2025

Annual Report & Accounts

Domestic
& General

OUR PURPOSE

To protect what matters at the **heart of every home**

Strategic Report

See pages 2-81

Corporate Governance

See pages 82-108

Financial Statements

See pages 109-171

Domestic & General

See more online at domesticandgeneral.com

The Annual Report & Accounts is presented for Galaxy Finco Limited, a subsidiary of Domestic & General Limited.

Strategic Report

Where we operate	3
Our business at a glance	4
Chair's statement	7
CEO's statement	9
Financial review	13
Our strategy	19
Our business model	27
Our markets	29
Sustainability	33
Our customers	53
Our partners	57
Our people	61
Stakeholder engagement	67
Risk management	75

Where we operate

Domestic & General operates across 12 markets, including the UK, Germany, Italy, Portugal, Spain and the US

6.7m
Subscription customers
FY24: 6.5m

2.7m
Repairs per annum
FY24: 2.6m

0.4m
Replacements per annum
FY24: 0.5m

Our business at a glance

We're focused on providing an economically-viable, sustainable future where repair is the first choice.

Products

Protecting customers from the cost and inconvenience of appliance breakdown by repairing or replacing key household items. Promoting a sustainable future by reducing waste and extending the lifespan of products.

See more on page 5

Markets

We continue to operate effectively across our 12 markets, aspiring toward exceptional service and customer experience in every country.

See more on pages 29-32

Customers

We aim to provide a high quality, expert service and have high levels of customer satisfaction and strong customer retention.

See more on pages 53-56

Partners

We have a well established distribution model through exclusive partnerships.

See more on pages 57-60

People

Our people strategy is focused on creating an environment where our people can be proud of who we are.

See more on pages 61-66

Our products

Product care

We offer breakdown and accidental damage protection, as well as repair or replacement cover for the most important items in your home, like fridges, washing machines, mobile phones, and heating systems.

Replacement care

Breakdown and accidental damage protection for small appliances in the home costing under £200.

Replacement Care has a fixed-term payment plan and offers an immediate replacement.

Repair & Care

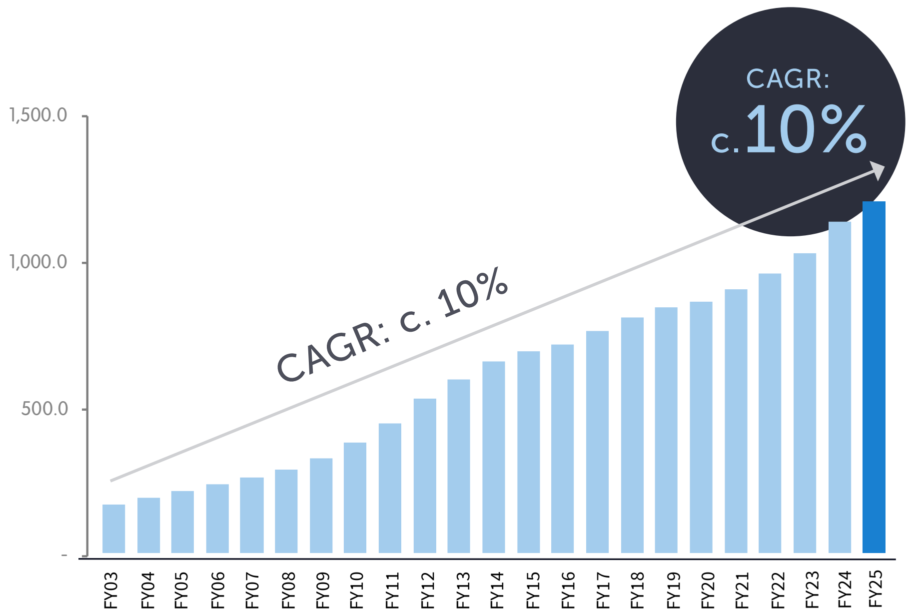
A plan offering an initial repair with ongoing maintenance and support. Offered to customers experiencing breakdowns of essential home appliances, like washing machines, fridges freezers, and heating systems.

We have a strong and resilient position in the home, supported by our simple and transparent product range, with a 99% approval rate of customer claims.

Scaling globally

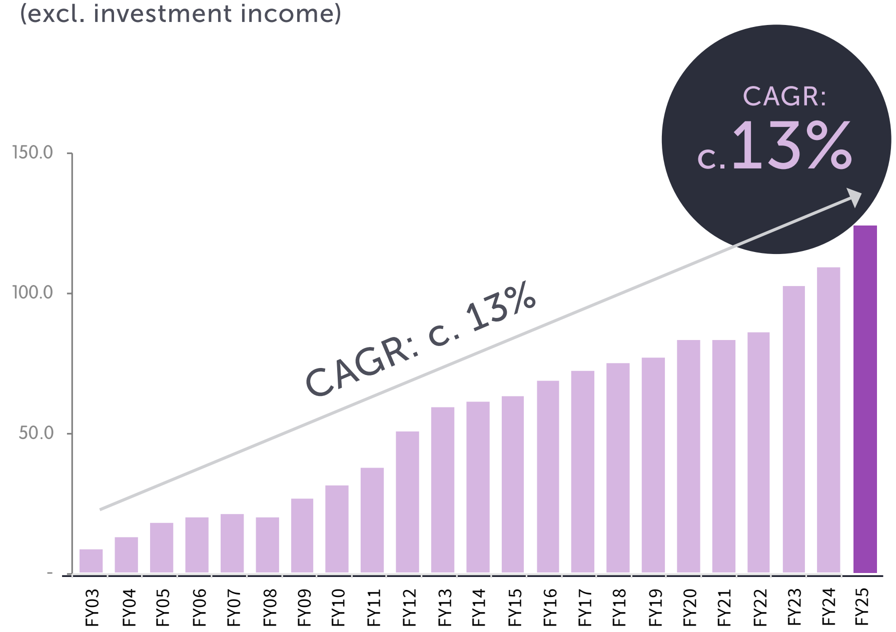
The proven success of our UK subscription model has supported over 20 years of uninterrupted growth for the Group. We continue to replicate these learnings across the 12 markets we operate in.

Group underlying revenue[1]



Group adjusted EBITDA[2]

(excl. investment income)



1 Underlying revenue is stated on a consistent basis excluding the impact of fair value adjustments related to acquisition accounting in historic periods. FY23 onwards are presented on an IFRS 17 basis. FY24 has been restated, please see the financial statements for full details of the prior period restatement.

2 Accounting policies have changed over the 21 year period. CAGRs based on FY03 and FY25. FY03 Group adjusted EBITDA (excl. investment income) calculated based on historical financials (under UK GAAP, with the Group adopting IFRS from 1 April 2005). FY23 onwards are presented on an IFRS 17 basis. FY24 has been restated, please see the financial statements for full details of the prior period restatement.

Chair's statement

David Tyler

Chair

See bio on page 88

A clear vision for sustainable growth

Building for the long term

As we reflect on the past year, I'm pleased with the way D&G has navigated a complex and challenging economic landscape while continuing to deliver on our promises to customers and partners.

Our ability to do well in all market conditions is a testament to our resilient business model, our customer-first approach, and the unwavering commitment of our people.

Despite cost-of-living pressures, inflationary challenges, and shifting consumer trends, we've remained focused on sustainable growth. Our subscription-based model, underpinned by strong customer retention and long-term partnerships with manufacturers and retailers, continues to provide predictable revenue and operational stability. This, coupled with our ability to innovate and adapt, positions us strongly for the future.

Turning to our results, I'm pleased to report the business has delivered another year of good financial results with subscription revenue growth of 9% and adjusted EBITDA of £162m (FY24 restated: £143m).

Delivering on our promise to customers and partners

Customers are at the heart of everything we do, and it's our responsibility to be there when they need us most. In a world where household budgets are under pressure, our role in providing affordable, high-quality protection has never been more important. We don't take that responsibility lightly, and our ability to provide a trusted and valuable service remains a key differentiator in our industry.

Equally, our partners continue to place their confidence in us, strengthening relationships that in many cases have lasted decades. These partnerships are about more than commercial success - they are about shared values, mutual growth, and a deep understanding of what delivers value for customers.

Sustaining momentum in a changing market

The environment we operate in is evolving, and so are we. From shifting consumer behaviours to the increasing role of data, technology and AI, our ability to adapt will define our success in the years ahead. As a Board, our focus is ensuring we have the right strategy, the right leadership, and the right capabilities in place. This will allow us to to capture these opportunities while continuing to grow in a responsible and sustainable way.

We're confident in our strategy and enthusiastic about the future. Our business model provides stability and predictability, but it also offers significant growth potential - particularly in sizeable markets like the US. The opportunity ahead of us is substantial, and we're well positioned to seize it.

A culture that sets us apart

One of the most defining characteristics of D&G is our culture of high performance and accountability. This is an organisation that expects excellence, drives innovation, and values integrity - and it's why we continue to attract and develop exceptional talent at all levels.

We're delighted to have been recognised as one of the UK's Best Workplaces™. This is a great achievement, but more importantly, it reflects a deep commitment to creating an environment where people can thrive, grow, and make a difference. We know that our future success depends on empowering our people and, as a Board, we remain fully committed to that goal.

Leading with responsibility

We recognise that our role in society extends beyond financial performance. From our repair-first model, which helps reduce waste and extend product lifespans, to our focus on inclusion and social mobility, we're committed to making a positive impact. This year, we've continued to strengthen our approach to sustainability and governance, ensuring that our long-term success is built on responsible foundations.

Looking ahead with confidence

As we look to the future, we do so with confidence and ambition. We have a clear strategy, strong financial foundations, deep customer and partner relationships, and a talented team that is ready to drive the business forward.

On behalf of the Board, I want to thank our leadership team, our people, and our partners for their commitment and contribution over the past year. It's their dedication that makes D&G the business it is today - and the business it will be in the years to come.

David Tyler
Chair

9 July 2025

CEO's statement

Matthew Crummack

Chief Executive Officer

See bio on page 88

I'm delighted to report a year of continued growth for our business, despite another challenging macroeconomic backdrop. Alongside further transformation of the group's capability, we've also demonstrated real proof points in the delivery of our strategy. This could not have been achieved without the commitment and strength of our people, and I want to express my sincere gratitude to all our people and teams globally that continue to deliver outstanding results.

I'm particularly proud of the results for this financial year ended 31 March 2025 which demonstrate ongoing resilience in the face of cost-of-living pressures, inflation and weaker consumer sales. Over 20 years of continuous revenue growth reflects a strength and agility in our business model which I don't take for granted, requiring sustained focus each year.

These results demonstrate consistent performance through all economic cycles, driven by a culture of innovation and commerciality. Our strong retention rate of 86% provide a natural hedge against market shifts while showing how much our customers value our products. Equally, our highly predictable claims performance provides good visibility of our earnings.

Underpinning this success is our well-managed and established subscription-based model that supports long-term business stability and security, making sure we can continue to be there every day for our customers, people, partners and investors.

Our focus on delivering trusted, long-standing partnerships that create value for customers is the foundation for our sustainable growth and gives us real confidence in the future. This year, we were proud to strengthen our relationships with leading brands, including Beko, Whirlpool, AO, John Lewis, Worten and Worcester Bosch. With an average partnership life of 25 years, this is clear evidence of the value we create together. These partnerships are a cornerstone of our success, and I'd like to thank all our partners globally for their ongoing collaboration and service.

A clear strategy delivering long-term profitable growth

Our strategy remains clear – to prioritise our resources and capital to drive sustainable, global growth, while building best-in-class customer and partner experiences.

We're confident that we have multiple levers for robust revenue growth and margin expansion, with significant potential and headroom in many of the large, underpenetrated markets that we operate in. Notably, the US has the greatest growth potential owing to its transformational size and scale, whereas we can increase market penetration and embedded product opportunities in the UK and Europe.

Our strong partnerships with global manufacturers and retailers create strategic, organic growth opportunities that enable expansion beyond our core markets. Coupled with our intention to scale on a single, unified platform, leveraging common technology and data excellence, we're excited about the potential to unlock this future value.

We remain open to selective acquisition opportunities that could complement and accelerate our organic growth strategy.

Delivering best-in-class experiences for customers and partners

At the heart of our strategy is a simple, consistent ambition: to deliver exceptional service for every customer, every time, driving better outcomes and lasting value for customers, partners and investors alike.

With 6.7 million subscription customers (FY24: 6.5 million), we're proud that we continue to build a strong value proposition. We have a 99% claims approval rate, supporting 2.7 million repairs (FY24: 2.6 million) and 0.4 million replacements (FY24: 0.5 million), combined with a strong Trustpilot rating 4/5 (FY24: 4/5). This reflects a relentless focus on delivering when customers need us most – getting their appliances working again quickly and effectively. →

Average partner tenure

25 years

FY24: 25 years

Our partners remain our primary route to market and play a fundamental role in helping us service our customers. This year, we've continued to foster even deeper relationships, to create a more seamless customer experience.

Looking ahead, we continue to make iterative investment across our global technology estate, towards a unified, scalable platform that is underpinned by AI and data. We believe this will support greater accuracy and speed to market, while delivering better customer outcomes – making life simpler for all the stakeholders we serve and strengthening the foundations for future growth.

We recognise that we don't always get it right first time for our customers, and sometimes things can go wrong. When they do, we want to put them right as quickly and simply as possible, and learn from what went wrong. This year, we improved our speed of resolution rate for customer complaints to over 78% of cases being closed within 0-3 days of notification (up from 64% in FY24). This has been aided by our investment in a new complaints management system, AI tooling and improved guidance for case handlers who are better equipped to provide faster resolutions for our customers.

A focus on innovating better customer outcomes while driving efficiency in the operation allows for revenue and margin expansion. One example is the roll-out of 'Smart-fix' across heating and white goods, which allows customers to self-serve, enabling faster and more sustainable repairs. Another example is the introduction of online repair tracking, giving customers greater transparency and control.

Driving global growth – exciting momentum in all markets

UK:

- Our UK business remains core and is the largest market, underpinning our overall Group performance.
- We continue to see predictable growth, reinforced by steady increases in the number of appliances covered per household (1.9 appliances per household) (FY24: 1.9).
- We've built a strong network of partnerships and are proud of partner tenure (average 25 years) (FY24: 25 years) – a sign of reliability and trustworthiness.
- We recognise that we have a duty to our customers and partners to continually strengthen our value proposition through data, products and service excellence. This in turn strengthens our growth and business sustainability.

Europe:

- Europe is profitable and growing, with a sizeable footprint across multiple markets.
- We're driving a steady and predictable rise in the adoption of our subscription-based offering.
- There are further identifiable opportunities to deepen our relationships and expand our footprint through our strong partnerships.
- We continue to optimise and scale our operations (using data, AI and technology) as we remain focused on driving long-term profitable growth.

US:

- We've made fantastic progress in the US with our beachhead partner, Whirlpool.
- Consumer demand for D&G's subscription-based protection is growing, mirroring patterns we've seen in the UK.
- Over the past year, we've grown US subscription customers by 161% to c.284k and further strengthened the US Whirlpool relationship – a real sign of confidence in what we're building.
- With a strong focus on scaling operations, increasing brand awareness and bringing differentiated value to US customers and partners, the market holds significant long-term potential.

Our people and culture – the heart of D&G

Our success starts with the people at D&G. I'm proud to say we've been named one of the UK's Best Workplaces™ Super Large Organisations for 2025 (placed in the Top 50). The results of our 2025 global employee survey show we have an engaged workforce who tell us that D&G is a Great Place to Work. This is shown by our formal re-accreditation and a 4ppts improvement in our engagement score on the previous year. We've also won Great Place to Work recognition in all our core markets, and additional accolades in categories such as Best Workplaces™ for Women, Wellbeing, and Development.

We're committed to fostering an inclusive and progressive culture at D&G. This year we've launched our Everyday Inclusivity Journey – a multi-year, multi-level programme to evolve culture and create a truly inclusive environment for everyone. To date, 140 employees have taken part in the programme, with plans already underway for future cohorts. Our employee networks also play a key role in our progress. Some of the communities established include Pride, REACH, Diversibility and Women's networks, all backed by executive sponsors, to drive meaningful change. These initiatives are centred around an effort to enable our people to bring the best of themselves to work and to deliver better outcomes.

The strength of our results is linked to the diversity in our teams and we've made strong progress in our leadership representation, with 57% of our leadership team now female. We continued to strengthen management capability this year by adding new talent to support our next phase of growth, while also upholding a strong internal mobility record (51% of job opportunities filled internally). Our commitment to social mobility is also reflected in our ongoing partnerships with Sigma Labs, Women in Data and Code First Girls. These have helped bring diverse early-career talent into D&G.

Finally, through our Everyday Flexibility approach, we continue to ensure people can thrive inside and outside work – supporting wellbeing and high performance. This approach has yielded excellent employee engagement results, and we believe is a key factor in strong employee retention.

A sustainable future – built on our 'repair first' ethos

Our 'repair-first' approach is about providing great value for our customers and partners. But it's also a strong foundation for our sustainability initiatives.

We're serious about pushing for an economically-viable, sustainable future – where repair is the first choice. This means minimising waste and extending the life of household products through effective repairs. Our research shows that appliances protected by a D&G policy have an extended lifespan of approximately 8 years on average.

This year, we've made strong progress on setting our emissions targets, including validation of our Science-Based Targets (SBTi). And we continue to work closely with our partners to make our operations and services even more sustainable.

Looking ahead – confidence in our future

Looking forward, I'm confident that D&G is uniquely positioned to deliver sustainable, profitable growth. Our commitment to service excellence, combined with our unique subscription-based model, trusted partnerships and global growth opportunities, gives us a strong platform for continued success.

Our priorities for the year ahead are clear:

- Driving revenue and margin growth through deeper partner relationships, US expansion, and leveraging our scalable platform and capabilities in the UK and Europe.
- Enhancing customer experiences through innovation, leveraging AI, data and technology to improve the speed and quality of our products and services.
- Embedding sustainability and inclusivity across our business – because we know our long-term success depends on it.

I'm excited by the road ahead and know that the continued efforts of all D&G people is what makes the difference. I'd like to wholeheartedly thank every colleague across the globe for their hard work, trust and ongoing support.

Matthew Crummack
CEO
9 July 2025

Financial review

Joe Fitzgerald

Chief Financial Officer

See bio on page 88

FY25 Highlights

Overview

- Throughout the year, our strong financial performance has continued, with Group adjusted EBITDA increasing by 14% to £162m (FY24 restated: £143m) reflecting the quality of our business model and our approach to cost discipline.
- Total subscription revenue increased 9% to £1,043m (FY24 restated: £954m) reflecting ongoing new business growth coupled with stable subscription customer retention rates. Revenue per subscription customer now averages £155 (FY24 restated: £147) with this increase driven by both an increase in the average number of policies per customer and by pricing.
- Total group revenue increased by 6% to £1,162m (FY24 Restated: £1,098m) driven by growth in subscription revenue across the UK and International business, partially offset by a planned reduction in non-subscription revenue in the International (ex US) business.
- Reported IFRS profit before tax for the year increased by £5m to £16m (FY24 restated: £11m).

Business update

- During the year, we completed contract extensions with Beko, AO, John Lewis, Worcester Bosch and Worten, with these long-standing relationships helping to support our future growth expectations.
- We continued to see strong growth in the US with c.284k customers compared to c.100k at FY24. We've reached US adjusted EBITDA break-even and we are focussed on developing our existing commercial relationships further and bringing new OEMs and retail partners on board.
- We've continued to upgrade and re-platform some of our key systems, including AWS, Databricks and Ataccama. Delivering innovative digital product solutions and improved customer experience.

Cash flow and capital

- Positive Group free cash flow of £67m (FY24 restated: £58m) reflects strong trading performance which supports debt service requirements and which is stated after investment back into the business, including ongoing planned capital expenditure on technology innovation and capabilities, and investment in growing our US business.
- In December 2024 we completed the refinancing of our Group debt obligations, with strong support from new and existing lenders and bondholders. The financing package included a £350.0m senior secured note and a €545.0m senior secured term loan facility with maturity dates in December 2029, as well as an enlarged revolving credit facility ('RCF') of £165.0m. All existing obligations were repaid.
- Notwithstanding our ongoing investment programmes, we continue to have strong liquidity and at the year-end, our RCF was undrawn with capacity of £165.0m (FY24: £100.5m).
- We continue to be well covered from a regulatory capital perspective at 31 March 2025 with a solvency ratio of 189% (FY24: 192%). →

FINANCIAL

Highlights

Revenue[2]

£1,162m

FY24 Restated[1]: £1,098m

Subscription revenue

£1,043m

FY24 Restated[1]: £954m

Adjusted EBITDA[2]

£162m

FY24 Restated[1]: £143m

Free cash flow

£67m

FY24 Restated[1]: £58m

Solvency ratio[2]

189%

FY24: 192%

For footnotes see page 17

Operating results

Performance

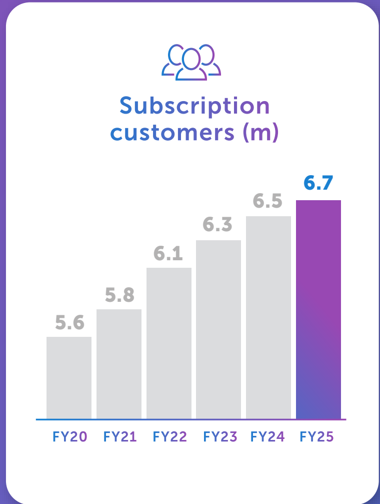
Group adjusted EBITDA was £162m (FY24 restated: £143m), an increase of 14%, reflecting strong trading performance and stable total cost ratios, and the benefit of the US reaching breakeven. Total costs as a proportion of total revenue remained stable, reflecting the predictable nature of costs arising from our well-diversified portfolio of large volume, high frequency, low value contracts.

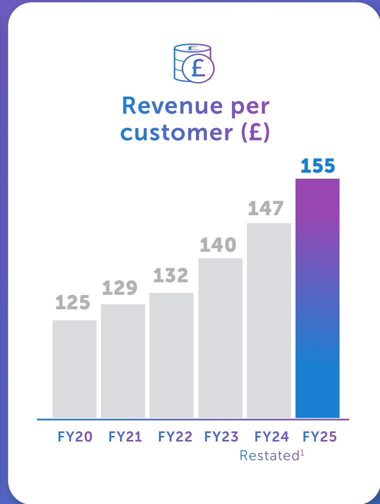
Group profit before tax increased by £5m to £16m (FY24 restated: £11m) inclusive of spend on one-off significant items of £10m in FY25 (FY24: £10m), primarily relating to finance transformation including ongoing IFRS 17 related improvements to the financial reporting process, and other group strategic projects. In addition, costs relating to the settlement of old debt obligations and the write off of previously capitalised transaction fees of £8m were recognised in other finance expenses. This was partially offset by £2.5m of net investment income (FY24: £2.0m).

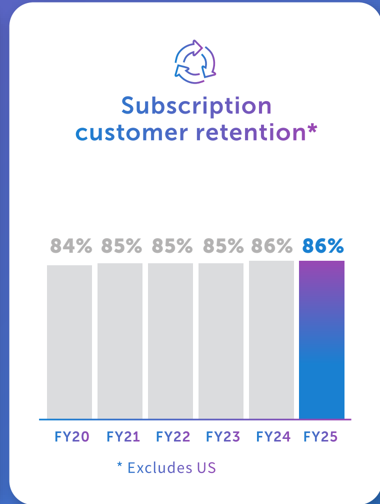
Revenue

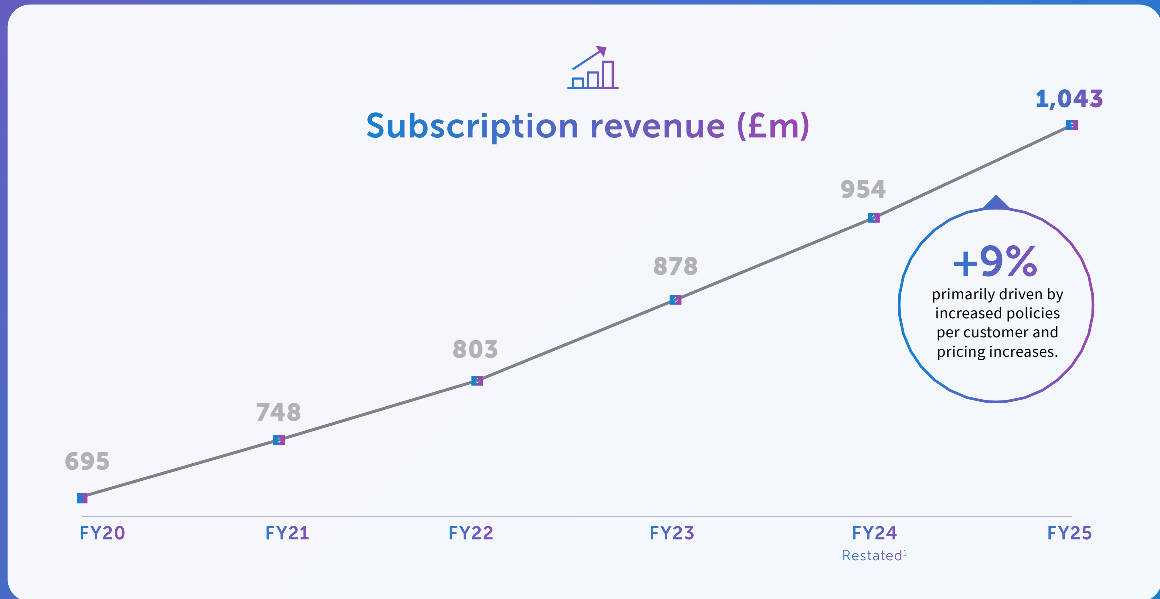
We've continued to see strong financial performance across the Group, with our subscription customer retention rates stable at 86% (FY24: 86%), which we see as evidence that our customers continue to value our proposition, regardless of the economic environment. Total group revenue grew 6% to £1,162m (FY24 restated: £1,098m), with growth in subscription revenue across all businesses partially offset by a planned decrease in non-subscription revenue in the International (ex US) business. →

Our subscription model









For footnotes see page 17

Our total subscription revenue increased 9% year-on-year to £1,043m (FY24 Restated: £954m), while subscription customer numbers increased to 6.7m (FY24: 6.5m), resulting from continued new business sales growth combined with stable customer renewals.

UK revenue increased by 7% to £912m (FY24: £855m) primarily due to growth in customer numbers, average number of polices per customer, stable retention rates and pricing increases. Subscription revenue in the UK increased 7% to £871m (FY24: £816m) and represents 95% of total UK revenue.

International (ex US) revenue decreased 7% to £187m (FY24 restated: £201m), driven by growth in subscription revenue of 9%, which was more than offset by lower non-subscription revenue within the EU markets as the business focuses on writing higher quality subscription business. Subscription revenue continues to be a growing proportion of total International (ex US) revenue at 74% (FY24 restated: 63%) reflecting the continued progress in replicating our successful UK subscription model.

Our US operations are now firmly established and by the end of FY25 we had over 284k US subscription customers (FY24: 100k customers) in our organic business, generating £34m of revenue (FY24: £11m), an increase of 213%. Non subscription revenue in the acquired After, Inc. business was £29m (FY24: £31m), which is presented in other income.

Taxation

The corporation tax charge for FY25 has increased to £8m. FY25 is impacted by the non-recognition of deferred tax assets for losses in respect of the US business. If this impact was excluded the effective tax rate would be 25%, in line with the UK corporation tax rate of 25%.

Reconciliation of profit to adjusted EBITDA

	FY25 £m	Restated FY24 £m
Profit before tax	**15.7**	**11.1**
Depreciation and amortisation	53.3	53.3
Other finance expenses	83.3	68.8
EBITDA	**152.3**	**133.2**
Significant items	9.7	9.5
Adjusted EBITDA	**162.0**	**142.7**

Profit before tax is adjusted for certain non-cash expenditure (depreciation and amortisation), together with other finance expenses and significant items which are one-off in nature and not indicative of underlying trading to arrive at adjusted EBITDA of £162m.

Other finance expenses increased by £14m to £83m (FY24: £69m), with the increase primarily due to costs of £8m relating to the settlement of old debt obligations following the refinancing in December 2024 and foreign exchange movements on the unhedged element of Euro denominated debt of £6m (FY24: £nil).

Group cash flow and net debt

In December 2024, we successfully refinanced our debt obligations with new debt maturities now falling in 2029, and with improved liquidity via an enlarged RCF.

	FY25 £m	FY24 £m
Third-party debt	842.2	798.6
Unrestricted cash reserves	(56.1)	(42.5)
Net debt	786.1	756.1

Unrestricted cash, which represents the combination of (i) the cash and cash equivalents balance and liquid investment assets of the unregulated business; and (ii) the distributable surplus capital of the regulated business in excess of its regulatory capital requirements, increased to £56m (FY24: £43m). Gross third-party debt increased to £842m (FY24: £799m), driven by funding of our investments into technology and the US, and by the issue of new debt in December 2024. At the end of FY25, the RCF was undrawn (FY24: £37m). As a result of movements in unrestricted cash and gross debt, net debt increased by £30m to £786m (FY24: £756m).

IFRS cash and investments

	FY25 £m	FY24 £m
Cash and cash equivalents at the beginning of the year	**26.4**	**30.3**
Net cash from operating activities	2.7	17.0
Net cash used in investing activities	(32.4)	(82.1)
Net cash relating to financing activities	28.9	62.0
Effects of foreign exchange	(0.6)	(0.8)
Cash and cash equivalents at the end of the year	**24.9**	**26.4**
Liquid investments	49.0	44.3
Cash and cash equivalents and investments at the end of the year	**73.9**	**70.7**

Net cash from operating activities of £3m (FY24: £17m) represents a decrease of £14m compared to the prior year. This cashflow is stated net of working capital outflows of £77m in FY25 (FY24: £42m outflows). Working capital spend supports the ongoing growth of our successful subscription business, and includes commission arrangements with clients in relation to multi-year commercial terms and US working capital investment. It also includes the ongoing run-off of our Australian business and certain EU legacy cash business, which has temporarily increased working capital outflows in this and earlier years, but is now reducing. →

Net cash used in investing activities was £32m (FY24: £82m), a decrease of £50m. The spend in FY25 primarily related to software acquisitions as we continue to invest in our IT infrastructure. The higher outflows in FY24 primarily reflected our purchase of After, Inc. in the US (£50m) and software acquisitions (£37m) including the Nana Technologies platform purchase.

There was a net cash inflow from financing activities of £29m in FY24 (FY24: inflow of £62m) primarily reflecting the net proceeds from the debt refinancing completed in December 2024. FY24 inflows of £62m primarily reflected the proceeds from borrowings and equity issuance as part of the After, Inc. acquisition. As a result of the combination of the above items, the Group's cash and cash equivalents and investments decreased by £2m to £25m.

Free cash flow

The Group's operating cash generation provides funding for the Group to meet debt service costs, and to invest in both growth focussed capital expenditure and in new markets, including the US, in accordance with the Group's growth objectives. Operating cash generation is driven by both operating cash flow from the unregulated business; and earnings of the regulated business which are in excess of its Solvency II requirements. Post-capex operating free cash flow, prior to debt service costs and tax, is presented in the following table.

Operating free cash flow increased to £67m (FY24 restated: £58m) reflecting higher adjusted EBITDA and lower UK and International (ex US) working capital requirements which nonetheless remain at a temporarily elevated level due to the run-off of certain legacy EU cash business. Increased capital expenditure of £36m (FY24: £29m) is primarily due to continued investment in IT infrastructures and capabilities during the year.

Australia working capital outflows continued to reduce year-on-year as expected, as the business is in run-off and US costs principally reflect ongoing investment in working capital to secure growth.

	FY25 £m	Restated FY24 £m
Adjusted EBITDA ex US	**162.3**	**145.3**
Change in unregulated working capital (ex Aus and US)	(12.4)	(26.4)
Excess regulated EBITDA over distributable reserves[5]	(23.9)	(16.7)
Operating cash before capex	**126.0**	**101.3**
Operating cash conversion before capex (adj EBITDA ex US)	78%	70%
Capital expenditure	(35.5)	(28.7)
Operating free cash flow before US and Aus working capital	**90.5**	**73.6**
Australia working capital	(5.8)	(8.9)
US Costs (excluding capital expenditure)	(18.1)	(7.0)
Operating free cash flow	**66.6**	**57.7**

Capital structure and solvency

The capital and solvency position of the regulated business is presented below:

	FY25 £m	FY24 £m
Solvency II capital resources	183.0	182.4
Solvency II capital requirements	96.9	94.9
Solvency ratio	**189%**	**192%**

The Group has continued to maintain a strong regulatory capital position, with both Group and subsidiary solvency ratios well in excess of our 130% risk appetite threshold. The underlying capital structure is kept under review to ensure levels of regulatory capital are appropriate and to maintain an efficient balance sheet. The Group's insurance companies, DGI and DGIEU, are regulated by the UK Prudential Regulation Authority ('PRA') and the German Federal Financial Supervisory Authority ('BaFin') respectively.

The qualifying capital resources of £183m (FY24: £182m) held by the regulated Group at the year-end comfortably exceeded its capital requirements of £97m (FY24: £95m), giving a regulatory solvency ratio of 189% (FY24: 192%).

Joe Fitzgerald
Chief Financial Officer

9 July 2025

1 Prior period comparatives have been restated as described in note 2B of the financial statements.

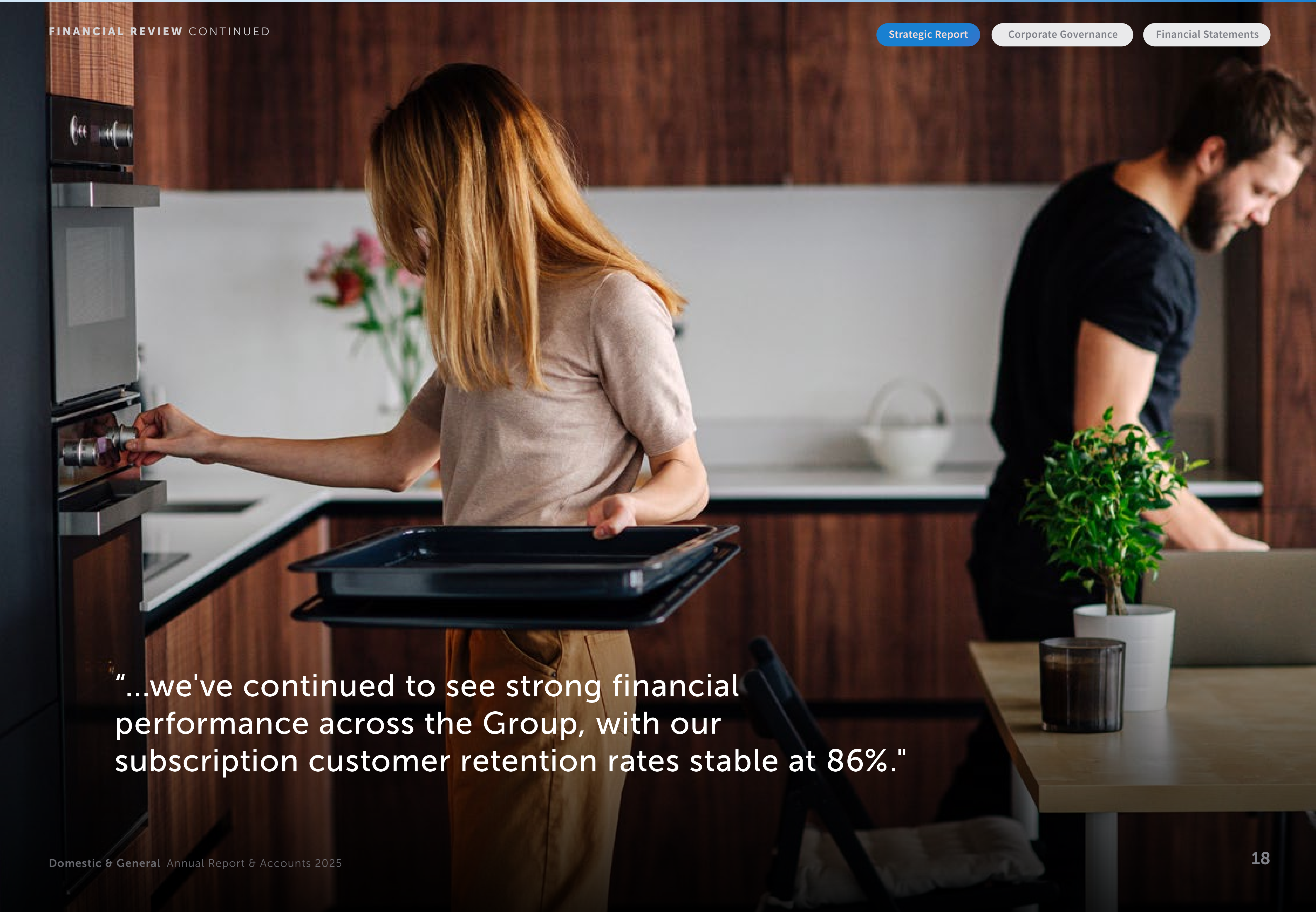
2 This is an Alternative Performance Measure ('APM') which provides useful information to enhance the understanding of financial performance. Further information on APM's, including a reconciliation to the financial statements (where possible) can be found in the 'Other information' section on pages 167-168

3 See glossary on pages 169-171 for definitions

4 Growth rates are calculated on numbers to 1 decimal place

5 Excess regulated EBITDA over change in distributable reserves:

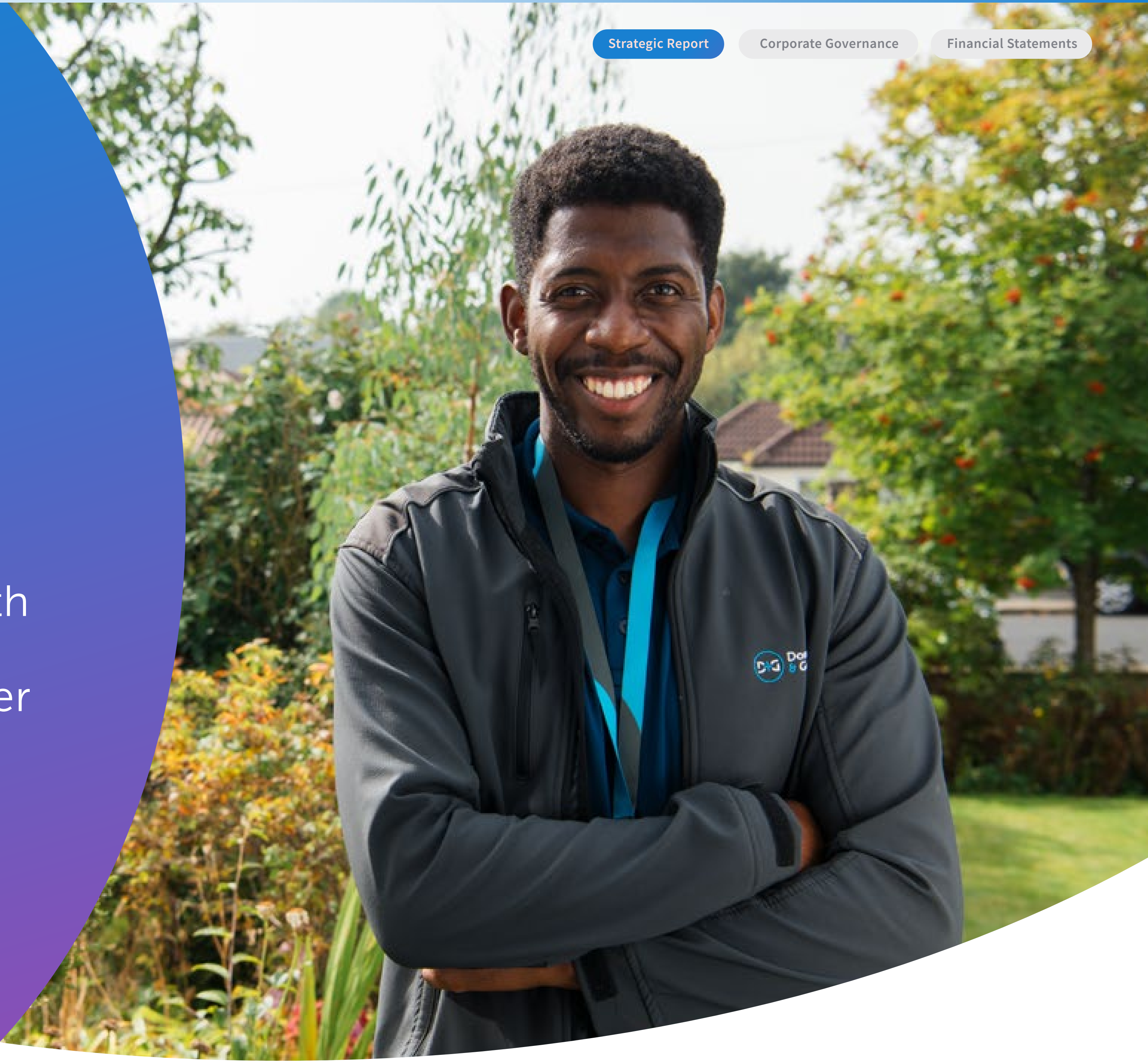
	FY25 £m	FY24 £m
Regulated Business adjusted EBITDA	53.9	43.3
Change in distributable reserves in Regulated Business	(30.0)	(24.5)
	23.9	18.8



"...we've continued to see strong financial performance across the Group, with our subscription customer retention rates stable at 86%."

Our strategy

Driving global growth and best-in-class customer and partner experiences



A strategy for growth

Twelve months on from refreshing our strategic vision, we're confident that our approach provides the right focus and prioritisation.

Our aspiration is to deliver best-in-class experiences for our customers, partners and people. This sits behind everything we do as a business. Our focus on service is key to the progress we've made. We're excited for the next phase of this journey and remain committed to the investments we're making into data and technology to improve the business.

We continue to strengthen and expand our UK business and scale our operations in Europe. Our US expansion remains in its early stages but is already achieving strong results. We've delivered more than 400k subscription plans in the US in FY25, an increase of 152% compared to FY24, as we continue to partnership with Whirlpool.

Our subscription model is key to the high-quality revenue growth we generate across our markets. Customers and partners value our role in appliance protection, with the number of subscription customers globally growing by 4% in FY25 to 6.7 million.

Our growth has been steady and predictable, supported by a stable claims ratio and investments in scale and efficiency across our technology estate, data platforms and product portfolio.

The foundations of the business are incredibly strong. We've delivered more than 20 years of continual revenue growth. We're motivated by our aspiration to deliver best-in-class experiences for our customers and partners, with more to accomplish in the future as we embrace data and technology. We're building a business that will be more sustainable and scalable, with a culture that's open, inclusive and fit for the future.

Our strategy

Driving global growth

- Maintain UK momentum
- Deliver the US ambition
- Scale and optimise Europe

Best-in-class customer and partner experiences

- Superior service experience
- Product and data innovation
- Scalable technology foundations

Environmentally aligned | Inclusive and progressive culture

1 This is on an adjusted EBITDA metric

Our global growth

Subscription revenue growth

7%

FY25: £871m FY24: £816m

Subscription revenue growth

213%

FY25: £34m FY24: £11m

Subscription revenue growth

9%

FY25: £139m FY24: £127m

Driving global growth

Maintain UK momentum

The UK is the cornerstone of our business – resilient and cash-generative with strong recurring revenues. We've strengthened our OEM and retailer relationships, with several contract extensions and new agreements in FY25 (see 'Our partners', pages 57-60). These are supported by investments in our products and propositions.

We've delivered strong UK growth despite recent cost of living and economic challenges. Subscription customer numbers in the UK have stabilised at 4.7 million (FY24: 4.7 million), with these customers also purchasing more plans and protecting more appliances than in previous years. This is testament to the perceived value of our warranty and appliance protection propositions, and our focus on service. Throughout FY25 we've launched new capabilities and innovations in collaboration with our partners. These include solutions to improve customers' experience of booking, managing and tracking repairs, telephony enhancements and more effective campaigning tools for registration and sales.

Our goal is to set the bar for best practice across the service industry. We'll achieve this by improving customer satisfaction and retention while delivering against our regulatory commitments, including Consumer Duty in the UK.

Deliver the US ambition

We're incredibly proud of our integration into the market in the US, driven by our 152% increase in subscription plans. We continue to grow alongside our flagship OEM partner, Whirlpool. We've successfully integrated the After, Inc. business, delivering on initial synergies, and have notably expanded our commercial footprint.

We're excited by the journey ahead in the US as we invest in talent, scale our operations and build brand awareness. This is helping us differentiate our value proposition, which has been well received by US customers. Our experience has confirmed that OEMs remain largely underserved by current partners. There's considerable interest in our subscription model as we demonstrate the impact of our end-to-end service offering and unique value propositions.

The US market has significant potential, with five times as many households and five times the annual sales volume for major domestic appliances as the UK. We've delivered organic growth in US subscription plans of 152% reaching the milestone figure of >400k plans (FY24: 160k). Pleasingly, US consumers are demonstrating a strong appetite for subscriptions in a similar manner to that shown by UK consumers. They show many of the same behaviours reinforcing lessons learnt through decades of experience in the UK and Europe.

Looking ahead, we're focused on further developing our relationships with key partners, including Whirlpool. At the same time, we're expecting to bring new OEM and retail partners onboard in a market with considerable potential.

Scale and optimise Europe

We've delivered subscription plan growth of 8%, and we've expanded our retail and OEM footprint with several partners (see 'Our partners', pages 57-60). We've also implemented data-led campaigning, pricing and retention best practices that have been successful in the UK. Our strategy remains to convert more of the portfolio to a subscription model. This will deliver recurring revenues and strong customer relationships and, in turn, a higher level of profitability for the business over time.

Europe represents a significant opportunity with ample headroom for growth. The market is sizeable, with an installed base for major appliances roughly on a par with the US. Despite this, Europe remains fragmented, with complexity in servicing partners and customers across multiple geographies, languages and cultures. Our focus is on executing efficiently at scale. We'll achieve this through our omnichannel approach, use of data and investment in our teams, ensuring we can adapt to diverse partner and customer needs.

Subscription customers

6.7m

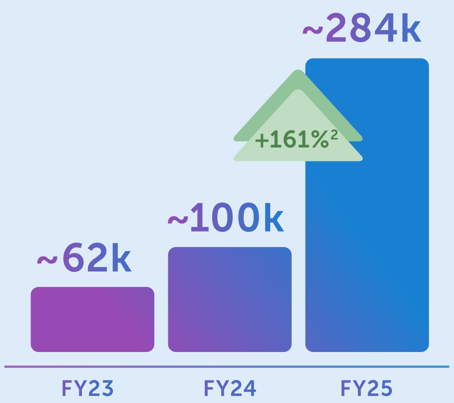
FY24: 6.5m

Customer repair NPS

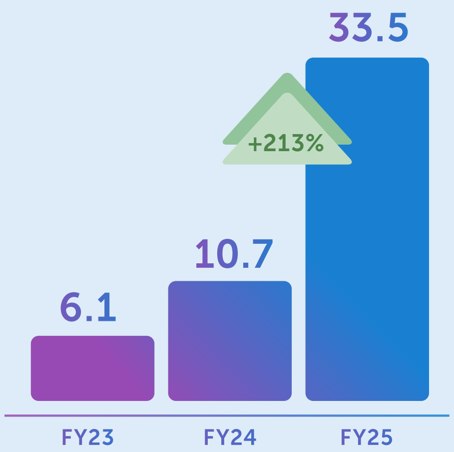
58

FY24: 50

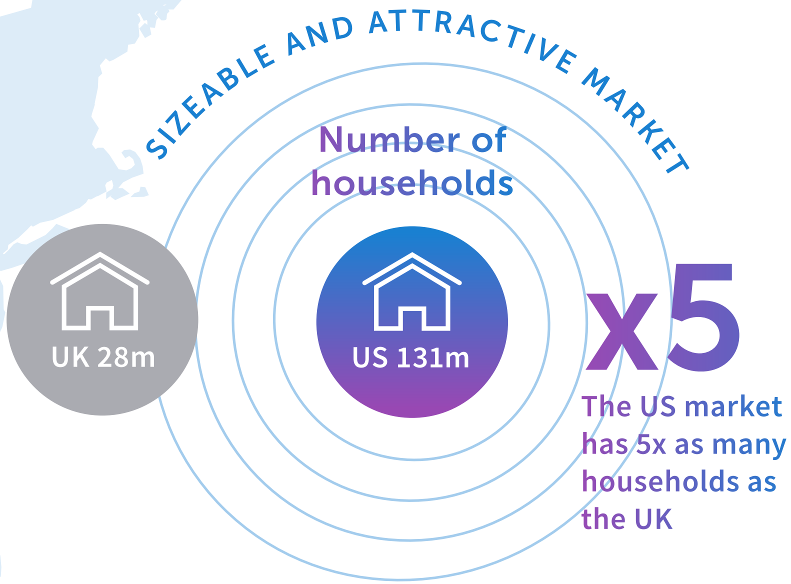
Strong progress in the US as we scale capabilities and bring the Whirlpool partnership to life



US subscription customers



US subscription revenue (£m)



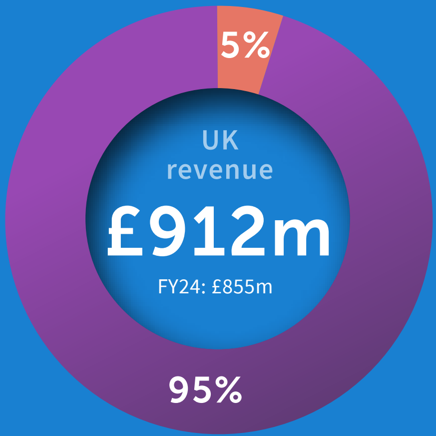
Whirlpool®

Whirlpool US is now our second biggest global partner[1], with room for further growth.

- We've built strong working relationships through close collaboration and learning together in the UK market
- Recent acquisitions, including After, Inc., have strengthened our partnership

1 Based on new business subscription plans
2 Growth of 161% based on number of subscription customers from c.109k to c.284k

United Kingdom



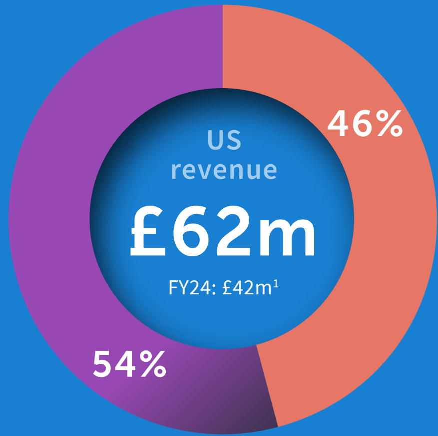
Subscription
(FY24: 95%)

Non-subscription
(FY24: 5%)

4.7m
Subscription customers
FY24: 4.7m

+7%
Subscription revenue growth

United States[1]



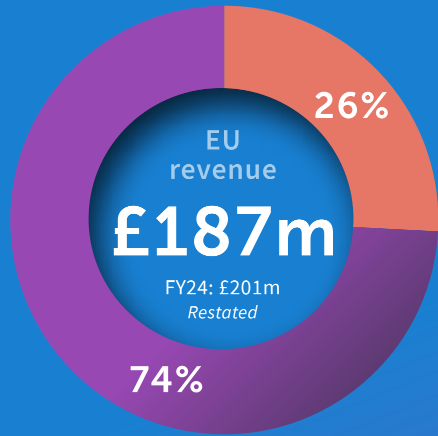
Subscription
(FY24: 25%)

Non-subscription
(FY24: 75%)

0.3m
Subscription customers
FY24: 0.1m

+213%
Subscription revenue growth

Europe[2]



Subscription
(FY24: 64%)

Non-subscription
(FY24: 36%)

1.7m
Subscription customers
FY24: 1.7m

+9%
Subscription revenue growth

1 Includes After, Inc. from June 2023

2 EU revenue includes Australia and New Zealand which are in run-off.

Delivering best-in-class customer and partner experiences

Service is the heartbeat of our business, and we're committed to providing best-in-class experiences across our markets. We've made considerable progress in recent years as we establish a more platform-centric, data-enabled organisation that's capable of transforming the appliance protection industry.

Superior service

In FY25 we supported more than 2.7 million repairs and 445k appliance replacements. Customers depend on us to get their appliances up and running again quickly. We achieved a first-time fix rate of 79%, while approving more than 99% of claims and striving for a successful resolution when customers get in touch. The results of our efforts are a customer retention rate of 86% and a 4-star Trustpilot rating from more than 100k reviews. But we know we can go further.

Through FY25 we've invested heavily to enhance our service experience. This includes the deployment of industry-leading digital solutions that are transforming the repair journey. One example is our rollout of new AI (Artificial Intelligence)-enabled 'Smart-fix' solutions for white goods and heating. These help customers solve simpler issues without needing an engineer visit. Using technology acquired from Nana Technologies in FY24, we've rolled out new repair booking and tracking features. More innovation is on the way as we strive for faster resolution times for customers and enable our colleagues to focus on supporting more complex cases.

Product and data innovation

We continue to modernise as a business, embracing a future that is global, product-led and digitally-enabled. We've built out and scaled new embedded insurance products to large UK partners including Sky Mobile. We've introduced new features to improve promotions and targeted follow-up email campaigns. We've also integrated more personalised pricing into our UK registration journeys.

Our product teams have built a suite of best-in-class customer, colleague and client journeys which will go live with our launch of 'Warranty-in-a-Box' (WIB) in the US. Our WIB platform is scalable and replicable for new clients and markets. These developments combine unique solutions that will continue to help D&G transform the appliance protection industry.

FY25 saw continued positive results in key metrics, with 87% (FY24: 86%) of product replacements completed online, while over 44% (FY24: 44%) of repairs were booked through digital channels.

Our data transformation is also progressing at pace and unlocking new use cases. We've built and deployed 48 predictive models across areas including pricing, risk, fraud detection and promotional campaigning. These are already delivering improvements to margin as well as operational benefits.

Across the group we've started to implement early GenAI use cases, and we're seeing significant opportunity for expansion into FY26 and beyond.

GenAI has the potential to deliver significant benefits for our customers, partners and people. Examples include streamlining the claims experience, accelerated repair resolutions and equipping contact centre agents with more real-time insights so they can better support our customers.

Scalable technology foundations

Through FY25 we were busy re-platforming core technology capabilities, leveraging industry-leading solutions for activities across finance, HR, IT security and telephony. We selected best-of-breed Software as a Service ('SaaS') solutions from Workday to Genesys, to ensure we can scale globally and leverage the R&D and investment that goes into these platforms.

For the products and services that distinguish us competitively, we have a long-standing track record of building and maintaining our own hard-to-replicate technology solutions. These include our industry-leading data platform through to our world-leading campaigning capabilities.

As we optimise and advance further, we're progressing with the development of our next generation, cloud-based WIB platform. This is our new strategic architecture for the business powered by Socotra. With many components now live, we'll make more progress in the US as we transition the entire business to WIB. Deployment in the UK and Europe will follow.

We've been building the foundations for a data-enabled future...

Key achievements

- Deploying our cutting edge, cloud-enabled data platform
- Single source of the truth – we've cleansed and consolidated large sources of proprietary data
- Managing over 2 billion data points
- Generating deep, actionable insights
- Improving the end-to-end journey for customers, from when they protect their product to when they make a claim

...delivering early benefits and taking advantage of the AI evolution

More powerful insights and analytics

We've reduced reporting lead times, increasing how fast we can run queries and generate insights. In some areas, including inbound telephony, campaigning and service, this has been from hours to minutes, or even seconds.

Optimised customer and partner experiences

6x

Effective use cases have added value in many areas of the business, including fraud detection, service and support. Pricing and marketing models are generating >10m optimised outputs a month, allowing for agile decision-making across our campaigns. Thanks to investment in our omnichannel journeys and product registration, we've achieved a >600% increase in digital new business sales in the UK since 2019.

Ready to grow with AI

We're in the early stages of our development journey with AI and expect it to deliver huge benefits in the long term. Building from our data assets, it will help improve customer and partner experiences, unlock new opportunities for scale and automation, and drive growth.

Our business model

A unique combination of assets create a market-leading customer proposition

Inputs

- Privileged and exclusive routes to market
- Strong mutually beneficial relationships with partners
- Relentless focus on the customer experience
- A recognised brand, trusted by partners and customers
- Robust financial position enabling investment in data and tech innovation
- Engaged employees delivering high-quality customer service

A diversified omni-channel strategy including customer data capture that enables monthly subscription and strong retention

New appliance sales

Repairs

Point-of-sale ('PoS')

Appliance care plans sold in-store or digitally via retailers.

25%[1]

Comprehensive data capture

Exclusive access to extensive marketing data via product registration.

Point-of-need ('PoN')

Appliance breakdown outside guarantee period.

9%[1]

Post-point-of-sale ('PPoS') across product life cycle

Direct marketing to customers and cross-sell campaigns.

66%[1]

Subscription model driving recurring revenues

Customer

Outcomes

Customers

- Protection from the unexpected costs and hassle of appliance breakdowns
- Simple and transparent product range, available through multiple channels throughout the appliance lifecycle
- Strong net promoter score for repairs[2] of 58 (FY24: 50)

First fix [3]

79%

FY24: 80%

Claims approval rate

99%

FY24: 99%

Partners

- Ancillary sales driving incremental profit
- Connection to and an ongoing relationship with customers
- Outsourcing of complex, non-core activities
- Additional repair volumes, driving scale within their networks

Average tenure

25years [4]

FY24: 25 years

Shareholders and lenders

- Predictable and profitable growth with good cash generation through new customer acquisition and stable retention

Adjusted EBITDA

£162m

FY24 Restated: £143m

Free cash flow

£67m

FY24 Restated: £58m

Our people

- Opportunities to work and learn in a brilliant, inclusive organisation – collaborating and connecting to help customers

Employees say D&G is a great place to work [5]

82%

FY24: 8/10

Environment and community

- Extended appliance lifecycles, reducing the need for replacement
- Supporting and protecting our communities, including offering safeguarding training to our heating network across the UK (see page 39 for more detail)
- Volunteering support for local communities

Repairs annually

2.7m

FY24: 2.6m

Regulatory outcomes are addressed on page 70

1 Route to market percentages calculated using FY25 group subscription new business plans

2 The net promoter score ('NPS') measures the loyalty of a company's customer base with a score from -100 to +100, which comes from customers answering the question "How likely are you to recommend this company?"

3 First fix is the percentage of claims where a product is repaired or written off in the first visit, or the issue is resolved remotely by sending a part

4 Based on our largest ten UK partners by FY25 sales

5 Results from FY24 employee survey conducted with Great Place To Work in March FY25

Our markets

We’re delivering strong growth across our markets

FY25 was a year of relative stabilisation for the global economy

Inflation in developed markets continued to readjust toward historical benchmarks, easing pressures on consumers and bringing more predictability for businesses. Lower interest rates and improved borrowing conditions aided growth. The cost-of-living crisis in the UK and elsewhere continued to ease, but business and consumer confidence has yet to return to pre-COVID levels. Expectations into FY26 remain less certain as markets respond to increased tariffs and economic barriers to trade.

The pace of technological change increased in FY25. If FY24 was the year that AI became a buzzword for global innovation, then FY25 was the year we truly started to see its value take root. Across multiple sectors, AI has shifted from a technological curiosity to a true strategic asset. The insurance industry is adapting to these changes rapidly, as opportunities persist to improve customer experience, tackle fraud and deliver more innovative products.

Regulation continues to play a critical role, protecting consumers and ensuring fair and equitable business practices across the insurance sector. FY25 has seen additional developments in data usage, consumer duty and sustainability, including increased emphasis on the capture and reporting of ESG (Environmental, Social and Governance) data. We expect to see the amount and quality of ESG reporting continue to grow in the near future.

As a business, we offer appliance protection that is end-to-end and omnichannel, differentiating us from the competition. Our long-term relationships with manufacturers, retailers and partners are unique, exclusive and difficult to replicate. Our subscription model is highly predictable, with customers protecting appliances in times of both growth and uncertainty. The following is a summary of the major trends we’re observing and how we’re responding to them.

Customer expectations

Market trends

- Customers expect significantly more personalisation across the sales journey, with different payment options and services seamlessly linked into the checkout.
- GenAI is reshaping service expectations, particularly in digital and online, as tools are embedded into support models and self-serve functionality.
- Customers' experience and uptake of social commerce, aligned with the value of social branding, are shaping how consumers interact with and value service businesses.

Our response

- We continue to invest extensively in our omnichannel capabilities. In FY25 we've launched new embedded solutions that will further extend and improve our digital offering.
- We strive to ensure that every touchpoint delivers the best possible customer experience. Recently we launched our new digital proprietary Repair Management System (RMS), integrating with our clients and enabling greater customer control and visibility of the repair experience.
- We're innovating through automation and AI to improve how we support customers and deliver best-in-class tools and services.

Competitor insights

Market trends

- Competitors' digital and online journeys are becoming ever more frictionless and seamlessly integrated, with personalised insights.
- Competitor use of AI and automation is gaining pace. More firms are applying these technologies to customer-focused use cases.
- M&A activity in the sector remains steady, with a focus on consolidating and integrating solutions aimed at streamlining and improving the customer experience.

Our response

- With our experience across personalised omnichannel and end-to-service, we can serve our customers digitally and over the phone in a way that few competitors can replicate.
- Over the years we've established long lasting, mutually beneficial relationships with manufacturers, retailers and other partners. Our distribution footprint is an advantage matched by few peers and is complex to replicate.
- We continue to monitor the M&A market for investments that dovetail with our strategic ambition. The integration of After, Inc. and the development of technology acquired through Nana Technologies has progressed well.

Economic environment

Market trends

- Political differences are influencing tensions between major economies and increasing the potential impact of tariffs.
- Consumer and business confidence has been stabilising but remains some way off pre-COVID levels with potential for future shocks.
- Inflation started to adjust back to target benchmarks in FY25 in many developed markets, but tariffs could drive new uplifts.
- Uncertainty over policy decisions is leading to a lack of investment predictability, with a particular impact on goods markets with dispersed international supply chains.

Our response

- We have a highly resilient business model and subscription base, with exclusive long-term partnership agreements and an increasingly diverse global service footprint through our US expansion. Customer demand during both growth and uncertainty typically remains strong.
- We continue to actively manage our legislative and regulatory obligations in a considered manner, working closely with the regional authorities.

Sustainability and climate

Market trends

- Regulatory focus on climate change and sustainability continues to develop.
- Early signs of companies reconsidering their communications and commitments to climate change and DEI.
- At COP29 there was a focus on climate finance for developing countries, with some countries increasing their emission reduction targets.
- Renewable energy capacity continues to grow at pace, presenting alternatives to non-renewable sources.

Our response

- The evolution of CSRD means that D&G is not currently in scope to report for FY26. Our aim is to further align with globally recognised sustainability frameworks and standards, in line with our continued focus on sustainability.
- We remain committed to acting against climate change and have set emission reduction targets that have been validated by the Science Based Target Initiative (SBTi) and started our decarbonisation programme.
- Our 'repair first' ethos continues to deliver good environmental outcomes.
- We've now moved all our UK offices to renewable electricity.

Regulatory landscape

Market trends

- Increased European regulatory focus on risk management, resilience (including IT resilience) and digital transformation (including DORA).
- In the UK and EU there's more emphasis on conduct oversight including Consumer Duty and customer value.
- The UK government has proposed the Data (Use and Access) Bill, aimed at maintaining high standards of data protection and providing greater regulatory certainty.
- The new US administration is adopting a more domestic-focused approach to regulatory policy, prioritising internal economic considerations.

Our response

- Following the implementation of GDPR, we are assessing the requirements of UK (Data Use and Access) Bill.
- We recognise that some partners may be affected by proposed US tariffs. We're actively planning and preparing to address any potential impacts as they develop.
- We already use AI in customer service, pricing and risk. We anticipate that our current group approach to AI will meet the requirements of relevant legislation.
- In the UK and EU there's more emphasis on conduct oversight including Consumer Duty and customer value.

Technology and data-enabled transformation

Market trends

- Cloud-based technologies have become the norm for businesses looking to scale in a flexible and agile way.
- Service providers increasingly see data as an asset, improving how firms support existing customers and attract prospects.
- Data privacy and security is seen as a critical process. This requires careful management and controls to be established and actively maintained, particularly in the financial services and insurance sectors.

Our response

- We've been creating a modern data infrastructure, leveraging data as an asset, to power the customer experience and improve service.
- We've started to actively use AI and machine learning principles to improve service, with further developments being assessed and tested.
- We're constantly evolving our data protection, privacy and security processes and controls to address the critical issues they involve in financial services and insurance.

Sustainability

SUSTAINABILITY

Highlights

8 years

Appliances covered by D&G last 8 years longer

See page 37

We've set validated science-based emission reduction targets

58%

reduction in UK Scope 1 and 2 emissions

(FY24: 315 tCO_2e) See page 36

2.7m

repairs per annum

(FY24: 2.6m)

At D&G, our purpose is to protect what matters at the heart of every home. That means '**sustainability**' is part of who we are and what we do.

During FY24, we built on our sustainability strategy. At the highest level, it focuses on helping to limit climate change, championing a more circular economy, and caring for our people and communities. All three areas are underpinned by our commitment to being a responsible and sustainable business.

Twelve months later, there is still clear alignment between our sustainability priorities and those at the heart of our business strategy. We continue to deliver strong growth, as we remain focused on providing more eco-friendly, best-in-class customer and partner experiences. At the same time, our 'repair-first' ethos binds together our business and sustainability strategies.

Extreme global weather incidents caused by climate change have magnified the importance of what we do. Specifically, when it comes to extending the life of appliances and other strategic actions we're taking to reduce emissions, we're helping to create a more circular economy. For more details on our sustainability strategy, see page 43.

There continues to be a regulatory focus on sustainability. The UK reiterated its ambition to adopt reporting standards relating to the International Sustainability Standards Board (ISSB). Several countries increased their efforts to counter overstated green claims, by implementing anti-greenwashing rules.

At D&G, we stay abreast of regulatory changes and ensure our business remains ahead of the evolving landscape. This report focuses on the actions we've taken in the past 12 months, as well as our plans for the year ahead.

Our plan to protect what matters

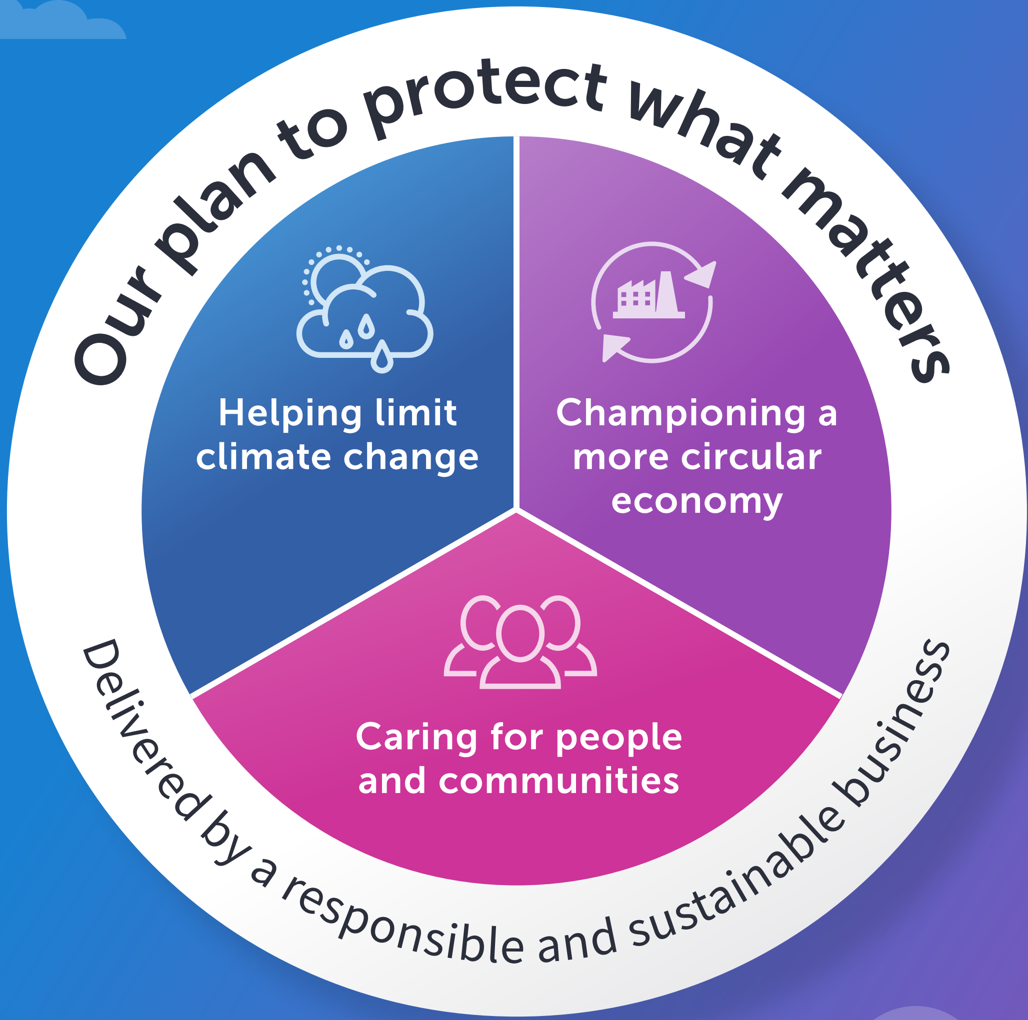
When we consider our core purpose as a business, 'what matters' extends far beyond the four walls we might typically think of as home.

By delivering a high-quality service that creates positive outcomes for our customers, we're not just fixing what's broken – we're helping build a more sustainable future.

This year we've gone further, setting validated science-based targets.

As a responsible, transparent business, it's important that we set ourselves ambitious but unambiguous targets. That's why our sustainability strategy is underpinned by changes to our operations and long-term actions.

We're championing a future where repairing more means wasting less. We've also embedded sustainability into our brand messaging, to reinforce that it's a fundamental part of what we do.



Helping limit climate change

Across the globe, climate-related challenges are continuing to intensify. Extreme weather events are becoming more common. Transition impacts, including increased regulation, are affecting us all. That means our commitment to act against climate change is here to stay. We have a vital role to play – and not just within our own business.

Through the services we provide – and the connections we build – we want to help empower our customers and partners to make more sustainable choices. For everyone's benefit.

OUR PRIORITIES

- Meet our science-based emission reduction targets
- Calculate and communicate the carbon benefits of repair
- Empower our customers and partners to make more climate-friendly choices

We're committed to reducing our impact on climate change

Last year, we committed to setting emission reduction targets – which have now been validated by the Science Based Targets Initiative (SBTi). Setting science based targets and having them validated by the SBTi reflects our commitment to protecting the planet. It also demonstrates closer alignment with our partners and broader stakeholders. Please see page 72 for more details.

Our targets are:

Scope 1 and 2	To reduce absolute Scope 1 and 2 greenhouse gas emissions by 42% by FY30, from a FY24 base year.
Scope 3	To reduce Scope 3 greenhouse gas emissions by 51.6% per million GBP value added (defined as EBITDA plus personnel costs) across these areas: • Purchased goods and services • Upstream transportation and distribution • Business travel • Employee commuting We aim to meet this reduction target by FY30, from a FY24 base year.

Our achievements this year

We launched our decarbonisation programme in mid FY25, with an initial focus on greening our offices. We're pleased to update that we've now switched all remaining UK premises to renewable electricity.

This has helped us achieve a 58% year-on-year reduction in our Scope 1 and 2 emissions. We've also been working to understand the office improvements already underway that could have an impact on energy use – and what measures we could implement in future. Plus, over the next 12 months we'll explore moving our remaining offices, outside of the UK, to renewable energy.

Central to our decarbonisation efforts is the appliance Life Cycle Assessment (LCA) that we carried out last year. We built on this in early FY25 and we've gained valuable insights that don't just benefit D&G – they benefit our partners too.

We've also been developing a plan for how we can reduce emissions generated by our small European vehicle fleet. And we expect to make further progress in this area relatively soon.

We'll continue to roll out our decarbonisation programme in line with our strategic priorities. See page 52 for how we're reducing our carbon footprint thanks to our progress in these areas.

All UK offices run on 100% renewable electricity

Championing a more circular economy

Reuse, repair, recycle. The principles of a circular economy are gaining momentum and becoming more mainstream and understood. Not just for their environmental benefits, but for their economic value too.

For us, this means championing a repair-first approach that delivers value all round.

Keeping appliances running for longer cuts down on electronic waste and lessens the demand for new raw materials. It also means potential cost savings (fixing an appliance almost always costs less than buying a new one) and less hassle for customers. This supports our long-standing partnerships – because satisfied customers are more likely to keep coming back to brands they can rely on.

OUR PRIORITIES

- Champion a 'repair-first' approach across our sector
- Explore collaboration opportunities across our value chain

We're continuing to focus on sustainable repairs that deliver best-in-class customer experiences

Throughout FY25, we've completed 2.7 million repairs. We're continually looking at ways to improve our service – and we're proud to say we achieved an impressive 79% first-time fix rate.

This benefits our customers, our partners and the environment – and with our Smart-fix initiative we aim to do more.

Smart-fix case study

Research with our customers showed us that they wanted the option to resolve minor issues themselves – which, in many cases, would mean faster, better outcomes. It would also support a more sustainable approach to appliance care.

In FY25, we rolled out Smart-fix to more customers. Smart-fix is our self-help solution, offering step-by-step guides, instructional videos and AI-powered chatbots to assist with triaging and potentially resolving issues.

Since April 2024, approximately 5,800 customers have successfully fixed their appliances without needing an engineer visit. This directly impacts the number of engineer journeys, saving around 22.07 tCO_2e in the process – freeing up our network to resolve repairs that require more technical expertise.

By investing in digital innovation, we're not just improving the customer experience. We're also driving efficiency and sustainability across our claims service. As we look ahead, we remain focused on enhancing these digital capabilities to deliver even greater value all round. At the same time, we're still committed to providing a high-quality service for customers who prefer speaking to one of our frontline colleagues.

Understanding the impact of our service

The insights we gained from our 2024 appliance LCA have informed our approach to decarbonisation and where we should focus. We recognise our unique position as an influential player at the centre of the appliance care ecosystem. We know we have the ability to promote sustainable practices across our supply chain and network of partners.

In FY25, we built on our initial LCA research, which gave us the emissions figures for the most material appliance lifecycles. The findings also highlighted the emissions benefits of repair over replacement – and that appliances covered by us may last longer than those that aren't.

Methodology

To validate these findings, we analysed historical breakdown and replacement rates for appliances owned by our customers (using data spanning 25 years)[1]. This provided a deeper understanding of the typical lifespan of the appliances we cover, as well as the breakdown rate.

To calculate the lifespan of appliances not covered by us, we used 2019 survey data[2] to establish average replacement rates. Just under 1,200 consumers were asked what action they took – or were likely to take – in the event of an appliance breakdown. 26% said they would choose replacement. (This is the basis of the replacement rate for appliances not covered by us)[2]. The equivalent average replacement rate for appliances covered by us is 6% in year 1.

Outcome

Calculating the average life[3], we established that appliances covered by Domestic & General last just over 8 years longer[4].

For footnotes see page 38

Caring for people and communities

Our people are essential to the growth and success of our business. That's why we're building an inclusive, progressive culture where everyone is empowered to achieve their potential – not just individually, but collectively too. One of our key goals in this area is to make a meaningful difference across the communities we serve.

OUR PRIORITIES

- Keep building on the inclusive culture of our business
- Champion social mobility by collaborating with social enterprises
- Help our employees give back to their communities

We're committed to building on our inclusive culture as a business

As an integral part of our people strategy, we're committed to creating an inclusive environment where everyone can be 'proud of who we are.' Inclusivity is a key component of our 'Belong' pillar and the D&G People Strategy. We continue to aim for a workplace where all voices are heard, differences are celebrated, and diversity of thought is valued in decision making.

In October 2024, we launched our Everyday Inclusivity Journey. This multi-level, multi-year journey aims to evolve our culture and create a truly inclusive environment across the business. So far 140 colleagues have voluntarily participated in the journey, with the first intake successfully graduating in March 2025. We also launched a new inclusivity forum in May 2024. As part of this, we've developed our shared inclusivity calendar – and now we're focused on acknowledging global, local and employee network key moments throughout the year.

For more details, please see 'Our people' section starting on page 61. For more information about our Everyday Inclusivity Journey, see page 71.

We're championing social mobility by collaborating with social enterprises

Our efforts to enable social mobility are an extension of our inclusivity agenda and we're committed to giving social mobility our dedicated attention.

Throughout FY25, our focus has been on internal mobility, as well as partnerships with social enterprises including Sigma Labs and Women in Data. These will continue in FY26.

We're also implementing our 'hiring for skills, not for experience' and 'term-time only' policies when recruiting new Contact Centre colleagues. The aim here is to increase diversity of applicants and overall social mobility.

Employees continue to give back to their communities

Our ongoing partnership with OnHand ensures employees can give back to their communities. In FY25, employees volunteered for 2,224 hours (FY24: 1,766 hours) across a range of causes and charities.

More recently, we've focused our community efforts on initiatives aligned to the theme 'repair, reuse, repurpose appliances'. We've identified an organisation to partner with that aligns with these values, and we'll be publishing more information on this soon.

1 Data excludes Repair & Care plans, Sky and Argos policies, and boilers. It primarily comprises white goods, as these form the majority of our appliance coverage.

2 Based on the best data available at the time of collection, the average replacement rate for appliances not covered by us assumes that consumer preferences (26%) have remained largely unchanged since 2019.

3 Average life = (sum of weighted age of replacement)/100, where:
- Weighted age of replacement = number of replacements per year x age of appliance
- Number of replacements per year = number of appliances x breakdown rate x replacement rate

4 Please note, this metric is subject to change as our data and methodology are updated and refined in FY26.

NSPCC case study

In the UK, half a million children suffer from abuse and neglect each year. In 2024, nearly 60,000 calls were made to the NSPCC Helpline by adults – including utility workers – who raised concerns about child safety.

We've now partnered with the NSPCC to offer safeguarding training to the engineers in our heating network across the UK. This network is made up of 62 service companies responsible for annual maintenance, boiler repairs and heating system services on behalf of our partners, Scottish Power and EDF.

While our engineers don't work directly with children and young people, they visit hundreds of homes daily. So they may encounter children and young people who could be experiencing abuse or neglect.

The training, **It's Your Call**, equips our engineers with the knowledge and confidence to support vulnerable families and children in their communities. Giving them the skills to recognise the signs of possible child abuse and neglect, and report concerns anonymously through the appropriate channels.

Nearly 500 members of our heating division – including direct employees and sub-contracted partners – have been trained as part of the pilot. Looking ahead, our aim is to roll out phase two of the training to more engineers across our network.

A responsible and transparent business

A strong culture of corporate governance is essential to the success of our sustainability strategy and meeting the expectations of our stakeholders.

OUR PRIORITIES

- Deliver transparent and compliant disclosures
- Continue to strengthen the security of customer and employee data
- Promote human rights and ethical business practices
- Embed resilient, sustainable and responsible supply-chain practices
- Optimise customer experience, while delivering fair value

Meeting our regulatory requirements

We continue to report against the Energy Savings and Opportunity Scheme (ESOS). And we'll keep complying with UK reporting requirements set out in the Streamlined Energy and Carbon Reporting (SECR) framework. See page 51 and our latest climate-related financial disclosures on page 41.

In February 2025, the EU announced significant changes to the Corporate Sustainability Reporting Directive (CSRD).

Previously, our German entity fell within the 'large EU company' threshold and the Group fell within the 'non-EU company' threshold for CSRD. Due to changes in the reporting criteria, neither falls within scope and we're no longer required to report against CSRD.

Beyond regulatory compliance, we'll continue preparing for sustainability topics that are materially relevant to D&G. Above all, we're dedicated to maintaining regulatory readiness across every region, staying ahead of market developments – and upholding our role as a forward-thinking business.

Continuing to be a responsible business

In light of the complex geo-political landscape, we're aware how important it is for businesses to remain a force for good in uncertain times. That's why we remain a committed member of the United Nations Global Compact – supporting its principles-based approach to business, aligned with the Sustainable Development Goals (SDGs) and global rights. In particular, our business focuses on the goals relating to human rights, labour, anti-corruption and the environment, including 'Peace, Justice and Strong Institutions' and 'Climate Action'.

We care about the wellbeing of our employees, our customers and our network of engineers – so we've built out our health and safety capabilities. We're ensuring our employees and engineers feel comfortable in their working environment and can perform to the best of their ability – all while putting the safety of our customers first.

Our sustainability approach in FY26

- Build a forward-looking, data-driven roadmap that outlines short, medium, and long-term goals and objectives. It should support strategic decision-making and operational planning, while embedding sustainable practices across all levels of the organisation.
- Gain greater visibility of our financial and non-financial material risks and opportunities related to sustainability – enabling the business to proactively mitigate risks and leverage emerging opportunities.
- Develop a structured pathway for collaboration with partners, facilitating joint initiatives and shared value creation around sustainable practices.
- Communicate a transparent narrative that articulates our global sustainability strategy, serving as the foundation for future regulatory disclosures and stakeholder reporting.

Climate-related financial disclosures

The transition towards a net-zero economy is continuing to intensify. In the face of climate change, we must prepare for climate-related risks and leverage climate-related opportunities to ensure business resilience – both operationally and financially.

For transparency, we align our reporting and practices on climate-related risks and opportunities to the eight disclosure requirements under 'The Companies (Strategic Report)(Climate-Related Financial Disclosures) Regulations 2022'. This year, in recognition of the disbandment of the Task Force on Climate-Related Financial Disclosures (TCFD) and the launch of the International Sustainability Standards Board (ISSB) we've also used the International Financial Reporting Standard (IFRS) S2 for Climate-related Disclosures to structure and drive improvements in our reporting.

This disclosure (see blue panel) provides key information on our progress and the amount of effort required to fully comply. It shows how climate-related risks and opportunities are assessed and integrated across the wider corporate strategy and risk management framework.

Our progress

Governance

Appropriate governance structures, roles and responsibilities (including the Sustainability Committee) are in place to manage climate-related risks and opportunities.

Strategy

Work has started on mapping climate-related risks and opportunities against clearly defined time horizons and assessing potential impacts under different scenarios. More work is needed to clearly show the potential operational, strategic and financial impact of climate-related risks and opportunities. We'll continue to evolve our scenario analysis process.

Risk management

The identification, assessment and management of climate-related risks is embedded in our risk management framework. One priority is continuing to expand our climate-related risk identification and management processes across our value chain. Another is to focus on controls and mitigating measures linked to each risk.

KPIs and targets

We've started the process of identifying metrics and targets associated with key risks. More work is needed to improve these in line with our wider metrics and KPI development plans for our sustainability strategy.

Well progressed **Partially progressed**

Governance

We continue to strengthen our governance around climate change to make sure it's robust, comprehensive and proportionate to our strategic initiatives. In FY25, our executive leadership team were each set key business and climate change-related objectives.

Climate-related risks and opportunities are considered and governed by multiple parties in the following ways:

Principle	Frequency[1]	How we achieve it
Executive oversight		
Board, via the Audit and Risk Committee ('ARC')	Bi-annually	Review and challenge climate-related risks as part of the risk management update.
Group Risk Committee ('GRC')	Every two months	Oversee the effectiveness of internal controls, risk management and compliance processes, including those connected to climate-related risks. The GRC also meets bi-annually for a detailed risk management update, which includes an in-depth review of the risk register, including climate-related risks.
Sustainability Committee	Quarterly	This sub-committee of the Board has oversight and responsibility for sustainability and climate matters, including climate-related risks and opportunities. The Sustainability Committee will escalate to the Board any material risks or opportunities deemed to impact strategy, business forecasting or risk management.
Chief Financial Officer	Ongoing	Responsible for managing and overseeing financial risks linked to climate change.
Chief Risk Officer	Ongoing	Responsible for ensuring our regulated entities meet regulatory expectations, including those connected to climate-related risk management and disclosures.
Management control		
Sustainability team	Ongoing	The Sustainability team is responsible for leading climate-related programmes on a day-to-day basis, working with different internal functions to deliver organisation-wide initiatives. This team has been built out during FY25.
All other employees	Ongoing	All employees are responsible for supporting D&G's efforts to manage climate-related risks and opportunities. The finance, facilities, service and people teams are all regularly involved in identifying, assessing and managing climate-related risks and opportunities.

1 This refers to how frequently climate-related updates are discussed.

More information on our governance structure and processes can be found in the corporate governance section of this report. See page 86.

Strategy

In FY25, as part of our ongoing sustainability programme, we've primarily focused on limiting our own impact on climate change. We've done this by setting near-term science-based targets, supported by a credible decarbonisation pathway.

As a business, we're committed to reducing our emissions in a way that's aligned with the Paris Agreement. We're shifting our operations to a sustainable model that will minimise our exposure to climate-related transition risks.

In FY24, we used the Bank of England's Climate Biennial Exploratory Scenario results to assess our top three climate change risks over different periods of time. We did this in a qualitative manner and specifically focused on the 'Early Action', 'Late Action' and 'No Action' scenarios. In FY25, we've started developing an approach that will allow us to prepare for the physical impacts (chronic and acute) of climate change. The approach will be built on the scenarios and tools provided by the Network for Greening the Financial System (NGFS). This is a group of central banks and supervisors, who are working together to develop tools and share best practice on how the financial sector can plan for and adapt to the expected transition and physical risks presented by climate change. This aligns us with the financial sector more broadly and ensures we continue to develop our risk management process.

We've also explored potential climate-related opportunities, detailed on page 46.

We used a combination of qualitative and quantitative scenario analysis to help us understand the resilience of our business and strategy. Our qualitative assessment was led by our Sustainability team. It involved assessing the potential impact of physical and transition climate-related risks under different NGFS scenarios and time horizons. Workshops and interviews were used to agree the appropriate risk ratings.

Scenario analysis and time horizons

'Current Policies' (3°C by 2100)

This scenario assumes that only currently implemented policies are preserved, leading to high physical risks.

Emissions grow until 2080, leading to about 3°C of warming and severe physical risks. This includes irreversible changes like higher sea levels. The Current Policies scenario can help central banks and supervisors consider the long-term physical risks to the economy and financial system if we continue on our current path to a 'hot house world'.

'Nationally Determined Contributions' (2.3°C by 2100)

This scenario includes all pledged policies, even if not yet backed up by implemented effective policies.

The scenario assumes that the moderate and heterogeneous climate ambition reflected in the conditional NDCs at the beginning of 2024 continues over the 21st century (low transition risks). Emissions decline but still lead to 2.3°C of warming associated with moderate to severe physical risks. Transition risks are relatively low.

'Net Zero 2050' (1.5°C by 2100)

This scenario limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050.

The scenario assumes that ambitious climate policies are introduced immediately. Carbon dioxide removal ('CDR') is used to accelerate the decarbonisation but kept to the minimum possible and broadly in line with sustainable levels of bioenergy production. Net CO_2 emissions reach zero around 2050, giving at least a 50% chance of keeping global warming below 1.5°C by the end of the century – with limited overshoot (< 0.2°C) of 1.5°C in earlier years. Physical risks are relatively low but transition risks are high.

We ran a quantitative climate-change scenario in our annual Own Risk and Solvency Assessment ('ORSA'). This assessment ensures monitoring of the Group's solvency position in a climate-change scenario over the business planning period. In the last ORSA cycle, this climate-change scenario focused on implications resulting from transition (change in regulation) as well as physical (claims stress) climate-related risks. The ORSA scenario showed that the Group would remain well capitalised under the modelled stress. As our understanding of and approach to climate-related risks and opportunities evolves, we aim to keep advancing our use of scenario analysis.

For the assessment of climate-related risks and opportunities, we apply these time horizons:

Short term (0-3 years)	Aligned to the financial planning cycle and the ORSA business planning period.
Medium term (3-10 years)	Nearer term to capture transition risks and opportunities. Mid-term period is inherently subject to more uncertainty as customer demands, behaviour and the external environment are all subject to change.
Long term (10+ years)	Longer term to capture physical risks and opportunities. There is significant uncertainty beyond 10 years.

Climate-related time horizons differ to those used in our existing risk management framework. This is due to the longer-term impact of climate change compared to business planning cycles.

Climate-related risks

In FY25, as part of our detailed risk review process, we've prioritised three key climate-related risks for further analysis. These top three risks have been selected based on their net impact on the business. The current assessment shows our most significant risk in the long term is the physical impact of climate change on our supply chain.

We have a vast network of suppliers who help us meet the needs of our customers and partners. If this supply chain is disrupted, there is a risk that we'll be unable to meet our business obligations – potentially damaging our reputation and business performance.

Risk type	Risk title	Risk description	Scenario	Short term (0-3 years)	Medium term (3-10 years)	Long term (10+ years)	Resulting business actions
Physical	Risk of supply chain disruption and difficulties with scheduling repairs	With an expected increase in the frequency and severity of extreme weather events, there is a risk of supply chain issues – among our partners and our repair network. This could impact customer waiting times and our overall ability to deliver our services at expected levels. In turn, this could increase regulatory scrutiny.	Current Policies	Medium	High	Extreme	While the business is exposed to a high level of gross risk, mitigating controls are in place to reduce the likelihood of the risk. Service teams closely monitor customer complaints and adherence to our service levels. In addition, a multi-tiered network is also in place to ensure we can deliver the repairs our customers need during busy periods.
			NDCs	Medium	Medium	High	
			Net Zero 2050	Medium	Medium	Medium	
Transition	Failure to identify and manage climate-related regulatory requirements	Increasingly, there are more stringent regulatory requirements related to climate change, including disclosure requirements, across the various jurisdictions where we operate. Failure to adequately identify and respond to them may present a regulatory risk – resulting in increased regulatory scrutiny, and/or reputational damage with linked partner impact.	Current Policies	Medium	Medium	Medium	While the business is exposed to a high level of gross risk – driven by the high volume of new or changing regulatory requirements in this area – we have controls in place mitigating the risk likelihood. We operate a comprehensive horizon-scanning process, with clear responsibility set out to support the identification of regulatory requirements.
			NDCs	Medium	Medium	Medium	
			Net Zero 2050	Medium	High	High	
Transition	Shift in customer sentiment	Increasingly, customer expectations are trending towards companies with positive sustainability credentials. There's a risk that we fail to meet the increasing sustainability expectations of our existing or future customers. This could trigger financial and reputational consequences.	Current Policies	Low	Low	Low	We regularly perform customer research and market insight activities, ensuring we know about changing customer behaviour and expectations. Our sustainability strategy seeks to deliver a foundation of stronger sustainability credentials – and more clearly articulate our priorities and progress.
			NDCs	Low	Low	Medium	
			Net Zero 2050	Low	Medium	Medium	

Risk rating key: Low (1-7) | Medium (8-13) | High (14-18) | Extreme (19-20)

Climate-related opportunities

We recognise our business strategy and activities may allow us to capitalise on climate-related opportunities. But our primary focus has been on the identification, assessment and management of climate-related risks. That means more work is needed to understand what our most material climate-related opportunities are. We also need to look at how they could be operationalised in line with our strategy.

Each opportunity is assessed against how likely it is to happen. We also consider how the opportunity may have a 'reputation and regulatory', 'financial' or 'partner' impact. A summary of broad climate opportunity themes relevant to us is set out below.

Opportunity type	Opportunity title	Opportunity description	Scenario	Short term (0-3 years)	Medium term (3-10 years)	Long term (10+ years)	Resulting business actions
Transition	Resource efficiency	There is an opportunity to reduce ongoing operating costs. One part of this involves investing in energy-efficient systems across our offices, such as low-carbon lighting. A second part is to transition our fleet to electric vehicles.	Current Policies	Medium	Medium	Low	Our Sustainability and Facilities teams meet once every two weeks to discuss our offices' energy performance, and drive forward measures to improve office energy efficiency.
			NDCs	Medium	Low	Low	
			Net Zero 2050	Medium	Low	Low	
Transition	New products and services (customer)	As society transitions towards a net zero and more circular economy, we might have opportunities to develop new protection products, such as for low-carbon technologies. We could also have access to new customer groups, with increased appetite for repair, re-use and recycling.	Current Policies	Extreme	Extreme	High	Our Service and Client teams are working with our network of engineers and core suppliers to identify new products and services.
			NDCs	Extreme	Extreme	High	
			Net Zero 2050	Extreme	High	High	
Transition	Partnerships	As our partners increase their net zero ambitions and move towards more circular business models, this could develop new partner services. We could also develop new relationships in the low-carbon technology sector.	Current Policies	Extreme	Extreme	Low	This year we launched our OEM engagement programme. This involves regular catch-ups with key partners focused on understanding and managing climate-related risks and opportunities.
			NDCs	Extreme	High	High	
			Net Zero 2050	Extreme	High	Medium	

Opportunity rating key: Low (1-7) · Medium (8-13) · High (14-18) · Extreme (19-20)

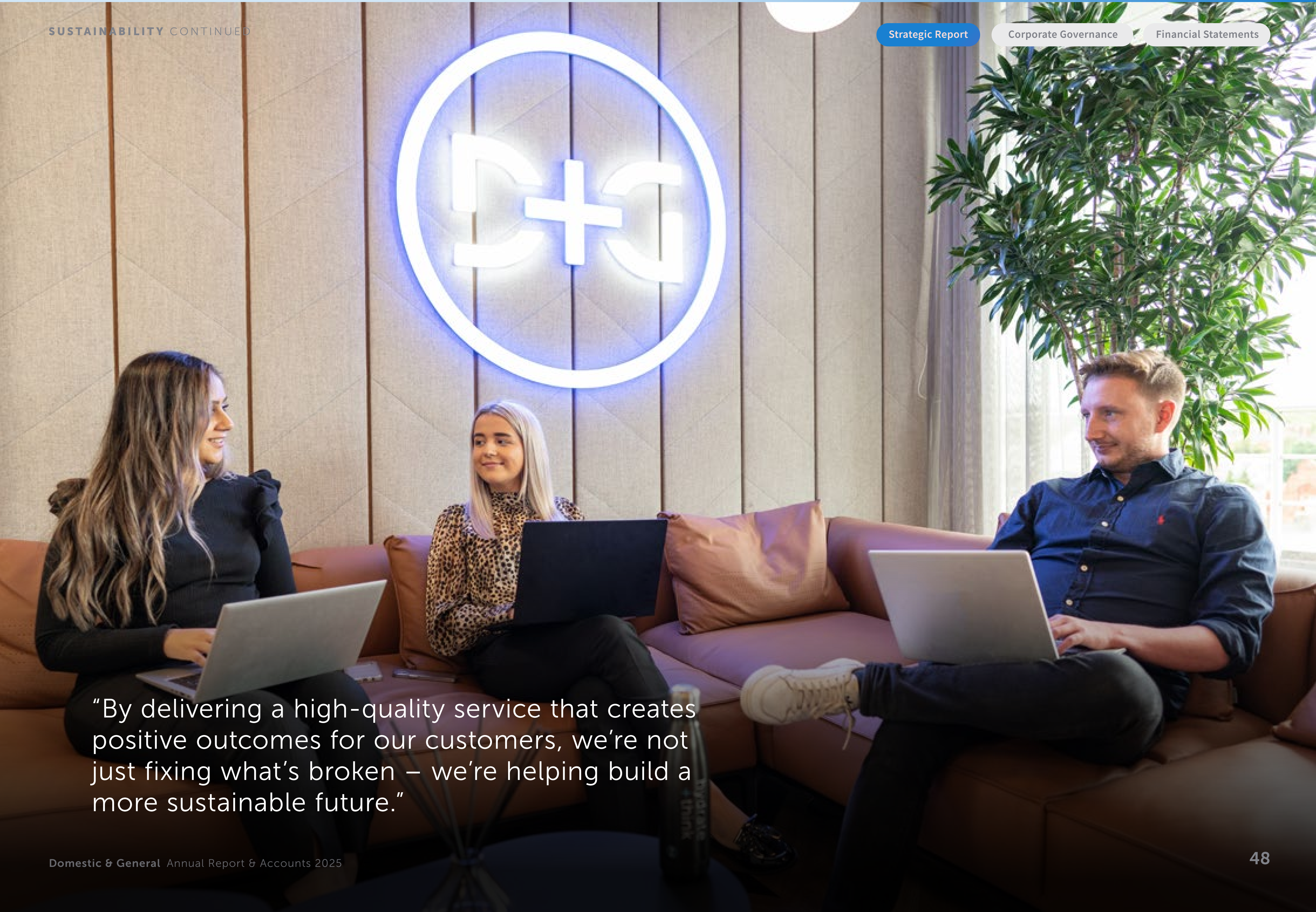
Climate-related opportunities (continued)

Impact on resilience, strategy and financial planning

Based on the qualitative and quantitative scenario analysis, we believe our business strategy and financial planning are resilient. We'll monitor this over time and respond appropriately in line with our climate-related risk and opportunity management processes.

Considering our climate-related risks and opportunities under different climate scenarios helps us to assess the resilience of our business model and strategy. It also highlights potential areas that we might need to address. As we evolve our capabilities, we aim to provide more information about the potential impact of climate change on our business, strategy and financial planning.

"All UK offices now run on **100%** renewable electricity – driving a **58% year-on-year reduction** in UK Scope 1 and 2 emissions."



“By delivering a high-quality service that creates positive outcomes for our customers, we’re not just fixing what’s broken – we’re helping build a more sustainable future.”

Risk management

Increasingly, regulators are linking climate-related risks to their statutory objectives. There is a growing expectation that regulated firms understand how climate change will affect their risk profile and take the necessary action to manage and govern those risks. Climate-related risks are the uncertain events that could arise from climate change or from the impacts and financial consequences of efforts to mitigate climate change. Climate-related risks can be grouped into two categories:

Physical risk

Physical risks resulting from climate change can be event driven (acute) or caused by longer-term shifts in climate patterns (chronic). Physical risks might have financial implications for organisations – like direct damage to assets or indirect impacts from supply-chain disruption. Financial performance can also be affected by changes in water availability, sourcing and quality – as well as changes to food security. Extreme temperature changes can affect an organisation's premises, operations, supply chain, transport needs or employee safety.

Transition risk

Transitioning to a lower-carbon economy can entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed and focus of these changes, transition risks can pose varying levels of financial and reputational risk to organisations.

Risk management (continued)

How we identify climate-related risks

The identification and management of climate-related risks is managed centrally at Group level. We take into consideration climate-related risks that could be reasonably expected to affect our UK, EU and US businesses. Our Enterprise Risk Management Framework considers all relevant business risks, including climate-related risks and opportunities. For more details, see pages 45-46.

Climate-related risks are reviewed and updated bi-annually, as part of our group-wide Risk and Control Self-Assessment (RCSA) cycle. The RCSA combines the risk and control owners' bottom-up assessment with the top-down assessment by the relevant committees, resulting in an updated risk profile for the Group. The RCSA process is used to challenge the existing climate-related risk profile and to identify potential gaps at Group level.

In the most recent RCSA cycle, climate-related risks were highlighted as a focus area. Climate risk is not a separate principal risk category in our risk management framework. Instead, each identified climate-related risk is linked to an existing principal risk category. For more information on our principal risks, see page 45.

All identified climate-related risks are assigned to an operational (senior management level) and executive (Domestic & General Leadership Group level) risk owner. They are logged in our risk management system to ensure proper documentation and ownership. A bi-annual calibration session with all climate-related risk owners (as part of the RCSA) ensures regular and transparent discussion. We agree on our key climate-related risks, as well as mitigating measures, at these sessions.

There are other sources of ongoing risk identification. These include day-to-day identification and management of potential risks as part of 'the first line of defence', assurance reporting, horizon scanning and committee reporting. To ensure the business is aware of climate-related risks and key definitions, a climate-related risk section is integrated in our mandatory risk management learning programme.

How we assess climate-related risks

We assess risks (including climate-related risks) on an impact and likelihood basis. Risk assessment includes estimation of the impact (type and amount) and likelihood on a 'gross' and 'net' basis. A gross basis involves risk assessment before controls and mitigating actions. A net basis involves risk assessment after controls and mitigating actions. The criteria for assessment of impact and likelihood are used to assess all Group risks and are reviewed annually as part of the group risk governance processes. The impact assessment is made up of three different impact types – 'reputation and regulatory', 'financial' and 'partner'.

How we manage climate-related risks

The assessment of risks from a gross and net perspective ensures that controls and mitigating measures for each risk are clearly stated. We document the difference between the gross and net rating through our risk management system. Rating rationales are updated by the risk owner as part of each RCSA cycle.

Risk monitoring is also part of our risk management framework. Risk monitoring is the ongoing process that assesses the effectiveness and efficiency of risk management, its control environment – and its ability to enable the achievement of our objectives within risk appetite. The process for monitoring risks includes key risk indicators, second-line and third-line assurance testing, horizon scanning and monitoring of changes.

KPIs and targets

Information on climate-related targets and our carbon footprint can be found on pages 36 and 52.

We've started to define KPIs and targets for the key climate-related risks outlined on page 45. Going forward, we'll continue to develop and disclose metrics and targets associated with each key risk. We'll also seek to ensure ongoing monitoring of risk metrics through our embedded key risk indicator reporting.

More work is needed to consider and develop our climate-related KPIs, including those related to climate opportunities. We aim to improve these KPIs, so we can maintain transparency and accountability in line with our climate and sustainability strategy. This is part of our wider efforts to develop our ESG data and metrics more generally.

Streamlined Energy and Carbon Reporting (SECR)

Domestic & General Services Limited ('DGS'), Domestic & General Insurance plc ('DGI'),and Domestic & General Group Limited ('DGGL'), being large UK entities within the Group, meet SECR criteria. They are mandated to meet the requirements as set out in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As DGS, DGI and DGGL all operate out of the same UK facilities, the results shown represent the total UK business.

Reason for change in emissions

In FY25, the total energy consumption across our UK operations remained at almost the same level as in FY24, increasing marginally. Our emissions from gas decreased slightly in FY25. Scope 2 emissions from electricity (using the market-based methodology) declined significantly. This reflects our move to renewable electricity across our Bedworth and Nottingham offices in August 2024 – with all UK offices now running on renewable power. SECR Scope 3 emissions, from business travel in rental cars or employee-owned vehicles increased marginally year on year. We expect this to vary year on year, but it doesn't represent a significant part of our emissions.

Methodology

Our report follows the SECR guidance and the GHG Protocol – Corporate Accounting and Reporting Standard, as the accepted methodology to meet the mandatory requirements. At this stage, no other operational elements have been included. The table to the right shows our GHG emissions and energy usage data for the past two years.

UK GHG emissions and energy usage data	FY25	FY24
Energy consumption used to calculate emissions (kWh)	1.44m	1.42m
Scope 1: Emissions from combustion of gas (tCO_2e)	62	65
Scope 1: Emissions from combustion of fuel for transport (tCO_2e)	0	0
Scope 2: Emissions from purchased electricity – market based (tCO_2e)[1]	70	250
Scope 3: Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (tCO_2e)[2]	49	46
Scope 3: Upstream transmission and distribution losses and excavation and transport of fuels – market based (tCO_2e)	41	84
Total gross tCO_2e – market based	**222**	**446**
Intensity ratio: Gross tCO_2e per £m revenue – market based	0.24	0.52

1 Scope 2: Emissions from purchased electricity – location based FY25: 194 tCO_2e vs FY24: 190 tCO_2e
2 Scope 3: Upstream transmission and distribution losses and excavation and transport of fuels – market based FY25: 84.17 tCO_2e vs FY24: 41.13 tCO_2e

Carbon footprint

Our groupwide carbon footprint represents calculated emissions across all our markets for FY25. The footprint uses a hybrid spend and activity-based methodology, the same as was used last year – which allows year-on-year changes to be calculated.

The footprint has been calculated following the standards set in the GHG Protocol – Corporate Accounting and Reporting Standard. It uses emission factors from a range of different sources, including the Intergovernmental Panel on Climate Change, the UK Government, the Environmental Protection Agency, the World Input Output Database and GHG Protocol.

Globally, Scope 1 and 2 emissions have increased, despite the decrease in our UK emissions. This is driven primarily by a climb in Scope 1 emissions caused by the increased use of our small fleet – and by the inclusion of emissions related to gas across our US offices for the first time. The overall increase in our Scope 3 emissions reflects business growth over the previous year and the inclusion of emissions from After, Inc. and Accent businesses (acquired mid-way through FY24[1]). Despite these factors, there has been a slight decrease in our emissions intensity. This reflects the greater relative increase of the financial metric that we use to calculate relative emissions.

Emission categories	FY25 emissions (tCO_2e)	FY24 emissions (tCO_2e)	YoY changes (tCO_2e)	YoY changes (%)
Scope 1: Emissions from combustion of gas and fuels from transport	268	210	+58	+28%
Scope 2: Emissions from purchased electricity (market-based)[2]	345	371	-26	-7%
Total Scope 1 and Scope 2 emissions	**613**	**581**	**32**	**+6%**
Scope 3 – Category 1: Purchased goods and services – general services	19,269	16,416	+2,853	+17%
Scope 3 – Category 1: Purchased goods and services – repairs and replacements	59,351	63,980	-4,629	-7%
Scope 3 – Category 2: Capital goods	2	2	0	+1%
Scope 3 – Category 3: Fuel and energy-related activities (market-based)	158	149	+10	+7%
Scope 3 – Category 4: Upstream transportation and distribution	26,063	15,499	+10,564	+68%
Scope 3 – Category 5: Waste	0	+1	-1	-100%
Scope 3 – Category 6: Business travel	2,117	1,649	+468	+28%
Scope 3 – Category 7: Employee commuting	2,241	1,706	+535	+31%
Scope 3 – Category 15: Investments (emissions relating to D&G's contribution to employee pensions)	650	637	+13	+2%
Biogenic emissions (out of scope)[3]	38	25	+13	+52%
Total Scope 3 emissions	**109,852**	**100,039**	**+9,813**	**+10%**
Scope 3 emissions intensity (TCO_2e per million EBITDA + personnel costs)[4]	337	340	-3	-1%
Total emissions	**110,465**	**100,620**	**9,845**	**+10%**

1 Over the course of FY26 we'll explore whether the acquisition of After, Inc. and Accent in FY24 increased our emissions that year by more than 5%. If so, there will be a need to re-baseline

2 Scope 2: Emissions from purchased electricity – location based FY25: 444 tCO_2e vs FY24: 268 tCO_2e
3 Biogenic emissions are out of scope for D&G
4 Note that the intensity metric is calculated by dividing total emissions from the Scope 3 categories purchased goods and services, upstream transportation and distribution, business travel, and employee commuting, by EBITDA and personnel costs

Our customers

D&G products and experiences are built to meet customers' needs

Our proposition to customers is simple – we provide comprehensive cover and service that's both straightforward and hassle-free

When something goes wrong, we get home life back to normal quickly, working with our partners to provide an exceptional service to customers. Most problems are fixed on the first visit, and we're continuously striving to improve on our performance.

We're always looking to do better – committed to learning from every conversation, repair and partnership – to improve the service we deliver to customers.

D&G plays a vital role in protecting what matters in our customers' lives

Our products and experiences are built to meet our customers' evolving needs. Customers buy our products for straightforward cover they can count on and the hassle-free service we provide. This is consistently reflected in our research, customer panels and customer satisfaction surveys.

Our customer expectations are always changing – and we're not standing still. Our customer value proposition continues to provide high levels of satisfaction and loyalty. And we're constantly evolving our proposition set, client offerings and service experience. This includes our digital solutions, giving our customers more control and making it easier for them to contact us when they need to. →

OUR CUSTOMERS

Highlights

Annual repairs
2.7m
FY24: 2.6m

Customer repair NPS
58
FY24: 50

Subscription customer retention rate
86%
FY24: 86%

Repairs booked online
44%
FY24: 44%

Claims approval rate[1]
99%
FY24: 99%

First fix[2]
79%
FY24: 80%

1 Claims approval rate: the percentage of covered claims accepted by the engineer or at first notification of loss. Based on data UK only.
2 Where a product is fixed or written off in the first visit, or resolved remotely by sending a part.

Providing a duty of care to our customers – especially those that need us the most

Fair treatment of all our customers remains a priority, especially when a customer is experiencing circumstances that may mean they require additional support. This is also a requirement of the recent Consumer Duty regulation that has been passed by the FCA. Our focus remains on building on our customer-centric approach, which includes:

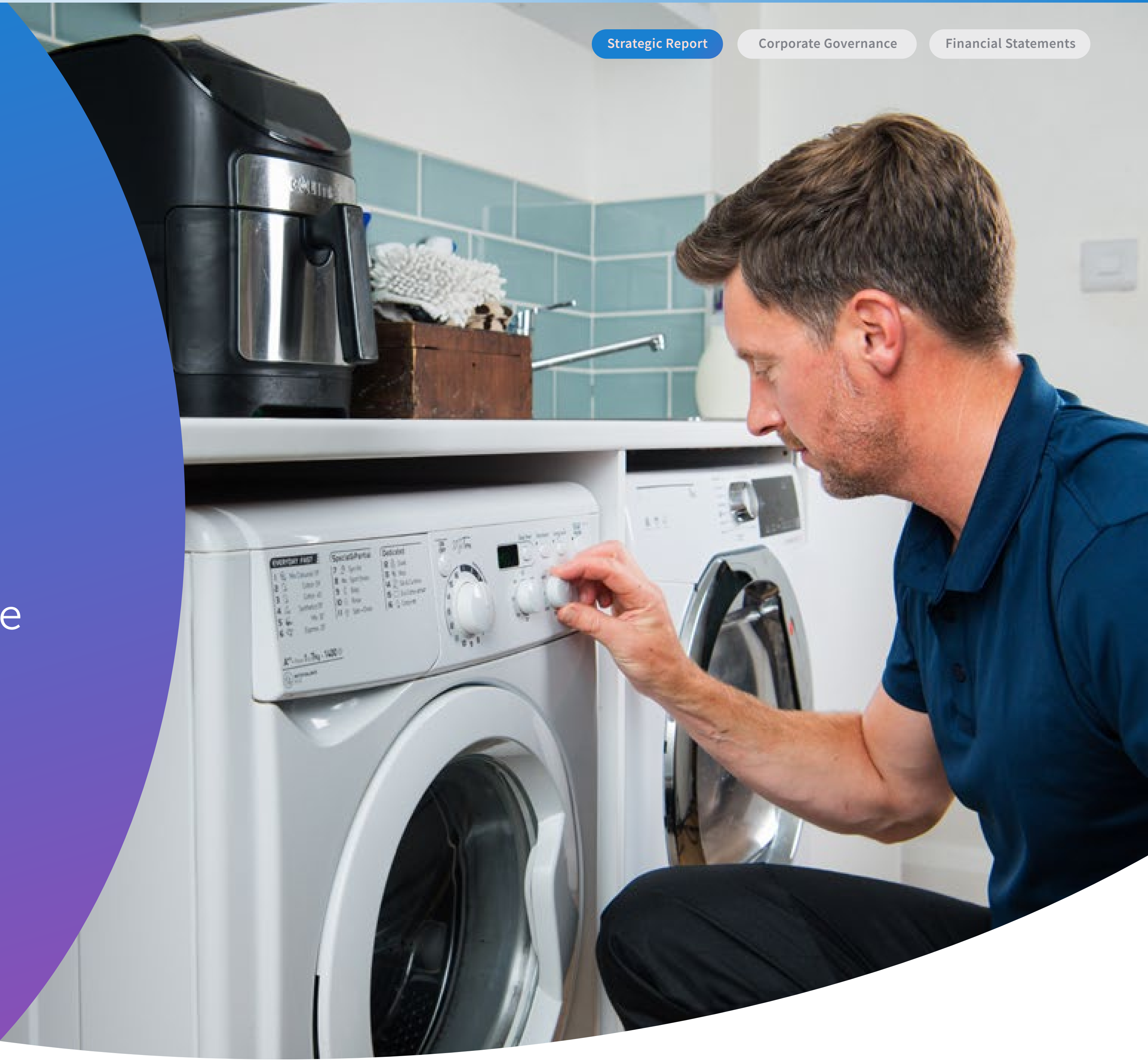
- Recording support needs while engaging with customers to understand how we can best support them
- Enhanced colleague training, ensuring empathetic and understanding conversations
- Building a diverse workforce that can understand and empathise with our customers
- Working with our partners to ensure that customers' needs are catered for in their interactions

We're listening to our customers' feedback… and acting on it

Our D&G Voices customer feedback system allows us to measure, analyse and act on customer feedback. It also challenges us to think of whether we can improve the experience we provide.

Through in-depth, ongoing analysis of satisfaction metrics and customer commentary we can identify and act on improvements required. Our data scientists use this customer feedback alongside operational data to help identify where we need to intervene proactively.

This helps us support customers and resolve emerging issues.



Our partners

Helping build lifetime connections with customers through their experiences

We're global experts in repair and protection solutions and we partner with leading businesses to protect, repair and care for millions of products each year. We offer comprehensive coverage with straightforward, hassle-free service, driving high customer retention and creating value for our partners as we grow our subscription base. Our partner strategy prioritises sustainable, exclusive partnerships, allowing us to drive value and deliver on our growth ambitions.

Our commitment to collaboration is evident in our long-standing partnerships. We understand the power of shared ambitions and work closely with our partners to achieve mutual success.

Our dedication to delivering improved service for customers is reflected in our digitally-enabled repair booking process with access to the majority of OEM repair networks. We're at the heart of the appliance care ecosystem, connecting partners, engineers and customers effortlessly.

We're the chosen partner for the majority of UK major domestic appliance OEMs, with a vision to be the chosen partner across all our territories, and our track record speaks for itself.

Our largest ten UK partners by FY25 sales have an average tenure of 25 years and a weighted average remaining contract length of three years. This demonstrates their confidence in our partnership, and we're proud our partners trust us to represent their brands in this market. We're always looking ahead, harnessing data and technology to further enhance our offerings and create even greater value for our partners and customers.

Mutually beneficial

Average tenure 25 years[1]

Exclusive and bespoke relationships with partners creating best-in-class customer experiences

+

Strong enduring customer relationships and commercial alignment

=

Commercially important long-term partnerships

1 Based on our largest ten UK partners by FY25 sales

	OEMs	Retailers and affinity partners
+20 YEARS OF D&G SUPPORT	Whirlpool, Bosch, beko, BAXI, Hoover, Electrolux, Miele, Candy, Indesit, LG, Dimplex	sky, MEDIMAX
5-20 YEARS OF D&G SUPPORT	Worcester Bosch Group, Vaillant, Lec Pure Refrigeration, mira showers	Electro Depot, euronics, ao, RP Radio Popular, GAME, Argos, worten, SME
Recent partner wins <5 YEARS OF D&G SUPPORT	Panasonic, CDA, ideal boilers, Midea	John Lewis & Partners, EDF, Carrefour, unieuro, ScottishPower, Leroy Merlin, fnac, sinersis, Marks Electrical

Our network

After Beko's parent company Arçelik acquired Whirpool's European division, we're pleased to have renewed and extended our UK contracts with the new commercial entity, Beko BV.

The combined new entity will sell approximately 4 million appliances per year in the UK and have a market share of around 40%. D&G and Whirlpool have developed market-leading appliance protection capabilities over 20 years of working together. Meanwhile, Beko has demonstrated sector-leading appliance sales expertise in recent years. The opportunity to align these two capabilities promises to deliver significant growth in the UK.

Arçelik has 55,000 employees worldwide, through its subsidiaries in 57 countries and 45 production facilities in 13 countries. The company has 22 brands, including Beko, Whirlpool, Grundig, Hotpoint, Leisure, Indesit, Flavel, Blomberg, ElektraBregenz and Bauknecht.

Arçelik achieved the highest ESG score in the DHP Household Durables Industry in the S&P Global Corporate Sustainability Assessment. The company's vision is 'Sustainability at Heart', reinforcing that Arçelik is a place where employees, subsidiaries and stakeholders can come together under one roof to build a sustainable future. This reflects Arçelik's cultural ethos and Employee Value Proposition, showcasing a sustainable business model embedded in the organisation's DNA and in the hearts of its employees.

Our network (continued)

worten

We're delighted to have extended our longstanding and successful partnership with Worten Iberia a further five years, to continue offering protection solutions to their customers.

After almost 10 years of close collaboration and a commercial strategy that has led to great success, we have successfully expanded our alliance with Worten. The new agreement will extend the current partnership until 2031. It was secured with the invaluable participation of MDS Group, assisting Worten in the analysis of the best insurance solutions for its clients.

This agreement marks the beginning of a new stage in our relationship. It will strengthen the long-term cooperation of both companies and will focus our efforts and priorities on consolidating a unique ecosystem and customer experience in the market.

Through the extension of this strategic partnership between Worten and D&G, we'll continue to grow and optimise our customer journeys across all commercial sales channels. It strengthens our partnership and drives our joint growth ambitions. Above all, it focuses on quick, efficient claims management – ensuring customers get timely, best-in-class service with a commitment to protecting the environment.

Whirlpool

This year, the Group has advanced and secured more material contractual enhancements and further strengthened the US Whirlpool relationship.

A new contract extension this June successfully extends the Whirlpool relationship a further five years. The new extension will deliver an even tighter Whirlpool bond by delivering more value to the Whirlpool model. It will also deliver incremental value by expanding our warranty proposition offerings to Whirlpool customers. We'll achieve this through more flexible subscription offerings, the ability to cross-sell to other appliance brands and improving the current online appliance service scheduling tools.

These new opportunities will accelerate the growth of our US partnership with Whirlpool. The enhanced partnership will increase sales over existing channels, such as our proven best-in-class registration journeys.

The new extension and agreement includes:

- D&G management and oversight of additional extended mailing campaigns at point of renewal and across customer acquisition channels.
- A new, engaged focus in Whirlpool's call centres. This includes extending best practice approach to in-warranty and out-of-warranty customer calls, as well as increased engagement for Repair and Protect customers.

This represents a foundational partnership that will allow us to accelerate our US growth agenda.

> "These new opportunities will accelerate the growth of our US partnership with Whirlpool"

Our people

Our colleagues can see the difference they make every day for customers, communities and the world around us

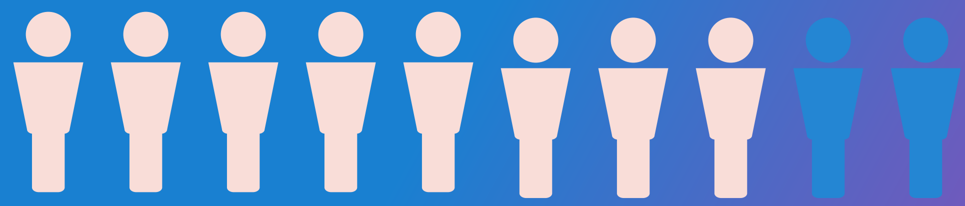
We know it takes hard work and innovation to stay ahead. Just as we grow and evolve, our people do too.

We celebrate our people for who they are and help each other succeed. It's an environment where everyone can achieve their ambitions and collaborate with people who share a passion for creating excellent customer and partner experiences.

Above all, we're united by one core purpose – protecting what matters at the heart of every home.

OUR PEOPLE

Highlights



82% of employees say D&G is a great place to work

36,414 hours

of facilitated training across our business

Best Workplaces for Wellbeing – Great Place To Work UK 2024

Recognised among the UK's Best Workplaces for Wellbeing

Best Workplaces for Women – Great Place To Work UK 2024

One of the UK's Best Workplaces for Women

Best Workplaces Super Large Organisations – Great Place To Work UK 2025

Top 50 Best Workplaces in the UK, Super Large Organisations category

Our people strategy

Our people strategy is as simple as A, B, C, D – Achieve, Belong, Connect, Develop. These four pillars are a framework for creating a compelling and globally aligned people experience: where all our people can feel 'proud of who we are'.

Achieve

Across the organisation, we encourage our people to achieve their ambitions, support them to attain their career goals and recognise them for their positive contributions.

Belong

Our inclusive culture has flexibility and choice at its heart. Employees feel they belong and are empowered to contribute their unique talents.

Connect

Colleagues are connected – to our purpose, our strategy and each other. We all have a clear understanding of the difference we can make in our business.

Develop

Our success depends on our people. Building on our unique strengths, we develop and inspire our colleagues and teams to perform to their ultimate potential and underpin our long-term success.

Achieve

Across the business, we encourage our people to achieve their ambitions, support them to attain their career goals and recognise and reward their performance.

We have a clear process to align around global and departmental objectives and key results (OKRs). This year, we launched a performance journey fully on Workday, to provide improved colleague experience in documenting performance and career development conversations. With a 99% completion rate, we feel all colleagues have the opportunity to reflect on their own contribution to the Group's success and discuss their development and ambition for the future.

Belong

Our inclusive culture has flexibility and choice at its heart. We strive to create a culture where all our people feel they belong and are empowered to contribute their unique talents.

We're proud to support 'Everyday Flexibility' for our employees. We embrace 'open thinking' and continuously strive to push the boundaries of flexible work options. We want to create the best working environment for our people, with the right support and technology to work from home or the office. Our people can apply for a variety of flexible working arrangements. We have adopted a wider approach to flexibility patterns in our contact centre roles, emcompassing the need of a broader and more diverse workforce and customers. This is an important way to attract and maintain a diverse and wide pool of talent.

In 2024 we launched our 'Everyday Inclusivity' journey – a multi-level, multi-year programme to champion a truly inclusive environment across the business. In the first year of launch 140 colleagues chose to voluntarily participate in the journey and we have new cohorts starting quarterly. We have a series of thriving Diversity and Inclusion Networks, including the International Women's Network, Diversability and the Pride network brought together via our Global Inclusivity Forum.

We have a strong ethos of social mobility, supporting initiatives for under-represented groups in engineering, technology and data. These include 'Sigma Labs' and 'Code First Girls'.

In our annual employee survey, Great Place to Work, we achieved a 79% engagement index and 80% trust index, with 85% of our colleagues taking part in the survey. We're proud to be certified as a Great Place to Work across all our core markets.

UK

US

Germany

Italy

Australia

Spain

Connect

Colleagues are connected to our purpose, our strategy and each other. We all have a clear understanding of the difference we can make in our business.

We offer many ways for our people to stay connected. These include our regular global webcasts that tour site-by-site, leadership and people management engagements, D&I network events and the employee podcast ‘Unfiltered’. We also use Workvivo – our global employee engagement platform, where every employee has a voice.

This year, we set a clear direction for our organisation, with the creation of the D&G Story. Made up of six chapters, it brings together our business strategy, people agenda and brand into one simple, aligned narrative for every employee. Our leaders led face-to-face sessions to bring the story to life for 92% of colleagues globally.

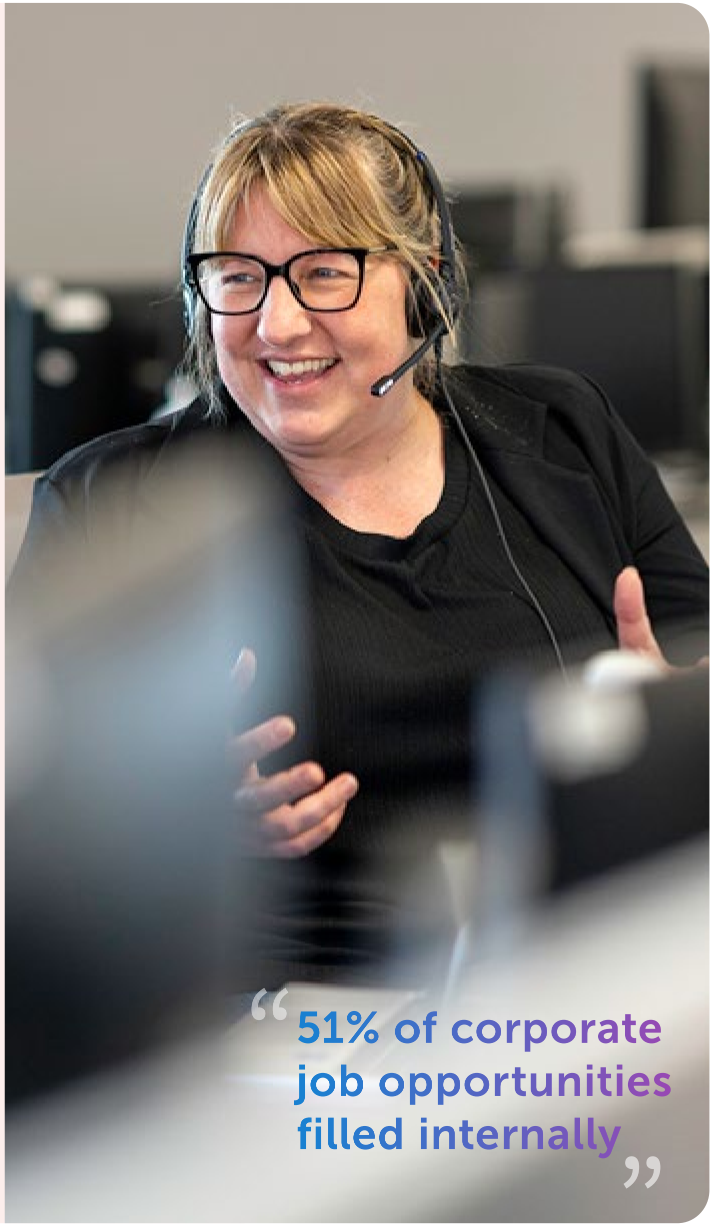
Develop

Our success depends on our people. Building on our unique strengths, we develop and inspire our colleagues and teams to perform to their ultimate potential and deliver our ambitions.

We offer a range of development opportunities as well as training throughout D&G, encouraging career development and in-role opportunities with growth ambitions across the UK, Europe and USA. We advertise all jobs internationally, at all levels and consider internal applications with care.

We're proud to support many of our employees progressing their careers with us. 51% of corporate job opportunities were filled internally between 2024-2025 and all career opportunities posted on Workvivo.

In 2024, we introduced a suite of new leadership development programmes, from Team Leaders to People Managers and Executives across our global business. 79% of Team Leaders and a further 34% of our People Managers joined our new development programmes in 2024. In addition, we enabled teams across the business to become high-performing through tailored team development interventions.



> “51% of corporate job opportunities filled internally”

Gender diversity information

	Year ended 31 March 2025			Year ended 31 March 2024		
	Executive Directors	Senior Management[1]	All others	Executive Directors	Senior Management[1]	All others
Male	2	7	1,631	2	8	1,512
Female	0	8	1,614	0	5	1,496
Total	**2**	**15**	**3,245**	**2**	**13**	**3,008**

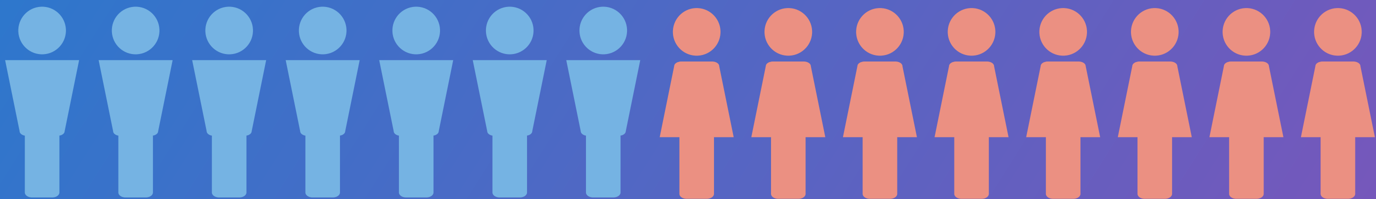
Gender Pay Gap Report

We continue to work on initiatives which contribute to the long-term aim of improving the gender balance at the senior levels of the organisation.

To view the full report visit our investor relations site.

Women in Senior Management[1] roles

FY25



1. We define 'Senior Management' as someone who is a member of the DGLG as at 31 March 2024 or 31 March 2025.

Stakeholder engagement

We report here how our Directors have performed their duty under Section 172(1) of the Companies Act 2006 ('s172').

The Board of Directors confirms that during the year, it has shown due regard to its duties as set out in the Companies (Jersey) Law 1991 and matters set out in s172 as applicable to the Group's UK entities. The Board has acted to promote the long-term success of the Group for the benefit of its members as a whole and has shown due regard to other stakeholders.

The Board recognises that considering the Group's key stakeholders and their interests is essential to the Group's strategy and long-term success. When decision-making, the Board and its Committees balance the interests of stakeholders who might be affected.

The Group's key stakeholders, their material issues of interest and the effectiveness of the Group's engagement with them is continually reviewed. The Group's governance structure ensures that the D&G Leadership Group (DGLG) regularly reports on relevant updates to the Board directly at Board meetings, and indirectly through its Committees.

The interests of key stakeholders, how the Board engages with them and the outcomes are on pages 69-70. Examples of how the Board has considered key stakeholders and their interests during FY25 are on pages 71-72.

Our customers

Their interests

- Reliable, convenient and high-quality products and service
- Simple and transparent products with multiple access channels
- Fair treatment, including pricing and value
- Complaints resolution
- Confidentiality of data
- Customer engagement, understanding and support

Board engagement

- Assessed customer requirements and engaged in projects that focus on safeguarding the interests of customers
- Management provided updates to the Board, including on customer journeys and outcomes
- Approved the annual Consumer Duty Report

Outcomes

- Leveraged technology and data to enhance the customer journey
- Introduced new SmartFix capabilities to help customers fix simple, addressable issues
- Began implementing an AI-driven tool for customer service agents to improve customer satisfaction outcomes

Our partners

Their interests

- Good service for their customers
- Appliances lasting longer
- Outsourcing of complex business processes
- Strong commercial outcomes

Board engagement

- Reviewed updates on commercial negotiations and contract extensions across our global operations, ensuring that the terms were actionable and ready for implementation
- Engaged with dedicated partner relationship executives
- The Sustainability Committee ensured our sustainability strategy was aligned with our partners' goals

Outcomes

- Strengthened our strategic relationships with partners
- Secured contract term extensions with several existing partners

Our people

Their interests

- Flexible working
- Development and training
- Inclusivity and belonging
- Communication and engagement
- Employee wellbeing
- Health and safety
- Fair remuneration
- Career progression

Board engagement

- Received updates from Management, including on our 'Everyday Inclusivity Journey' and annual employee survey with Great Place to Work UK
- Regular HR updates were presented at Board meetings
- The CEO presented Global Business Updates to our people to stay connected and provide our people with the opportunity to ask questions and hear updates on core developments
- The Sustainability Committee received updates on our social impact priorities (Inclusivity, Social Mobility and Community)
- The Remuneration Committee approved the reward and remunerations approach

Outcomes

- Placed in the top 50 of the UK's Best Places to Work for 2025
- Explored and progressed initiatives that support our social impact priorities

Shareholders and lenders

Their interests

- Predictable and profitable growth
- Customer and partner experience
- Return on investment
- Payment of interest/ repayment of principal

Board engagement

- Individuals nominated by the investor companies form part of the Group Board and continually engage with management
- Periodic calls with shareholders and lenders to discuss financial results
- Reviewed the Group's five-year strategic plan
- Approved the Annual Report and Accounts, to provide investors with relevant information over the past financial year
- Oversight of the Group refinancing process

Outcomes

- Delivered a strong profit and cash performance aligned to our business strategy
- Delivered successful refinancing of the Group

Regulatory bodies

Their interests

- Consumer protection
- Compliance
- Data privacy
- Financial soundness
- Regulatory capital
- Risk management

Board engagement

- The Chair of the Audit and Risk Committee provided regular updates at Board meetings on interactions that management have had with regulators
- Approved the Consumer Duty Board report and continued to enhance and embed our approach to the Duty
- Regular reports from across the business on regulatory matters were presented to the Board
- Board members met with the Prudential Regulation Authority ('PRA')

Outcomes

- Invested in governance and control frameworks
- Received regulatory approvals for individual Board appointments

Community, environment, government

Their interests

- Volunteering support
- Sustainability
- Circular economy benefits
- Openness and transparency
- Compliance with legislation

Board engagement

- The Chair of the Sustainability Committee provided regular updates at Board meetings
- The Sustainability Committee approved our SBTi target approach
- Received updates on Government Bills and relevant legislation
- Approved the Modern Slavery Statement

Outcomes

- Obtained SBTi approval of our near-term sustainability targets
- Continued partnership with OnHand, with employees volunteering 2,224 hours

Everyday Inclusivity Journey

Stakeholders: Our people

A globally inclusive culture ensures everyone feels welcome, valued and respected regardless of who they are or where they come from.

We have committed to implement an "Everyday Inclusivity Journey" to create a globally inclusive culture. This is a multi-year and multi-level journey that will support our colleagues in deepening awareness of diversity, challenging bias and increasing confidence in representing underrepresented groups.

In November 2024, the Board received updates on the successful launch of the Level 1 Everyday Inclusivity Journey. Later levels of the journey will enable our colleagues to connect with local communities and make an impact on the wider society.

The feedback received so far has been extremely positive; "It's been a fantastic educational piece that allows me to challenge my views, biases and beliefs, amongst other things, in a supportive and safe environment with some great colleagues, which is having a direct benefit on me as a leader and employee here at D&G."

140 participants have engaged from across countries, functional areas, and seniority levels. These participants include Matthew Crummack and Joe Fitzgerald, our CEO and CFO respectively, and several of our Senior Executives in the February 2025 cohort.

The Board and the Sustainability Committee will be kept informed of progress and feedback as the journey continues.

SBTi Targets

Stakeholders: Community, environment, government

In June 2024, the Sustainability Committee agreed to set absolute targets for Scope 1 and Scope 2 emissions of 42% by 2030. This is a 1.5°C-aligned target, currently the most ambitious designation available through the SBTi process. An intensity-based target was set for the more challenging Scope 3 emissions, to reduce by 51.6% by 2030.

Following this, we submitted our letter of commitment to the SBTi to signal our intention to set a near-term emissions reduction target. This was accepted by SBTi in September 2024.

Alongside submitting our letter of commitment to the SBTi, a decarbonisation programme was developed by the sustainability team. This programme received approval from the Sustainability Committee in October 2024.

Subsequently, we submitted our targets to be validated by SBTi in November 2024, which were validated in March 2025. The Sustainability Committee and Board were kept informed throughout this process and will continue to receive updates on our decarbonisation progress.

Rogue trader litigation

Stakeholders: Our customers, Regulatory bodies

In January 2021, we brought a claim against eight potential rogue traders. The Board believed the rogue traders had been targeting our customers and fraudulently misrepresenting themselves as D&G or as associated with us. We were successful in obtaining interim injunction orders.

In July 2021, we obtained default judgment against three of the original rogue trader defendants.

In November 2022, the claim was amended to add three additional potential rogue traders.

The High Court trial against the remaining defendants (with the exception of one, which had been wound up in the public interest) took place in early 2024. The judgment was received in October 2024. The Board received updates on the hearings and the outcomes.

Our claims were successful. The Judge found in our favour that (with the exception of one) the defendants made fraudulent misrepresentations to our customers, jointly engaged in the tort of causing loss by unlawful means and were party to an unlawful means conspiracy.

This is a significant milestone in our fight against a series of rogue traders over many years, demonstrating that we will not stand for rogue trader activity. The Board believes that this outcome will protect our customers and the reputation of the appliance warranty market. The activities of the rogue traders in question were also of interest to various regulatory bodies, including the FCA and the Information Commisioner's Office.

The Board continues to receive updates from our front-line teams to protect our customers.

Placed in the top 50 of the UK's Best Places to Work for 2025

Great Place To Work.
Certified
MAR 2024-MAR 2025
UK

s172 requires the Board to give consideration to:

s172 item	Relevant disclosure(s)
a) the likely consequences of any decision in the long term	• Our purpose (page 1) • Our business model (pages 27-28) • Our strategy (page 19)
b) the interests of the company's employees	• Non-financial reporting (page 3, page 24 and page 28) • Our people (page 61) • Diversity and inclusion (page 64 and page 66)
c) the need to foster the company's business relationships with suppliers, customers and others	• Our customers (page 53) • Our partners (page 57) • Human rights and modern slavery (pages 105-107) • Supplier payment policy (page 103)
d) the impact of the company's operations on the community and the environment	• Sustainability (commencing on page 33, including Streamlined Energy and Carbon Reporting on page 51) • Our Sustainability Committee (page 86) • Climate-related financial disclosures (page 41)
e) the desirability of the company maintaining a reputation for high standards of business conduct	• CEO's statement (page 9) • Strategy for growth (page 20) • Risk management (page 75)
f) the need to act fairly as between members of the company	• Rights attached to shares (note 29 to the financial statements)

Risk management

Enterprise resilience, governance and prudent risk management

Our risk vision

The vision of our Risk and Compliance function is to be the trusted partner to the business that helps D&G deliver for every customer, every time. This is strengthened by their commitment to protect what matters for our customers and business, allowing for informed, strategic, risk-aware decision-making.

Governance

The Board sets and monitors adherence to the risk management framework and approves our risk policies. The risk governance framework is supported by two committees:

Audit & Risk Committee ('ARC')

A Board sub-committee charged with monitoring the integrity of financial statements and overseeing the execution of the risk management and internal control frameworks. This includes agreeing the risk appetite for Board ratification.

Refer to pages 88-90 for members of the ARC.

Group Risk Committee ('GRC')

A DGLG sub-committee which monitors adherence to risk appetite and changes to the risk profile. It also oversees conduct and regulatory compliance with the principles and rules set by our regulators. The committee meets quarterly and comprises the DGLG, including the CEO. Further representatives from the business are invited, as necessary.

Risk appetite

The Board has approved a suite of qualitative and quantitative risk appetite statements. These relate to each of the key risk categories (principal risks), articulating the amount of risk the Board is willing to accept in pursuit of its objectives. These statements are reviewed on an annual basis. Adherence to risk appetite is measured to drive risk-aware decision-making. We operate the '**Three lines of defence**' model, comprising:

1. Risk management is embedded within the first line of defence from a top-down perspective through the Board's 'Tone from the Top'. While from a bottom-up perspective, it operates through the risk and control registers. Risk and control owners are clearly nominated across the business and take responsibility for the risks identified in their areas.
2. The second line of defence includes the functions responsible for ongoing monitoring and compliance oversight. They are responsible for setting the risk management and control frameworks. These functions include risk management, compliance and data privacy.
3. The third line of defence represents the Internal Audit function. They provide independent assurance and report to the ARC as a Board sub-committee.

A summary of the principal risks and uncertainties facing the Group

Conduct

FY25 trend: Stable ⟷

Context:

We provide services for essential appliances. We aim to deliver good customer outcomes and meet our customers' expectations, while generating sustainable profitability.

Risk definition:

The risk that the provision of our services fails to provide customers with good outcomes in line with our regulatory obligations or causes business harm. Under Conduct risk, we consider product governance & marketing, sales & retentions, post sales service, complaints, and financial crime as sub-risk categories

Risk management and mitigation:

The identification, assessment and management of conduct risk is integrated in our day-to-day management and governance framework. Risk mitigations include:

- Senior Managers and Certification Regime ('SM&CR') accountabilities are in place to ensure that culture, standards and values are embedded to provide a high standard of customer service. These ensure good customer outcomes and meeting of regulatory requirements.
- Training and competence programmes and employee vetting processes are in place.
- Quality assurance programmes covering higher risk in-house and outsourced customer-facing activities as well as third party distribution.
- Root cause analysis to identify and act upon complaint trends.
- Governance committees monitor adherence to conduct risk appetite and achieving of good customer outcomes in line with Consumer Duty.
- Policy framework that defines our ways of working, including approach to remuneration, sales, claims, product design & vulnerable customers.
- Our second and third lines of defence include a risk-based compliance monitoring and internal audit programme, targeting key areas of conduct risk.
- First Line reviews and customer outcomes testing completed.
- We monitor the appliance market and work closely with our OEM partners to plan for potential disruption.
- The design and distribution of our products is supported by governance arrangements to meet identified customer needs and generate good outcomes. This ensures products are fit for purpose and sold appropriately.
- The objective of our customer facing communications is to ensure customer understanding.

A summary of the principal risks and uncertainties facing the Group (continued)

Operational

FY25 trend: Decreasing ↓

Context:

Our day-to-day business requires the existence of numerous processes and systems that carry a potential for operational risk. We aim to reduce our operational risks to an acceptable level through risk-mitigating controls.

Risk definition:

The risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. Sub-risks relating to this category include information security & data protection, third party, people, enterprise resilience, technology, and health & safety.

Risk management and mitigation:

We maintain an internal policy for handling operational risk. Operational risk registers and controls are regularly reviewed as part of the biannual Risk & Control Self-Assessment. Risk mitigations for the sub-risk categories include:

- **Information security & data protection risk:** We've deployed a framework of controls to mitigate the risk of non-compliance with our data security and privacy requirements and regularly review our conformance with relevant international standards. To further strengthen our controls, we've delivered a multi-phased program (the Information Security Roadmap) and our daily information security work allows for ongoing improvements. Due to the inherent external threat of cyber-attack, we regularly review advice from government bodies. Considering the high-profile cyber-attacks in the external market, our Technology teams are also re-assessing our business to identify any learnings in case there are further remediations we need to make.
- **Third party risk:** We arrange all third party agreements in line with our internal policies. They are subject to appropriate levels of due diligence, onboarding and exit strategies. We monitor the performance of our outsourcers and critical third party arrangements.
- **People risk:** Our objectives are supported by our ability to attract, retain, safeguard, and develop employees to perform their responsibilities. People risk is mitigated by our People Strategy and data-informed initiatives such as training and competence development, mandatory learning and leadership development, talent and performance management, inclusivity initiatives, remuneration governance, engagement surveys, and succession planning.
- **Enterprise resilience risk:** Our Enterprise Resilience Framework sets out how we identify, assess, and monitor threats to resilience along with our risk management framework. We test severe but plausible scenarios to understand and mitigate against operational failures across systems, third parties, people, and facilities. Our resilience mechanisms seek to ensure we remain within our defined impact tolerances.
- **Technology risk:** Technology is a key enabler of our strategy and growth ambitions. To drive our technology forward, we must balance risk with the ambition to successfully deliver operational, commercial, and customer benefits without causing business disruption. The Technology Planning Office oversees the delivery of the product, platform and technology roadmap driving our transformation. In addition, our IT Service Continuity and Enterprise Resilience Frameworks set out robust incident management and disaster recovery plans.
- **Health & safety risk:** We are committed to the health and wellbeing of our employees. We strive to implement and maintain suitable and sufficient control arrangements to manage both internal and external health and safety risks.

A summary of the principal risks and uncertainties facing the Group (continued)

Strategic

FY25 trend: Stable ⟷

Context:

Strategic risk is influenced by internal and external development. Setting a clear strategy including protecting our reputation is critical to maintaining stakeholder confidence and achieving long term sustainable growth.

Risk definition:

The risk resulting from the inability to implement appropriate business plans and strategies, make decisions, allocate resources or adapt to changes in the business environment. Under Strategic risk, we consider key partner relationships, delivery & value realisation, responsiveness to changes in market dynamics, and reputation as sub-risk categories.

Risk management and mitigation:

We manage strategic risks actively as part of our day-to-day work. Risk mitigations for the sub-risk categories include:

- **Key partner relationship risk:** We maintains a close relationship with our partners, with careful management of service levels. We've negotiated exclusive, long-term agreements with most of our key partners, creating incentives for long-term, sustainable partnerships. We regularly review our key partner dependence using key risk indicators, so we can monitor adherence to risk appetite.
- **Delivery & value realisation risk:** We regularly assess the delivery of strategic change – focused on technology and transformation-based project initiatives – through our business planning structure. To support successful delivery, we've embedded governance and controls for project funding and tracking of spend and deliverables.
- **Responsiveness to changes in market dynamics risk:** We monitor emerging external trends and are able to adapt quickly to opportunities and protect against potential risks. We proactively scan the horizon to monitor macro-factors including regulatory/legislative developments, inflation, competitor behaviour, geo-political unrest and changes in consumer behaviour. Our ESG programme builds on practices that already exist within our Risk Management and HR functions.
- Refer to pages 33-52 for further information about sustainability, including climate disclosure covering climate related risks.
- **Reputational risk:** We've embedded reputation management into our business to safeguard against reputational risks and use opportunities to strengthen our brand.

A summary of the principal risks and uncertainties facing the Group (continued)

Finance

FY25 trend: Stable ⟷

Context:

We need to ensure that we have sufficient liquidity to meet our contractual obligations as they fall due and to provide capital to fund our growth and transformation programmes, including growth in the US market.

Risk definition:

The risk of failing to maintain access to sufficient sources of funding to deliver strategic initiatives, meet the Group's financial obligations and satisfy Solvency II capital and liquidity requirements. Under our Finance risk, we consider capital management, liquidity, tax, credit, financial reporting, trading performance, and budgeting & decision support as sub-risk categories.

Risk management and mitigation:

To mitigate Finance risk, detailed cash flow forecasts are prepared regularly to ensure liquidity requirements are identified and met, with additional buffers held for regulated entities to cope with potential stresses. We have access to a revolving credit facility, which was expanded during the year as part of the Group's refinancing activity, should we need additional short-term liquidity.

We regularly monitor our counterparties to reduce the risk of default.

The preservation of capital is a key investment objective so our investment strategy is designed to reduce the risk of a capital loss over the life of assets held.

Other risk mitigations include:

- Inflation assumptions in budgets.
- Arrangements with commercial partners and repairers which support stability in our margins.
- Protection against interest rate rises via a blend of fixed and floating rate debt, in line with the Group's risk appetite.

Governance

FY25 trend: Stable ⟷

Context:

Operating in a global and complex environment, appropriate governance arrangements, and adherence to relevant laws, regulation and contractual obligations are essential to support the delivery of good customer outcomes.

Risk definition:

The risk of potential harm resulting from ineffective or lack of appropriate governance and oversight, non-compliance with applicable laws and regulation or, failure to comply with our contractual obligations. Sub-risks relating to this category include regulatory & compliance, and legal.

Risk management and mitigation:

Our compliance, risk and legal functions oversee adherence to applicable laws and regulation across the different countries we are operating in.

The functions aim to enhance a culture of compliance and work collaboratively to ensure that the business acts in the best interests of our customers. This includes providing good customer outcomes in line with risk appetite and organisational values, as well as law and regulation.

The identification of new or changing laws and regulation is ensured via regular horizon scanning. We also seek advice from external legal and regulatory consultants as required.

We have key controls to ensure that we comply with our contractual obligations, including maintaining a well-resourced and trained in-house legal team. We also carry out periodic reviews and updates to contracts to reflect changing laws and regulations.

A summary of the principal risks and uncertainties facing the Group (continued)

Insurance

FY25 trend: Stable ⟷

Context:

We have extensive experience and specialist technical capabilities in pricing our underwriting risks (such as accidental damage or mechanical breakdown), supporting reliable and stable underwriting performance. We ensure our customers receive good value from products we offer and act with due regard to our commitment to upholding good outcomes for customers.

Risk definition:

The risk that our insurance premiums are insufficient to cover the costs of existing or future claims. Insurance risk is further broken down into the sub-risk category underwriting & pricing.

Risk management and mitigation:

We manage the risk of underwriting and pricing adversely impacting business performance by:

- Building statistically robust models with multiple years of data, run by experienced specialist underwriting and pricing teams.
- Monitoring performance, including written premium, incident rates and claims costs.

We have a Chief Data & Underwriting Officer to ensure pricing and underwriting risks remain in line with customers' risk factors. Underwriting and pricing processes are subject to risk management governance and controls to ensure pricing models are fair and non-discriminatory, while generating sustainable profit.

Given the economic headwinds, we continue to invest in closely monitoring KPIs. Appropriate economic assumptions are included in our planning for the future. The rate of policy cancellations and renewal uptakes are monitored by a specific working group to identify areas where response is required.

Our business model is resilient to economic shocks as customer perception of value increases the drive to maintain products and appliances.

Corporate Governance

Chair's welcome 83

Governance roles and responsibilities 85

Board of Directors 87

Board meeting attendance and activities 91

Board composition 92

Domestic & General Leadership Group 95

Corporate governance framework 99

Corporate governance statement 101

Directors' Report of Galaxy Finco Limited 103

Non-financial and sustainability information statement 105

Statement of Directors' responsibilities 108

Chair's welcome

David Tyler

Chair

See Bio on page 88

The Board recognises that strong governance processes are fundamental to the effective oversight and strategic direction of any successful business.

Over the past year, we've continued to review and refine our governance processes, making many improvements to strengthen our approach. This will ensure that our business stays subject to rigorous oversight, delivering value to our stakeholders while maintaining high standards of ethics and responsibility.

Governance Code and Director duties

Domestic & General Limited is not a listed company. However, the principles set out in the FRC's Corporate Governance Code 2018 (the 'Code') play a key role in guiding the Board's oversight of the Group. In particular, we place significant focus on areas such as company culture, workforce engagement, diversity and remuneration.

This report outlines the measures that are in place to ensure alignment with the spirit of the Code, as well as our adherence to the Wates Corporate Governance Principles (the 'Wates Principles'). These provide further clarity on the standards of behaviour and transparency expected of the UK's largest private companies. Details of how we apply the Wates Principles can be found in the Corporate Governance statement on pages 101-102.

Further, the Board is aware of its duties as set out in the Companies (Jersey) Law 1991 as well as matters set out in section 172 of the Companies Act 2006 as applicable to the UK entities within the Group.

Section 172 requires directors to have regard not just to shareholders, but to other stakeholders too.

You can find more on how Section 172 considerations are embedded in decision making at Board level on pages 68-74. You can also see how they are demonstrated throughout its governance framework over the following pages.

Leadership and effectiveness

The Board is committed to providing strong and effective leadership, with a primary focus on setting the Group's strategy in a well-informed and thoughtful manner. Our Board members bring diverse skills and experience, contributing valuable insights that enhance decision-making. Regular engagement with the management team and wider colleagues, as well as our financial risk appetite help shape these decisions.

We work within a clearly defined regulatory and prudential control framework, ensuring robust oversight and accountability. The Board carefully evaluates the Group's impact on all stakeholders, with further details on how we incorporate stakeholder considerations into key decisions available in the Stakeholder Engagement section within our Strategic Report on pages 68-74.

Corporate framework

Domestic & General Limited is the statutory entity at which the operational board sits (the 'Board'). The Board is supported by an Audit & Risk Committee, a Remuneration Committee and a Sustainability Committee. This Annual Report & Accounts is presented for Galaxy Finco Limited, a subsidiary of Domestic & General Limited and holding company within the Group. Galaxy Finco Limited is the largest group of companies for which the results of the Group are consolidated. Domestic & General Insurance plc ('DGI') is the UK regulated operating entity within the Group and has its own Audit & Risk Committee which is chaired by Robin Ashton, a Non-Executive Director of that company. Domestic & General Insurance Europe AG ('DGIEU') is a wholly owned subsidiary of DGI, registered in Germany and duly authorised by BaFin to carry on insurance business in Germany and across the EEA. DGIEU has both a Management Board and a Supervisory Board.

Details of the membership and terms of reference of each of our committees are provided in more detail on pages 99-100.

David Tyler
Chair

9 July 2025

The role of the Board

The Board has collective responsibility for the Group's long-term success, providing strategic direction and overseeing performance. It delegates the implementation of strategy and the responsibility for day-to-day operations to the DGLG, with support from the extended leadership team.

The Board is committed to shaping and reinforcing the Group's culture, aligning it with our purpose, values and strategy, and ensuring it is embedded across the Group.

At the start of the year, the Chair, CEO and Company Secretary agreed the Forward Planner. This set out key dates of Board meetings and activities to facilitate direct involvement in major decisions. Throughout the year, the Board's agenda included regular reports from the CEO and CFO. It included oversight of financial performance, operating budgets, risk management, regulatory affairs, and governance and compliance matters. The Board also received updates from the respective chairs of its sub-committees.

DIVISION OF RESPONSIBILITIES

Chair	Our Chair, David Tyler, leads the Board, providing independent judgement and insight on all matters. He monitors the contribution and performance of Board members and acts as a key contact for significant stakeholders.
Non-Executive Directors (including Independent NEDs)	Our NEDs provide external oversight and judgement on issues of strategy, performance and resources within our risk and governance structure. Together with our Independent NEDs, they constructively challenge the Executive Directors. As Board Committee members, they review the integrity of the Company's financial information, recommend appropriate succession plans and monitor Board diversity.
Executive Directors	Our CEO, Matthew Crummack, and CFO, Joe Fitzgerald, as members of the DGLG, are responsible for leading the Group's performance. They propose strategies, business plans, and policies to the Board. They also lead, motivate, and monitor the performance of the Company's senior management team.

Board of Directors

More information on our Board of Directors can be found on pages 87-90

The Board provides entrepreneurial leadership to the Company within a robust framework, ensuring that risks are thoroughly assessed and managed. It is responsible for defining our strategic objectives, values and standards while ensuring that our obligations to stakeholders are understood and fulfilled.

Domestic & General Leadership Group (DGLG)

The DGLG, led by the CEO, has delegated authority from the Board to manage the day-to-day operations of the Group. It's responsible for:

- The execution and delivery of the D&G Group strategy
- Monitoring the financial and trading performance of the group
- Reviewing key people risks and issues
- Reviewing adherence to regulation and compliance

More information on the DGLG can be found on pages 95-98

Board committees

The Board delegates certain matters to its sub-committees, which are chaired by Non-Executive Directors. The purpose and scope of each committee is set out in Terms of Reference, which are reviewed by the Board annually. At each Board meeting, the Committee Chairs give updates on Committee activity and highlight any significant issues that require Board attention.

Audit & Risk Committee

The Audit & Risk Committee is responsible for monitoring the integrity of the financial statements. It also reviews the effectiveness of internal controls and risk management systems, and monitors the effectiveness of the internal audit function.

Renumeration Committee

The Remuneration Committee is responsible for determining the overall framework and policy for remuneration of the Chair, the Independent Non–Executive Directors, the Executive Directors and senior executives of the Group.

Sustainability Committee

The Sustainability Committee has responsibility for considering key sustainability matters relevant to the business.

More information on our Board Committees can be found on pages 99-100

Management Level Committees

The governance framework is supported by numerous management level forums. These Committees have clear Terms of Reference and are each chaired by Senior Managers to support the discharge of their responsibilities. These include:

- Group Risk Committee
- Group Investment and Capital Committee
- Customer Journey Oversight Committee
- Proposition & Pricing Governance Committee
- Customer Conduct Standards Committee
- Third Party Oversight Committee
- Enterprise Resilience Committee

Board of Directors

The Directors here are directors of Domestic & General Limited. Domestic & General Limited is the statutory entity at which the Group's operational Board sits.

It's also the parent entity of Galaxy Finco Limited, whose financial statements are presented on **pages 115-120**

David Tyler

Chair

Appointed September 2015[1]

Committee membership

Audit & Risk (D&G)
Remuneration
Sustainability

Biography

David became Chair of the Group in September 2015. During the interim period of five months in 2021 between CEOs, he was Executive Chair. David has over 50 years' experience spanning the consumer, retail, business services and financial services sectors, with his excecutive career spent at Unilever, NatWest, Christie's and GUS.

David is an experienced chair having served in this role at major UK public companies including J Sainsbury plc, Hammerson plc, and Logica plc. As a Fellow of the Chartered Institute of Management Accountants and a member of the Association of Corporate Treasurers, David brings extensive financial knowledge to the Board.

External appointments

David is the Chair of PZ Cussons plc. He is also the Chair of the Parker Review, a Government-backed Committee advising on how to improve ethnic diversity at senior levels in UK businesses.

Matthew Crummack

Chief Executive Officer

Appointed October 2021

Committee membership

Remuneration
Sustainability

Biography

Matthew was appointed as CEO of the Group in October 2021. He is an experienced executive having led the transformation of big consumer-facing digital brands globally. Matthew was the Group CEO of GoCo Group plc prior to its sale in 2021 to Future plc for $794m, and the CEO of lastminute.com Group where he led the turnaround of the business prior to its sale to Bravofly Rumbo Group for $120m in 2015. Previously Matthew was Senior Vice President of Lodging at Expedia, managing the supply of hotels and transportation inventory for the global group, and started his career in consumer goods across Europe at Procter & Gamble and Nestle.

External appointments

Matthew serves as the Pro Chancellor (Non-Executive Chair) of Aston University's Council and was awarded an Honorary Doctorate by Aston in 2016. Matthew is also an angel investor, and acts as an advisor to London start-up Kidadl.

Joe Fitzgerald

Chief Financial Officer

Appointed November 2021

Committee membership

Sustainability

Biography

Joe joined the Group as a graduate in November 1998 and has worked in a variety of roles across the business. He was appointed Underwriting Director in 2007, and has over his time at the Group also led our Marketing, Data Science, Repair Service, Digital & Group Strategy functions. Joe was previously our acting CFO from November 2019 until November 2020 before being permanently appointed CFO in November 2021. Joe is a Fellow of the Chartered Institute of Management Accountants and an Associate of the Society of Actuaries.

External appointments

N/a

Robin Ashton

Independent Non-Executive Director

Appointed July 2019 (DGI Board: August 2024)

Committee membership

Audit & Risk (Chair – D&G, Chair - DGI)

Biography

Robin is a Chartered Accountant with extensive experience in retail financial services, both in the UK and internationally, with skills and experience across a broad range of areas, in particular, credit, treasury, audit and accounting. Robin served as Chair of Leeds Building Society until April 2020, and as the Senior Independent Director of Shawbrook Group plc and its subsidiary Shawbrook Bank Ltd until June 2022.

External appointments

Robin serves as the Chair of Nottingham Building Society.

1 David Tyler also served as Chair of the DGI Board, and stepped down on 1 July 2025.

Nina Bhatia

Independent Non-Executive Director

Appointed April 2019

Committee membership

Remuneration
Sustainability (Chair)

Biography

Nina is currently the Executive Director, New Businesses at the John Lewis Partnership. Her remit includes Financial Services, Build to Rent Property, Loyalty, Retail Media and Corporate Development.

Nina was previously Managing Director of Hive, a smart home business owned by Centrica. She also ran a national home services business for British Gas. Nina spent 23 years at McKinsey & Company, was elected a Partner in 1999 and served clients in multiple markets and sectors including energy, media, healthcare and government.

She has been on the Boards of Save the Children International and The Cambridge Judge Business School.

External appointments

Nina is Executive Director, New Businesses at the John Lewis Partnership.

Robin (Pev) Hooper

Non-Executive Director (investor nominated)

Appointed August 2013

Committee membership

Remuneration (Chair)

Biography

Pev Hooper is a Managing Partner at CVC. He co-leads CVC's private equity activities in the UK and is based in London.

He joined CVC in 2003 after working in mergers and acquisitions at Citigroup and Schroders. He holds an MA degree from Oxford University. Pev brings a range of UK consumer financial services experience from his time on the boards of FCA/PRA regulated businesses such as NewDay (a leading consumer credit provider) and the RAC (leading roadside recovery provider and insurance broker).

External appointments

Pev serves on the board of the RAC, Lipton Teas and Six Nations Rugby.

Martin Iacoponi

Non-Executive Director (investor nominated)

Appointed November 2021

Committee membership

Audit & Risk (D&G)
Remuneration
Sustainability

Biography

Martin is a Senior Managing Director at CVC and joined in 2015. Prior to joining CVC, Martin worked at Credit Suisse.

External appointments

Martin serves on the board of Dale Underwriting Partners, Resurs and RiverStone International Limited. He has also been involved with CVC Funds' investments in Pensions Insurance Corporation, NewDay, Paysafe and TMF.

Michael Ross

Non-Executive Director (investor nominated)

Appointed September 2021

Committee membership

None

Biography

Michael has over 30 years' experience in digital and data-driven transformation. He is a serial entrepreneur and has co-founded businesses including figleaves.com, ecommera and DynamicAction. He has also served on the board and advised a wide range of businesses across retail, telecommunications, financial services and consumer goods. He started his career at McKinsey and Company.

External appointments

Michael serves as a non-executive director of QMetric Group Limited.

David Wells

Non-Executive Director (investor nominated)

Appointed September 2015

Committee membership

Audit & Risk (D&G)
Remuneration

Biography

David is a Senior Managing Director at CVC and joined in 2009. Prior to joining CVC, David worked for OC&C Strategy Consultants.

External appointments

David serves on the board of United Rugby Championship and Lipton Teas, and was previously involved with CVC Funds' prior investments in SkyBet, Formula 1 and Samsonite.

Janet Connor

Chair of DGI – the Group's regulated UK operating entity[1]

Appointed April 2025

Committee membership

Audit & Risk (DGI)

Biography

Appointed on 1 April 2025, Janet has over 30 years' experience in financial services, spanning insurance, retail banking and investments. She held senior roles at Abbey National, Ageas UK where she was Managing Director of RIAS, and RSA, where she led the UK direct-to-consumer brand, More Than. Janet was most recently CEO of AAISL, the AA's regulated insurance broking business. She stepped down in 2020 and now holds a portfolio of non-executive roles. Janet previously served on the board of Vanquis Bank Limited, where she chaired the Remuneration Committee and was Senior Independent Director.

External appointments

Janet is Chair of the AA's regulated entity, AAISL, and a non-executive director at Shawbrook Group plc.

1 Subject to regulatory approval

Patricia Roufca

Independent Non-Executive Director of DGI – the Group's regulated UK operating entity

Appointed August 2024

Committee membership

Audit & Risk (DGI)

Biography

Patricia is a highly commercial senior executive with 25 years' global responsibility at public and private financial services firms, with experience in the UK and the US. Patricia has a deep understanding of legal, operational, financial, regulatory and commercial considerations with an established track record of executing corporate strategy. Patricia served as UK Chief Executive Officer at Fidelis Underwriting Limited until December 2022. She was also the Group General Counsel and Director of Strategic Execution at Fidelis Insurance Holdings Limited until December 2022, having also served as the Group Chief Operating Officer during her tenure. She held previous roles at Aspen Insurance Holdings Limited and Leboeuf, Lamb, Greene & Macrae LLP.

External appointments

Patricia serves as an Independent Non-Executive Director of Accredited Insurance Program Management.

Jose Vazquez

Independent Non-Executive Director of DGI – the Group's regulated UK operating entity

Appointed April 2025

Committee membership

Audit & Risk (DGI)

Biography

Jose has a wealth of experience of risk and actuarial strategy and more than 30 years of experience in the insurance sector. This includes 10 years as Chief Risk Officer of Direct Line Group. He has also previously served as Global Chief Risk Officer for HSBC Holdings and in Chief Actuary roles in the UK and internationally at Zurich Financial Services.

External appointments

Jose serves as Non-Executive Director of Allianz Holdings and Non-Executive Director of RiverStone Insurance (UK) Limited, RiverStone Managing Agency Limited, RiverStone International Ireland dac and Riverstone Insurance (Malta) SE.

Barbara Merry resigned as Independent Non-Executive Director of DGI effective 31 August 2024.

Board meeting attendance and activities

Board responsibilities

The Board of Domestic & General Limited held five formally scheduled meetings during the year. These meetings were held in person with video conference facilities available as required. The table below shows the attendance by all Directors who served throughout the period:

Name of Director	Maximum no. of scheduled Board meetings Director could attend	No. of scheduled Board meetings Director attended
Chair		
David Tyler	5	5
Executive Directors		
Matthew Crummack	5	5
Joe Fitzgerald	5	5
Non-Executive Directors		
Robin Ashton	5	5
Nina Bhatia	5	5
Robin (Pev) Hooper	5	5
David Wells	5	2
Martin Iacoponi	5	5
Michael Ross	5	5

In addition to the scheduled meetings outlined in the table, several short meetings took place throughout the period to consider specific matters.

Key activities of the Board

During decision-making, the Board balances the interests of key stakeholders and strategic opportunities to promote the long-term success of the Group. Key stakeholder groups and their interests are identified and considered at the start of all business initiatives and any potential impacts are highlighted.

Strategy

- Agreed an updated Strategy for the Group and updated targets for the five year period to FY29
- Appointed a new President for Growth Markets to focus on the EU business
- Received updates on business priorities and developments in UK, US and EU markets
- Received updates on key transformation projects led by technology and data
- Committed to set emissions targets with the Science-Based Targets initiative in line with the Group's decarbonisation strategy

Risk Management

- Discussed regulatory topics and matters across the UK, US and EU
- Received regular updates from the Audit & Risk Committees, including functional updates from SMF managers on key risks and regulatory topics
- Received updates on the new artificial intelligence approval process, which was approved by the Audit & Risk Committee
- Approved the Appointed Representative Self-Assessment
- Approved the Operational Resilience Self-Assessment Report

Governance

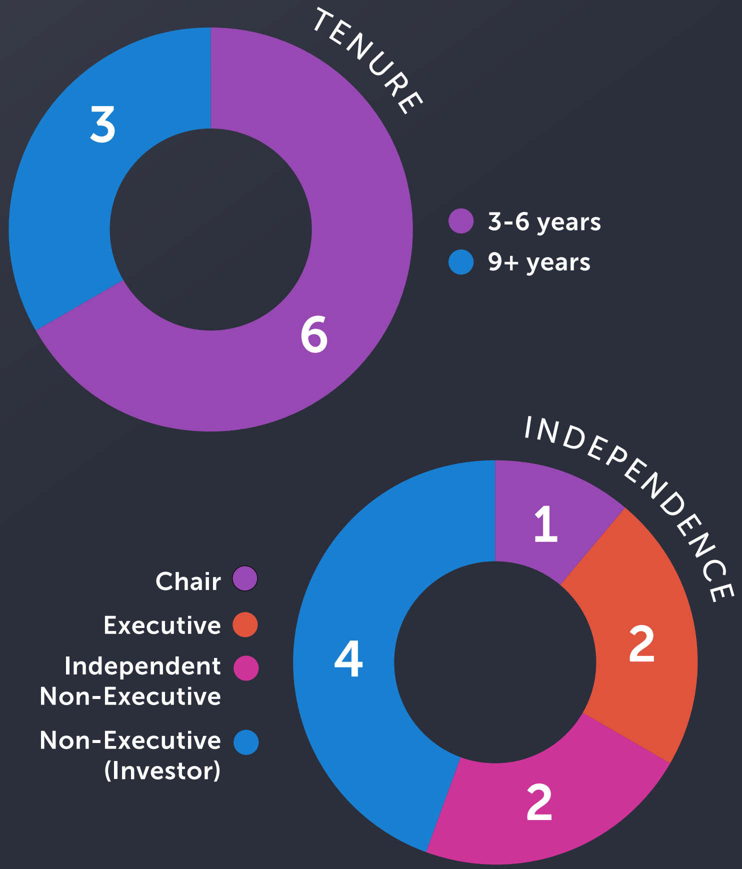
- Appointed two Non-Executive Directors during the financial year and two more post year end to the Board of Domestic & General Insurance plc
- Reviewed Board and Committee governance and meeting cadence
- Carried out an internally facilitated Board Evaluation

Finance

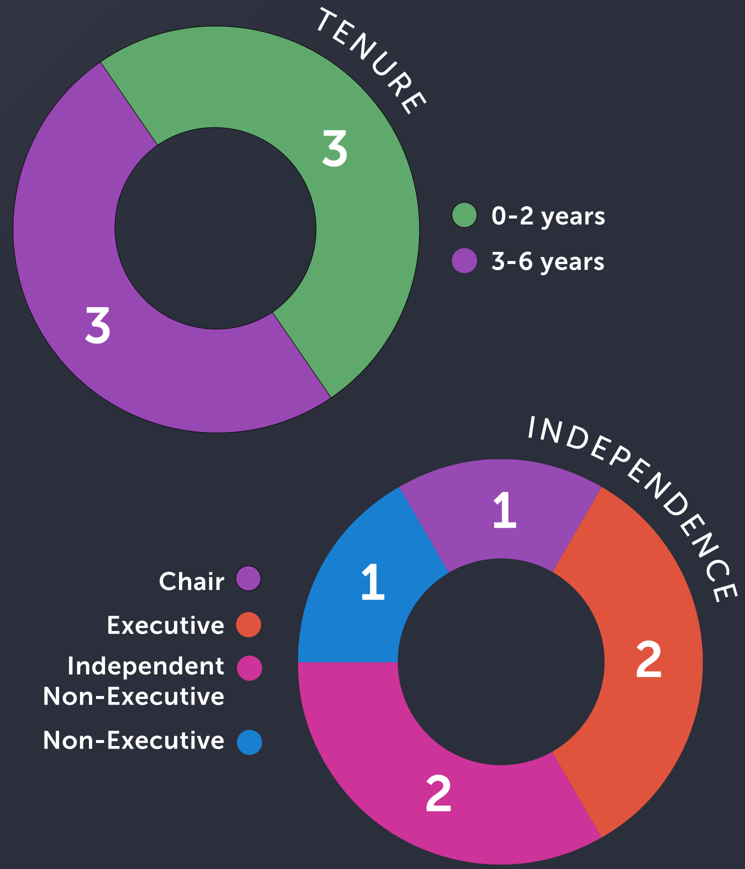
- Received monthly trading updates from the CFO, which included key performance indicators
- Approved the Group Annual Report & Accounts for the year ended 31 March 2025
- Reviewed and approved FY26 budget
- Refinanced the Group's debt

Board composition

D&G



DGI



Board diversity and characteristics

Note: We have previously reported the below data on behalf of both Domestic & General Limited and Domestic & General Insurance plc. This data only reports on Domestic & General Limited.

Directors' skills and experience

The Board believes that diversity brings wider perspectives, and therefore promotes more thorough discussions about stakeholders, operations and risk management and more effective decision-making.

The table below provides an overview of the skills and experience of the Board's nine Directors as at 31 March 2025:

Independence

The Wates Principles provide that large UK companies should consider whether the size and structure of their board is appropriate to meet the strategic needs and challenges of the organisation. They also provide that organisations should consider appointing Independent Non-Executive Directors to offer constructive challenge.

The Wates Principles apply to our UK regulated entity, Domestic & General Insurance plc. During the financial year, Patricia Roufca was appointed to the DGI Board as an Independent Non-Executive Director following Barbara Merry's resignation. In April 2025, Janet Connor and Jose Vazquez also joined the DGI Board as Independent Non-Executive Directors, bringing further independence.

Therefore, as at the date of the approval of this Annual Report, the DGI Board comprises three Independent Non-Executive Directors including the Chair, representing 50%.

Although not subject to the Wates Principles, our Group Board includes two Independent Non-Executive Directors as well as the Chair (independent on appointment). In addition to two Independent Non-Executive Directors, the Group Board also includes four Non-Executive Directors designated by our investors; three by CVC and one by ADIA.

Conflict of interest

Procedures are in place to review and manage actual and potential conflicts.

The Company Secretary undertakes an annual exercise whereby each Director is asked to review and update the conflict disclosures. In addition to this, each Director is aware of their duty to notify the Board should there be any material change to their positions or interests during the year. In accordance with internal policy, as well as the Company's Articles of Association, the Board may elect to authorise conflicts.

In such circumstances, members of the Board will abstain from Board discussion or decisions in relation to any matter in which they have, or may have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Group.

Board training and evaluation

All members of the Board have access to appropriate professional development to support the fulfilment of their duties as directors. Induction programmes during the year included the identification of gaps in training. Therefore, externally facilitated training was provided on Solvency II, Consumer Duty, and conflicts of interest.

The Board conducted an internally facilitated evaluation in December 2024. The evaluation was conducted by the Chair with the support of the Company Secretary and included individual discussions with each Director.

The results of the evaluation were discussed by the Directors at a Board update call in January 2025. The Chair noted that results were positive and demonstrated that the Board is collegiate yet provides challenge. The score for 79% of the questions was either the same or better than the score for the same question at the last Board evaluation in 2022.

Domestic & General

Leadership Group

The Board delegates the day-to-day operations of the business to the DGLG. Along with the Chief Executive Officer and Chief Financial Officer, the DGLG is made up of these key management personnel:

Anna Capitanio

Chief People Officer

Biography

Anna joined the Group in March 2023 as Chief People Officer. She was previously the People Leader for the BT/EE Consumer division, where she drove a significant organisation and people transformation aimed at establishing progressive and flexible people practices. Anna has over two decades of experience across multiple industries and sectors, including telecoms, pharmaceutical, manufacturing, hospitality and mining. She has worked across geographies, from Europe to Australasia, the Middle East and Africa. Passionate about people and brands, Anna brings a unique perspective on collaboration, inclusion and engagement.

Seb Chakraborty

Chief Product & Technology Officer

Biography

Seb joined in January 2022. He has an extensive background in both software and business with a track record of innovation, business scale-up and technology. He has over 20 years' experience across several industry sectors including telecoms, energy and financial services. He has previously worked in a Senior Executive capacity at VMO2, Future plc and Centrica Hive.

Vipul Chhabra

Chief Data & Underwriting Officer

Biography

Vipul joined in October 2022 as Chief Data and Underwriting Officer, responsible for Underwriting contribution and pricing for the Group alongside all aspects of our Global Data & AI strategy. Prior to joining D&G, Vipul led Funding Circle's US business and brings over 20 years' experience in various commercial, marketing and risk roles at Capital One, Citigroup and Barclays across various countries, with over a decade-long experience working in the US. Throughout his career, he has focused on generating customer value through data and analytics. Vipul holds an MBA from the Indian Institute of Management and is also a chartered accountant.

Yolanda De Vries

Chief Internal Audit Officer[1]

Biography

Yolanda joined D&G in May 2025 as Chief Internal Audit Officer to establish and lead the newly created Internal Audit function. She has over 15 years' experience in the financial services industry, having worked internationally and domestically for Barclays, Unum and more recently for MS Amlin. Yolanda brings a depth of audit experience in the commercial and financial services sectors and notably built out the internal audit function from an outsourced model while at Arthur Gallagher International and esure.

Vikki Kennedy

Chief of Strategy & Corporate Development

Biography

Vikki joined the Group in March 2022 to establish and lead the Group's corporate development function. Those responsibilities have since been broadened to include M&A, business strategy and sustainability, as well as the Group's brand and corporate communications. She has more than 30 years' experience of public and private corporate transactions, including IPOs, demergers, acquisitions, and divestments. Vikki has held senior corporate transaction roles and independent consulting positions in several blue-chip companies, both in the UK and internationally, primarily in the financial services sector.

1 Subject to regulatory approval.

Hannah Kershaw

Chief Product Officer

Biography

Hannah joined the Group in March 2022 to lead its transformation into a digital product-led business. Hannah has previously built product teams and digital experiences for top consumer brands, including the RAC and Go.Compare.

Phil Leitch

Chief Information Officer

Biography

Phil joined the Group in July 2020 to lead the Technology team, bringing with him a wealth of experience in building and managing large-scale technology and engineering functions across both regulated and non-regulated industries. Before D&G, he held various CIO and technology leadership roles at Virgin Active, Sainsbury's, and Royal Mail. Prior to that Phil worked for Scient and Sapient, digital business transformation companies, helping clients bring together strategy, product, experience, engineering, and data, to deliver end-to-end business transformation for competitive advantage. He holds a BSc (Hons) from Reading University and an MSc from Sheffield University.

Alexis Leonidou

General Counsel & Company Secretary

Biography

Alexis joined the Group's Legal team in January 2012, and was appointed as General Counsel for the UK business in November 2019. Alexis is now Group General Counsel & Company Secretary, working closely with the Leadership Group and Board on all key legal and regulatory matters.

Before joining the Group, Alexis worked at Travers Smith LLP as a Solicitor in the Commercial, IP and Technology team.

Sharon McDiarmid

Chief Risk Officer

Biography

Sharon joined in August 2024 to lead the Group's global risk and compliance function. She is a chartered management accountant (CIMA) and has over 28 years' experience working across multiple countries. She has a depth of international experience in finance, risk management and operations in complex financial services organisations. Before joining D&G, Sharon held leadership positions as part of executive teams at Vanguard, Standard Life and Virgin Money Unit Trust Managers Limited.

Stefano Perino

President, Growth Markets

Biography

Stefano joined in July 2024. He has over 25 years' experience, is multi-lingual and has an extensive global commercial background. Stefano leads the Group's Growth Markets. With a strong background in strategic delivery, he has direct accountability for delivering on the EU business plan and ensuring alignment with the Group's global vision. Before joining D&G, Stefano worked in B2B and B2C roles. He held senior positions at Expedia, was Chief Digital Officer at Napoleon and CEO of MyVoucherCodes.

Steve Purser

Managing Director

Biography

Steve joined in March 2008 and is responsible for the Group's global partners and prospects. He has been core to the successful launch in the US. Steve currently holds the position of Managing Director – Clients, and previously held the Marketing Director and Sales & Marketing Director roles. His 25-year career in the industry has included UK and international roles, including senior positions at HomeServe and Allianz Insurance.

Gayle Terry

Chief Marketing Officer and President of D&G US

Biography

Gayle joined in 2014 and has spent the last 5 years as Chief Marketing Officer, responsible for creating and delivering the customer and marketing strategy. In 2023, Gayle took on the role of President of our US business, as we look to accelerate and drive forward our US strategy and plan. Prior to joining the business, Gayle worked in several leadership roles at British Gas, including Marketing, Commercial, Operations and Business Transformation.

Donna Trapnell

Chief Operating Officer – UK

Biography

Donna joined in February 2025 as Chief Operating Officer, responsible for the delivery of the customer service experience through all channels in support of positive customer outcomes, operational excellence and the achievement of the growth plan aligned to the strategic plan.

Before joining D&G, Donna was a Partner at KPMG in the Financial Services practice, consulting to UK and global clients on existing business challenges as well as strategic transformation. She has over 20 years' industry experience across banking and insurance with firms such as AMP, AXA and Lloyds Banking Group in corporate and retail segments. Specific remits include operations, transformation, distribution, M&A integrations and P&L responsibility.

Amy Wright

Chief of Staff

Biography

Amy joined the Operations team in January 2021 and was appointed as Chief of Staff in January 2024. Before joining D&G, Amy held a succession of senior roles with global insurer Zurich Insurance Group. These included operations strategy, transformation, sustainability and in general management where she successfully led their UK marine insurance business.

Amy is also chair of D&G's Global Women's Network, after establishing it in March 2023.

Amanda Shields, who had joined the DGLG in June 2024 as Interim Chief Risk and Compliance Officer, stepped down following the appointment of Sharon McDiarmid.

Al Grljevic, Chief Transformation Officer, stepped down from the DGLG on the 1 July 2025.

Corporate Governance framework

DOMESTIC & GENERAL LIMITED

Audit & Risk Committee

Members:

- Robin Ashton (Chair)
- Martin Iacoponi
- David Tyler
- David Wells

Terms of Reference:

To meet at least four times a year and in the current year met six times.

Responsibilities include:

- Review of the annual and quarterly financial statements (including the reasonableness of areas of judgement).
- Review of the appropriateness of the Group's accounting policies and their implementation.
- Review of the effectiveness of the audit process and the Group's relationship with its external auditor – including the level and nature of non-audit services.
- Review of the effectiveness of the internal audit function.
- Review of the effectiveness of the Group's internal controls, risk management and compliance processes.

Remuneration Committee

Members:

- Robin (Pev) Hooper (Chair)
- Nina Bhatia
- Matthew Crummack
- Martin Iacoponi
- David Tyler
- David Wells

Terms of Reference:

To meet at least twice a year and in the current year met three times.

Responsibilities include:

- Determining the overall framework and policy for remuneration of the Chair, the Executive Directors and senior executives of the Group.
- Reviewing the ongoing appropriateness and relevance of the remuneration policy.
- Approving the design of, and setting targets for, any performance related pay and bonus schemes operated by any member of the Group compliance processes.

Sustainability Committee

Members:

- Nina Bhatia (Chair) (appointed 31 August 2024)
- Matthew Crummack
- Joe Fitzgerald
- Martin Iacoponi
- David Tyler

Terms of Reference:

To meet at least four times a year and in the current year met four times.

Responsibilities include:

- Support in the development of the Group's sustainability strategy, including its net zero strategy, and monitor its performance.
- Identify sustainability related risks to the business and escalate to the Board those of material significance.
- Review current and emerging sustainability trends, standards and legal requirements.

Barbara Merry served on the Sustainability Committee as Chair until 31 August 2024.

DOMESTIC & GENERAL INSURANCE PLC

UK regulated operating entity

Audit & Risk Committee

Members:

- Jose Vazquez (appointed 22 April 2025)
- Robin Ashton (Chair) (appointed 31 August 2024)
- Janet Connor (appointed 1 April 2025)
- Patricia Roufca (appointed 31 August 2024)

Terms of Reference:

To meet at least four times a year and in the current year met six times.

Responsibilities include:

- Review of the annual financial statements and quarterly financial results (including the reasonableness of areas of judgement).
- Review of the appropriateness of accounting policies and their implementation.
- Review of the effectiveness of the audit process and the relationship of the Company with its external auditor including the level and nature of non-audit services.
- Review of the effectiveness of the internal audit function.
- Review of the effectiveness of internal controls, risk management and compliance processes.

Barbara Merry served on the DGI Audit & Risk Committee as Chair until 31 August 2024.

David Tyler served on the DGI Audit & Risk Committee as a member until 1 July 2025.

Corporate Governance Statement FY25

The Board is committed to applying the high standards of corporate governance appropriate to the Company's size and maturity. The Company has aligned its governance with best practice and is reporting against the Wates Corporate Governance Principles for Large Private Companies.

The Wates Principles and associated guidance are available on the Financial Reporting Council website at frc.org.uk.

The Directors consider that the annual report and financial statements comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

Principle	How we achieve it
Purpose and leadership **An effective Board which develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.**	The Board has collective responsibility for the long-term success of the Group. It sets its strategic direction and oversees its performance. For details of our strategy see pages 19-26
Board composition **Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge. Individual directors must have sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.**	At D&G, we understand that a well-balanced Board fosters effective decision-making and supports diverse perspectives in discussions on business operations and risk strategy. We have a highly experienced Board with a diverse skill set which complements the needs of the business. A biography for each Board member can be found on pages 88-90 For more on our Board composition, see pages 92-94
Board responsibilities **The board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision-making and independent challenge.**	The Board and its Directors have a clear understanding of their duties and accountabilities. The roles and responsibilities of the Board and its Committees are defined within Terms of Reference which are reviewed annually to ensure their continued relevance. For more on the role of the Board see pages 85-86

Opportunity and risk

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

The Board has agreed a suite of qualitative and quantitative risk appetite statements. These relate to each of the key risk categories to articulate the amount of risk the Board is willing to accept in pursuit of its objectives. The Board delegates oversight of the effectiveness of risk management to the Audit & Risk Committee.

For more on our Risk Management Framework, see page 75 and on our Audit & Risk Committee, see pages 99-100

Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

The Board delegates responsibility for determining the overall framework and policy for the remuneration of executives to the Remuneration Committee. The objective of this policy is to make sure that members of Executive Management are given appropriate incentives to encourage performance. It also ensures they are rewarded fairly and responsibly for their individual contributions to the success of the Group.

For more on the Remuneration Committee, see page 99

Stakeholder relationships and engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

We're committed to maintaining strong relationships with all stakeholders, including our employees, and actively engaging with them on an ongoing basis.

For more on stakeholder engagement, see pages 67-74

By order of the Board

David Tyler
Chair
9 July 2025

Directors' report of Galaxy Finco Limited

Registered office address

27 Esplanade St Helier
Jersey
JE1 1SG

Company number

Galaxy Finco Limited is registered in Jersey with company number 113706.

Principal activity

The principal activity of the Group is the provision of appliance care for domestic appliances and consumer electronic products to consumers.

Board of Directors

Matthew Crummack
Joe Fitzgerald

For more information on the Board of Galaxy Finco Limited see the Director biographies on page 88.

Share capital

Details of share capital are to be found in note 29 to the financial statements.

Dividends

The Company did not declare a dividend in the year (FY24: £nil).

Political donations

Our policy is that neither the Company nor any company in the Group will make contributions in cash or kind to any political party, whether by gift or loan.

Statement of engagement with employees

The Board is proud of its engagement with its workforce and recognises this vital part of our operations. We're transforming the way we work to become a customer-focused, product-led business, growing into a truly global business. Our people strategy is focused on empowering our people, driving innovation, and ensuring we are a digital-first business.

For more detail on our people see pages 61-66.

Our policy concerning employment of disabled persons

We celebrate diversity and are working to create a truly inclusive and diverse organisation.

We're fully committed to fostering an inclusive workplace that values diversity, equity and inclusion in all aspects of our operations. We adhere to the Equality Act and all relevant laws and regulations concerning the employment of disabled individuals.

We are committed to providing a safe space for our people to build connections, openly discuss challenges and identify opportunities to enhance inclusion across the business.

We've implemented positive recruitment and selection processes designed to attract a diverse range of candidates, ensuring that we provide fair and accessible opportunities for all applicants. Our commitment extends beyond hiring. We prioritise the development and promotion of all staff, providing training and resources to empower everyone to reach their full potential. We implement reasonable adjustments to support any employee with a disability to contribute to their full capacity.

Streamlined Energy and Carbon Reporting

For information on Streamlined Energy and Carbon Reporting, please see page 51 of the Strategic Report.

Supplier payment policy

The Company's policy is to settle terms of payment with suppliers by agreeing the terms of each transaction. Suppliers are made aware of the terms of payment and the Company abides by the terms of the payment. Payables of the Group for FY25 were equivalent to 23 days' purchases (FY24: 31 days), based on the average daily amount invoiced by suppliers during the period.

Directors and officers insurance, and Directors' indemnities

The Company has purchased, and maintained throughout the period, Directors and Officers liability insurance in respect of the Company and its Directors. The Directors are also entitled under the Articles of Association to be indemnified by the Company against costs, charges, losses, expenses and liability incurred in the discharge of their duties, unless prohibited by statute.

Going concern

The Group's business activities and strategy, including a review of future plans, are included in the Strategic Report. The financial review on pages 13-18 includes details of the Group's financial position as well as details of the Group's cash flow and liquidity. →

The Group is exposed to financial risk through its financial assets and financial liabilities and, to a limited extent, its insurance contracts. The Group has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Group. This is discussed in note 37 to the financial statements.

Details of the Group's loans and borrowings are given in note 26 to the financial statements. The regulated businesses also continue to meet their capital requirements and have a capital management process in place. This is discussed in note 38 to the financial statements.

In order to assess the appropriateness of the going concern basis of accounting, and taking into account the current economic climate, the Directors have considered the key factors in the business that could have an impact on trading and whether an adverse change in these could affect the Group's ability to meet its liabilities as they fall due.

Notwithstanding the stable performance of the business over the past financial year, the current geo-political and macro-economic environments continue to mean the short-to-medium term outlook retains a degree of inherent uncertainty. A reasonable estimate of the impact of these factors on the Group has been incorporated into the Board-approved budget. This forms the basis of the going concern analysis.

The Directors have prepared base case cash flow forecasts for a period exceeding 12 months from the date of approval of these financial statements. These forecasts indicate that the Group will be able to operate with adequate levels of both liquidity and capital over that period.

The Directors have also considered a severe but plausible downside scenario which incorporates reductions in sales and increases in cancellation rates, claims costs and interest costs. This indicates that the Group will be able to operate with adequate levels of both liquidity and capital for a period of at least 12 months from the date of approval of these financial statements.

After performing this assessment, the Directors have a reasonable expectation that the Group has adequate resources to meet its financial obligations and continue its operations for a period of at least 12 months from the date of approval of these financial statements. No material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern have been identified. The Directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements for the year ended 31 March 2025.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Certain risk information about the use of financial instruments

Details have been provided in notes 20 and 37 to the financial statements.

Auditor

The EU Statutory Audit Regulation and Directive requires all Public Interest Entities to conduct an audit tender at least every ten years and rotate auditor after at least 20 years. DGI, a subsidiary of the D&G Group, is classified as a Public Interest Entity as a result of it acting as an insurance entity.

Deloitte are in their fifth year of auditing the Group. The reappointment of Deloitte LLP was approved at the 2024 AGM.

Statement of engagement with suppliers

For more information as to how the UK registered entities within the Group comply with Sch 7.11(1)(b) the Companies (Miscellaneous Reporting) Regulations 2018, see the Strategic Report, specifically Stakeholder Engagement on pages 67-74, Our partners on pages 57-60 and our supplier payment policy on page 103.

Non-financial and sustainability information statement

Information on non-financial and sustainability matters is integrated throughout our strategic report. The table below outlines where stakeholders can find details within the report that address non-financial and sustainability information, as required by sections 414CA and 414CB of the Companies Act 2006.

By order of the Board

Joe Fitzgerald
Director
9 July 2025

Non-financial and sustainability information statement

This information, including any sections referenced, constitutes our non-financial and sustainability information statement, as required under sections 414CA and 414CB of the Companies Act 2006.

	Climate and nature	Employees	Social matters	Human rights	Anti-corruption
Strategy	• Our repair-first ethos is central to our customer proposition and environmental impact, supporting a more circular economy by extending the life of household appliances. • Our AI-enabled 'Smart-fix' solution for white goods and heating helps customers solve simpler issues without needing an engineer visit, reducing unnecessary emissions by removing engineer journeys. • Climate action is integral to our sustainability strategy, with validated science-based targets and a decarbonisation programme under way. We've begun this transition by successfully moving 100% of our UK offices to renewable electricity.	• People are core to the success and growth of our business. Our People strategy is built on creating an inclusive and progressive culture. • Programmes like our Everyday Inclusivity Journey and internal mobility policies help align talent management and growth plans. • Inclusion and development initiatives are designed to enhance retention, productivity and innovation, helping us to meet our service and growth objectives.	• Social impact forms part of our purpose: 'To protect what matters at the heart of every home'. • Partnerships with initiatives like the NSPCC extend our brand's relevance in underserved or vulnerable communities. • Volunteering through OnHand and employee support for local causes contribute to a strong, values-led culture and positive brand perception, supporting long-term loyalty and growth.	• Our continued commitment to the UN Global Compact and alignment with Sustainable Development Goals, including human rights and labour standards, reinforces our reputation and risk mitigation approach across jurisdictions. • Responsible sourcing and ethical practices are embedded in our values, supporting both compliance and strategic resilience.	• Our policies towards corruption and bribery are critical to maintaining trust with partners, regulators and customers, especially as we scale globally. • Internal controls and mandatory training are essential for safeguarding digital-first operations and outsources service models. • Whistleblowing and compliance measures align with our governance structure and the need for robust ethical standards in a business that spans multiple regulated markets.
Non-financial KPIs	• Carbon footprint reduction metrics. • Energy efficiency improvements. • SBTi approved emission reduction targets.	• Great Place to Work survey results. • Training hours per employee. • Gender Pay information.	• Employee volunteering hours. • Number of social initiatives undertaken. • Investment in social enterprises and community projects.	• The number of supplier due diligence reviews to monitor adherence to our Supplier Code of Conduct.	• Number of cases reported through our whistleblowing system. • The number of supplier due diligence reviews to monitor adherence to our Supplier Code of Conduct.

Non-financial and sustainability information statement (continued)

	Climate and nature	Employees	Social matters	Human rights	Anti-corruption
Due dilligence process	• Oversight of environmental and climate related matters is provided by the Sustainability Committee, a Board sub-committee. This ensures strong governance and leadership from the top of the organisation. • Commitment to science-based emissions reductions (SBTi validated). • Conducted Life Cycle Assessments on appliances to develop an understanding of our environmental impact from repair and replacement. This has validated the belief that D&G covered appliances last longer than non-D&G appliances.	• A dedicated People Strategy built around inclusion and engagement. • The launch of our Everyday Inclusivity Journey. • Hiring for skills, not for experience and Term-Time Only policies introduced to improve diversity and social mobility. • Annual Great Place to Work surveys supported by more regular pulse surveys to assess ongoing employee sentiment.	• Strategic partnerships with charities and social enterprises. • Encouraging our employees to engage in local community projects through our volunteering programme with OnHand.	• ESG-aligned supplier engagement underway to assess Scope 3 emissions and ethical practices. • Participation in the UN Global Compact, supporting Sustainable Development Goals on human rights, labour and anti-corruption.	• Policies embedded in governance frameworks. • Ethics and compliance standards maintained with continued focus on transparent practices.
Policy outcomes	• FY25 saw a year-on-year reduction in Scope 1 and 2 emissions due to office electricity switch. • Approximately 5,800 customers have used Smart-fix to resolve issues without engineer visits, reducing CO2 emissions. • Lifecycle research shows D&G-supported appliances last, on average, just over 8 years longer.	• 82% of employees say D&G is a great place to work. • 140 colleagues voluntarily participated in the inclusivity programme. • Talent attraction and diversity enhanced through our flexible hiring policies.	• Employees volunteered 2,224 hours through OnHand. • Nearly 500 engineers trained through NSPCC's safeguarding programme.	• Ethical business practices upheld throughout operations and partnerships.	• Compliance with our Business Ethics and Conduct Standards Policy. • Compliance with our Supplier Code of Conduct. • Preventing, detecting and reporting financial crime, including any instances of bribery and corruption.

Non-financial and sustainability information statement (continued)

Principal risks

Climate and nature	Employees	Social matters	Human rights	Anti-corruption
• Regulatory changes related to environmental standards. • Extreme weather events causing disruption to supply chains. • Resource scarcity. These are managed through active monitoring of environmental legislation, alignment with sustainability objectives and proactive compliance strategies.	• The risk that we don't attract, retain and develop the diverse talent required to deliver our strategic and operational objectives. We manage this risk through our People Strategy and data-informed initiatives.	• Missed opportunities to generate positive community impact or partner with aligned organisations.	• Supply chain practices falling short of stakeholder or regulatory expectations on ethics and human rights. This risk is managed with ethical sourcing and responsible business practices embedded in our procurement practices.	• Failure to prevent, detect or report financial crime, including instances of bribery and corruption. This risk is mitigated by our governance compliance frameworks, oversight from our Group Risk Committee and Audit & Risk Committee and our policies that are in place to promote responsible conduct.
Read more on page 37	Read more on page 63	Read more on page 38	Read more on page 40	Read more on page 40

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Companies (Jersey) Law 1991 requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare Group financial statements in accordance with International Financial Reporting Standards as adopted by the United Kingdom (IFRSs as adopted by the UK) and applicable law.

Under Companies (Jersey) Law 1991 the 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 of its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the UK;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies (Jersey) Law, 1991. They are 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 and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

> The Group has continued to maintain a strong regulatory capital position, with a solvency ratio in excess of our 130% commitment

Financial Statements

Independent Auditor's Report	111
Consolidated Income Statement	116
Consolidated Statement of Comprehensive Income	117
Consolidated Balance Sheet	118
Consolidated Statement of Changes in Equity	119
Consolidated Cash Flow Statement	120
Notes to the Financial Statements	121
Other information	167
Glossary of terms	169

Report on the audit of the Financial Statements

Independent auditor's report to the members of **Galaxy Finco Limited**

Opinion

In our opinion:

- the financial statements of Galaxy Finco Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB); and the financial statements have been prepared in accordance with the requirements of the Companies (Jersey) Law, 1991.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated balance sheet;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 39.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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 parent 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALAXY FINCO LIMITED CONTINUED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and Companies (Jersey) Law; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's regulatory solvency requirements.

We discussed among the audit engagement team including component audit teams and relevant internal specialists such as tax, valuations, IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

i. Valuation of Goodwill:

The goodwill was acquired through business combinations resulting from the acquisition on 19 December 2013 by Galaxy Bidco Limited and the acquisition of After Inc on 7 June 2023 by Galaxy Finco Limited. Goodwill amounted to £321.1m (2024: £322.0m) as at year end. Determining whether goodwill is impaired requires an estimation of the recoverable amount of each cash generating unit ("CGU"), using the higher of value in use ("VIU") and fair value less cost to sell. The estimated recoverable amount is subjective and calculated using a valuation model underpinned by key assumptions including forecast cashflows, discount rates and long-term growth rates. There is a risk that the assumptions used are overly optimistic.

Management use a VIU approach to assess the recoverable value of CGUs, having assessed it to be a greater than fair value less cost to sell. The VIU amount is subjective and calculated using the assumptions noted above. A headroom calculation is performed as the amount of calculated VIU above the carrying value of the CGUs. A CGU with less headroom is at a greater risk of impairment where the impairment model is sensitive to key assumptions. Based on an annual exercise to test goodwill for impairment, management did not identify any impairment on the carrying value of goodwill. Refer to note 4B to the financial statements (Critical accounting judgements) and to note 23 (Goodwill and intangible assets). We have pinpointed our significant risk to the discount rate and long-term growth rate assumptions within the UK CGU.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALAXY FINCO LIMITED CONTINUED

In response to this risk, we performed the following audit procedures:

- Obtained an understanding of relevant controls over management's process for performing the annual impairment test;
- Challenged the assumptions used in the annual impairment review, in particular the discount rate and long-term growth rate applied to each of the CGUs, by comparing to independent evidence;
- Involved our valuation specialists to assess and challenge the discount rate and long-term growth rate used by management by considering broader market and industry factors;
- Tested the accuracy of management's impairment model through recalculation;
- Compared the forecast information used in the assessment to information reviewed and approved at Board level;
- Evaluated the accuracy of the prior period forecast by comparing to actual current period cashflows;
- Assessed management's sensitivity analysis for each CGU's carrying value;
- Performed independent sensitivity analysis on growth rate, discount rate and cash flow forecast for each CGU; and
- Evaluated the related disclosures for goodwill against the requirements of IAS 36.

ii. Valuation of Assets for Insurance Acquisition Cash Flows (AIACF):

IFRS 17 requires that entities factor in the benefit of acquiring both new business and the subsequent renewals on these policies. Assets for insurance acquisition cash flows amounted to £199.2m (2024: £167.4m) as at year end. In line with this, management have used historical lapse rate data to determine that the average policy length is 8 years, with a portion of acquisition cashflows capitalised over the same period.

We have identified this as a significant risk as a change in the assumption would result in a material change to the valuation of the AIACF.

Refer to note 4B to the financial statements (Insurance contracts) and to note 17 (Insurance contract assets).

In response to this risk, we performed the following audit procedures:

- Obtained an understanding of management's process and key controls supporting the assumption;
- Assessed management's accounting policy and methodology used to derive the 8-year assumption;
- Assessed the assumption by involving our data analytics specialists to independently replicate the analysis performed by management;
- Tested the underlying data for completeness and accuracy by agreeing key inputs and attributes to policy documentation or other supporting documentation; and
- Challenged management on the selection of the 8-year assumption by performing an independent recalculation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC, Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA");
- obtaining an understanding of the control around various manual adjustments, and the reconciliation to underwriting details and results;
- performing stand back procedures to independently challenge the group's results by comparing trends to the results of major suppliers and the wider warranty insurance industry; and
- assessing contracts of major repair agencies handling claims for the group for updates in terms and conditions compared to prior years for changes in repair/claim rates.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies (Jersey) Law, 1991

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GALAXY FINCO LIMITED CONTINUED

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies (Jersey) Law, 1991 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Addis (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
9 July 2025

For the year ended 31 March 2025

Financial Statements

For information on the Report of the Independent Auditor **see page 111**

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025

	Note	Year ended 31 March 2025 £m	Restated[1] Year ended 31 March 2024 £m
Insurance revenue		1,109.8	1,038.4
Insurance service expenses		(865.7)	(829.0)
Insurance service result	7	244.1	209.4
Net investment income	8	2.5	2.1
Net finance expenses from insurance contracts	8	(3.4)	(2.0)
Net financial result		(0.9)	0.1
Other income		52.3	60.0
Other finance expenses	9	(83.3)	(68.8)
Other operating expenses	10	(196.5)	(189.6)
Profit before taxation		15.7	11.1
Tax	13	(8.3)	(7.2)
Profit for the year		7.4	3.9

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.

The total profit for the year is attributable to the equity shareholders of the Group.

All business above is from continuing operations.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Note	Year ended 31 March 2025 £m	Restated[1] Year ended 31 March 2024 £m
Profit for the year	31	7.4	3.9
Currency translation differences	30	(5.1)	(4.7)
Changes in fair value of investments through OCI	30	0.5	1.7
Revaluation for the year	30	-	(2.6)
Effective portion of changes in fair value of cash flow hedges – hedging reserve	30	-	0.6
Hedge reserve recognised in income statement[2]	30	1.3	-
Other comprehensive loss for the year		(3.3)	(5.0)
Total comprehensive profit/(loss) for the year		4.1	(1.1)

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.
[2] The hedge reserve recognised in the income statement represents the cumulative amount of the hedge reserve previously recognised in the statement of comprehensive income at the date of the termination of cash flow hedging following the refinancing of the Group's debt in December 2024.

The total comprehensive loss for the year is attributable to the equity shareholders of the Group.

All components of other comprehensive profit/(loss) for the year may be subsequently reclassified to the income statement.

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

At 31 March 2025

	Note	31 March 2025 £m	Restated[1] 31 March 2024 £m	Restated[1] 1 April 2023 £m
Assets				
Cash and cash equivalents	14	24.9	26.4	30.3
Inventory	15	0.4	0.6	-
Financial investments	21	49.0	105.7	104.4
Trade and other receivables	16	83.9	85.0	77.1
Loans to related parties	34	13.2	-	-
Current tax assets		8.5	2.6	7.5
Insurance contract assets	17	255.7	197.9	159.8
Property, plant and equipment	19	32.0	36.5	39.3
Non-current assets held for sale	19	-	-	6.3
Derivative financial instruments	20	-	-	0.2
Goodwill and intangible assets	23	493.6	511.2	441.5
Total assets		961.2	965.9	866.4
Liabilities				
Trade and other payables	24	67.5	74.6	72.0
Provisions	25	0.3	0.4	0.5
Loans and borrowings	26	830.9	855.0	816.9
Derivative liabilities	20	15.8	11.7	8.2
Deferred tax	22	55.8	55.3	47.3
Total liabilities		970.3	997.0	944.9
Equity				
Share capital	29	51.3	49.4	0.9
Share premium	29	105.0	89.0	89.0
Other reserves	30	(7.9)	(4.6)	0.4
Accumulated loss	31	(157.5)	(164.9)	(168.8)
Total equity		(9.1)	(31.1)	(78.5)
Total equity and liabilities		961.2	965.9	866.4

[1] The comparative results have been restated from those previously published, as described in note 2B.

The accompanying notes form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 9 July 2025 and were signed on its behalf by:

J Fitzgerald
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Ordinary share capital £m	Capital contribution[2] £m	Share premium[2] £m	Hedging reserves £m	Other reserves £m	Revaluation reserves £m	Accumulated loss[1] £m	Total equity £m
As at 1 April 2024[1]		45.8	3.6	89.0	(1.3)	(3.3)	-	(164.9)	(31.1)
Profit for the year	31	-	-	-	-	-	-	7.4	7.4
Other comprehensive loss for the year	30	-	-	-	1.3	(4.6)	-	-	(3.3)
Total comprehensive profit for the year		-	-	-	1.3	(4.6)	-	7.4	4.1
Shares issued	29	-	-	16.0	-	-	-	-	16.0
Capital contribution	29	-	1.9	-	-	-	-	-	1.9
As at 31 March 2025		45.8	5.5	105.0	-	(7.9)	-	(157.5)	(9.1)

[1] Prior year comparatives have been restated from those previously published, as described in note 2B.
[2] Refer to note 34 which details the acquisition of Galaxy Finco 2 Limited by the Group from Galaxy MidCo 2 Limited by the issue of 10,000 shares for £16.0m and a capital contribution of £1.9m.

	Note	Ordinary share capital £m	Capital contribution £m	Share premium £m	Hedging reserves £m	Other reserves £m	Revaluation reserves £m	Accumulated loss[1] £m	Total equity £m
As at 1 April 2023 previously reported		0.9	-	89.0	(1.9)	(0.3)	2.6	(166.3)	(76.0)
Adjustment		-	-	-	-	-	-	(2.5)	(2.5)
As at 1 April 2023 (restated)[1]		0.9	-	89.0	(1.9)	(0.3)	2.6	(168.8)	(78.5)
Profit for the year[1]	31	-	-	-	-	-	-	3.9	3.9
Other comprehensive loss for the year	30	-	-	-	0.6	(3.0)	(2.6)	-	(5.0)
Total comprehensive loss for the year[1]		-	-	-	0.6	(3.0)	(2.6)	3.9	(1.1)
Shares issued[2]	29	44.9	-	-	-	-	-	-	44.9
Capital contribution[3]	29	-	3.6		-	-	-	-	3.6
As at 31 March 2024[1]		45.8	3.6	89.0	(1.3)	(3.3)	-	(164.9)	(31.1)

[1] Prior year comparatives have been restated from those previously published, as described in note 2B.
[2] Pursuant to the After, Inc. acquisition the Group issued share capital of £44.9m.
[3] Pursuant to the After, Inc. acquisition, the parent entity of the Group, Galaxy Midco 2 Limited, invested additional capital of £3.6m into the Group.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2025

	Note	31 March 2025 £m	31 March 2024 £m
Net cash from operating activities	28	2.6	17.0
Cash flows from investing activities			
Acquisition of property, plant and equipment		(0.4)	(2.7)
Proceeds from sale of property, plant and equipment		-	6.3
Acquisition of software and other intangible assets		(31.0)	(37.3)
Disposal of financial instrument investments		8.9	2.3
Deposit in from money market funds		(9.9)	(0.2)
Purchase of subsidiary, net of cash acquired		-	(50.5)
Net cash used in investing activities		(32.4)	(82.1)
Cash flows from financing activities			
Repayment of lease liability		(5.2)	(4.4)
Net proceeds from borrowings		790.6	35.9
Net proceeds from equity issuances		-	32.8
Repayment of debt		(756.8)	(2.0)
Amounts recevied from/(paid to) related parties		0.3	(0.3)
Net cash from financing activities		28.9	62.0
Net decrease in cash and cash equivalents		(0.9)	(3.1)
Effects of exchange rates		(0.6)	(0.8)
Cash and cash equivalents at the beginning of the year		26.4	30.3
Cash and cash equivalents at the end of the year		24.9	26.4

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Galaxy Finco Limited (the ‘Company’) is a private company incorporated in Jersey and the Company’s registered office address is 27 Esplanade, St Helier, Jersey, JE1 1SG. These consolidated financial statements for the year ended 31 March 2025 comprise the Company and its subsidiaries (together referred to as the ‘Group’). The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

2. Basis for preparation and prior period restatements

A. Basis for preparation

The Group financial statements have been properly prepared in accordance with International Accounting Standards ('IASs') in conformity with the requirements of the Companies (Jersey) Law, International Financial Reporting Standards (‘IFRSs') as adopted by the United Kingdom and IFRSs as issued by the International Accounting Standards Board (‘IASB').

The financial statements are presented in pounds Sterling and are rounded to the nearest one hundred thousand pounds. They are prepared on the historical cost basis except for insurance contract assets and liabilities which are measured at their fulfilment value in terms of IFRS 17, certain financial instruments which are held at fair value through the income statement and financial instruments and freehold buildings which are held at fair value through other comprehensive income (unless this is a reversal of a previous loss reported through the income statement).

Going concern

The Directors have a reasonable expectation that the Group has sufficient financial resources to meet its financial needs and that the Group is well positioned to manage its business risks successfully in the current economic climate. In addition, during the year, the Group has issued new replacement debt extending the debt maturity profile to December 2029. The Group’s budget indicates that the Group will continue to maintain levels of solvency in line with its risk appetite across the planning cycle (which runs beyond 31 March 2027). These long-term models and detailed forecasts incorporate expected cash receipts and payments when they are expected to fall due. The Group has an established track record of predictable recurring revenue and stable claims and expense ratios, which means forecasts are considered to have a high degree of accuracy. There are no known material contingent assets or liabilities that impact liquidity for the foreseeable future and therefore, the forecasts are considered to be a materially accurate base from which to assess going concern requirements.

Notwithstanding the stable performance of the business over the past financial year, the current geo-political and macro-economic environments continue to mean the short to medium term outlook retains a degree of inherent uncertainty. A reasonable estimate of the impact of these factors on the Group has been incorporated into the Board-approved budget, which forms the basis of the going concern analysis.

The Directors have prepared base case cash flow forecasts for a period exceeding 12 months from the date of approval of these financial statements which indicates that the Group will be able to operate with adequate levels of both liquidity and capital over that period.

The Directors have also considered a severe but plausible downside scenario which incorporates reductions in sales and increases in cancellation rates, claims costs and interest costs. This indicates that the Group will be able to operate with adequate levels of both liquidity and capital for a period of at least 12 months from the date of approval of these financial statements.

After performing this assessment, the Directors have a reasonable expectation that the Group has adequate resources to meet its financial obligations and continue its operations for a period of at least 12 months from the date of approval of these financial statements. No material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern have been identified. The Directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements for the year ended 31 March 2025.

Standards adopted during the year ended 31 March 2025

The Group has adopted the following new amendments to IFRSs and IASs that became mandatorily effective for the Group for the first time in the financial year. The amendments have been issued and endorsed by the UK Endorsement Board (‘UKEB’) and do not have a significant impact on the Group’s consolidated financial statements:

- amendments to IAS 1 ‘Classification of liabilities as current or non-current’ issued in January 2020 and effective for reporting periods beginning on or after 1 January 2024
- amendments to IAS 1 ‘Non-current liabilities with covenants’, issued in October 2022 and effective for reporting period on or after 1 January 2024

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

- amendments to IAS 7 'Statement of cash flows' and IFRS 7 'Supplier finance arrangements', issued in May 2023 and effective for reporting periods on or after 1 January 2024
- amendments to IFRS 16 'Lease liability in a sale and leaseback', issued in September 2022 and effective for reporting periods on or after 1 January 2024

New, amended and revised statements and Interpretations

The following standards and amendments to existing standards have been issued, are not yet effective for the Group and have not been adopted early by the Group.

IFRS 18 'Presentation and Disclosure in Financial Statements'
In April 2024, the IASB') issued IFRS 18. The new standard aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace IAS 1 'Presentation of Financial Statements' carrying over many of the requirements in IAS 1 unchanged and complementing them with new requirements relating to:
- the structure of the income statement
- management-defined performance measures
- the aggregation and disaggregation of financial information

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027 and has yet to be endorsed by the UKEB. It may result in presentational changes to the Group's consolidated financial statements in future periods. No financial impact is expected as a result of the adoption of IFRS 18.

Other amendments
The following new standards and amendments to existing standards have been issued, are not yet effective for the current reporting period and are not expected to have a material impact on the Group's consolidated financial statements:
- amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'. Published by the IASB in August 2023. The amendments are effective for reporting periods beginning on or after 1 January 2025 and have been endorsed by the UKEB
- amendments to IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'. Published by the IASB in May 2024. The amendments are effective for reporting periods beginning on or after 1 January 2026 and have yet to be endorsed by the UK
- IFRS 19: 'Subsidiaries without Public Accountability: Disclosures' Published by the IASB in May 2024. This standard is not applicable to the Group because it is only applicable to subsidiaries that have no public accountability. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and has yet to be endorsed by the UKEB
- annual improvements to IFRS Accounting Standards – Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 Published by the IASB in July 2024. The amendments are effective for reporting periods beginning on or after 1 January 2026 and have been endorsed by the UKEB

B. Prior period restatements

Comparative figures have been restated to adjust for prior year errors relating to the Group's insurance contract assets.

Insurance contract assets

Comparative figures for the 2024 financial year have been restated to adjust for recently identified prior year errors. These relate to data used in the determination Group's warranty debtors which are included in the measurement of insurance contract assets. They have an impact on the Income Statement and Statement of Comprehensive Income and the Balance Sheet. The only impacts on Note 28 Statement of cashflows relate to the profit before taxation figure used which decreased by £2.1m, and the changes in working capital figure impacted by the decrease in insurance contract assets of £2.1m.

In addition, since part of the adjustment is attributable to errors which relate to the 2023 financial year, the opening balances have been restated, as disclosed in the Balance Sheet and Statement of Changes in Equity.

The impact of these restatements on the 2024 opening position as at 1 April 2023 is as follows:
- Balance Sheet: Insurance contract assets decreased by £3.3m, deferred tax liabilities decreased by £0.8m and the closing accumulated loss account increased by £2.5m
- Statement of Changes in Equity: Opening retained earnings for the accumulated loss account as at 1 April 2023 have increased by £2.5m from £166.3m to £168.8m

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The impact of these restatements on financial information for the period ended 31 March 2024 is as follows:
- Income Statement and Statement of Comprehensive Income: Insurance revenue and insurance service result decreased by £2.1m resulting in a corresponding decrease in profit before taxation of £2.1m. Tax on profit correspondingly decreased by £0.5m. Profit for the financial year decreased by £1.6m
- Balance Sheet: Insurance contract assets decreased by £5.4m, deferred tax liabilities decreased by £1.3m and the closing accumulated loss account increased by £4.1m
- Statement of Changes in Equity: Profit for the period decreased by £1.6m

The impact of these restatements on the notes to the financial statements for 2024 comparative figures has been detailed in notes: 6, 7, 13, 17, 22, 28 and 31.

3. Accounting policies

A. Basis of consolidation

The consolidated financial statements include the results of the Company and its subsidiaries. Subsidiaries are those entities in which the investor has control and is exposed or has rights to variable returns from its involvement.

Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In preparing the consolidated financial statements, all intercompany transactions, balances, income and expenses between Group entities are eliminated on consolidation.

B. Changes in significant accounting policies

There have been no significant changes to the Group's accounting policies during the current financial year.

C. Insurance contracts

i. Insurance contract classification

Insurance contracts are defined as those contracts containing significant insurance risk if an insured event could cause an insurer to make additional payments that are significant in any single scenario, excluding scenarios which lack commercial substance, at the inception of a contract. In addition, for a contract to transfer significant insurance risk, there needs to be a scenario that the issuer has a possibility of a loss on a present value basis.

Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

ii. Separating components from insurance contracts

The Group assesses its insurance contracts to determine if they contain any distinct components which must be accounted for using another IFRS instead of IFRS 17. The Group applies IFRS 17 to insurance contracts after the separation of distinct components.

iii. Level of aggregation

IFRS 17 requires that a level of aggregation is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of insurance contracts that have similar risks and are managed together. The Group is deemed to have one major insurance risk, which is product breakdown. IFRS 17 requires that a portfolio may not include contracts issued more than one-year apart and as a result, contracts issued have been grouped into annual cohorts based on the issue date of the contract.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied. At initial recognition, the Group segregates contracts based on when they were issued, with a cohort containing all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts based on their expected profitability at initial recognition:
- contracts that are onerous on initial recognition
- contracts that, on initial recognition, have no significant possibility of becoming subsequently onerous
- any remaining contracts

Profitability is assessed based on the budget view of the profitability of the group of contracts at the date of inception.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

iv. Recognition

The Group recognises insurance contracts issued at the earliest of the following dates:
- the beginning of the coverage period of the group of contracts
- the date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received)
- the date when a group of contracts becomes onerous

v. Contract boundary

In the measurement of insurance contracts, the Group includes all future cash flows expected to arise within the boundary of each contract in the group. In determining which cash flows fall within a contract boundary, the Group considers its substantive rights and obligations arising from the terms of the contract and from applicable laws, regulations and customary business practices. The Group determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation ends when:
- the group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
- the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the assessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, such as insurance risk and financial risk are considered; other risks such as lapse or expense risk are not included.

The contract boundary is reassessed at initial recognition and at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time.

vi. Measurement of insurance contracts issued

The Group uses the Premium Allocation Approach ('PAA') to simplify the measurement of groups of contracts with a coverage period of one year or less. For contracts with a coverage period of greater than one year, the Group at initial recognition, assesses whether the PAA is a reasonable approximation of the General Measurement Model ('GMM') and that such a simplification would produce a measurement of the liability for remaining coverage ('LRC') that does not materially differ from one produced by applying the GMM.

Initial measurement

For insurance contracts issued, which are not onerous on initial recognition, the Group measures the liability for remaining coverage as the premiums received at initial recognition less any acquisition cash flows allocated to the group of contracts as at that date plus any other asset or liability previously recognised for cash flows related to the group of contracts that the group pays or receives before the group of insurance contracts is recognised.

The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

If facts and circumstances indicate a group of contracts is onerous, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are grouped separately from other contracts and the Group recognises a loss immediately in the income statement. A loss component is established by the Group for the liability for remaining coverage for any such onerous group reflecting the losses recognised. If the amount of the fulfillment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference in the income statement and increases the LRC for the corresponding amount.

Subsequent measurement

Subsequently, the carrying amount of the LRC is increased by premiums received and the amortisation of insurance acquisition cash flows, and decreased by the amount recognised as insurance revenue for services provided and any additional acquisition cash flows allocated after initial recognition.

On initial recognition of each group of contracts, where the Group expects that the time between providing each part of the services and the related premium due date is no more than one year, the Group has chosen to not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For contracts held with a coverage period longer than one year, the Group exercises judgement to determine whether a significant financing component exists. Where appropriate, the Group adjusts the LRC for the time value of money using discount rates determined at initial recognition.

The Group estimates the liability for incurred claims ('LIC') as the fulfillment cash flows related to incurred claims reflecting current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). Given the Group expects to pay claims within one year or less from the claims are incurred, the Group does not adjust future cashflows for the time value of money and the effects of financial risks. See note 17 (c) for further details on the methodology for estimating the LIC and note C (ix) for further detail on the risk adjustment.

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfillment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference in the income statement and increases the LRC for the corresponding amount.

vii. Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of newly written and renewed insurance contracts using a systematic and rational basis. The Group recognises an asset in respect of costs to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting, when these costs are incurred before the recognition of the group of insurance contracts to which these costs relate.

The Group recognises such an asset for each future group of insurance contracts to which insurance acquisition cash flows are allocated. The related portion of the asset for insurance acquisition cash flows is derecognised and included in the measurement of the fulfillment cash flows of the associated group of contracts when the group is initially recognised.

Where some of the insurance contracts expected to be included within the group are recognised as at the end of the reporting period, the Group determines the related portion of the asset that is derecognised and included in the group's fulfillment cash flows. Acquisition cash flows are capitalised as part of the liability for remaining coverage and are amortised in line with the premium earnings patterns of the related groups of contracts.

Insurance acquisition cashflows assets are assessed for impairment at each reporting date where facts and circumstances indicate that they may be impaired. If any such indication exists, the Group adjusts the carrying amount of the asset so that it does not exceed the expected net cash inflow for the associated future group of contracts and an impairment loss is recognised in profit or loss for this difference. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the extent the impairment conditions no longer exist or have improved and the cumulative amount of the impairment loss does not exceed the impairment loss recognised for the asset in previous years. Commission and marketing costs written on insurance plans with indeterminate terms are recognised as acquisition costs on an annual basis as the costs are incurred in each year of the contract.

viii. Modification and derecognition

The Group derecognises an insurance contract when one of the following conditions is met:
- when the rights and obligations specified in the contract are extinguished i.e. expired, discharged or cancelled; or
- the contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract substantially changes the contract boundary or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the estimate of fulfillment cash flows.

ix. Presentation

In the consolidated balance sheet, the Group has presented separately the carrying amount of portfolios of insurance contracts that are assets and those that are liabilities. Any assets for insurance acquisition cash flows recognised before the recognition of the related groups of contracts are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates the amounts in the consolidated income statement into (a) insurance service result comprising insurance service revenue and insurance service expenses, and (b) net finance expenses from insurance contracts.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The Group does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion. All changes in the risk adjustment are included in the insurance service result.

D. Insurance service result

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts for providing services in the period.

The Group recognises insurance revenue for the period based on the passage of time. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

At the end of each reporting period, the Group considers whether there was a change in facts and circumstances indicating a need to change, on a prospective basis, the premium receipt allocation due to changes in the expected pattern of claim occurrence.

Insurance service expense

Insurance services expenses arising from a group of insurance contracts issued comprise:
- incurred claims and other insurance services expenses
- amortisation of insurance acquisition cash flows
- losses on onerous contracts and reversal of such losses
- adjustments to liabilities for incurred claims, which includes changes that relate to past service and those related to future service (i.e. losses/ reversals on onerous groups of contracts from changes in the loss component recognised)
- impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses

E. Insurance finance income and expense

Insurance finance income or expenses present the effect of the time value of money and the change in the time value of money of a group of insurance contracts and the effect of financial risk and changes in financial risk.

F. Inventory

Inventory consists of assets acquired with the intention of consuming as part of the rendering of a service. Inventory is measured at the lower of cost and net realisable value. Cost is calculated based on price of the inventory.

G. Other income and deferred income

Other income represents the amounts recognised in the current year relating to boiler service plans, net of cancellations, After, Inc. income and Australia service plans, in accordance with the earnings patterns described below. Income for these plans is accounted for on completion of a boiler service in line with IFRS 15: Revenue Recognition. The service boiler service plans include an annual service, therefore the performance obligation will be met within 12 months.

Deferred income on boiler service plans comprises the deferral of revenue to cover the service or other obligation under the contract as the period of unexpired risk 'earns' accordingly and is computed separately for each contract. The provision is calculated on the 24ths basis for contracts up to one year. For contracts in excess of one year, the time apportionment basis is suitably modified so that the revenue recognition pattern matches the risk profile. The income is recognised when the performance obligations are met in line with IFRS 15: Revenue Recognition.

For Australia service plans accounted for in line with IFRS 15, the portion of the price allocated to claims handling and administration service obligations is deferred, as a deferred income contract liability, and recognised as other income over the profile of claims throughout the policy term which is on average five years.

After, Inc. income represents broker fee income on extended warranty contracts, recognised immediately upon such contracts being sold and income relating to data analytical services recognised in line with the proportion of the individual contract completed.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

H. Other finance expenses

Other finance expenses comprise the interest expense on loans and borrowings and deferred financing costs which are calculated using the effective interest rate method.

I. Employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

J. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income, in which case the applicable tax on that item is also recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future, and where the Group has control of the timing of any disposal. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. In accordance with the requirements of IAS 12, since the customer and OEM relationships are amortised and give rise to temporary differences, deferred tax is recognised as appropriate.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

K. Method used to measure the claims and repair provision

This policy refers to the basis for measuring the claims and repair provision for boiler service plans which are recognised in accordance with IFRS 15. The claims and repair provision comprises provisions for the estimated costs of paying all claims and repairs incurred up to the balance sheet date but not reported, together with claims reported not yet approved. Estimation techniques and assumptions are periodically reviewed with any changes in estimates reflected in the income statement as they occur. Claims approved but not yet settled are included within trade and other payables.

L. Provisions and contingent liabilities

Provision is made when the expected value of claims, repairs and administrative expenses attributable to the unexpired periods of service plans at the balance sheet date exceeds the provision for deferred income in relation to service plans. Any provision is calculated separately for each category of business but surpluses and deficits between categories that are managed together are offset and disclosed as a separate provision.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable, or the amount cannot be reasonably estimated.

M. Investments and other financial assets

i. Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income “OCI” or through the income statement)
- those to be measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in the income statement or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI'). The Group reclassifies financial investments when its business model for managing those assets changes.

ii. Recognition and derecognition

Purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the income statement.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three categories in which the Group classifies its financial assets:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in other gains/(losses) together with foreign exchange gains and losses
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement and recognised in net investment (expense)/income. Interest income from these financial assets is included in investment income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the income statement
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a financial asset that is subsequently measured at FVTPL is recognised in the income statement and presented net within other gains/(losses) in the period in which it arises

Equity instruments

The Group measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investments. Dividends from such investments continue to be recognised in the income statement as investment income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at FVTPL are recognised in the income statement.

iii. Impairment

The Group assesses on a forward-looking basis the expected credit loss ('ECL') associated with its financial assets carried at amortised cost and FVOCI. Expected credit losses are calculated on either a 12-month or lifetime basis depending on the extent to which credit risk has increased significantly since initial recognition, except where the Group uses the simplified approach to apply lifetime expected losses to trade receivables that do not contain a significant financing component.

Lifetime ECL is the ECL that results from all possible default events over the expected life of a financial instrument, whereas 12-month ECL is the portion of ECL that results from default events that are possible within the 12 months after reporting date.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

The Group measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:
- financial assets that are determined to have low credit risk at the reporting date
- other financial assets for which credit risk has not increased significantly since initial recognition

Measurement of the ECL

The ECL is a probability-weighted estimate of credit losses and is measured as follows:
- financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls – i.e. the difference between the cash flows due to the entity in accordance with the contract and cash flows that the Group expects to receive
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows
- credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost and financial assets at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of loss allowances in the balance sheet

Loss allowances for ECL are presented as follows:
- financial assets measured at amortised cost: the loss allowance is deducted from the gross carrying amount of the assets
- financial assets measured at FVOCI: the loss allowance is recognised in OCI and does not reduce the carrying amount of the financial asset in the balance sheet

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the customer does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities, in order to comply with the Group's procedures for recovery of amounts due.

N. Financial liabilities

i. Classification

The Group classifies its financial liabilities, into one of the following categories:
- financial liabilities at FVTPL, and within this category as:
  - held-for-trading
  - derivative hedging instruments
  - designated as at FVTPL
- financial liabilities at amortised cost

ii. Recognition and derecognition

The Group recognises loans and borrowings on the date on which they are originated. All other financial instruments are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

The Group generally derecognises a financial liability when its contractual obligations expire or are discharged or cancelled. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement. If a financial liability measured at amortised cost is modified but not substantially, then it is not derecognised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

iii. Measurement

A financial liability is initially measured at fair value plus, for a financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial liabilities at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognised in the income statement, unless they arise from derivatives designated as hedging instruments.

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in the income statement. Any gain or loss on derecognition is also recognised in the income statement.

O. Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged. Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserves. Any ineffective portion of the hedge is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are recycled into the income statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when interest income or expense is recognised.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

P. Property, plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised in the income statement on a straight-line basis over the estimated useful economic lives of each item of plant and equipment.

The estimated useful economic lives are as follows:

Computer equipment	3 – 4 years
Motor vehicles	4 years
Fixtures, fittings and equipment	4 – 7 years

Properties are held at open market value, as determined by independent professionally qualified valuers. These valuations are undertaken every three years to ensure that the carrying amount at the end of a reporting period does not differ materially from its fair value. In the intervening years, these valuations are reviewed by the Directors and are adjusted if the fair value differs materially from its carrying amount.

A revaluation surplus is credited directly to equity under the heading of revaluation reserve, unless it reverses a revaluation decrease on the same asset previously recognised as an expense, then it is credited to the income statement to that extent. Revaluation decreases are charged against any related revaluation surplus to the extent that the decrease does not exceed the amount held in the revaluation reserve in respect of that same asset. Any balance on the revaluation decrease is then recognised as an expense in the income statement. Revaluation surpluses are transferred to retained earnings on disposal of the asset.

The gain or loss arising on disposal of assets is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement. The useful economic lives and residual values of plant and equipment are reassessed annually.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If such an indication exists, the asset's recoverable amount is estimated, and where this falls below carrying value, an impairment is booked.

Q. Goodwill and Intangible assets

i. Goodwill

Goodwill arises on the acquisition of subsidiaries and when the acquisition method of accounting for business combinations is applied. Goodwill represents the excess of the consideration transferred over the Group's interest in the net fair values of the net identifiable assets.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units ('CGUs') and the Group regularly monitors the development of the profile of cash inflows in the CGUs to evaluate whether there has been a change in composition on a sustained basis for these CGUs. Goodwill is tested annually for impairment.

ii. Intangible assets acquired in a business combination

Business combinations are reviewed to identify any additional assets that meet the definition prescribed by IAS 38 Intangible Assets. An intangible asset shall be recognised if, and only if, it is probable that the expected future economic benefits that are attributable to the asset controlled will flow to the entity and the cost of the asset can be measured reliably.

Specifically, any value identified in customer and client relationships is capitalised as an intangible asset. The fair value of customer and client relationships is determined on the basis of the present value of expected future cash flows. Intangible assets acquired in a business combination are subsequently stated at cost less accumulated amortisation and impairment losses.

iii. Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

iv. Subsequent expenditure

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed when incurred.

v. Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets other than goodwill, from the date they are available for use. Goodwill is not subject to amortisation.

The estimated useful lives are as follows:

Software costs and licences	4 – 10 years
Customer relationships and other	3 – 20 years
Original equipment manufacturer ('OEM') relationships	15 years

vi. Impairment

Goodwill is tested for impairment annually even if no indication of impairment exists.

An impairment loss is recognised in the income statement as an expense if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount with a corresponding reduction in the carrying value of the asset.
An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

R. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and term deposits with an original term date of less than three months.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

S. Foreign currencies

i. Foreign operations

The results of overseas branches and subsidiaries are translated into the Group's presentation currency, Sterling, at the average rate of exchange during the year. Assets and liabilities of overseas branches and subsidiaries are translated at the year-end exchange rate. Any resulting foreign exchange differences are recognised in other comprehensive income and included in other reserves within equity.

ii. Foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of Group entities at exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Foreign exchange differences arising upon consolidation are recognised in the statement of other comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

T. Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

U. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves the use of an identified asset and conveys the right to control the use of the asset for a period of time in exchange for consideration – i.e. the customer has the rights to:

- obtain substantially all the economic benefits from using the asset; and
- direct use of the asset.

As a lessee

The Group recognises a right-of-use asset and a corresponding lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the amount of lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

Subsequently, the right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the carrying amount of the right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured to reflect any lease modification or reassessments. Depreciation on lease assets and interest on lease liabilities is recognised in the income statement.

The Group presents its right-of-use assets in 'Property, plant and equipment – Other leased' and lease liabilities in 'Loans and borrowings' in the balance sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

As a lessor

Where the Group is the lessor, leases are classified as finance leases if the risks and rewards of ownership are substantially transferred to the lessee and operating leases if they are not substantially transferred. Lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term.

When assets are subject to finance leases, the present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable. The Group has not entered into any material finance lease arrangements as lessor.

V. Common control transactions

Where there is an exchange of equity interest under the same parent's control, the Group uses merger accounting. Under this method, assets and liabilities of the merging entity are recognised in the Group financial statements at the previous carrying amount.

4. Critical accounting judgements and sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Directors to select accounting policies and make estimates and assumptions that affect items reported in the consolidated income statement, consolidated balance sheet, other primary statements and notes to the consolidated financial statements.

The Group's principal accounting policies are set out on pages 123-133. The judgements and assumptions involved in the Group's accounting policies that are considered by the Board to be the most important are discussed below.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are highlighted below:

A. Critical accounting judgments

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

i. Recoverability of prepayments and receivables (accounting policy - M)

Material prepayments and receivables are assessed based on management's judgements on the future recoverability of these balances in accordance with forecast financial information, agreed contractual terms, and with regards to the credit worthiness of the specific counterparty.

ii. Financial assets – impairment provisions (accounting policy - M)

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in determining these assumptions and selecting the inputs to the impairment calculation, based on historical data, existing market conditions, other external factors and forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 37. The ECL charge is £10k (FY24: £0.1m). No sensitivity analysis has been performed on this balance due it being immaterial in nature.

iii. Determination of earning patterns

For sales arising on insurance business, judgement is required in selecting appropriate earnings patterns for the business underwritten and associated acquisition costs, in particular for contracts where there is uncertainty in respect of the risk profile. Earnings patterns are determined with reference to the inception and expiry dates of the policies concerned and the expected pattern of risk emergence of the policy.

iv. Level of aggregation (accounting policy - C.iii)

The Group defines a portfolio of contracts as insurance contracts subject to similar risks and which are managed together. In determining the level of aggregation, the Group has exercised judgement to determine contracts issued with similar risks and how such contracts are managed.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

v. Assessment for eligibility for PAA (accounting policy - C.vi)

For a number of insurance contracts which have a coverage period that is greater than 12 months, the Group elects to apply the PAA, if at the inception of the group, the Group reasonably expects that it will provide a liability for remaining coverage that would not differ materially from the General Measurement Model. The Group exercises judgement in determining the PAA eligibility criteria are met at initial recognition.

vi. Assessment of directly attributable cash flows

The Group uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or the group itself, or the portfolio of insurance contracts to which the group belongs. When estimating fulfilment cashflows, the Group also allocates fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

B. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

i. Measurement of recoverable amount of goodwill contained in CGUs (accounting policy - Q)

The recoverable amounts of the CGUs are determined from value-in-use calculations based on the net present value of future cash flows of each CGU. The key assumptions for the value-in-use calculations are the underlying Board approved cash flow forecasts and those regarding discount and growth rates. The Group prepares cash flow forecasts derived from its most recent business plans over a three-year period. The uncertainty caused by interest rates and inflation and geo-political factors means that the economic environment over the short to medium term retains a degree of inherent uncertainty.

A reasonable estimate of the impact of these factors on the Group has been incorporated into the Board-approved Budget, which forms the basis for the value in use calculation. Additionally, a premium continues to be factored into the discount rate to reflect the uncertainty of the timing and amount of the cash flows in the assessment of the recoverability of goodwill and intangible assets. The cashflow forecasts also reflect assumptions relating to the value and timing of synergies arising from the acquisition of After, Inc.

The main assumptions upon which the cash flow projections are based include sales volumes and prices, claims costs, revenue growth, operating margins, retention rates and cancellation rates. Further details are disclosed in note 23.

ii. Measurement of the liability for incurred claims and the claims and repair cost provision (accounting policy – C.vi)

Details of the process to determine the assumption and changes in assumptions for measuring the liability for incurred claims and the claims and repairs provision relating to service plans are disclosed in note 17.

iii. Allocation of asset for insurance acquisition cash flows to current and future groups of contracts

The Group allocates the asset for insurance acquisition cash flows to an associated group of contracts and to any future groups that include the contracts that are expected to arise from the renewals of the contracts in that group using a systematic and rational method. In doing so, the Group estimates the expected contracts to be included within a future group or the number of renewals that may arise from an original group when allocating the asset.

iv. Insurance acquisition cashflows – deferral period and earning of cashflows

Where insurance acquisition costs relate to future renewals, they are capitalised and subsequently amortised when the renewal occurs. The deferral period is determined using persistency rates based on historical data which may not be reflective of future policy life. This historical data includes the growing book of IPM policies which were introduced during FY18 and are therefore currently providing less than 8 years of data for analysis. However, based on the overall historical data analysis, the Directors have determined 8 years to be an appropriate deferral period. If the deferral period were to decrease to 7 years from 1 April 2024 profit before tax would decrease by 13.9 million.

Insurance acquisition cashflows are earned using appropriate earnings patterns which are consistent with premium earnings patterns for the group of insurance contracts. The Group uses judgement in selecting appropriate earnings patterns – see 4.A.iii for details of the key judgements in respect of earnings patterns.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

v. Onerous contracts (accounting policy – C.vi)

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. This is based on an assessment of future cash flows, which may be uncertain due to their timing, size and/or probability. If at any time during the coverage period the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero. The impact of the onerous contracts is a £1.4m expense (FY24: £0.9m benefit). No sensitivity analysis has been performed on this balance due to it being immaterial in nature.

vi. Discount rates (accounting policy – C.vi)

Discounting is applied to the estimate of future cashflows. The Group has elected to apply the 'bottom-up' approach to determine the discount rate which uses the risk-free rate and adds an illiquidity premium.

The Group determines the risk-free discount rates using the Solvency II risk-free rates sourced from the Bank of England. The illiquidity premium is expected to be nil as the Group expects to settle claims within 12 months.

The table below sets out the yield curve used to discount the cash flows of insurance contracts for major currencies:

31 March 2025	1 year	2 years	3 years	4 years	5 years	More than 5 years
GBP	4.185%	4.044%	4.002%	3.994%	3.999%	4.019%
Euro	2.144%	2.091%	2.159%	2.239%	2.315%	2.379%
USD	3.974%	3.716%	3.643%	3.633%	3.645%	3.669%

31 March 2024	1 year	2 years	3 years	4 years	5 years	More than 5 years
GBP	4.871%	4.389%	4.096%	3.902%	3.780%	3.705%
Euro	3.514%	3.035%	2.783%	2.637%	2.549%	2.502%
USD	5.041%	4.503%	4.239%	4.064%	3.960%	3.899%

A 1% increase in the discount rates would decrease profit before tax by £28k (FY24: £13k) whereas a 1% decrease in the discount rates would increase profit before tax by £28k (FY24: £13k).

vii. Risk adjustment for non-financial risk

A risk adjustment for non-financial risk is determined to reflect the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows arising from insurance risk and other non-financial risk such as lapse risk and expense risk and reflects the degree of the Group's risk aversion.

The Group determines the risk adjustment for non-financial risk at an aggregate level using an uplift on best estimate approach to calculating the risk adjustment held, setting the risk adjustment at the 80th to 90th percentile (FY23: 80th to 90th percentile), based on Group risk appetite. The risk adjustment has been set at the 85th percentile and is allocated to groups of contracts using a systematic approach.

The sensitivities in the table below reflect the impact on profit before tax for changes in the confidence level across all regions, with all other assumptions remaining unchanged.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Risk adjustment to 90th percentile	(1.2)	(1.4)
Risk adjustment to 80th percentile	0.9	1.1

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5. Exchange rates

The Group's principal overseas operations during the year were located in the eurozone and the US. The results and cashflows of these operations have been translated into sterling at the average monthly rate in which the transaction occurred, and the assets and liabilities have been translated at the year-end rates as follows:

	Year ended 31 March 2025	Year ended 31 March 2024
Eurozone		
Average rate (€1 equals)[1]	£0.8414	£0.8630
Year end rate (€1 equals)	£0.8366	£0.8551
US		
Average rate ($1 equals)[1]	£0.7837	£0.7956
Year end rate ($1 equals)	£0.7746	£0.7916

[1] Numbers reported in the income statement are converted at the monthly average rate in which the transaction occurred. The average rate shown above represents the average of these rates during the year. All rates are sourced from Bank of England.

6. Segmental analysis

The Group's reporting segments are those used internally by management to run the business and make decisions. These are based on products and services as well as the major factors that influence the performance of these products and services across the geographical locations in which the Group operates.

A. Segment structure

The Group has the following two strategic divisions, which are its reportable segments. These divisions offer the same products and services to varying degrees but are managed separately because they require different operational, risk management and marketing strategies. The following summary describes the reportable segment product offering.

Reportable Segment	Product offering
UK	The business offers both subscription and non-subscription (e.g. cash) plans to UK customers.
International	The business offers subscription and non-subscription (e.g. cash) plans to customers outside the UK including continental Europe (Germany, Spain, Italy and Portugal) and the US. This segment also includes business in run-off (Australia & New Zealand).

B. Segment results

Insurance revenue and other income consists of subscription and cash and other revenue. Information related to each reportable segment is set out below. Segment results include items that are directly attributable to a segment and those that can be allocated on a reasonable basis. The 'Other' segment mainly relates to the amortisation of acquired intangibles and finance costs relating to the Group's debt.

		International				
Year ended 31 March 2025	UK £m	Europe & Other £m	US £m	Total International £m	Other £m	Group £m
Insurance revenue						
Subscription revenue[1]	852.9	132.8	33.5	166.3	-	1,019.2
Cash and other insurance revenue	41.6	48.9	0.1	49.0	-	90.6
Other income[2]						
Subscription revenue[1]	17.9	5.7	-	5.7	-	23.6
Cash and other revenue	-	-	28.7	28.7	-	28.7
Profit/(loss) before taxation	96.4	35.3	(10.6)	24.7	(105.4)	15.7
Non-current assets[3]	422.0	15.7	87.9	103.6	-	525.6

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2024 – restated[4]	UK £m	International: Europe & Other £m	International: US £m	International: Total International £m	Other £m	Group £m
Insurance revenue						
Subscription revenue[1]	796.0	118.2	10.7	128.9	-	924.9
Cash and other insurance revenue	39.8	73.7	-	73.7	-	113.5
Other income[2]						
Subscription revenue[1]	19.6	9.0	-	9.0	-	28.6
Cash and other revenue	-	-	31.4	31.4	-	31.4
Profit/(loss) before taxation	89.1	31.2	(14.8)	16.4	(94.4)	11.1
Non-current assets[3]	436.5	25.1	97.1	122.2	-	558.7

[1] Subscription revenue represents insurance policies where premiums are received on a monthly basis, whereas cash revenue is where premiums are received at point of sale.
[2] Other income comprises contracts/business that do not meet the definition of insurance under IFRS 17 and are therefore accounted for under a different IFRS.
[3] Non-current assets comprise property, plant and equipment, intangible assets, goodwill and trade and other receivables expected to be received after 12 months. Companies incorporated in Jersey are included in the UK segment for non-current assets.
[4] The FY24 comparative results have been restated from those previously published, as described in note 2B.

7. Insurance service result

The following table analyses the insurance revenue and expenses recognised in relation to the Group's insurance contracts.

	Year ended 31 March 2025 £m	Restated[1,2] Year ended 31 March 2024 £m
Insurance revenue	1,109.8	1,038.4
Insurance service expenses		
Incurred claims and other incurred insurance expenses	(518.0)	(494.0)
Losses & reversal of losses from onerous contracts	(1.4)	0.9
Insurance acquisition cash flows		
Amortisation	(346.3)	(335.9)
Total insurance service result (see note 17)	244.1	209.4

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.
[2] In addition to the restatement described in note 2B, the FY24 comparatives also reflect a reclassification of certain costs from the Liability for remaining coverage to the Liability for incurred claims of £37.8m. This resulted in an increase of £37.8m in incurred claims and other insurance expenses, with a corresponding decrease in the amortisation of insurance acquisition cashflows balance. There is no impact on the total insurance service result as a result of this reclassification.

Claims and repair costs relating to business accounted for in accordance with IFRS 15 are recognised in other operating expenses – see note 10 for further information.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

8. Net financial result

The following table analyses the Group's net financial result.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Total realised gains	2.5	2.1
Amounts recognised in OCI	0.5	1.7
Total investment return	3.0	3.8
Interest accreted	(3.4)	(2.0)
Total net finance expenses from insurance contracts	(3.4)	(2.0)
Amounts recognised in profit or loss		
Investment return	2.5	2.1
Net finance expenses from insurance contracts	(3.4)	(2.0)
Total amounts recognised in profit or loss	(0.9)	0.1
Amounts recognised in OCI		
Investment return	0.5	1.7
Total amounts recognised in OCI	0.5	1.7

9. Other finance expenses

This note analyses the interest costs on the Group's borrowings (which are described in note 26) and similar charges. Finance costs comprise:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Interest payable on external loans and borrowings	58.9	57.2
Interest payable on shareholder loans and borrowings	0.6	0.8
Interest expense on lease liabilities	1.7	1.7
Foreign exchange differences	6.0	(1.1)
Other finance costs	16.1	10.2
Total finance costs	83.3	68.8

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10. Other operating expenses

The following table provides further detail on the items appearing in other operating expenses section of the income statement.

	Note	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Claims and repairs costs[1]		20.4	22.5
Auditors' remuneration	11	2.7	2.2
Employee costs		102.5	82.4
Depreciation and amortisation		48.2	47.3
Non-insurance related mailing costs		7.6	13.0
Repairs and maintenance expenditure on property, plant and equipment		2.4	10.2
Significant items		9.7	9.5
Other operating expenses		3.0	2.5
Total other operating expenses		196.5	189.6

[1] Relates to IFRS 15 business (which for accounting purposes is not considered to be insurance business) and excludes any IFRS 17 claims and repair costs which are recognised in the insurance service result.

Significant items included in other operating expenses:

Significant items represent amounts which result from unusual transactions or circumstances which warrant individual disclosure due to their nature and significance. Management consider these represent items that are not indicative of underlying trading due to the nature of the costs and/or their non-recurring nature and are disclosed separately to assist in the understanding of the financial performance of the Group.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Finance transformation including IFRS 17	5.9	7.7
Transaction related costs	3.7	3.9
Restructuring costs	0.1	0.5
Talbot Street sale	-	(2.6)
Total significant items	9.7	9.5

Finance transformation costs of £5.9m (31 March 2024: £7.7m) include cost relating to IFRS 17 related improvements to the financial reporting process, following implementation of IFRS 17 in FY24.

Transaction related costs include £2.7m of costs relating to Group strategic projects and £1.0m relating to After, Inc. integration costs. Prior year costs of £3.9m primarily relating to one-off legal and consultancy fees associated with the acquisitions of After, Inc. and the Nana Technologies platform.

Restructuring costs of £0.1m (FY24: £0.5m) have been recognised, primarily relating to the restructuring of elements of our business to focus on our strategic priorities.

The £2.6m credit in the comparative period represents the recycling of the revaluation reserve to the income statement

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

following the completion of the sale of the Group's property in Talbot Street, Nottingham on 30 April 2023.

11. Auditors' remuneration

The following table shows the total remuneration payable by the Group excluding VAT and any overseas equivalent thereof, to our auditors, Deloitte LLP:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Statutory audit of the Group financial statements	0.6	1.1
Statutory audit of the subsidiary financial statements	0.9	0.8
Additional fees relating to the prior year audit of the Group	0.5	0.1
Total audit fees	2.0	2.0
Audit related assurance	0.3	0.2
Total audit and assurance fees	2.3	2.2
Other non-audit services	0.4	-
Total fees payable to the auditor	2.7	2.2

Audit related assurance comprises services for services in relation to statutory and regulatory filings, including review of interim financial information. Other non-audit services comprise fees in connection with debt refinancing.

12. Employee information

This note analyses the total staff costs and shows where the Group's staff are employed.

A. Staff costs for the Group during the period

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Wages and salaries	150.4	139.6
Social security costs	15.4	14.4
Other pension costs	5.3	4.9
Total staff costs	171.1	158.9

Included in staff costs is £83.5m (31 March 2024: £76.5m) that is recognised in insurance service expenses, with the remaining amount recognised in other operating expenses.

B. Average number of employees during the period[1]

	Year ended 31 March 2025	Year ended 31 March 2024
Executive Directors	2	2
Sales and marketing	384	348
Commercial and claims	190	185
Finance and administration	577	563
Contact Centres and IT	2,048	1,921
Total employee numbers	3,201	3,019

[1] Average employee numbers have been calculated using the monthly employee numbers during the year. This approach takes into account recruitment, leavers and business acquisitions.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

13. Taxation

A. Tax (charged)/ credited to the income statement

The total tax (charge)/credit comprises:

	Year ended 31 March 2025 £m	Restated[1] Year ended 31 March 2024 £m
Current tax		
For the period	(7.5)	(6.9)
Adjustment to tax charge in respect of previous years	(0.3)	-
Total current tax	(7.8)	(6.9)
Deferred tax		
Origination/reversal of temporary differences	(5.1)	(3.0)
IFRS 17	1.0	(0.6)
Tax effect of amortisation of intangible assets	5.0	4.3
Movement in DTA on disallowed interest attributes carried forward	(1.2)	(1.3)
Prior year adjustments	(0.2)	0.3
Total deferred tax	(0.5)	(0.3)
Total tax (charged)/credited to income statement	(8.3)	(7.2)

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.

B. Tax reconciliation

The tax on the Group's profit differs from the amount that would arise using the tax rate of UK as follows:

	Year ended 31 March 2025 £m	Restated[1] Year ended 31 March 2024 £m
Profit on ordinary activities before tax	15.7	11.1
Standard corporation tax rate in the UK	25%	25%
Profit on ordinary activities multiplied by the standard rate	(3.9)	(2.8)
Effects of:		
Items disallowed for tax purposes	(2.3)	(1.7)
Adjustment to tax charge in respect of prior years	(0.5)	0.3
Movement in deferred tax and losses not recognised	(1.3)	(2.6)
Tax rate differences in branches	(0.3)	(0.1)
Other	-	(0.3)
Total tax (charged)/credited to income statement	(8.3)	(7.2)

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.

14. Cash and cash equivalents

This note analyses the Group's cash and short-term investments.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Bank and cash balances	22.1	22.7
Short term bank deposits	2.8	3.7
Total cash and cash equivalents	24.9	26.4

Cash and cash equivalents balance is current. In addition to cash and cash equivalents amounts, the Group holds liquid investment assets which are included in Note 21.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. Inventory

This note analyses the Group's inventory held by the US business.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
As at 1 April	0.6	-
Acquired inventory	-	1.1
Decrease in inventory during the year	(0.2)	(0.5)
At 31 March	0.4	0.6

The total inventory balance is current.

16. Trade and other receivables

This note analyses the Group's total receivables.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Trade receivables	2.1	0.5
Other receivables	12.4	22.7
Prepayments and accrued income	69.4	61.8
	83.9	85.0
Split between:		
Amounts expected to be recognised in 12 months	66.4	74.0
Amounts expected to be recognised after 12 months	17.5	11.0

17. Insurance contract assets

A. Carrying amount

Insurance contracts at 31 March comprised:

		International				
Year ended 31 March 2025	UK £m	Europe & Other £m	US £m	Total International £m	Other £m	Group £m
Insurance contracts						
Insurance contract assets/(liabilities)	60.0	(7.9)	4.4	(3.5)	-	56.5
Assets for insurance acquisition cash flows	139.7	41.8	17.7	59.5	-	199.2
Insurance contracts assets	199.7	33.9	22.1	56.0	-	255.7

		International				
Year ended 31 March 2024 restated[1]	UK £m	Europe & Other £m	US £m	Total International £m	Other £m	Group £m
Insurance contracts						
Insurance contract assets/ (liabilities)	47.6	(18.1)	1.0	(17.1)	-	30.5
Assets for insurance acquisition cash flows	125.0	36.4	6.0	42.4	-	167.4
Insurance contracts assets	172.6	18.3	7.0	25.3	-	197.9

[1]The FY24 comparative results have been restated from those previously published, as described in note 2B.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

B. Movement in the period

The following movements have occurred in the carrying amount for insurance contract balances in the year, analysed between the liabilities for remaining coverage and incurred claims.

	Liabilities for remaining coverage		Liabilities for incurred claims		
Year ended 31 March 2025	Excluding loss component £m	Loss component £m	Estimate of present value of future cash flows £m	Risk adjustment for non-financial risk £m	Total £m
Opening assets	101.7	(0.9)	(65.7)	(4.6)	30.5
Changes in comprehensive income					
Insurance revenue	1,109.8	-	-	-	1,109.8
Insurance service expenses:					
Incurred claims and other insurance service expenses	-	-	(517.6)	(0.4)	(518.0)
Amortisation of insurance acquisition cash flows	(346.3)		-	-	(346.3)
Losses on onerous contracts and reversals of those losses	-	(1.4)	-	-	(1.4)
Insurance service result	763.5	(1.4)	(517.6)	(0.4)	244.1
Net finance expenses from insurance contracts	(3.4)	-	-	-	(3.4)
Total changes in comprehensive income	760.1	(1.4)	(517.6)	(0.4)	240.7
Cashflows:					
Premiums received	(1,085.1)	-	-	-	(1,085.1)
Claims and other insurance service expenses paid	-	-	530.2	-	530.2
Insurance acquisition cash flows paid	345.7	-	-	-	345.7
Other[1]	(5.4)	-			(5.4)
Total cash flows	(744.8)	-	530.2	-	(214.6)
Closing assets	117.0	(2.3)	(53.1)	(5.0)	56.5

[1] Other represents the impact of a correction relating to prior periods recognised in FY25

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2024 restated[1,2]	Liabilities for remaining coverage: Excluding loss component £m	Liabilities for remaining coverage: Loss component £m	Liabilities for incurred claims: Estimate of present value of future cash flows £m	Liabilities for incurred claims: Risk adjustment for non-financial risk £m	Total £m
Opening assets	72.1	(1.8)	(57.3)	(4.2)	8.8
Changes in comprehensive income					
Insurance revenue	1,038.4	-	-	-	1,038.4
Insurance service expenses:					
Incurred claims and other insurance service expenses	-	-	(493.6)	(0.4)	(494.0)
Amortisation of insurance acquisition cash flows	(335.9)	-	-	-	(335.9)
Losses on onerous contracts and reversals of those losses	-	0.9	-	-	(0.9)
Insurance service result	702.5	0.9	(493.6)	(0.4)	209.4
Net finance expenses from insurance contracts	(2.0)	-	-	-	(2.0)
Total changes in comprehensive income	700.5	0.9	(493.6)	(0.4)	207.4
Cashflows:					
Premiums received	(988.3)	-	-	-	(988.3)
Claims and other insurance service expenses paid	-	-	485.2	-	485.2
Insurance acquisition cash flows paid	317.3	-	-	-	317.3
Total cash flows	(670.9)	-	485.2	-	(185.7)
Closing assets	101.7	(0.9)	(65.7)	(4.6)	30.5

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.
[2] In addition to the restatement described in note 2B, the FY24 comparatives also reflect a reclassification of certain costs from the Liability for remaining coverage to the Liability for incurred claims of £37.8m. This resulted in an increase of £37.8m in incurred claims and other insurance expenses, with a corresponding decrease in the amortisation of insurance acquisition cashflows balance. Within the cashflows analysis, there has been an increase in claims and other insurance service expenses paid of £37.8 with a corresponding decrease in insurance acquisition cashflows paid. There is no impact on the total insurance service result, total cashflows or closing assets as a result of this reclassification.

C. Process used to determine the assumptions for measuring liabilities relating to claims and repair costs

The assumptions used to produce provisions are considered appropriate to cover any liabilities arising so far as they can be reasonably foreseen. Provision is made at the balance sheet date for the expected ultimate cost of settlement of all claims incurred but not approved in respect of events up to the balance sheet date, whether reported or not. Up to date information is used to produce best estimates of the expected outcome. The sources of the data used as inputs for the assumptions are primarily internal, using regularly monitored statistics. There is a strong emphasis on current trends, and where, for new products, there is limited information to make a reliable best estimate of claims development, an additional adjustment is included within assumptions used. Actual claims have been materially in line with previous estimates.

The outstanding liability for incurred claims, estimation techniques and assumptions are reviewed at least quarterly with any changes reflected in the income statement as they occur. The key methods are:

- Detailed review of claim incident data;
- Use of historical data to estimate the paid and incurred to date proportions of the ultimate claim cost;
- Expected claims ratio compared to actual performance; and
- Monitoring of the performance of repairers.

To the extent that these methods use historical claims development information they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case and, insofar as it can be identified, this has been allowed for in calculating the final provision. However, the process of estimation is based upon certain variables and assumptions which will differ from the actual outturn.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

D. Change in assumptions and sensitivity analysis

The Group's activities involve writing high volume, low unit value business. Any change in the assumption used for any particular plan on a particular product will not result in a material change to the performance of the Group. The majority of claims incurred by the Group have a short tail and are usually settled within three months, hence the Group's liability for incurred claims is significantly smaller than for types of business that have longer settlement tails. The assumptions that have the greatest effect on the measurement of trading liabilities are the expected claims frequency and cost of each repair.

The table below analyses how the profit before tax and equity would have increased/(decreased) if changes in the insurance risk exposures that were reasonably possible at the reporting date had occurred.

		31 March 2025		31 March 2024	
	Change in assumptions	Profit or loss £m	Equity £m	Profit or loss £m	Equity £m
Increase in incurred claims expense	1% increase	(5.2)	(5.2)	(4.9)	(4.9)
Decrease in incurred claims expense	1% decrease	5.2	5.2	4.9	4.9

18. Assets for insurance acquisition cash flows

The following movements have occurred in the carrying amount of assets for acquisition cashflows including the effect of any impairment losses and reversals.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
At 1 April	167.4	151.0
Amounts incurred during the year	74.2	58.8
Amounts derecognised and included in the measurement of insurance contracts	(46.7)	(41.4)
Effect of movements in exchange rates	(1.1)	(1.0)
Other[1]	5.4	-
At 31 March	199.2	167.4

[1] Other represents the impact of a correction relating to prior periods recognised in FY25.

Expected derecognition of the insurance acquisition cash flow asset

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
< 1 year	55.1	44.7
1 – 2 years	40.5	33.0
2 – 3 years	38.9	33.3
3 – 4 years	28.4	24.2
4 – 5 years	19.3	16.9
Greater than 5 years	17.0	15.3
Total	199.2	167.4

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

19. Property, plant and equipment

This note analyses the Group's property and equipment, the total of which primarily consists of properties occupied by Group companies and fixtures and fittings.

	Note	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Other owned PPE		11.1	14.0
Other leased PPE	27 A	20.9	22.5
		32.0	36.5
Non-current assets held for sale	19 A	-	-
		32.0	36.5

A. Non-current assets held for sale

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Reconciliation of carrying amount		
Balance at 1 April	-	6.3
Movement in year	-	(6.3)
As at 31 March	-	-

Completion of the sale of the Group's property in Talbot Street, Nottingham for £6.3m occurred on 30 April 2023 resulting in a £2.6m gain on sale, which was recycled from OCI into the income statement in the prior year.

B. Other property and equipment owned

	Computer equipment £m	Fixtures, fittings and equipment £m	Total £m
Cost			
1 April 2024	13.7	18.4	32.1
Additions	0.8	0.2	1.0
At 31 March 2025	14.5	18.6	33.1
Depreciation			
1 April 2024	10.6	7.5	18.1
Charge for the year	1.5	2.4	3.9
At 31 March 2025	12.1	9.9	22.0
Carrying amount at 31 March 2025	2.4	8.7	11.1

	Computer equipment £m	Fixtures, fittings and equipment £m	Total £m
Cost			
1 April 2023	11.8	16.5	28.3
Additions	1.9	1.9	3.8
At 31 March 2024	13.7	18.4	32.1
Depreciation			
1 April 2023	8.6	5.3	13.9
Charge for the year	2.0	2.2	4.2
At 31 March 2024	10.6	7.5	18.1
Carrying amount at 31 March 2024	3.1	10.9	14.0

The total property, plant and equipment balance is non-current.

20. Derivative financial instruments

This note gives details of the financial instruments the Group uses to mitigate risk including managing foreign exchange risk on existing assets or liabilities.

	Note	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Foreign exchange forward	A	-	(0.1)
Derivative liability	B	(15.8)	(11.6)
		(15.8)	(11.7)

A. Foreign exchange forward

The Group has a small book of foreign exchange forward contracts for the purpose of managing foreign exchange impacts relating to intra-group funding arrangements. The Group has not elected to apply hedge accounting to these instruments.

The carrying value of the Group's derivative financial liability was:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Foreign exchange forward contracts[1]	-	(0.1)

[1] The contracts were still in place in FY25 with the value rounding to nil.

B. Derivative liability

The Group has entered into derivative financial instruments for the purpose of managing the Group's exposure to movements in foreign exchange rates on €206m of the total €545m Senior Secured Term Loan B facility issued in December 2024 - see note 26 for further detail. The Group has not elected to apply hedge accounting to these instruments and therefore changes in value in respect of these instruments will be recognised in the income statement.

The Group previously held derivative financial instruments for the purpose of managing the Group's exposure to movements in foreign exchange rates on €150m of the total €200m Floating Rate Senior Secured Notes issued in July 2019, which were subsequently redeemed in December 2024. These derivative instruments were also terminated in December 2024.

The carrying value of the Group's derivative financial liability for Cross Currency Interest Rate Swaps was:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Current liability	9.2	4.5
Non-current liability	6.6	7.1
Cross currency interest rate swap	15.8	11.6

The fair value of the derivative financial instruments is based on market quotations provided by an independent third party.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

C. Hedge accounting

The Group previously elected to apply hedge accounting for those derivative instruments which had been entered into for the purpose of managing the Group's exposure to currency fluctuations on its EUR denominated debt which was redeemed in December 2024. The Group ceased hedge accounting from this date.

The Group previously entered into the following cash flow hedge arrangements:

Hedged item	Notional (€m)	Term (years)	Maturity date
€150m of Floating Rate Senior Notes	150	3	31 July 2026
Hedging instrument – derivative liability	**Notional (€m)**	**Term (years)**	**Maturity date**
€150m cross currency interest rate swap	150	2	31 July 2025

The hedged item and the hedging instrument were both derecognised at the date of the redemption of the relevant debt.

The following table sets out movements in the Group's cash-flow hedge reserves:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Balance at 1 April	(1.3)	(1.9)
Amount recognised in equity in the year	0.8	0.6
Hedge reserve recognised in income statement on termination of hedge accounting	0.5	-
Cash flow hedge reserves as at 31 March	-	(1.3)

Hedge ineffectiveness

Hedge effectiveness was determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Cross currency interest rate swaps typically had similar critical terms to the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group chose not to use cross currency swaps to hedge 100% of its EUR denominated loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps.

Hedge ineffectiveness for cross currency interest rate swaps may occur due to:
- the credit value/debit value adjustment is not matched by the loan,
- the timing of the forecast transaction changes from what was originally estimated,
- changes in the credit risk of the derivative counterparty, or
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during the period in relation to the cross-currency interest rate swaps.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

21. Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- an overview of all financial instruments held by the Group;
- classification type of the financial instrument;
- accounting policies; and
- information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Group holds the following financial instruments:

Year ended 31 March 2025	FVOCI* – designated on initial recognition £m	FVTPL** – designated on initial recognition £m	Financial assets held at amortised cost £m	Financial liabilities held at amortised cost £m	Total £m
Financial investments					
Money market funds	-	10.2	-	-	10.2
Investment in unlisted securities	-	-	-	-	-
Other investments	36.9	1.9	-	-	38.8
Total financial investments	36.9	12.1	-	-	49.0
Trade and other receivables	-	-	83.9	-	83.9
Cash and cash equivalents	-	-	24.9	-	24.9
Loans to related party	-	-	13.2	-	13.2
Derivative financial instruments	-	(15.8)	-	-	(15.8)
Loans and borrowings	-	-	-	(830.9)	(830.9)
Trade and other payables	-	-	-	(67.5)	(67.5)
Total financial instruments	36.9	(3.7)	122.0	(898.4)	(743.2)

Year ended 31 March 2024	FVOCI* – designated on initial recognition £m	FVTPL** – designated on initial recognition £m	Financial assets held at amortised cost £m	Financial liabilities held at amortised cost £m	Total £m
Financial investments					
Money market funds	-	0.3	-	-	0.3
Investment in unlisted securities	-	61.4	-	-	61.4
Other investments	42.1	1.9	-	-	44.0
Total financial investments	42.1	63.6	-	-	105.7
Trade and other receivables	-	-	85.0	-	85.0
Cash and cash equivalents	-	-	26.4	-	26.4
Derivative financial instruments	-	(11.7)	-	-	(11.7)
Loans and borrowings	-	-	-	(855.0)	(855.0)
Trade and other payables	-	-	-	(74.6)	(74.6)
Total financial instruments	42.1	51.9	111.4	(929.6)	(724.2)

* FVOCI – Fair value through other comprehensive income
** FVTPL – Fair value through profit or loss

Investments carried at fair value through other comprehensive income relate to fixed income related securities which are managed by an external fund manager within investment management terms that specify, amongst other things, minimum credit ratings and maximum duration. The fair values of these are based on quoted market prices.

Investments carried at fair value through profit and loss primarily relate to investments held in money market funds. At 31 March 2024, the Group held investments in preference shares issued by Galaxy Finco 2 Limited of £61.4m, being a fellow subsidiary of the Group's immediate parent, Galaxy Midco 2 Limited. Following the acquisition of Galaxy Finco 2 Limited by Galaxy Finco Limited, this investment in preference shares is eliminated on consolidation. See note 34 for further detail.

The value of financial assets which are expected to be recovered in less than one year is £10.2m (31 March 2024: £0.3m) and those greater than one year is £38.8m (31 March 2024: £105.4m).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The Group's maximum exposure to credit risk for loans and receivables and other assets designated as fair value through profit or loss at the reporting date was equal to the carrying value of the asset. The carrying value of financial investments at amortised cost and loans and receivables closely approximates fair value.

A. Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on an active liquid market are determined with reference to quoted market prices.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for derivatives other than options, and the option pricing model for options. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Year ended 31 March 2025	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investments at fair value through profit or loss	1.9	10.2	-	12.1
Investments at fair value through other comprehensive income	36.8	-	-	36.8
Derivative financial instruments	-	(15.8)	-	(15.8)
	38.7	(5.6)	-	33.1

Year ended 31 March 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investments at fair value through profit or loss	1.9	0.3	61.4	63.6
Investments at fair value through other comprehensive income	42.1	-	-	42.1
Derivative financial instruments	-	(11.7)	-	(11.7)
	44.0	(11.4)	61.4	94.0

B. Further information on Level 3 assets and liabilities

Level 3 Financial Instruments	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Balance at 1 April	61.4	60.3
Interest	2.2	3.0
Foreign exchange movements	(2.0)	(1.9)
Elimination of Galaxy Finco 2 Limited preference shares	(61.6)	-
At 31 March	-	61.4

For fair value measurements categorised within Level 3, these represented the preference shares issued by Galaxy Finco 2 Limited whilst Galaxy Finco 2 Limited was not a subsidiary of Galaxy Finco Limited. The fair value reflected the initial transaction price translated at the year-end exchange rate plus the value of any unpaid dividend to the extent the cumulative preference dividend was unpaid. The level 3 investments were exposed to the sensitivity of foreign exchange movements of the underlying AUD and EUR against GBP. Following the acquisition of Galaxy Finco 2 Limited by Galaxy Finco Limited during the year, the preference shares issued by Galaxy Finco 2 Limited were eliminated on consolidation. As a result, there are no level 3 assets and liabilities remaining. See note 34 for further detail.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22. Deferred tax assets and liabilities

This note analyses the tax assets and liabilities that appear in the balance sheet and explains the movements in these balances in the year.

Year ended 31 March 2025	Assets £m	Liabilities £m	Net £m
Intangible assets	-	(16.2)	(16.2)
Capital allowances	-	(10.3)	(10.3)
IFRS 17	-	(36.9)	(36.9)
Disallowed interest attributes carried forward	14.8	-	14.8
Losses	9.0	-	9.0
German GAAP differences	-	(7.9)	(7.9)
Other temporary differences	0.7	(0.8)	(0.1)
US intangibles	-	(8.2)	(8.2)
Total deferred tax assets and liabilities	24.5	(80.3)	(55.8)

Restated[1] Year ended 31 March 2024	Assets £m	Liabilities £m	Net £m
Intangible assets	-	(20.5)	(20.5)
Capital allowances	-	(7.1)	(7.1)
IFRS 17	-	(34.1)	(34.1)
Disallowed interest attributes carried forward	12.4	-	12.4
Losses	10.0	-	10.0
German GAAP differences	-	(7.2)	(7.2)
Other temporary differences	0.8	(0.7)	0.1
	23.2	(69.6)	(46.4)
Newly acquired intangibles		(8.9)	(8.9)
Total deferred tax assets and liabilities	23.2	(78.5)	(55.3)

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.

Recovery of deferred tax assets is dependent on future taxable profits and it is considered probable that sufficient profits will continue to be realised in subsequent years to utilise these.

Deferred tax losses and deferred tax assets have been recognised in respect of IFRS/German GAAP differences and the corresponding German tax losses, deferred taxes have not be recognised in respect of the US position, due to losses being unavailable for offsetting against the newly acquired profitable business.

	£m
Net deferred tax position as at 31 March 2024 previously reported	(55.3)
Adjustment impact on deferred tax	(0.2)
Net deferred tax position as at 31 March 2024 Restated[1]	(55.5)
Movement in the year	(0.3)
Net deferred tax position at 31 March 2025	(55.8)

[1]The FY24 comparative results have been restated from those previously published, as described in note 2B.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23. Goodwill and intangible assets

This note shows the movements in cost, amortisation and impairment of goodwill and intangible assets during the year.

	Goodwill £m	OEM relationships £m	Customer relationships & other £m	Software £m	Total £m
Cost					
1 April 2024	322.0	260.9	293.7	163.0	1,039.6
Additions	-	-	-	32.0	32.0
Disposals	-	-	-	-	-
Foreign exchange	(0.9)	-	(0.2)	-	(1.1)
At 31 March 2025	321.1	260.9	293.5	195.0	1,070.5
Amortisation and impairment losses					
1 April 2024	-	178.9	253.1	96.4	528.4
Charge for the year	-	17.4	4.9	26.2	48.5
Disposals	-	-	-	-	-
At 31 March 2025	-	196.3	258.0	122.6	576.9
Carrying amount at 31 March 2025	321.1	64.6	35.5	72.4	493.6

	Goodwill £m	OEM relationships £m	Customer relationships & other £m	Software £m	Total £m
Cost					
1 April 2023	278.5	260.9	251.3	132.8	923.5
Additions	44.1	-	42.6	32.7	119.4
Disposals	-	-	-	(2.5)	(2.5)
Foreign exchange	(0.6)	-	(0.2)	-	(0.8)
At 31 March 2024	322.0	260.9	293.7	163.0	1,039.6
Amortisation and impairment losses					
1 April 2023	-	161.5	251.3	69.2	482.0
Charge for the year	-	17.4	1.8	27.2	46.6
Disposals	-	-	-	(0.2)	(0.2)
At 31 March 2024	-	178.9	253.1	96.4	528.4
Carrying amount as at 31 March 2024	322.0	82.0	40.6	66.6	511.2

All amortisation charges in the year have been charged through other operating expenses and insurance service expense as appropriate.

Goodwill of £321.1m relates to UK and International goodwill of £278.5m and US goodwill of £42.6m. The UK and International goodwill was acquired through a business combination as a result of the acquisition on 19 December 2013 by Galaxy Bidco Limited, a wholly owned subsidiary of Galaxy Finco Limited. The US goodwill of £42.6m arose as a result of the acquisition of After, Inc. on 7 June 2023.

The Group tests goodwill for impairment annually, or more frequently if there are indications that goodwill might be impaired. Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination.

The carrying amount of goodwill has been allocated to the following CGUs:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
UK	265.6	265.6
International (Continental Europe & Other)	12.9	12.9
US	42.6	43.5
	321.1	322.0

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The recoverable amounts of the CGUs are determined from value in use calculations based on the net present value of future cash flows of each CGU. The key assumptions for the value in use calculations are those regarding discount and growth rates. The Group prepares cash flow forecasts based on Board approved budget and the three-year forecast which reflect management's best estimate of future profit based on both historic experience and expected growth rates. The underlying assumptions of these cash flow projections include sales volumes and prices, claims costs, revenue growth, operating margins, retention rates and cancellation rates. The growth rate in the forecast does not exceed the long-term average growth rate for the markets in which the UK, International and US CGUs operate.

Cash flows beyond the three-year period are extrapolated using projected country growth rates for the next 5 years published by the International Monetary Fund reflecting the economic environment prevailing in the relevant markets.

Projected cash flows were discounted using a discount rate which reflects current market assessments of the time value of money and the increased risks specific to the CGUs around the future cash flows in the current environment. Ten-year rates have been used as the basis for estimating the future cost of debt for the Group after applying Company specific adjustments.

	Extrapolated future profits growth rate		Future profits discount rates (pre-tax)	
Key assumptions	31 March 2025 %	31 March 2024 %	31 March 2025 %	31 March 2024 %
UK	1.4	1.4	12.0	11.7
International (Continental Europe & Other)	1.6	1.6	10.5	10.5
US	2.0	1.9	8.2	13.7

Results of impairment testing

Management's assessment of goodwill did not identify any impairment to goodwill. There were no impairments in the prior period.

Sensitivities of key assumptions in calculating Value-in-Use (VIU)

Management have conducted a sensitivity analysis on the impairment test of each CGU's carrying value. A cut in the long-term growth rate or a rise in the discount rate or a reduction in projected FY28 cash flows, taken in isolation, which would result in the recoverable amount being equal to the carrying amount (i.e. zero headroom), is presented below:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Cut in the long-term growth rate:		
UK	1.4% to -24.6%	1.4% to -29.4%
International (Continental Europe & Other)	1.6% to > -50%[1]	1.6% to > -50%[1]
US	2.0% to -14.6%	1.9% to 1.0%
Rise in the discount rate from:		
UK	12.1% to 24.2%	11.7% to 25.4%
International (Continental Europe & Other)	10.6% to > 50%[1]	10.5% to > 50%[1]
US	8.2% to 18.7%	13.7% to 14.4%
Reduction in 2029 cash flows from:		
UK	£144.0m to £41.5m	£148.3m to £37.2m
International (Continental Europe & Other)	£40.3m to £(2.5)m	£40.1m to £(0.1)m
US	£26.0m to £7.1m	£19.2m to £17.8m

[1] The International CGU value-in-use is insensitive to changes in the long-term growth rate and a rise in discount rate in FY25, due to the phasing of forecast cash inflows and outflows. In both instances, changes in the available headroom become very small at a long-term growth rate >-50% and a discount rate >50%.

The assumptions supporting the recoverable amount are not sensitive to reasonably possible adverse changes in key assumptions for the CGUs for the remaining periods. In making an estimate of reasonably possible changes to assumptions, management considers the available evidence in respect of each input to the model such as the external range of discount rates observable, historical performance against forecast, and risks attaching to the key assumptions underlying cash flow projections.

The total goodwill and intangible balance is non-current.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

24. Trade and other payables

This note analyses our payable and other payables at the end of the year.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Accruals	42.4	41.3
Deferred income[1]	10.9	16.9
Other payables	14.2	16.4
	67.5	74.6

[1] Deferred income relates to contracts recognised in accordance with IFRS 15.

Of the total payables, £5.3m (31 March 2024: £4.2m) is expected to be settled more than 12 months after the reporting date. Claims approved but not yet settled relating to contracts recognised in accordance with IFRS 15 are included within trade payables.

25. Provisions

This note analyses our provisions at the end of the year.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Claims provision[1]	0.3	0.4
	0.3	0.4

[1] Claims provision relates to contracts recognised in accordance with IFRS 15.

The total provisions balance is non-current.

26. Loans and borrowings

The Group's loans and borrowings are analysed below:

	Note	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Senior Secured Notes due 2026		-	405.0
Senior Secured Floating Rate Notes due 2026		-	171.0
Senior Notes due 2027		-	150.0
Senior Secured Term Loan B Facility due 2029		454.9	-
Senior Secured Notes due 2029		350.0	-
Revolving Credit Facility (RCF)		-	37.0
Loan due to Parent Company		9.5	9.0
Loan due to Fellow Subsidiary Company		-	65.9
Total		814.4	837.9
Transaction costs		(8.3)	(8.9)
Carrying amount		806.1	829.0
Lease liability	27 (ii)	24.8	26.0
Loans and borrowings		830.9	855.0

For more information about the Group's exposure to interest rate risk see note 37(A).

The Group's interest-bearing borrowings, which are measured at amortised cost, are as follows:

Terms and debt repayment schedule:

	Nominal interest rate	Year of maturity	Carrying amount £m
€545m Senior Secured Term Loan B Facility	EURIBOR + 4%	2029	451.1
8.125% Senior Secured Notes	8.125%	2029	345.5
Drawn Revolving Credit Facility (RCF)	SONIA + 4%	2029	-
5.35% Loan due to Parent Company	5.35%	2028	9.5
Total			806.1

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

On 19 December 2024 the Group repaid the following debt obligations:
- 2026 £405.0m 6.25% Senior Secured Notes;
- 2026 €200.0m EURIBOR + 5% Senior Secured Floating Rate Notes;
- 2027 £150.0m 9.25% Senior Notes; and
- Revolving Credit Facility drawings of £52.5m

The total amount settled for the debt was £733.2m which comprised of £719.2m payment of principal and £14.0m of accrued interest. On derecognition of the debt obligations, the Group has recognised a loss in finance costs of £8.2m being £7.7m of unamortised transaction costs on the debt redeemed and revolving credit facility and £0.5m relating to the cash flow hedge reserve in respect of the Euro Senior Secured Notes which have been settled.

The settlement of these underlying obligations was financed by the issue of two new debt obligations by Galaxy Bidco Limited:
- 2029 £350.0m, 8.125% Senior Secured Notes; and
- 2029 €545.0m, EURIBOR + 4% Senior Secured Term Loan B.

The Euro term loans were issued at a discount of €1.4m (£1.2m), which will be included in the interest charge in the income statement over the term of the loan. The Group has capitalised costs of £8.4m relating to the issue of the new notes and term loans. These costs will be amortised to the income statement over the term of the debt instruments.

The Group entered into a new Revolving Credit Facility of £165.0m with a syndicate of banks for a period of four and a half years. The Group paid a facility fee of £2.9m which will be amortised over the period of the facility.

The entire balance of loans and borrowings, with the exception of amounts drawn under the revolving credit facility, is considered to be non-current on the basis that repayment is not required until periods greater than 12 months from the balance sheet date. The majority of the Group's loans and borrowings is repayable entirely on maturity date.

The Group did not have any defaults of principal or interest or other breaches with respect to its loans and borrowings during the year ended 31 March 2025 and the year ended 31 March 2024. From the issue date of the debt and at year-end, the debt was secured on the issued share capital of Galaxy Bidco Limited and intercompany loan receivables owed by Galaxy Bidco Limited to Galaxy Finco Limited. Subsequent to the year-end, the security was expanded to also include (a) the issued share capital of various unregulated guarantor companies and (b) certain intra-group loan receivables owed by those guarantor companies.

The Group has a revolving credit facility (RCF) of £165.0m (31 March 2024: £137.5m) with a final maturity date of June 2029, of which £30.0m (31 March 2024: £30.0m) is allocated to letters of credit callable on demand that support DGI's Tier 2 Ancillary Own Funds (AOF) for Solvency II purposes. As at 31 March 2025, £nil (31 March 2024: £37.0m) of the Group's RCF had been drawn. At the balance sheet date, £3.0m (31 March 2024: £3.0m) of the RCF is available as a same day drawdown overdraft facility.

27. Leases

A. The Group's leasing activities and how these are accounted for:

The Group leases land and buildings for its own use both in the UK and across its international locations. The main component of leases is the Group's Head Office building which is on a ten year lease ending in 2033 and the Group's Nottingham site which is on a fifteen year lease ending in 2038. The remaining lease liabilities cover several Group sites with leases due to expire between 2026 and 2027.

The Group also leases motor vehicles, IT equipment, fixtures and fittings. Rental contracts are typically made for fixed periods but may have extension options as described in v) below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Leases are recognised as a right-of-use asset and a corresponding liability on the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT equipment including printers.

Information about leases for which the Group is a lessee is presented below:

i. Amounts recognised in the balance sheet right-of-use assets

Year ended 31 March 2025	Note	Land and buildings £m	Motor vehicles £m	Total £m
At 1 April 2024		22.3	0.2	22.5
Additions		1.3	0.4	1.7
Depreciation		(3.0)	(0.3)	(3.3)
Disposals		(1.5)	-	(1.5)
Depreciation on disposals		1.5	-	1.5
At 31 March 2025	19	20.6	0.3	20.9
At 1 April 2023		24.6	0.3	24.9
Additions		2.6	-	2.6
Depreciation		(3.3)	(0.1)	(3.4)
Disposals		(1.6)	-	(1.6)
Depreciation on disposals		-	-	-
At 31 March 2024	19	22.3	0.2	22.5

ii. Lease liabilities

Lease liabilities are £24.8m (31 March 2024 £26.0m). Future contractual aggregate minimum lease payments are as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	4.0	4.5
One to five years	14.9	16.4
More than five years	15.1	16.9
Total undiscounted lease liabilities	34.0	37.8
Lease liabilities in balance sheet	24.8	26.0

iii. Amounts recognised in the income statement

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Sublease income	0.6	0.2
Interest on lease liabilities	(1.7)	(1.7)
Depreciation on leased assets	(3.3)	(3.4)
Total amounts recognised in the income statement	(4.4)	(4.9)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Sublease income on non-cancellable property operating lease is receivable as follows:

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Within one year	0.7	0.6
Between one and two years	0.7	0.9
Between two and five years	0.9	1.0
	2.3	2.5

iv. Amounts recognised in the cash flow statement

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Total cash outflow for leases	5.2	4.4

v. Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group which are used to maximise operational flexibility. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

28. Statement of cashflows – reconciliation of profit before taxation to the cash flows from operating activities

This note gives further detail behind the figures in the statement of cash flows.

	31 March 2025 £m	Restated[1] 31 March 2024 £m
Profit before taxation	15.7	11.1
Adjustments for:		
Depreciation and amortisation	48.2	48.2
Gain on sale of land and building	-	(2.6)
Other finance expenses	83.3	68.8
Net investment income	(2.5)	(2.1)
Net finance expenses from insurance contracts	3.4	2.0
	148.1	125.4
Changes in working capital		
Increase in insurance contract assets	(55.1)	(33.7)
Increase in trade and other receivables	(5.1)	(2.4)
Decrease in trade and other payables	(15.5)	(6.3)
Cash flows from operating activities	72.4	83.0
Interest paid	(56.2)	(62.4)
Income taxes paid	(13.6)	(3.6)
Net cash from operating activities	2.6	17.0

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

29. Capital

This note gives details of Galaxy Finco Limited's share capital and the movements in the year.

	31 March 2025 £m	31 March 2024 £m
Ordinary share capital	45.8	45.8
Capital contribution	5.5	3.6
Share capital	51.3	49.4
Share premium	105.0	89.0
	156.3	138.4

In the period there was an increase in share premium and capital contribution as part of the acquisition of Galaxy Finco 2 Limited by Galaxy Finco Limited. In FY24, the share capital and capital contribution increased as part of the acquisition of After, Inc. in June 2023.

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. The particulars of the share classes are as follows:

	Par value	31 March 2025	31 March 2024
Class			
A Ordinary	£0.01	4,579,511,259	4,578,511,259

Called up share capital

	Year ended 31 March 2025		Year ended 31 March 2024	
Allotted, called up and fully paid	No.	£m	No.	£m
A Ordinary	4,578,511,259	45.8	4,578,511,259	45.8

Authorised share capital

	Year ended 31 March 2025		Year ended 31 March 2024	
Authorised	No.	£m	No.	£m
A Ordinary	10,000,000,000	100	10,000,000,000	100

Share premium account

	31 March 2025 £m	31 March 2024 £m
Balance as at 1 April	89.0	89.0
Premium on shares issued	16.0	-
Balance at period end	105.0	89.0

On 24 December 2024, the Company issued 1.0 million shares to its parent company, Galaxy Midco 2 Limited for consideration of £16.0m, of which £10,000 is attributable to the nominal value of the shares and the balance to share premium. The difference of £1.9m between the net asset value of the company acquired (Galaxy Finco 2 Limited) has been treated as a capital contribution.

Note 34 related parties provides further information on the transaction.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

30. Other reserves

This note gives details of the other reserves which form part of the Group's consolidated equity.

	31 March 2025 £m	31 March 2024 £m
Opening balance	(4.6)	0.4
Revaluation for the year	-	(2.6)
Currency translation differences	(5.1)	(4.7)
Changes in fair value of investments through OCI	0.5	1.7
Effective portion of changes in fair value of cash flow hedges – hedging reserve	-	0.6
Hedge reserve recognised in income statement [1]	1.3	-
Balance as at 31 March	(7.9)	(4.6)

[1] The hedge reserve recognised in the income statement represents the cumulative amount of the hedge reserve previously recognised in the Consolidated Statement of Comprehensive Income at the date of the termination of cash flow hedging following the refinancing of the Group's debt in December 2024.

Revaluation for the year

FY24 reflects the recycling of a gain to the income statement following the sale of the Group's property in Talbot Street, Nottingham in FY24.

Currency translation differences

Foreign exchange differences on consolidation of foreign subsidiaries and branches.

Changes in fair value investments through OCI

Cumulative (gain)/loss on investments in debt instruments classified as FVOCI, which are reclassified to the income statement on disposal.

Hedging reserve

The hedging reserve in FY24 comprised the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to hedged transactions that had not yet occurred. In FY25, following termination of hedge accounting, the balance in the hedging reserve of £1.3m was recognised in the income statement. See note 20(C) for further detail.

31. Accumulated loss

This note analysis the movements in the consolidated accumulated loss during the year.

	31 March 2025 £m	Restated[1] 31 March 2024 £m
Opening balance	(164.9)	(168.8)
Profit for the year	7.4	3.9
Balance as at 31 March	(157.5)	(164.9)

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.

32. Commitments and contingencies

This note gives details of the Group's commitments to capital expenditure and any contingent liabilities. See note 27 for further information on lease commitments.

A. Capital commitments

At 31 March 2025, the Group had capital commitments contracted for but not provided of £2.7m (31 March 2024: £6.1m).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

B. Contingent liabilities

There were no contingent liabilities at 31 March 2025 (31 March 2024: £nil).

The Group is, from time to time, subject to threatened or actual litigation and/or legal and/or regulatory disputes, investigations or similar actions in Jersey, the UK and overseas. All potentially material matters are assessed, with the assistance of external advisers if appropriate, and in cases where it is concluded that it is more likely than not that a payment will be made, a provision is established to reflect the best estimate of the liability. In some cases, it will not be possible to form a view, for example if the facts are unclear or because further time is needed to properly assess the merits of the case or form a reliable estimate of its financial effect. In these circumstances, specific disclosure of a contingent liability and an estimate of its financial effect will be made where material, unless it is not practicable to do so.

The Directors do not consider that the final outcome of any such current case will have a material adverse effect on the Group's financial position, operations or cashflows, and as such, no material provisions are currently held in relation to such matters.

33. Subsidiary companies

The following table sets out the subsidiaries of the Company. There are no joint ventures, associates or other significant holdings in the Group. The Parent company of the Group is Galaxy Finco Limited.

Company name	Country of incorporation	Nature of business	% of shares held by immediate parent Company (or by the Group which this varies)
Galaxy Bidco Limited	Jersey[1]	Holding company	100%
Galaxy Euroco 1 Limited	Jersey[1]	Holding company	100%
Galaxy Euroco 2 Limited	Jersey[1]	Holding company	100%
Galaxy Finco 2 Limited	Jersey[1]	Holding company	100%
Domestic & General Acquisitions Holdings Limited	Jersey[1]	Holding company	100%
Domestic & General Acquisitions Limited	Jersey[1]	Holding company	100%
Domestic & General Acquisitions 1 Limited	England & Wales[2]	Holding company	100%
Domestic & General Group Limited	England & Wales[2]	Holding company	100%
Domestic & General Insurance plc	England & Wales[2]	General insurance	100%
Domestic & General Services Limited	England & Wales[2]	Appliance care service plans	100%
Domestic & General USA Holdings Limited	England & Wales[2]	Holding company	100%
Domestic & General US Investments Limited	England & Wales2	Holding company	100%
Domestic & General USA Topco Inc	USA Delaware[3]	Holding company	100%
Domestic & General USA Holdings LLC	USA Delaware[3]	Holding company	100%
Domestic & General USA Inc	USA Delaware[3]	Licenced operating company	100%
Domestic & General USA Services LLC	USA Delaware[3]	Licenced operating company	100%
Domestic & General LLC	USA Delaware[3]	OEM contracting entity	100%
Domestic & General USA Resources LLC	USA Delaware[3]	Operational entity	100%
Domestic & General USA IP LLC	USA Delaware[3]	IP licensee/licensor	100%
Domestic & General USA Midco LLC	USA Delaware[3]	Holding company	100%
After, Inc.	USA Delaware[3]	Post sale warranty	100%
Accentf(x) LLC	USA Indiana[4]	Marketing solutions	100%
Domestic & General Insurance Europe AG	Germany[5]	Warranty insurance	100%
Domestic & General Services (Pty) Limited	Australia[6]	Appliance care service plans	100%
Servicios Domestic & General Espana S.L.	Spain[7]	Dormant company	100%
Servizi Domestic & General Italia S.r.l.	Italy[8]	Appliance care service plans	100%

[1] Address of registered office is 27 Esplanade, St Helier, Jersey, JE1 1SG.
[2] Address of registered office is Swan Court, 11 Worple Road, Wimbledon, London, SW19 4JS.
[3] Address of registered office is 8 The Green, Ste R, Dover, Delaware, 19901, USA.
[4] Address of registered office is 230 East Avenue, Norwalk, Connecticut, 06855, USA.
[5] Address of registered office is Hagenauer Strasse 44, 65203 Wiesbaden, Germany.
[6] Address of registered office is Level 21, Australia Square, 264 George Street, Sydney, NSW 2000, Australia.
[7] Address of registered office is Calle de Julian Camarillo, 4B, 3º planta. 28037 Madrid.
[8]Address of registered office is Cernusco sul Naviglio (MI) Via Gobetti n. 2/C, Italia.

All subsidiaries are included in the Group consolidation.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

34. Related parties

A. Ultimate controlling party

The Group's majority shareholder is CVC Funds, holding 100% of the voting rights, via CVC Fund VII, with an economic interest stake of approximately 62%. Luxinva S.A. (an entity wholly owned by Abu Dhabi Investment Authority ('ADIA')) holds an economic interest stake of approximately 26%. The ultimate parent company is Opal Galaxy Holdings Limited, a company incorporated in Jersey. Galaxy Finco Limited is the largest and smallest Group into which these accounts are consolidated.

B. Other related party transactions and balances

On 24 December 2024, Galaxy Midco 2 Limited, the immediate parent company of Galaxy Finco Limited, contributed Galaxy Finco 2 Limited in exchange for the issue of shares in Galaxy Finco Limited. This transaction has been treated as a transaction under common control with the purchase consideration being the net asset value of Galaxy Finco 2 Limited of £17.9m. This has resulted in the elimination of financial assets of £61.4m (at 31 March 2024) and a loan from a fellow subsidiary company of £65.9m in the preparation of these consolidated financial statements.

The consolidation of Galaxy Finco 2 Limited within the Group has resulted in the recognition of a related party loan of £13.2m to the immediate parent of the Group, Galaxy Midco 2 Limited.

During the year there was an increase in share premium of £16.0m and capital contributions of £1.9m relating to the acquisition of acquisition of Galaxy Finco 2 Limited by the Group.

As at 31 March 2025, amounts owed to the immediate Parent undertaking Galaxy Midco 2 Limited totalled £9.5m (31 March 2024: £9.0m), of which £0.5m is interest (31 March 2024: £0.5m) was charged on loans outstanding.

During the year ended 31 March 2025, no fees were paid to CVC or ADIA (31 March 2024: £nil).

Some key management personnel hold cover on domestic appliances that are covered by the Group. These transactions are completed on terms that are the same as those available to other staff.

C. Key management personnel compensation

Key management personnel include all Group employees who are subsidiary Directors, and certain members of senior management that report directly to the members of the Domestic & General Leadership Group.

	Year ended 31 March 2025 £m	Year ended 31 March 2024 £m
Wages and salaries and other social security costs (short-term employee benefits)	9.5	9.5
Other pension costs – defined contribution schemes (post-employment benefits)	0.6	0.8
Total key management personnel compensation	10.1	10.3

35. Dividends

No dividends were paid in 2025 (2024: nil).

36. Risk management of trading liabilities

Trading liabilities

The Group provides extended cover on domestic appliances in the UK through two companies; Domestic & General Services Limited, which is an appliance care service plan company and Domestic & General Insurance plc, which is an insurance company. Prior to 1 January 2021 internationally, the Group provided cover either through local service companies or through branches of Domestic & General Insurance plc and Domestic & General Insurance Europe AG ('DGIEU'). As part of the preparation for Brexit the Group established an insurance entity in Germany in November 2019 and has been writing all new European business from DGIEU since this date. On 31 December 2020, the Group successfully executed a Part VII transfer of its EU businesses from its UK entity, DGI, to DGIEU. The Group also provides cover on domestic appliances in the US through two companies: Domestic & General USA Inc, and Domestic & General USA Services LLC.

Appliance care contracts which meet the definition of an insurance contract are accounted for under IFRS 17: Insurance contracts, all remaining appliance care contracts are accounted for under IFRS 15.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The Group manages its trading liability risk through the following measures: underwriting controls; approval procedures for new products; control over the prices at which cover may be sold; regular review of clients, product and plan performance; and monitoring of emerging issues. Statistical expectancy is applied to pricing and provisioning for the portfolio of trading contracts. The principal risk is that the frequency and severity of claims and repairs is greater than expected. The actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The Group’s strategy is to aim for a targeted return on each type of service. The trading portfolio combines a large number of small value contracts which generally span one to five years and which, in the main, have short tail risks of predominantly less than one year. The prompt settlement of claims reduces the variability of outcome. The Group builds and sets its pricing on a rigorous and prudent ‘ground up’ approach developed and tested during many years as a specialist provider. Accordingly, pricing is built up from several parts, including claims and repair costs, administrative costs, acquisition costs, tax and profit margin. The Group uses several methods to assess and monitor its trading liability risk exposure both for individual types of risks covered and overall risks. These methods include internal risk measurement and sensitivity analysis. The calculation of the claims and repair costs element is a result of the anticipated claims cost and the projected claims frequency for each year of projection. The Group also re-prices based on latest account experience and external conditions.

The main factors considered are historical and projected failure incidences, current average repair costs and type of repair, forecast levels of inflation, product sales volumes and predicted and historic take-up levels.

A. Sources of uncertainty in the estimation of future claims payments

Appliance care plans result in a high volume of low cost claims with a short claims tail that are usually settled within three months of reporting the incident. The nature of the core business is such that there are no latent risks, nor are there any material concentrations or aggregations of risk, and the business is not subject to catastrophe risk. Accordingly, the value of the liability for incurred claims and the repair and claims cost provision for service plans is low relative to the size of other assets and liabilities of the Company.

B. Development of claims provision (note 17)

The calculation of the liability for incurred claims relating to insurance business and the claims and repair provision for service plans is management's estimate of claims that have been incurred and on which a liability exists but have either not been reported or are not yet approved. Management measures, on an on-going basis, the actual outturn compared to the liability for incurred claims and claims and repair provision for service plans and seeks reasons and explanations for any significant variance from the initial estimation. Any uncertainty about the amount and timing of claims payments is typically resolved within one year. The liability for incurred claims for insurance business also includes an explicit risk adjustment for non-financial risk – see Note 4 B(vii) for further information.

37. Financial risk management

The Group is exposed to financial risk through its financial assets and financial liabilities, and its non-insurance and insurance contracts. Risks include interest rate risk, credit risk, liquidity risk and foreign exchange risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group.

A. Interest rate risk

The Group’s principal exposures to interest rate risk relate to its borrowings and to a lesser extent, the investment portfolio, which are managed by the Group’s Treasury function.

€206m of the €545m Senior Secured Term Loan has been converted to a sterling fixed rate using cross currency interest rate swaps. After the impact of the hedging, the proportion of gross, external financial indebtedness carrying a fixed rate of interest (excluding indebtedness balances due to parent and fellow subsidiary companies) is forecast at the following levels:

- For the next 12 months: 65%
- For the next 13 to 24 months: 65%
- For the next 25 to 36 months: 65%
- For the next 37 to 48 months: 65%
- For the next 49 to 60 months: 65%

A 1.0% increase in interest rates would have a £2.8m negative annual impact on interest payable by the Group. In FY24, floating rate debt included both EUR floating rate notes and the drawn portion of the RCF. A 1.0% increase in interest rates would have had a £2.2m negative annual impact on interest payable by the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Whilst an increase in interest rates would be expected to have a positive impact on interest income for floating rate investments, for fixed income debt securities, any such interest rate increase would have a negative impact on valuation. Interest rate risk on financial investments is managed by investing within well-defined investment criteria that specify, amongst other things, maximum duration.

B. Credit risk

Credit risk arises from cash and cash equivalents, including deposits with banks and financial institutions, and from financial investments carried at fair value through other comprehensive income (FVOCI), as well as from credit exposures associated with wholesale and retail customers, including outstanding receivables.

i. Risk management

Credit risk is managed on a Group basis and the Group structures the levels of credit risk it accepts by placing limits on its exposure to counterparties.

Deposits placed with banks and financial institutions are subject to credit limits approved by Group's Investment Committee. Counterparty exposure is subject to regular review. Other investments are managed by an external fund manager within investment management terms that specify, amongst other things, minimum credit ratings and maximum duration.

The Group has a number of contracts with major clients, with exposure on the monies owed at any given time. However, the Group closely monitors outstanding debt and maintains dialogue with clients, so it would be in a position to act swiftly to mitigate any loss in the event of a major client running into financial difficulties. The Group also has amounts receivable from policyholders which are by their nature high volume but low value. Credit risk exposure is minimal; if an instalment debtor lapses, the associated cover provided by the Group is cancelled.

Credit ratings of significant classes of financial assets:

	A- rated (or above) institutions 2025 £m	BBB+ rated (or below) institutions 2025 £m	Unrated 2025 £m	Total 2025 £m
Cash and cash equivalents	24.9	-	-	24.9
Money market funds	10.2	-	-	10.2
Investments carried at fair value	26.7	12.1	-	38.8
Loans from related parties	-	-	13.2	13.2
Trade and other receivables	-	-	83.9	83.9
	61.8	12.1	97.1	171.0

	A- rated (or above) institutions 2024 £m	BBB+ rated (or below) institutions 2024 £m	Unrated 2024 £m	Total 2024 £m
Cash and cash equivalents	26.4	-	-	26.4
Money market funds	0.3	-	-	0.3
Investments in unlisted securities	-	-	61.4	61.4
Investments carried at fair value	26.0	18.0	-	44.0
Trade and other receivables	-	-	85.0	85.0
	52.7	18.0	146.4	217.1

The unrated assets as at 31 March 2025 represent the loan due from Galaxy Midco 2 Limited and amounts due from trade partners.

The investments in unlisted securities at 31 March 2024 represented investments in preference shares issued by Galaxy Finco 2 Limited, a fellow subsidiary of the Group's immediate Parent, Galaxy Midco 2 Limited. This entity was incorporated into the Group on 24 December 2024. Refer to Note 34 for further details.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The Group has implemented policies that require appropriate credit checks on potential trade partners before sales commence.

The amount disclosed in the balance sheet for financial assets represents the Group's maximum exposure to credit risk.

ii. Impairment of financial assets

The Group has two categories of financial assets that are subject to the impairment requirements of IFRS 9:
- Trade (appliance care plans) and other receivables recognised in insurance contract assets
- Financial investments carried at FVOCI

Trade receivables (appliance care plans) and other receivables – included within insurance contract assets

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and product types. The other receivables primarily relate to amounts due from either retailers or our OEM partners and have been considered separately based upon their relative credit strength and probability of default.

The loss allowance calculated at 31 March 2025 has been determined for trade receivables (appliance care plans) as the exposure to default, multiplied by the applicable probability of default and a loss given default percentage. The probability of default has been determined using historical data for payment collections and the corresponding credit losses experienced. The loss given default percentage represents the expected receivables loss in the event of customer default.

For other receivables, the expected credit loss has been calculated by applying the cumulative expected loss rates for the appropriate duration for the lifetime of the receivable, as produced by one of the major credit rating agencies, against each counterparty's receivable exposure with reference to their credit rating.

Historical analysis of defaults has been utilised. However, an additional risk premium to these default rates has been maintained reflecting the fact that historical rates may not yet fully reflect the impact from inflationary pressures and the ability of customers to make their regular payments. At 31 March 2025, the expected credit loss allowance for trade and other receivables is £4.0m (2024: £4.0m).

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group for other receivables and for repair and protect trade receivables, or a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade and other receivables are presented as net impairment losses within profit before tax. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial investments

The Group's financial investments held at fair value through other comprehensive income (FVOCI) are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer is considered to have a strong capacity to meet its contractual cash flow obligations in the near term.

Financial investments at FVOCI included listed and unlisted debt securities. Changes to the loss allowance for financial investments at FVOCI are recognised in other comprehensive income.

The expected credit loss for this financial asset class has been calculated by applying the 12 month cumulative expected loss rates produced by one of the major credit rating agencies to that credit rating agency's credit rating for each of the investments held.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Past due or impaired financial assets (Trade and other receivables)

The table below sets out an analysis of the Group's assets, showing those which are past due, or impaired. The Group considers notified disputes and collection experience in determining which assets should be impaired. Categories of financial assets for which there are neither past due or impaired balances have not been included below.

		2025 £m	2024 £m
Not past due		81.8	83.2
Past due (days)	0 – 30	1.2	0.2
	31 – 60	0.4	-
	61 – 90	0.1	0.8
	90+	0.4	0.8
Carrying amount		83.9	85.0

C. Liquidity risk

An important aspect of the Group's management of assets and liabilities is ensuring that cash is available to settle liabilities as they fall due. The most significant payments are claims and repair costs, marketing costs, commissions, staff costs and interest payments on loans and borrowings. The profile of these regular payments is highly predictable. The Group maintains cash and liquid deposits to meet demands on a daily basis, with additional liquidity available via the Group's RCF.

Contractual maturity analysis:

The table below summarises the maturity profile of the Group's financial liabilities based on remaining undiscounted contractual obligations where they fall due contractually.

	Provisions 2025 £m	Loans and borrowings[1] 2025 £m	Trade and other payables 2025 £m	Total 2025 £m
0 – 90 days	0.3	-	46.3	46.6
91 days – 1 year	-	-	16.0	16.0
1 – 3 years	-	-	4.1	4.1
3 – 5 years	-	804.9	1.1	806.0
Greater than 5 years	-	9.5	-	9.5
Total	0.3	814.4	67.5	882.2

	Provisions 2024 £m	Loans and borrowings[1] 2024 £m	Trade and other payables 2024 £m	Total 2024 £m
0 – 90 days	0.4	-	51.1	51.5
91 days – 1 year	-	-	19.3	19.3
1 – 3 years	-	613.0	4.2	617.2
3 – 5 years	-	150.0	-	150.0
Greater than 5 years	-	74.9	-	74.9
Total	0.4	837.9	74.6	912.9

[1] Excluding transaction costs and lease liabilities.

Interest payable is calculated using yield curves appropriate to the maturities of the Group's borrowings and assumes all borrowings are held to term.

D. Foreign exchange risk

Foreign exchange risk arises when financial assets and liabilities are denominated in a currency other than the respective functional currencies of the Group entities. Most transactions are undertaken in functional currency, which minimises foreign exchange risk, and asset and liability matching profiles are reviewed regularly.

The €545m Senior Secured Term Loan B Facility issued in December 2024 has been partially hedged with €206m Cross Currency Interest rate swaps. The remaining €339m exposure is unhedged, on the basis that EUR cashflows

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

generated by the Group's European businesses will be available for EUR debt service on this unhedged part of the debt. The Group monitors net exposure to foreign exchange and will consider hedging implications if risk falls outside reasonable tolerances.

38. Capital management

The Board's primary objectives in respect of capital management are to ensure the Group maintains an appropriate level of capital to support the business, including holding sufficient financial resources to meet obligations as they fall due; and comply with regulatory requirements.

The total amount of debt and equity capital of the Group comprises shareholders' deficit of £9.1m (Restated 31 March 2024: £31.1m), Senior Secured Notes (net of financing costs) of £345.5m (31 March 2024: £400.9m), Senior Secured Term Loan of £451.1m (31 March 2024: £nil), Senior Secured Floating Rate Notes of £nil (31 March 2024: £168.8m), Senior Notes of £nil (31 March 2024: £147.4m) and amounts owed to parent and fellow subsidiary undertakings (including accrued interest) of £9.5m (31 March 2024: £74.9m). As at 31 March 2025, the Group had drawn £nil of the RCF (31 March 2024: £37.0m).

The Group's insurance business is regulated by the UK Financial Conduct Authority ('FCA') and Prudential Regulation Authority ('PRA') and it is required to comply with the requirements of the Solvency II Framework Directive, as adopted by the PRA, including in relation to the measurement and management of capital. There are certain valuation differences between the IFRS Balance Sheet and the Solvency II Balance Sheet, which affect the measurement of capital, for example between IFRS insurance liabilities and Solvency II technical provisions. The UK insurance business ('DGI') uses the Solvency II Standard Model as adjusted for Undertaking Specific Parameters ('USP') to determine the level of regulatory capital that needs to be maintained. Furthermore, it has implemented an Own Risk and Solvency Assessment ('ORSA') process which considers the various risks faced by the insurance business and includes stress tests applied to business plan financial projections, to ensure that its projected level of capital can withstand shocks. The insurance business is well capitalised for Solvency II purposes and has complied with the capital requirements under Solvency II throughout the year.

DGI has a subsidiary in Germany ('DGIEU') and a branch in Australia which are regulated, respectively, by BaFin and the Australian Prudential Regulation Authority ('APRA') and are required to hold capital to cover their respective liabilities. DGIEU, which underwrites the Group's EEA risks, also uses the Solvency II Standard Model, also adjusted for USPs, to determine an appropriate level of regulatory capital.

The Group has embedded its capital management processes into its normal planning, reporting and decision-making activities.

39. Post balance sheet event

A new, long-term contract extension was signed with Whirlpool US in June 2025, successfully extending the Whirlpool relationship for a further five years. At this stage, the full impact of this extension cannot be quantified or disclosed.

OTHER INFORMATION

Alternative Performance Measures

In order to fully explain the performance of the Group, management discuss and analyse the results in terms of financial measures which include a number of alternative performance measures ('APMs'). APMs are non-GAAP measures which are used to supplement the disclosures prepared in accordance with other regulations such as IFRS. Management believe these measures provide useful information to enhance the understanding of the Group's financial performance. However, APMs should be viewed as complementary to, rather than as a substitute for, the figures determined according to other regulations.

The APMs utilised by the Group may not be the same as those used by other companies and may change over time. The calculation of APMs is consistent with previous periods unless otherwise stated.

APMs derived from IFRS measures

A number of APMs relating to IFRS are utilised to measure and monitor the Group's performance. Definitions and additional information, including reconciliations to the relevant amounts in the IFRS Financial Statements and, where appropriate, commentary on the material reconciling items are included within this section.

Adjusted EBITDA

Definition
Profit or loss before tax, adding back depreciation, amortisation, other finance expenses and significant items.

Relevance to strategy

The adjusted measure is considered relevant to assessing the underlying performance of the Group against its strategy and plans. The rationale for excluding certain items is as follows:

- **Depreciation:** a non-cash item which fluctuates depending on the timing of capital investment. Management believe that a measure which removes this volatility improves comparability of the Group's results period on period.
- **Amortisation:** a non-cash item which varies depending on the timing of and nature of acquisitions, and on the timing of and extent of investment in internally generated intangibles such as software. Management believe that a measure which removes this volatility improves comparability of the Group's results period on period. Where applicable, impairment of intangible assets is also excluded as a significant item.
- **Significant items:** These items represent amounts which result from unusual transactions or circumstances and at a significance which warrants individual disclosure. Management believe that adjusting for such significant items improves comparability period on period. Significant items are those items that, in the Directors' view, are required to be separately disclosed by virtue of their nature or incidence to enable a full understanding of the Group's financial performance. See note 10 for further detail of amounts disclosed as significant in the year.
- **Other finance expenses:** represents the cost of issuing external debt and primarily exists due to the ownership structure and is not representative of underlying trading performance. Management believe removing finance charges improves year on year comparability and reduces any volatility impacts from macroeconomic conditions.

OTHER INFORMATION CONTINUED

Reconciliation of adjusted EBITDA to profit for the year

	Year ended 31 March 2025 £m	Restated[1] Year ended 31 March 2024 £m
Insurance revenue[2]	1,109.8	1,038.4
Other income	52.3	60.0
Total revenue	1,162.1	1,098.4
Insurance service expense	(880.9)	(829.0)
Other operating expenses	(133.1)	(142.3)
Total expenses	(1,014.0)	(971.3)
Investment income	2.5	2.1
Net finance expenses from insurance contracts	(3.4)	(2.0)
Net financial result	(0.9)	0.1
Items excluded from adjusted EBITDA		
- Significant items	9.7	9.5
- Net change in depreciation costs recognised in insurance service expenses	5.1	6.0
Adjusted EBITDA	162.0	142.7
Significant items	(9.7)	(9.5)
EBITDA	152.3	133.2
Depreciation and amortisation[3]	(53.3)	(53.3)
Other finance expenses	(83.3)	(68.8)
Profit before tax	15.7	11.1
Tax	(8.3)	(7.2)
Profit for the year	7.4	3.9

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.
[2] Impairment losses on financial assets of £10k (FY24: £0.1m) is included within insurance revenue.
[3] Includes adjustment for depreciation costs which are included in insurance service expenses but excluded from adjusted EBITDA. Depreciation and amortisation costs of £48.2m (FY24: £47.3m) are included in Other operating expenses - see note 10 for further information.

Reported solvency ratio analysis (unaudited)

Year ended 31 March 2025	DGI solo[2] £m	DGIEU solo[3] £m	Total £m	Consol adj. £m	DGA group[4] £m
Eligible own funds	148.6	30.1	178.7	4.3	183.0
Solvency capital requirements (SCR)	87.2	8.2	95.4	1.5	96.9
Capital surplus	61.4	21.9	83.3	2.8	86.1
Ratio of eligible own funds to the SCR	170%	366%	187%		189%

Restated[1] Year ended 31 March 2024	DGI solo[2] £m	DGIEU solo[3] £m	Total £m	Consol adj. £m	DGA group[4] £m
Eligible own funds	142.4	33.8	176.2	6.2	182.4
Solvency capital requirement (SCR)	83.6	8.3	91.9	3.0	94.9
Capital surplus	58.8	25.5	84.3	3.2	87.5
Ratio of eligible own funds to the SCR	170%	410%	192%		192%

[1] The FY24 comparative results have been restated from those previously published, as described in note 2B.
[2] Domestic & General Insurance Plc, the most senior insurance undertaking in the regulated group.
[3] Domestic & General Insurance Europe AG, a subsidiary insurance undertaking of DGI.
[4] Domestic & General Acquisitions Limited, the most senior insurance holding company within the Group, and therefore the most senior entity of the regulated group. Group supervision from the PRA applies at this level.

GLOSSARY OF TERMS

Acquisition costs	Commission and other expenses incurred on acquiring appliance care protection plan business
ADIA	Abu Dhabi Investment Authority, the Group's minority shareholder, via Luxinva S.A. (an entity wholly owned by ADIA) holds a stake of approximately 26%
Adjusted EBITDA	Profit or loss before tax, adding back depreciation, amortisation, other finance expenses and significant items
Adjusted EBITDA ex US	Group Adjusted EBITDA excluding the results of our US business
Alternative Performance Measure ('APM')	An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework
APRA	The Australian Prudential Regulation Authority ('APRA') is a statutory authority of the Australian government and the prudential regulator of the Australian financial services industry
B2B2C	Business to Business to Consumer
BaFin	The Federal Financial Supervisory Authority better known by its abbreviation BaFin is the financial regulatory authority for Germany
CAGR	Compound annual growth rate
Cash-generating unit ('CGU')	A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets
Churn	Also referred to as 'customer churn' or attrition rate of customers. It represents the cyclical nature of customers changing their coverage
Clients	Business partners (for example manufacturers, retailers and financial service companies) for whom we provide appliance care services including design, arrangement, pricing, selling, administration and distribution of appliance care service plans and policies for customers
COVID-19	The COVID-19 pandemic, also known as the coronavirus pandemic, was a pandemic of coronavirus disease 2019 (COVID-19), caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
Customers	Individuals who have purchased appliance care service plans or policies
CVC	CVC, the Group's majority shareholder, via CVC Fund VII, with a stake of approximately 62%
ECL	Expected credit loss
ESG	Environmental, Social and Governance. It is a collective term for measuring a business's impact on social and environmental issues and its governance beyond simply generating revenue or making a profit
FCA	The Financial Conduct Authority is a financial regulatory body in the United Kingdom, but operates independently of the UK Government. The FCA regulates financial firms providing services to consumers and maintains the integrity of the financial markets in the United Kingdom
First fix	Percentage of repairs completed within the first visit to a customer

GLOSSARY OF TERMS CONTINUED

Free cash flow	Defined as the sum of: (i) free cash flow of the non-regulated business; plus (ii) changes in distributable earnings from the regulated business over the amount of capital to be held for regulatory purposes determined in accordance with Solvency II principles
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FY	Financial Year
General Data Protection Regulation ('GDPR')	The GDPR is a regulation in EU law on data protection and privacy for all individuals citizens of the European Union ('EU') and the European Economic Area ('EEA')
Group	The Domestic & General group of companies, comprising Galaxy Finco Limited and all subsidiaries as set out in note 33 in the notes to the Financial Statements
IAS	International Accounting Standards
Insurance acquisition cash flows	Costs to secure a portfolio or group of insurance contracts, such as costs of selling and underwriting
Insurance revenue	Amount of expected premium receipts for providing insurance services recognised in the period
Insurance service result	Expenses associated with providing insurance services. Comprising of insurance revenue, incurred claims, amortisation of acquisition cash flows, losses on onerous contracts and other costs associated with providing insurance services.
IFRS	International Financial Reporting Standards
M&A	Mergers and Acquisitions
Net Promoter Score ('NPS')	The net promoter score ('NPS') measures the loyalty of a company's customer base with a score from -100 to +100, which comes from customers answering the question "How likely are you to recommend this company?"
OCI	Other comprehensive income
OEM	Original Equipment Manufacturer
OKR	Objectives and Key Results is a goal-setting framework used by businesses to define measurable goals and track their outcomes
Other income	The amount of non-insurance sales recognised in the period either from sales made in previous periods and deferred or current year sales that are recognised in the current period
Point-of-need ('PoN')	An appliance care plan sold at the point at which an appliance breaks down. The plan includes a repair, plus an extended appliance care cover
Post-point-of-sale ('PPoS')	An appliance care plan sold after the appliance has been purchased
PRA	The Prudential Regulation Authority ('PRA') is a United Kingdom financial services regulatory body, formed as one of the successors to the Financial Services Authority ('FSA'). The authority is structured as a limited company wholly owned by the Bank of England and is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. It sets standards and supervises financial institutions at the level of the individual firm
PRA yield curve	The risk-free rates produced by the Bank of England, used to calculate the present value of future costs

GLOSSARY OF TERMS CONTINUED

RCF	Revolving credit facility
Retail Point-of-Sale (‘PoS’)	A retailer protection plan sold at the same time as the appliance
SECR	Streamlined Energy and Carbon Reporting
Section 172	Section 172 of the Companies Act 2006 requires directors to explain how they have considered certain interests when performing their duty to promote the success of the company
Service Level Agreement (‘SLA’)	A service level agreement is a commitment between a service provider and a client. Particular aspects of the service – quality, availability, responsibilities – are agreed between the service provider and the service user
Solvency II	The Solvency II Directive is a Directive in European Union law that codifies and harmonises the EU insurance regulation. Primarily this concerns the amount of capital that EU insurance companies must hold to reduce the risk of insolvency
Solvency ratio	The solvency ratio is based upon the aggregation of the individual solo DGI and DGIEU eligible own funds and capital requirements respectively
TCFD	Task Force on Climate-Related Financial Disclosures
Unrestricted cash	Defined as the cash and cash equivalents balance of the unregulated business and the excess distributable reserves of the regulated business over and above regulatory capital requirements
Value in Use (‘VIU’)	The present value of the future cash flows expected to be derived from an asset or cash-generating unit