Press Release **29 November 2022**

Vp plc
('Vp' or the 'Group')

Interim Results

Strong performance reflects resilience of the business and the Group's leading position in diversified end markets

Vp plc, the equipment rental specialist, today announces its Interim Results for the six months ended 30 September 2022 ('H1 2023' or the 'period').

Financial Highlights

	H1 2023	H1 2022	% change
Revenues (£m)	**186.5**	176.1	**+6%**
Profit before tax, amortisation and exceptional items (£m)	**21.5**	20.2	**+6%**
Return on average capital employed	**14.4%**	13.5%	**+7%**
Basic EPS pre-amortisation and exceptional items (pence)	**42.5**	37.7	**+13%**
Proposed interim dividend (pence per share)	**11.0**	10.5	**+5%**
EBITDA (£m)	**47.8**	44.5	**+7%**
Net debt (£m)	**148.9**	131.7	**+13%**
Capital investment in rental fleet (£m)	**33.8**	31.7	**+7%**
Statutory profit before taxation (£m)	**17.9**	18.6	**-4%**
Profit before tax, amortisation and exceptional items inclusive of IFRS 16 impact (£m)	**21.4**	20.2	**+6%**

Operational Highlights

- Results reflect a period of continued recovery and demonstrate strength of the business
- Sustained demand across the Group's business units
- Improved return on average capital employed demonstrates the Group's high quality of earnings
- UK Division delivered a very satisfactory performance driven by infrastructure and a resilient house building sector
- International Division revenues increased by 28% and operating profits doubled

Outlook / Current H2 2023 Trading

- Inflationary pressures continue to be actively managed by increased pricing and continued focus on efficiencies
- Fleet emissions reduction targets remain on track
- Significant financial strength of the Group and its historic track record underpins the future
- Remain alert to both inorganic and organic growth opportunities
- Current trading is in line with the Board's expectations for the full year

Commenting on the Interim Results, Jeremy Pilkington, Chairman of Vp plc, said: "I am pleased to report a solid set of results that reflect a period of continuing recovery and which demonstrate the enduring strength of our business and the maintenance of our industry leading returns.

"Our businesses have continued to make good progress in their engagement with customers and supply chain partners to deliver sustainable and innovative fleet solutions as we collectively strive to reduce emissions.

"The period under review has seen continued inflationary pressure on fleet capital costs, transport, fuel, wages, utilities and interest costs, but we have largely mitigated these with agreed price increases combined with a diligent focus on efficiencies within our business. We expect these actions to remain a priority for the foreseeable future.

Notwithstanding these challenges, we remain alert to quality growth opportunities whether organic or via acquisitions and we remain confident of delivering a full year outcome in line with the Board's expectations."

- Ends -

The information contained in this announcement is deemed by the Company to constitute inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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CHAIRMAN'S STATEMENT

I am very pleased to report interim results which reflect a period of continuing recovery and demonstrate the enduring strength of the Vp business and the maintenance of our industry leading returns.

In the six months to 30 September 2022, profit before tax, amortisation and exceptional items rose 6% to £21.5 million (H1 2022: £20.2 million) on revenues 6% ahead at £186.5 million (H1 2022: £176.1 million). Statutory profit before taxation was £17.9 million (H1 2022: £18.6 million). Earnings per share pre-amortisation and exceptional items rose 13% to 42.5 pence per share (H1 2022: 37.7 pence per share). EBITDA increased to £47.8 million (H1 2022: £44.5 million). Return on average capital employed improved to 14.4% (H1 2022: 13.5%), again demonstrating the sustained high quality of Group earnings.

Capital investment in equipment was £33.8 million (H1 2022: £31.7 million) with a continuing emphasis towards providing a newer fleet of substitutional products to facilitate our customer's journey towards lower emission solutions.

Sustained demand across our business units, combined with supply constraints and inflationary cost measures, has required us to increase pricing on many product lines. Our active management response has largely mitigated these pressures. Borrowings at the period end increased to £148.9 million (H1 2022: £131.7 million), primarily due to increases in working capital, reflecting growth in the business, but maintaining significant investment headroom of £41.6 million against total facilities.

Reflecting these results and our view of the future prospects of the Group, the Board is declaring an interim dividend of 11.0 pence per share (H1 2022: 10.5 pence per share) an increase of 5% payable on 11 January 2023 to shareholders registered at 9 December 2022.

UK Division

The UK Division delivered what, under all the circumstances, we consider a very satisfactory performance. Improved revenues of £166.9 million (H1 2022: £160.8 million) lifted operating profits to £22.5 million (H1 2022: £21.8 million). Statutory operating profit was £23.8 million (H1 2022: £23.3 million).

The infrastructure sector has been a key platform of the Group's success over many years and remains an important element of our business mix. I am therefore pleased to say that the key sectors of water (AMP7) and rail (CP6) programmes are now coming on stream more strongly and in line with our expectations of this point in the cycle, although recent strike actions have disrupted some rail workstreams. Transmission demand has been good but HS2 work has been quieter than anticipated as we transition to phase 2.

New non-residential construction has remained soft, however commercial re-purposing of property has emerged as a buoyant alternative. Housebuilding, despite popular commentaries, remains a resilient and important market for us with good long-term prospects.

International Division

Operating profits before amortisation and exceptional items more than doubled to £1.5 million (H1 2022: £0.7 million) on revenues 28% ahead at £19.6 million (H1 2022: £15.3 million). Statutory operating profit was £1.6 million (H1 2022: £ 0.7 million), well ahead of the prior period.

For the TR business in Australia, although lockdown measures were relaxed later than in Europe, the Group has enjoyed recovery throughout its markets and is now trading at pre covid levels.

Airpac Rentals has benefitted from the increased demand for oil and gas resources whilst continuing its diversification into more downstream activities. We expect a continuing improvement in demand from these sectors as well as new applications such as geothermal drilling.

Outlook

We have emerged in good shape from a period of great disruption and our continued recovery once again demonstrates the resilience of our business model, and the benefits derived from occupying leadership positions in diversified end markets.

Our businesses have continued to make good progress in their engagement with customers and supply chain partners to deliver sustainable and innovative fleet solutions as we collectively strive to reduce emissions with further investment in battery and solar powered equipment and in lower emission commercial vehicles.

The period under review has seen inflationary pressure on fleet capital costs, transport, fuel, wages, utilities and interest costs, but we have largely mitigated these with agreed price increases combined with a diligent focus on efficiencies within our business. We expect these actions to remain a priority for the foreseeable future.

Notwithstanding these challenges, we remain alert to quality growth opportunities whether organic or via acquisitions.

We remain confident of delivering a full year outcome in line with the Board's expectations.

Over the longer term, we believe the exceptional quality of our business teams, our market leadership positions and the financial strength of the Group, will continue an exemplary record of accomplishment of delivering outstanding returns for all stakeholders.

Jeremy Pilkington
Chairman

29 November 2022

Condensed Consolidated Income Statement
For the period ended 30 September 2022

	Note	**Six months to 30 Sept 2022 £000**	Six months to 30 Sept 2021 £000	Full year to 31 Mar 2022 £000
Revenue	**3**	**186,487**	176,103	350,915
Cost of sales		**(141,269)**	(133,354)	(263,950)
Gross profit		**45,218**	42,749	86,965
Administrative expenses		**(23,378)**	(20,409)	(43,968)
Operating profit before amortisation and exceptional items	**5**	**25,377**	23,988	46,299
Amortisation and impairment		**(1,669)**	(1,648)	(3,302)
Exceptional items	**4**	**(1,868)**	-	-
Operating profit	**3**	**21,840**	22,340	42,997
Net financial expense	**5**	**(3,982)**	(3,786)	(7,353)
Profit before taxation, amortisation and exceptional items	**5**	**21,395**	20,202	38,946
Amortisation and impairment		**(1,669)**	(1,648)	(3,302)
Exceptional items	**4**	**(1,868)**	-	-
Profit before taxation	**5**	**17,858**	18,554	35,644
Taxation	**6**	**(4,281)**	(4,992)	(10,109)
Profit attributable to owners of the parent		**13,577**	13,562	25,535
		Pence	Pence	Pence
Basic earnings per share	**8**	**34.24**	34.26	64.49
Diluted earnings per share	**8**	**33.86**	33.90	63.83
Dividend per share	**9**	**11.00**	10.50	25.00

IFRS 16 was adopted on 1 April 2019 for statutory reporting. As a result, the primary statements are shown on an IFRS 16 basis. Note 5 provides the impact on the consolidated income statement for the periods ended 30 September 2022, including the £1.4 million positive impact on operating profit before amortisation and exceptional items (£24.0 million pre-IFRS 16) and £1.5 million adverse impact on net financial expense (£2.5 million pre-IFRS 16).

Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 September 2022

	Six months to 30 Sept 2022 £000	Six months to 30 Sept 2021 £000	Full year to 31 Mar 2022 £000
Profit for the period	**13,577**	13,562	25,535
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit pension scheme	**-**	-	693
Tax on items taken to other comprehensive income	**-**	-	(183)
Impact of tax rate change	**-**	-	110
Items that may be subsequently reclassified to profit or loss			
Foreign exchange translation difference	**1,602**	(58)	361
Effective portion of changes in fair value of cash flow hedges	**-**	221	221
Other comprehensive income	**1,602**	163	1,202
Total comprehensive income for the period	**15,179**	13,725	26,737

Condensed Consolidated Statement of Changes in Equity
For the period ended 30 September 2022

	Note	**Six months to 30 Sept 2022 £000**	Six months to 30 Sept 2021 £000	Full year to 31 Mar 2022 £000
Total comprehensive income for the period		**15,179**	13,725	26,737
Tax movements to equity		**(133)**	535	90
Impact of tax rate change		**-**	-	(11)
Share option charge in the period		**675**	899	1,249
Net movement relating to shares held by Vp Employee Trust		**(535)**	(721)	(516)
Movement in minority interest		**-**	-	(27)
Dividends to shareholders	**9**	**(10,112)**	(9,897)	(14,054)
Change in equity during the period		**5,074**	4,541	13,468
Equity at the start of the period		**166,585**	153,117	153,117
Equity at the end of the period		**171,659**	157,658	166,585

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 2022

	Note	30 Sept 2022 £000	31 Mar 2022 £000	30 Sept 2021 £000
Non-current assets				
Property, plant and equipment	**7**	**254,984**	247,526	240,783
Goodwill		**44,997**	44,945	43,740
Intangible assets		**15,834**	17,477	18,848
Right of use assets		**52,822**	54,151	51,823
Employee benefits		**2,670**	2,738	2,127
Total non-current assets		**371,307**	366,837	357,321
Current assets				
Inventories		**8,657**	7,956	6,794
Trade and other receivables		**86,903**	76,057	79,041
Cash and cash equivalents	**10**	**9,428**	13,617	10,471
Total current assets		**104,988**	97,630	96,306
Total assets		**476,295**	464,467	453,627
Current liabilities				
Lease liabilities		**(14,172)**	(14,147)	(14,606)
Trade and other payables		**(74,380)**	(80,676)	(87,517)
Income tax payable		**(854)**	(152)	(100)
Total current liabilities		**(89,406)**	(94,975)	(102,223)
Non-current liabilities				
Interest bearing loans and borrowings	**10**	**(158,370)**	(144,221)	(142,107)
Lease liabilities		**(42,053)**	(43,496)	(40,609)
Provisions		**(895)**	(1,512)	-
Deferred tax liabilities		**(13,912)**	(13,678)	(11,030)
Total non-current liabilities		**(215,230)**	(202,907)	(193,746)
Total liabilities		**(304,636)**	(297,882)	(295,969)
Net assets		**171,659**	166,585	157,658
Equity				
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		**577**	(1,020)	(1,444)
Hedging reserve		**-**	-	-
Retained earnings		**152,581**	149,104	140,574
Total equity attributable to equity holders of parent		**171,659**	166,585	157,631
Non-controlling interest		**-**	-	27
Total equity		**171,659**	166,585	157,658

Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2022

	Note	**Six months to 30 Sept 2022 £000**	Six months to 30 Sept 2021 £000	Full year to 31 Mar 2022 £000
Cash flows from operating activities				
Profit before taxation		**17,858**	18,554	35,644
Adjustment for:				
Share based payment charges		**675**	899	1,249
Depreciation	**7**	**23,831**	22,036	45,532
Depreciation of right of use assets		**8,098**	8,497	16,561
Amortisation and impairment of intangibles		**1,669**	1,648	3,302
Net financial expense		**3,982**	3,786	7,353
Profit on sale of property, plant and equipment		**(5,041)**	(3,368)	(7,045)
Release/(payment) of arrangement fees		**149**	(591)	314
Operating cash flow before changes in working capital and provisions		**51,221**	51,461	102,910
(Increase)/decrease in inventories		**(701)**	548	(614)
Increase in trade and other receivables		**(10,846)**	(12,495)	(9,133)
(Decrease)/increase in trade and other payables		**(8,034)**	2,778	(2,781)
Cash generated from operations		**31,640**	42,292	90,382
Interest paid		**(2,462)**	(2,317)	(4,456)
Interest element of lease liability payments		**(1,482)**	(1,493)	(2,940)
Interest received		**4**	1	2
Income tax paid		**(3,465)**	(2,895)	(6,282)
Net cash flows from operating activities		**24,235**	35,588	76,706
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**12,202**	8,241	17,819
Purchase of property, plant and equipment		**(36,013)**	(34,918)	(68,679)
Acquisition of businesses and subsidiaries (net of cash acquired)		**-**	-	(2,693)
Net cash flows used in investing activities		**(23,811)**	(26,677)	(53,553)
Cash flows from financing activities				
Purchase of own shares by Employee Trust		**(535)**	(721)	(516)
Repayment of loans		**(10,000)**	(42,044)	(95,044)
New loans		**24,000**	47,044	102,044
Arrangement fees		**-**	-	(773)
Capital element of lease liability payments		**(8,188)**	(8,808)	(17,149)
Dividends paid	**9**	**(10,112)**	(9,897)	(14,054)
Net cash flows used in financing activities		**(4,835)**	(14,426)	(25,492)
Net decrease in cash and cash equivalents		**(4,411)**	(5,515)	(2,339)
Effect of exchange rate fluctuations on cash held		**222**	69	39
Cash and cash equivalents at beginning of period		**13,617**	15,917	15,917
Cash and cash equivalents at end of period	**10**	**9,428**	10,471	13,617

Notes to the Condensed Financial Statements

1. Basis of Preparation

Vp plc (the "Company") is incorporated and domiciled in the United Kingdom. The Condensed Consolidated Interim Financial Statements of the Company for the half year ended 30 September 2022 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 2022. They are unaudited and have not been reviewed by the Company's auditor. They are in accordance with IAS 34 Interim Financial Reporting. The results for the year ended 31 March 2022 and the Consolidated Balance Sheet as at that date are abridged from the Group's Annual Report and Accounts 2022 which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under sections 498 (2) or (3) of the Companies Act 2006.

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 29 November 2022.

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 2022.

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 has increased by £18.3 million to £148.9 million, which is £17.2 million higher than 30 September 2021. 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 page 32 and 33 of the 31 March 2022 Annual Report and Accounts. The principal risks and uncertainties are market, competition, investment / product management, people, safety, financial, contractual and legal and regulatory requirements, which remain the same for this interim financial report.

3. Summarised Segmental Analysis

	Revenue			Operating Profit Before Amortisation and Exceptional Items		
	Sept 2022 £000	Sept 2021 £000	Mar 2022 £000	**Sept 2022 £000**	Sept 2021 £000	Mar 2022 £000
UK	**166,932**	160,761	320,203	**23,820**	23,256	44,704
International	**19,555**	15,342	30,712	**1,557**	732	1,595
	186,487	176,103	350,915	**25,377**	23,988	46,299
Amortisation and impairment				**(1,669)**	(1,648)	(3,302)
Exceptional items				**(1,868)**	-	-
Operating Profit				**21,840**	22,340	42,997

	Assets			Liabilities		
	Sept 2022 £000	Mar 2022 £000	Sept 2021 £000	**Sept 2022 £000**	Mar 2022 £000	Sept 2021 £000
UK	**433,870**	425,382	414,744	**292,261**	286,524	285,425
International	**42,425**	39,085	38,883	**12,375**	11,358	10,544
	476,295	464,467	453,627	**304,636**	297,882	295,969

	Net Assets		
	Sept 2022 £000	Mar 2022 £000	Sept 2021 £000
UK	**141,609**	138,858	129,319
International	**30,050**	27,727	28,339
	171,659	166,585	157,658

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

	Sept 2022	Sept 2021	Mar 2022
	£000	£000	£000
Equipment hire	**140,889**	134,607	266,795
Services	**31,234**	29,712	58,711
Sales of goods	**14,364**	11,784	25,409
Total revenue	**186,487**	176,103	350,915

4. Exceptional Items

During the half year to 30 September 2022, the Group incurred £1.9 million of exceptional costs in relation to formal sale process costs and restructuring costs.

	Sept 2022	Sept 2021	Mar 2022
	£000	£000	£000
Formal sales process	**1,837**	-	-
Restructuring costs	**31**	-	-
Total Exceptional Items	**1,868**	-	-

5. Income Statement Reporting

Impact on reporting of IFRS 16

IFRS 16 *Leases* was adopted from 1 April 2019. For comparative purposes with previous years, key reporting measures are also calculated using the previous accounting methodology of IAS 17.

Basic earnings per share before the amortisation of intangibles and exceptional items decreased by 0.03 pence for the period to 30 September 2022 as a result of IFRS 16, compared to the previous accounting methodology of IAS 17. The financial impact of the transition on the Group's Consolidated Income Statement and EBITDA is set out below:

	Sept 2022 Excluding IFRS 16	Sept 2022 IFRS 16 Impact	**Sept 2022 Reported**
	£000	£000	**£000**
Operating profit before amortisation	23,960	1,417	**25,377**
Operating profit	20,423	1,417	**21,840**
EBITDA	47,791	9,515	**57,306**
Net financial expense	(2,503)	(1,479)	**(3,982)**
Profit before taxation and amortisation	21,457	(62)	**21,395**
Profit before taxation	17,920	(62)	**17,858**

Operating profit before amortisation, segment assets and segment liabilities all increased as a result of the change in accounting policy. The IFRS 16 adjustments that have been posted to each segment for the half year ending 30 September 2022 are as follows:

Operating Profit before Amortisation and Exceptional Items

	Pre IFRS 16	IFRS 16 Adjustment	**Per Note 3**
	£000	£000	**£000**
UK	22,457	1,363	**23,820**
International	1,503	54	**1,557**
	23,960	1,417	**25,377**

	Assets			**Liabilities**		
	Pre IFRS 16	IFRS 16 Adjustment	**Per Note 3**	Pre IFRS 16	IFRS 16 Adjustment	**Per Note 3**
	£000	£000	**£000**	£000	£000	**£000**
UK	384,645	49,225	**433,870**	240,650	51,611	**292,261**
International	39,645	2,780	**42,425**	9,589	2,786	**12,375**
	424,290	52,005	**476,295**	250,239	54,397	**304,636**

6. Income Tax

The effective tax rate is 24.0% in the period to 30 September 2022 (H1 2022: 26.9%). The effective rate for the period reflects the current standard tax rate of 19% (H1 2022: 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. In addition, exceptional costs have increased the effective tax rate by approximately 2.2%.

7. Property, Plant and Equipment

	Sept 2022	Mar 2022	Sept 2021
	£000	£000	£000
Opening carrying amount	**247,526**	233,912	233,912
Additions	**37,151**	68,034	33,866
Acquisitions	**-**	1,647	-
Depreciation	**(23,831)**	(45,532)	(22,036)
Disposals	**(7,158)**	(10,774)	(4,959)
Effect of movements in exchange rates	**1,296**	239	-
Closing carrying amount	**254,984**	247,526	240,783

The value of capital commitments at 30 September 2022 was £20,833,000 (31 March 2022 £14,523,000).

8. Earnings Per Share

Earnings per share have been calculated on 39,651,301 shares (H1 2022: 39,581,223 shares) being the weighted average number of shares in issue during the period. Diluted earnings per share have been calculated on 40,099,143 shares (H1 2022: 40,004,585 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 42.34 pence (H1 2022: 37.64 pence) and was based on an after tax add back of £3,213,000 (H1 2022: £1,335,000) in respect of the amortisation of intangibles and exceptional items. Diluted earnings per share before amortisation of intangibles and exceptional items was 41.87 pence (H1 2022: 37.24 pence).

9. Dividends

The Directors have declared an interim dividend of 11.00 pence per share (H1 2022: 10.5 pence) payable on 11 January 2023 to shareholders on the register at 9 December 2022. The dividend declared will absorb an estimated £4.363 million (H1 2022: £4.157 million).

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.

10. Analysis of Net Debt

	As at 1 Apr 2022 £000	Cash Flow £000	Non-cash Movements £000	As at 30 Sep 2022 £000
Cash and cash equivalents	13,617	(4,189)	-	**9,428**
Secured loans	(145,000)	(14,000)	-	**(159,000)**
Arrangement Fees	779	-	(149)	**630**
Net debt excluding lease liabilities	**(130,604)**	**(18,189)**	**(149)**	**(148,942)**
Lease liabilities	(57,643)	8,188	(6,770)	**(56,225)**
Net debt including lease liabilities	**(188,247)**	**(10,001)**	**(6,919)**	**(205,167)**

The Group has two private placements, maturing in January 2027, 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 June 2021 and matures in June 2024. The Group also has overdraft facilities of £7.5 million, leading to total available facilities of £190.5 million.

11. 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.

12. 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.

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 2022 to 30 September 2022. 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.

14. Alternative Performance Measures

(i) All performance measures stated as before amortisation are also before impairment of intangibles and exceptional items.

(ii) Basic earnings per share pre amortisation and exceptional items is reconciled to basic earnings per share in note 8.

(iii) Profit before tax, amortisation and exceptional items is reconciled to profit before tax in the Consolidated Income Statement.

(iv) Return on average capital employed is based on profit before tax, interest, amortisation and exceptional items divided by average capital employed on a monthly basis using the management accounts. Profit before tax, interest, amortisation and exceptional items is reconciled to profit before interest and tax in the Consolidated Income Statement.

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 IAS 34 *Interim Financial Reporting* as adopted by the EU;
- 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
29 November 2022

The Board
The Directors who served during the six months to 30 September 2022 were:

Jeremy Pilkington (Chairman)
Neil Stothard (Chief Executive)
Allison Bainbridge (Group Finance Director)
Steven Rogers (Non-Executive Director)
Phil White (Non-Executive Director)

- Ends -