed satisfactory trading across its various geographies of Australia, New Zealand and wider South East Asia.

Airpac has benefitted from supportive fundamentals in most geographies and markets including exploration, distribution and infrastructure maintenance and renewed activity on LNG projects. Airpac has taken advantage of these opportunities with bold investment timing and significant pricing improvements with the Asia-Pacific region having been particularly strong. Growing concerns over energy security and the increasing adoption of a more pragmatic approach towards net zero will be supportive in the medium term.

## Board Changes

It is my pleasure to welcome Anna Bielby as the Group's new Chief Executive, taking over from Neil Stothard who retired from the Group at the end of September. Anna joined as Chief Financial Officer in January 2023 and has already had an immediate impact in her new role. We also look forward to welcoming Keith Winstanley as our new CFO in January 2024.

Neil and I worked together at Vp for over 26 years. During this time we confronted numerous challenges and oversaw huge change within the business. On behalf of myself, the Board, all our colleagues in the Group and our wider stakeholder base, I would like to thank Neil most sincerely for his outstanding contribution to the Group over this time and wish him every enjoyment of his well-earned retirement.

## Outlook

We have delivered a solid performance with sector leading returns in the period reflecting the strength of our diverse business offering. We are particularly pleased to have maintained net margin and a strong return on average capital employed demonstrating high quality of earnings in difficult market conditions.

Having multiple sector exposure diversifies our revenue streams and has contributed to the robust performance in the period, with infrastructure demand remaining supportive. Whilst there may be immediate challenges within general construction, I am confident that the measures taken will start to be of near term benefit. The Group continues to produce strong operating cash flows and maintains a solid financial base, having refinanced our RCF in November on similar terms for a further three years. We are well positioned for growth.

Vp has an excellent track record of successfully navigating difficult markets and the diversity of our operations provides us with a solid foundation from which to grow the business both organically or via acquisitions. We remain confident in the Group's ability to drive demand for our products and services whilst embracing our customers' needs for sustainable and digital solutions. There is a great sense of enthusiasm throughout the Group, driven in part by a refreshed leadership team, which makes us optimistic for the future and our ability to continue to deliver an attractive level of returns for our shareholders. The Board anticipates a full year performance broadly in line with market expectations.

It is my pleasure to thank all our employees for their hard work and commitment contributing to these positive half year results.

**Jeremy Pilkington**  
Chairman  
28 November 2023

\* These measures are explained and reconciled in Note 14: Alternative Performance Measures

# Condensed Consolidated Income Statement

For the period ended 30 September 2023

		Six months to 30 Sept 2023	Restated* Six months to 30 Sept 2022	Full year to 31 Mar 2023
	Note	£000	£000	£000
<b>Revenue</b>	3	<b>190,920</b>	186,487	371,519
Cost of sales		<b>(141,318)</b>	(139,615)	(284,176)
<b>Gross profit</b>		<b>49,602</b>	46,872	87,343
Administrative expenses		<b>(22,977)</b>	(23,378)	(44,763)
Impairment losses on trade receivables		<b>(1,828)</b>	(1,654)	(3,305)
<b>Operating profit before amortisation, impairment of intangible assets and exceptional items</b>		<b>26,591</b>	25,377	48,775
Amortisation and impairment of intangible assets		<b>(1,794)</b>	(1,669)	(4,490)
Exceptional items	4	-	(1,868)	(5,010)
<b>Operating profit</b>	3	<b>24,797</b>	21,840	39,275
Net financial expense		<b>(4,901)</b>	(3,982)	(8,569)
<b>Profit before tax, amortisation, impairment of intangible assets and exceptional items</b>		<b>21,690</b>	21,395	40,206
Amortisation and impairment of intangible assets		<b>(1,794)</b>	(1,669)	(4,490)
Exceptional items	4	-	(1,868)	(5,010)
<b>Profit before tax</b>		<b>19,896</b>	17,858	30,706
Taxation	5	<b>(5,513)</b>	(4,281)	(7,696)
<b>Profit after tax</b>		<b>14,383</b>	13,577	23,010
		<b>Pence</b>	Pence	Pence
Basic earnings per share	7	<b>36.43</b>	34.24	58.05
Diluted earnings per share	7	<b>36.12</b>	33.86	57.76
Dividend per share	8	<b>11.50</b>	11.00	37.50

\*In accordance with IAS1, impairment losses on trade receivables are required to be presented separately on the face of the Income Statement. Previously such losses were presented with Cost of Sales. This was corrected at 31 March 2023 and the comparative restated accordingly.

# Condensed Consolidated Statement of Comprehensive Income

For the period ended 30 September 2023

	Six months to 30 Sept 2023	Six months to 30 Sept 2022	Full year to 31 Mar 2023
	£000	£000	£000
<b>Profit for the period</b>	<b>14,383</b>	13,577	23,010
<b>Other comprehensive (expense)/income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit pension scheme	-	-	(319)
Tax on items taken to other comprehensive income	-	-	5
Impact of tax rate change	-	-	58
<i>Items that may be subsequently reclassified to profit or loss</i>			
Foreign exchange translation difference	(772)	1,602	502
<b>Other comprehensive (expense)/income</b>	<b>(772)</b>	1,602	246
<b>Total comprehensive income for the period</b>	<b>13,611</b>	15,179	23,256

# Condensed Consolidated Statement of Changes in Equity

For the period ended 30 September 2023

	Note	Six months to 30 Sept 2023	Six months to 30 Sept 2022	Full year to 31 Mar 2023
		£000	£000	£000
<b>Total comprehensive income for the period</b>		<b>13,611</b>	15,179	23,256
Tax movements to equity		(12)	(133)	62
Impact of tax rate change		-	-	16
Share option charge in the period		463	675	580
Net movement relating to shares held by Vp Employee Trust		(698)	(535)	(1,096)
Dividends to shareholders	8	(10,460)	(10,112)	(14,471)
<b>Change in equity during the period</b>		<b>2,904</b>	5,074	8,347
Equity at the start of the period		174,932	166,585	166,585
<b>Equity at the end of the period</b>		<b>177,836</b>	171,659	174,932

There were no movements in issued share capital, the capital redemption reserve or share premium in the reported periods.

# Condensed Consolidated Balance Sheet

At 30 September 2023

		30 Sept 2023	31 Mar 2023	30 Sept 2022
	Note	£000	£000	£000
<b>Non-current assets</b>				
Property, plant and equipment	6	250,890	252,385	254,984
Goodwill		44,584	44,649	44,997
Intangible assets		12,386	13,099	15,834
Right of use assets		58,883	54,637	52,822
Employee benefits		2,240	2,300	2,670
<b>Total non-current assets</b>		<b>368,983</b>	<b>367,070</b>	<b>371,307</b>
<b>Current assets</b>				
Inventories		9,321	8,915	8,657
Trade and other receivables		83,755	81,513	86,903
Cash and cash equivalents	9	9,214	11,140	9,428
Income tax receivable		496	736	-
<b>Total current assets</b>		<b>102,786</b>	<b>102,304</b>	<b>104,988</b>
<b>Total assets</b>		<b>471,769</b>	<b>469,374</b>	<b>476,295</b>
<b>Current liabilities</b>				
Interest bearing loans and borrowings	9	(49,815)	-	-
Lease liabilities		(16,056)	(14,622)	(14,172)
Trade and other payables		(70,135)	(72,184)	(74,380)
Income tax payable		-	-	(854)
<b>Total current liabilities</b>		<b>(136,006)</b>	<b>(86,806)</b>	<b>(89,406)</b>
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings	9	(92,786)	(145,508)	(158,370)
Lease liabilities		(46,570)	(43,896)	(42,053)
Provisions		(1,663)	(1,612)	(895)
Deferred tax liabilities		(16,908)	(16,620)	(13,912)
<b>Total non-current liabilities</b>		<b>(157,927)</b>	<b>(207,636)</b>	<b>(215,230)</b>
<b>Total liabilities</b>		<b>(293,933)</b>	<b>(294,442)</b>	<b>(304,636)</b>
<b>Net assets</b>		<b>177,836</b>	<b>174,932</b>	<b>171,659</b>
<b>Equity</b>				
Issued share capital		2,008	2,008	2,008
Capital redemption reserve		301	301	301
Share premium		16,192	16,192	16,192
Foreign currency translation reserve		(1,290)	(518)	577
Retained earnings		160,625	156,949	152,581
<b>Total equity</b>		<b>177,836</b>	<b>174,932</b>	<b>171,659</b>

# Condensed Consolidated Statement of Cash Flows

For the period ended 30 September 2023

		<b>Six months to 30 Sept 2023</b>	Six months to 30 Sept 2022	Full year to 31 Mar 2023
	<b>Note</b>	<b>£000</b>	£000	£000
<b>Cash flows from operating activities</b>				
Profit before taxation		<b>19,896</b>	17,858	30,706
Adjustment for:				
Share based payment charges		<b>463</b>	675	580
Depreciation	6	<b>22,664</b>	23,831	46,853
Depreciation of right of use assets		<b>8,367</b>	8,098	16,305
Amortisation and impairment of intangibles		<b>1,794</b>	1,669	4,490
Net financial expense		<b>4,901</b>	3,982	8,569
Profit on sale of property, plant and equipment		<b>(4,350)</b>	(5,041)	(9,174)
Release of arrangement fees		<b>93</b>	149	287
		<b>53,828</b>	51,221	98,616
<b>Operating cash flow before changes in working capital and provisions</b>				
Increase in inventories		<b>(406)</b>	(701)	(959)
Increase in trade and other receivables		<b>(2,242)</b>	(10,846)	(5,452)
Increase/(decrease) in trade and other payables		<b>535</b>	(8,034)	(11,979)
		<b>51,715</b>	31,640	80,226
<b>Cash generated from operations</b>				
Interest paid		<b>(3,268)</b>	(2,462)	(5,413)
Interest element of lease liability payments		<b>(1,634)</b>	(1,482)	(3,038)
Interest received		<b>16</b>	4	32
Income tax paid		<b>(4,999)</b>	(3,465)	(5,496)
		<b>41,830</b>	24,235	66,311
<b>Net cash flows from operating activities</b>				
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment		<b>12,845</b>	12,202	24,855
Purchase of property, plant and equipment		<b>(33,840)</b>	(36,013)	(63,312)
Purchase of intangible software		<b>(176)</b>	-	-
		<b>(21,171)</b>	(23,811)	(38,457)
<b>Net cash flows used in investing activities</b>				
<b>Cash flows from financing activities</b>				
Purchase of own shares by Employee Trust		<b>(698)</b>	(535)	(1,096)
Repayment of loans		<b>(17,000)</b>	(10,000)	(29,000)
New loans		<b>14,000</b>	24,000	30,000
Capital element of lease liability payments		<b>(8,505)</b>	(8,188)	(15,921)
Dividends paid	8	<b>(10,460)</b>	(10,112)	(14,471)
		<b>(22,663)</b>	(4,835)	(30,488)
<b>Net cash flows used in financing activities</b>				
Net decrease in cash and cash equivalents		<b>(2,004)</b>	(4,411)	(2,634)
Effect of exchange rate fluctuations on cash held		<b>78</b>	222	157
Cash and cash equivalents at beginning of period		<b>11,140</b>	13,617	13,617
	9	<b>9,214</b>	9,428	11,140
<b>Cash and cash equivalents at end of period</b>				

# Notes to the Condensed Financial Statements

## 1. Basis of Preparation

Vp plc (the “Company”), is a company limited by shares, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is Central House, Beckwith Knowle, Otley Road, Harrogate, North Yorkshire, HG3 1UD. Its shares are listed on the London Stock Exchange. The Condensed Consolidated Interim Financial Statements of the Company for the half year ended 30 September 2023 consolidate the financial information of the Company and its subsidiaries (together referred to as the “Group”).

The condensed interim financial statements have been prepared using accounting policies set out in the Annual Report and Accounts 2023. They are unaudited and have not been reviewed by the Company’s auditor. This report has been prepared in accordance with the UK-adopted International Accounting Standard 34 ‘Interim Financial Reporting’ and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority.

The results for the year ended 31 March 2023 and the Consolidated Balance Sheet as at that date are abridged from the Group’s Annual Report and Accounts 2023 which have been delivered to the Registrar of Companies. The auditor’s report on those accounts included a material uncertainty related to going concern as the Group’s revolving credit facility had an expiry date within the auditor’s going concern assessment period. The RCF has since been refinanced on similar terms and extended to November 2026.

The condensed interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim announcement was approved by the Board of Directors on 28 November 2023.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2023.

The Group continues to be in a healthy financial position with total banking facilities at the period end of £190.5 million, including an overdraft facility. Since the year end net debt excluding lease liabilities has reduced by £1.0 million to £133.4 million, which is £15.5 million lower than 30 September 2022. The Board has evaluated the banking facilities and the associated covenants on the basis of current forecasts, taking into account the current economic climate. These forecasts have been subjected to sensitivity analysis, involving the flexing of key assumptions reflecting severe but plausible scenarios, including a downturn in economic activity. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. Having reassessed the principal risks the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the interim financial information.

## 2. Risks and Uncertainties

The principal risks and uncertainties facing the Group and the ways in which they are mitigated are described on pages 39 to 42 of the 31 March 2023 Annual Report and Accounts. The principal risks and uncertainties are market, competition, investment / fleet management, people, safety, financial, contractual, legal and regulatory requirements, climate change and IT resilience which remain the same for this interim financial report.



# Notes to the Condensed Financial Statements

## 3. Summarised Segmental Analysis

	Revenue			Operating Profit Before Amortisation, Impairment of Intangible Assets and Exceptional Items		
	Sept 2023	Sept 2022	Mar 2023	Sept 2023	Sept 2022	Mar 2023
	£000	£000	£000	£000	£000	£000
UK	<b>171,276</b>	166,932	333,453	<b>24,196</b>	23,820	45,564
International	<b>19,644</b>	19,555	38,066	<b>2,395</b>	1,557	3,211
	<b>190,920</b>	186,487	371,519	<b>26,591</b>	25,377	48,775
Amortisation and impairment of intangible assets				<b>(1,794)</b>	(1,669)	(4,490)
Exceptional items				-	(1,868)	(5,010)
Operating Profit				<b>24,797</b>	21,840	39,275

	Assets			Liabilities			Net Assets		
	Sept 2023	Mar 2023	Sept 2022	Sept 2023	Mar 2023	Sept 2022	Sept 2023	Mar 2023	Sept 2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
UK	<b>430,108</b>	427,056	433,870	<b>279,754</b>	279,951	292,261	<b>150,354</b>	147,105	141,609
International	<b>41,661</b>	42,318	42,425	<b>14,179</b>	14,491	12,375	<b>27,482</b>	27,827	30,050
	<b>471,769</b>	469,374	476,295	<b>293,933</b>	294,442	304,636	<b>177,836</b>	174,932	171,659

Below summarises the disaggregation of revenue from contracts with customers from the total revenue disclosed in the Condensed Consolidated Income Statement:

	Sept 2023 £000	Sept 2022 £000	Mar 2023 £000
Equipment hire	<b>143,297</b>	140,889	275,257
Services	<b>32,666</b>	31,234	65,045
Sales of goods	<b>14,957</b>	14,364	31,217
Total revenue	<b>190,920</b>	186,487	371,519

# Notes to the Condensed Financial Statements

## 4. Exceptional Items

During the half year to 30 September 2023, the Group incurred no exceptional costs. In H1 2023, the Group incurred £1.9 million of exceptional costs in relation to formal sale process costs and restructuring costs.

	Sept 2023	Sept 2022	Mar 2023
	£000	£000	£000
Formal sales process	-	1,837	1,687
Restructuring costs	-	31	3,323
Total Exceptional Items	<u>-</u>	<u>1,868</u>	<u>5,010</u>

## 5. Income Tax

The effective tax rate is 27.7% in the period to 30 September 2023 (H1 2023: 24.0%). The effective rate for the period reflects the current standard tax rate of 25% (H1 2023: 19%), as adjusted for estimated permanent differences for tax purposes offset by gains covered by exemptions. The rate includes the effect of higher statutory tax rates levied in Australia and Germany.

## 6. Property, Plant and Equipment

	Sept 2023	Mar 2023	Sept 2022
	£000	£000	£000
Opening carrying amount	252,385	247,526	247,526
Additions	31,327	66,860	37,151
Depreciation	(22,664)	(46,853)	(23,831)
Disposals	(9,426)	(15,680)	(7,158)
Effect of movements in exchange rates	(732)	532	1,296
Closing carrying amount	<u>250,890</u>	<u>252,385</u>	<u>254,984</u>

The value of capital commitments at 30 September 2023 was £10,313,000 (31 March 2023 £10,715,000).

## 7. Earnings Per Share

Earnings per share have been calculated on 39,482,946 shares (H1 2023: 39,651,301 shares) being the weighted average number of shares in issue during the period, excluding those shares held by Vp Employee Trust. Diluted earnings per share have been calculated on 39,820,019 shares (H1 2023: 40,099,143 shares) adjusted to reflect conversion of all potentially dilutive ordinary shares. The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

Basic earnings per share before the amortisation of intangibles and exceptional items was 39.83 pence (H1 2023: 42.34 pence) and was based on an after tax add back of £1,345,000 (H1 2023: £3,213,000) in respect of the amortisation of intangibles and exceptional items. Diluted earnings per share before amortisation of intangibles and exceptional items was 39.50 pence (H1 2023: 41.87 pence).

## 8. Dividends

The Directors have declared an interim dividend of 11.50 pence per share (H1 2023: 11.00 pence) payable on 10 January 2024 to shareholders on the register at 8 December 2023. The dividend declared will absorb an estimated £4.537 million (H1 2023: £4.359 million) of shareholders' funds.

The cost of dividends in the Statement of Changes in Equity is after adjustments for the interim and final dividends waived by the Vp Employee Trust in relation to the shares it holds for the Group's share option schemes.

# Notes to the Condensed Financial Statements

## 9. Analysis of Net Debt

	<b>As at</b> <b>1 Apr 2023</b> <b>£000</b>	<b>Cash</b> <b>Flow</b> <b>£000</b>	<b>Non-cash</b> <b>Movements</b> <b>£000</b>	<b>As at</b> <b>30 Sept 2023</b> <b>£000</b>
Cash and cash equivalents	11,140	(1,926)	-	<b>9,214</b>
Secured loans	(146,000)	3,000	-	<b>(143,000)</b>
Arrangement fees	492	-	(93)	<b>399</b>
Net debt excluding lease liabilities	(134,368)	1,074	(93)	<b>(133,387)</b>
Lease liabilities	(58,518)	10,139	(14,247)	<b>(62,626)</b>
Net debt including lease liabilities	(192,886)	11,213	(14,340)	<b>(196,013)</b>

The Group has two private placements with PGIM Inc. for £65 million (drawn down in January 2020) and £28 million (drawn down in April 2021). The Group also has committed revolving credit facilities of £90 million which was refinanced in November 2023. The Group also has overdraft facilities of £7.5 million, leading to total available facilities of £190.5 million.

## 10. Related Party Transactions

Transactions between Group Companies, which are related parties, have been eliminated on consolidation and therefore do not require disclosure. The Group has not entered into any other related party transactions in the period which require disclosure in this interim statement.

## 11. Contingent Liabilities

In an international group a variety of claims arise from time to time in the normal course of business. Such claims may arise due to actions being taken against group companies as a result of investigations by fiscal authorities or under regulatory requirements. Provision has been made in these consolidated financial statements against any claims which the directors consider are likely to result in significant liabilities.

## 12. Post Balance Sheet Event

On 23 November the Group refinanced its committed revolving credit facility with a new three year, £90 million facility. 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.

## 13. Forward Looking Statements

The Chairman's Statement includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Statements in respect of the Group's performance in the year to date are based upon unaudited management accounts for the period 1 April 2023 to 30 September 2023. Nothing in this announcement should be construed as a profit forecast.

Except as required by the Listing Rules and applicable law, the Company undertakes no obligation to update, review or change any forward looking statements to reflect events or developments occurring after the date of this report.

# Notes to the Condensed Financial Statements

## 14. Alternative Performance Measures

The Board monitors performance principally through adjusted and like-for-like performance measures. Adjusted profit and earnings per share measures exclude certain items including the impact of IFRS16, amortisation of intangible assets, goodwill impairment charges and exceptional items.

The Board believes that such alternative measures are useful as they exclude one-off (amortisation, impairment of intangible assets and exceptional items) and non-cash (amortisation of intangible assets) items which are normally disregarded by investors, analysts and brokers in gaining a clearer understanding of the underlying performance of the Group from one year to the next when making investment and other decisions. Equally, IFRS16 is excluded from measures used by these same stakeholders and so is removed from certain APMs.

The key measures used as APMs are reconciled below:

	<b>Sept 2023</b>	Sept 2022	Mar 2023
	<b>£000</b>	£000	£000
Profit before tax as per Income Statement	<b>19,896</b>	17,858	30,706
Adjustment to remove IFRS 16 impact	<b>188</b>	62	283
<b>Adjusted profit before tax APM</b>	<b>20,084</b>	17,920	30,989
Amortisation and impairment of intangible assets	<b>1,794</b>	1,669	4,490
Exceptional items	-	1,868	5,010
<b>Adjusted profit before tax, amortisation, impairment of intangible assets and exceptional items APM (PBTAE)</b>	<b>21,878</b>	21,457	40,489
Interest (excluding interest on lease liabilities)	<b>3,271</b>	2,503	5,542
<b>Adjusted operating profit before tax, amortisation, impairment of intangible assets and exceptional items APM</b>	<b>25,149</b>	23,960	46,031
Depreciation (excluding depreciation of right of use of assets)	<b>22,664</b>	23,831	46,853
<b>Adjusted EBITDA APM</b>	<b>47,813</b>	47,791	92,884

Net margin of 11.5% is calculated by dividing adjusted profit before tax, amortisation, impairment of intangible assets and exceptional items by revenue.

	<b>Sept 2023</b>	Sept 2022	Mar 2023
	<b>pence</b>	pence	pence
Basic earnings per share	<b>36.4</b>	34.2	58.1
Impact of amortisation, impairment of intangible assets and exceptional items after tax	<b>3.4</b>	8.1	20.3
Impact of IFRS 16	<b>0.5</b>	0.2	0.6
<b>Adjusted basic earnings per share APM</b>	<b>40.3</b>	42.5	79.0

	<b>Sept 2023</b>	Sept 2022	Mar 2023
	<b>£000</b>	£000	£000
Net debt including lease liabilities	<b>196,013</b>	205,167	192,886
Lease liabilities	<b>62,626</b>	56,225	58,518
<b>Net debt excluding lease liabilities APM</b>	<b>133,387</b>	148,942	134,368

Return on average capital employed (ROACE) is based on adjusted operating profit before tax, amortisation, impairment of intangible assets and exceptional items as defined above divided by average capital employed on a monthly basis using the management accounts excluding IFRS16.

# Notes to the Condensed Financial Statements

## Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed consolidated set of interim financial statements has been prepared in accordance with UK-adopted IAS 34 *Interim Financial Reporting*;
- the interim management report includes a fair review of the information required by:
  - (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

**By order of the Board**  
**28 November 2023**

### The Board

The Directors who served during the six months to 30 September 2023 were:

Jeremy Pilkington (Chairman)

Neil Stothard (Chief Executive, resigned 30 September 2023)

Anna Bielby (Chief Financial Officer, appointed Chief Executive on 1 September 2023)

Phil White (Non-Executive Director)

Stuart Watson (Non-Executive Director)

Mark Bottomley (Non-Executive Director)