GALAXY FINCO LIMITED

RESULTS FOR THE NINE-MONTH PERIOD ENDED
31 December 2023
(Unaudited)

Registered in Jersey No. 113706

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1. PERFORMANCE HIGHLIGHTS & OPERATING REVIEW

Performance highlights[1]

The Group's positive first-half performance has continued into the third quarter of FY24 generating 12% total revenue[2] growth for the year to date, compared to the same period a year ago. Group subscription revenue grew by 10%, including continued strong subscription revenue growth of 17% in the combined International businesses. Group subscription customer retention rates continue to perform well at 86%, tracking marginally above the long-term average of 85%.

- UK revenue growth of 8%, driven by subscription revenues (95% of total UK revenue) which have grown 9%.
- International (ex US) revenue growth of 11% with subscription revenue growth of 14%, representing 63% of International (ex US), continuing the journey to replicate the successful UK subscription model in Europe.
- US revenue increased by £25.1m year to date, driven by the inclusion of After Inc revenue of £22.1m and growth in the organic US business of £3m compared to the prior year.

Adjusted EBITDA for the 9-month period increased by 9% to £114.1m reflecting the strength and resilience of the Group's subscription business model, partnership networks and underlying cost discipline. Excluding the US, the Group recorded 7% adjusted EBITDA year-on-year growth to £117.6m for the 9-month period.

The Group has maintained strong levels of liquidity following the acquisition-related increase in the available revolving credit facility (RCF) and the associated injection of shareholder equity. The Group continues to have a substantial solvency coverage ratio (200%) in it's regulated business.

The total expense ratio was broadly stable year on year, representing 87% of total revenue (31 December 2022: 86%). Other finance expenses increased by £8m to £53.8m, primarily driven by market movements in interest rates affecting the floating-rate debt, interest on the drawn RCF and foreign exchange movements.

Total depreciation and amortisation increased by £7.3m to £38.6m for the period ended 31 December 2023 reflecting continued capital investment in IT infrastructure and the revision of expected useful life estimates for some legacy assets in FY23.

A significant item cost of £3.5m has been recognised in the period primarily relating to IFRS 17 implementation costs of £3.4m and US transaction related costs of £2.4m, partly offset by a credit of £2.6m due to the recycling of the revaluation reserve following completion of the sale of the Group's property in Talbot Street, Nottingham on 30 April 2023.

The Group recognised a profit before tax of £18.2m (31 December 2022 restated: £26.1m), with the year-on-year decrease reflecting improved trading performance more than offset by higher finance costs and increased depreciation and amortisation charges.

US update

During the quarter, the Group has secured important contractual enhancements to it's US relationship with Whirlpool. The new terms expand the scope of D&G's offering to Whirlpool customers, in particular with regard to the provision of a subscription programme for renewals of term plans and additional cross selling rights which will accelerate the growth of the US partnership with Whirlpool. The enhanced partnership will increase sales over existing channels, extend the scope of D&G's exclusivity and has extended the existing contract term for a further 5 years.

During the quarter, the Group also completed the acquisition of a state-of-the-art data-driven repair platform from Nana Technologies Inc. This platform can handle all aspects of repair logistics from parts and payments through to scheduling of appointments and customer communications. The Group's initial focus will be deploying this technology in our US processes, but with the expectation that over time it will be used more widely in the global business to replace and upgrade existing technologies.

[1] IFRS results include the effect of the adoption of IFRS 17 '*Insurance Contracts*' with effect from 1 April 2022. Comparative figures have been restated where required. See section 3 of this results statement for further information.

[2] Revenue comprises insurance revenue and other income.

Reconciliation of adjusted EBITDA to profit for the period

	Period ended 31 December 2023 (Unaudited) £m	Restated[1] Period ended 31 December 2022 (Unaudited) £m
Insurance revenue	**773.6**	709.2
Other income	**43.4**	19.8
Total revenue	**817.0**	729.0
Insurance service expense	**(604.9)**	(550.3)
Other operating expenses	**(107.3)**	(78.3)
Total expenses	**(712.2)**	(628.6)
Net investment income	**1.6**	0.3
Impairment loss on financial assets	**-**	(1.2)
Net finance expenses from insurance contracts	**(0.1)**	0.1
Net investment return and insurance finance expenses	**1.5**	(0.8)
Items excluded from adjusted EBITDA		
- Significant items	**3.5**	1.6
- Net change for depreciation costs included in insurance service expenses	**4.3**	3.6
Adjusted EBITDA	**114.1**	104.8
Significant items	**(3.5)**	(1.6)
EBITDA	**110.6**	103.2
Depreciation and amortisation[2]	**(38.6)**	(31.3)
Other finance expenses	**(53.8)**	(45.8)
Profit before tax	**18.2**	26.1
Tax	**(7.1)**	(7.8)
Profit for the year	**11.1**	18.3

[1] Refer to note 2 for further details of Accounting Policies

[2] Includes adjustment for certain depreciation costs which are recognised in insurance service expenses but are excluded from adjusted EBITDA.

Summary unrestricted cash flow
For the nine-month period ended 31 December 2023

	Period ended 31 December 2023 (Unaudited) £m	Restated[1] Period ended 31 December 2022 (Unaudited) £m
Adjusted EBITDA ex US	**117.6**	109.8
Change in unregulated working capital (ex Aus and US)	**(12.7)**	(7.5)
Excess regulated EBITDA over distributable reserves[2,3]	**(24.5)**	(22.5)
Operating cash before capex	**80.4**	79.8
Cash conversion before capex (adj EBITDA ex US)	**68%**	73%
Capital expenditure	**(22.4)**	(21.6)
Operating free cash flow before US and Aus working capital	**58.0**	58.2
Cash conversion (adj EBITDA ex US)	**49%**	53%
Australia working capital	**(6.7)**	(5.9)
US costs	**(6.8)**	(8.4)
Operating free cash flow	**44.5**	43.9
Adjusted EBITDA incl. US	**114.1**	104.8
Cash conversion (adj EBITDA incl. US)	**39%**	42%
Debt interest	**(36.7)**	(30.5)
Corporation tax and other	**(2.9)**	(5.9)
Free cash flow before significant items and M&A	**4.9**	7.5
RCF drawdown and equity injection	**61.7**	-
After Inc acquisition cash flows	**(58.8)**	-
Significant items	**(7.2)**	(3.0)
Unrestricted cash flow	**0.6**	4.5
Unrestricted cash b/f at 1 April	**55.6**	64.3
Unrestricted cash c/f at 31 December	**56.2**	68.8

[1] Please refer to note 2 for further details of Accounting Policies

[2] Excess of regulated EBITDA over change in distributable reserves:

Regulated Business adjusted EBITDA	42.1	45.1
Change in distributable reserves in Regulated Business	(17.6)	(22.6)
	24.5	22.5

[3] Adjusted EBITDA is derived from the Income Statement, which is determined under IFRS principles, whereas distributable reserves represents the regulatory capital of the insurance businesses which is in excess of its regulatory capital needs, measured under Solvency II principles. As IFRS and Solvency II apply different balance sheet measurement principles, ongoing differences between EBITDA and reserves growth are to be expected.

Adjusted EBITDA ex US growth of 7% illustrates the performance of the Group's more mature and established businesses. Working capital outflows from the Unregulated business reflect various timing differences, including those in relation to client payables and receivables, but exclude the distortive working capital impact of the Australian run-off business, which is analysed separately. The excess of Regulated EBITDA over the change in distributable reserves of the Regulated business is due to ongoing growth in both UK and European insurance businesses which generally causes EBITDA to rise at a faster rate than the surplus regulatory capital.

Free cashflow before US and Australia working capital remains consistent year on year at £58.0m (31 December 2022: £58.2m). The underlying cash conversion rate of 49% (31 December 2022: 53%) reflects the Group's continued investment to support business growth.

Debt interest paid was £36.7m (31 December 2022: £30.5m), with the year-on-year increase primarily driven by market movements in interest rates affecting our floating-rate debt plus interest on our drawn RCF.

Closing unrestricted cash was £56.2m (FY23: £55.6m). The unrestricted cashflow for the period of £0.6m (31 December 2022: £4.5m inflow) also includes net cashflows relating to the acquisition and funding of the After Inc and Nana Technologies platform acquisitions, including RCF drawdown and equity funding.

Solvency ratio analysis

Period ended 31 December 2023

£m	DGI solo[1]	DGIEU solo[2]	Total	Consol adj.	DGA group[3]
Eligible own funds	157.6	32.0	189.6	0.6	190.2
Solvency capital requirement (SCR)	84.4	7.7	92.1	2.9	95.0
Capital surplus	73.2	24.3	97.5	(2.3)	95.2
Ratio of eligible own funds to SCR	**187%**	**416%**	**206%**		**200%**

Period ended 30 September 2023

£m	DGI solo[1]	DGIEU solo[2]	Total	Consol adj.	DGA group[3]
Eligible own funds	158.8	28.2	187.0	1.9	188.9
Solvency capital requirement (SCR)	84.2	7.8	92.0	3.1	95.1
Capital surplus	74.6	20.4	95.0	(1.2)	93.8
Ratio of eligible own funds to SCR	189%	362%	203%		199%

[1] Domestic & General Insurance Plc ('DGI'), the most senior insurance undertaking in the regulated group
[2] Domestic & General Insurance Europe AG ('DGIEU'), a subsidiary insurance undertaking of DGI
[3] 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

The Solvency II ratio remained stable at 200% (30 September 2023: 199%), in excess of the 130% policy threshold.

2. PRESENTATION OF FINANCIAL INFORMATION

Cross reference

In certain areas, reference has been made to the 'Offering Memorandum'. In all cases, this refers to the offering memorandum of Galaxy Bidco Limited and Galaxy Finco Limited dated 17 July 2019, located at the following link: https://investors.domesticandgeneral.com/media/1232/emerald-efinal-bmk.pdf

Financial Information

Galaxy Finco Limited was formed in August 2013 by funds advised by CVC Advisers Limited, a leading global private equity investor, to manage the business of the D&G Group.

The Group is a portfolio company of CVC Advisers Limited as defined by the 'Guidelines for Disclosure and Transparency in Private Equity' published by David Walker in November 2007 (the 'Walker Report').

Galaxy Finco Limited is required to prepare consolidated financial statements in accordance with IAS 1 Presentation of Financial Statements.

The financial information discussed within this financial review has been prepared in accordance with the basis of preparation as described in the unaudited condensed consolidated interim financial statements of Galaxy Finco Limited for the nine-month period ended 31 December 2023 included herein.

The financial review should be read in conjunction with the audited consolidated financial statements of Galaxy Finco Limited for the year ended 31 March 2023.

Refer to pages xiv – xx and pages 239 - 276 '*Certain Definitions*' in the Offering Memorandum for a list of terms and abbreviations used throughout this financial review.

Alternative Performance Measures ('APMs')

In this financial review, we present certain financial measures that are not required by or presented in accordance with IFRS because we believe they provide investors with useful additional information to measure our performance (Adjusted EBITDA) or liquidity (including Free Cash Flow).

Refer to pages x – xiii '*Non-IFRS Financial Measures*' in the Offering Memorandum for a description of these items. Please refer to page 30 of this Results statement for a reconciliation between GAAP and non-GAAP alternative performance measures.

Information Regarding Forward-Looking Statements

This financial review includes 'forward-looking statements', within the meaning of the U.S. securities laws and certain other jurisdictions, based on our current expectations and projections about future events.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to in the sections entitled '*Forward-looking statements*' on pages xxi – xxii in the Offering Memorandum including those set forth under the sections thereof entitled '*Risk Factors*' on pages 34 – 70 in the Offering Memorandum.

Presentation

Rounding adjustments have been made in calculating some of the financial information included in this financial review. Figures shown as totals in some tables and elsewhere may not be exact arithmetic aggregations of the figures that precede them.

3. CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT
FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2023

	Note	**Period ended 31 December 2023 (Unaudited) £m**	Restated[1] Period ended 31 December 2022 (Unaudited) £m
Insurance revenue	3	**773.6**	709.2
Insurance service expenses		**(604.9)**	(550.3)
Insurance service result		**168.7**	158.9
Net investment income		**1.6**	0.3
Impairment loss on financial assets		**-**	(1.2)
Net investment return		**1.6**	(0.9)
Net finance (expenses)/income from insurance contracts		**(0.1)**	0.1
Net investment return and insurance finance expenses		**1.5**	(0.8)
Net insurance and investment result		**170.2**	158.1
Other income	3	**43.4**	19.8
Other operating expenses		**(107.3)**	(78.3)
Depreciation and amortisation		**(34.3)**	(27.7)
Other finance expenses		**(53.8)**	(45.8)
Profit before taxation		**18.2**	26.1
Tax	5	**(7.1)**	(7.8)
Profit for the year		**11.1**	18.3

[1] Please refer to note 2 for further details

The total profit for the period 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 financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2023

	Period ended 31 December 2023 (Unaudited) £m	Restated[1] Period ended 31 December 2022 (Unaudited) £m
Profit for the period	**11.1**	18.3
Revaluation for the year[2]	**(2.6)**	-
Currency translation differences	**(1.2)**	4.8
Changes in fair value of investments through OCI	**1.6**	(1.4)
Effective portion of changes in fair value of cash flow hedges – hedging reserve	**0.5**	0.6
Total comprehensive income for the period	**9.4**	22.3

[1] Please refer to note 2 for further details
[2] Represents the recycling of the revaluation reserve to the Consolidated Income Statement following the completion of the sale of the Group's property in Talbot Street, Nottingham for £6.3m which occurred on 30 April 2023.

The total comprehensive income for the period is attributable to the equity shareholders of the Group.

All components of other comprehensive income may be reclassified subsequently to profit or loss.

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

CONSOLIDATED BALANCE SHEET

	Note	31 December 2023 (Unaudited) £m	Restated[1] 31 March 2023 (Unaudited) £m
Assets			
Cash and cash equivalents	10	**32.2**	30.3
Inventory		**0.7**	-
Financial investments	7	**107.9**	104.4
Trade and other receivables		**123.8**	124.8
Current tax asset		**6.8**	7.5
Insurance contract assets	11	**295.3**	254.9
Property, plant and equipment	6	**37.1**	39.3
Non-current assets held for sale		**-**	6.3
Derivative assets	8	**-**	0.2
Deferred tax assets		**13.1**	14.0
Goodwill and intangible assets		**509.9**	441.5
Total assets		**1,126.8**	1,023.2
Liabilities			
Trade and other payables		**224.3**	223.4
Service plan provision		**0.6**	0.5
Loans and borrowings	12	**849.1**	816.9
Derivative liability	8	**10.0**	8.2
Deferred tax liabilities		**69.4**	58.7
Total liabilities		**1,153.4**	1,107.7
Equity			
Share capital		**138.4**	89.9
Other reserves		**(1.2)**	0.5
Accumulated loss		**(163.8)**	(174.9)
Total equity	13	**(26.6)**	(84.5)
Total equity and liabilities		**1,126.8**	1,023.2

[1]Please refer to note 2 for further details

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	31 December 2023 (Unaudited)							
	Ordinary share capital £m	**Share premium £m**	**Capital contribution £m**	**Hedging reserves £m**	**Other reserves £m**	**Revaluation reserves £m**	**Accumulated loss £m**	**Total equity £m**
At 1 April 2023	**0.9**	**89.0**	**-**	**(1.9)**	**(0.2)**	**2.6**	**(174.9)**	**(84.5)**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**11.1**	**11.1**
Other comprehensive income for the period	**-**	**-**	**-**	**0.5**	**0.4**	**(2.6)**	**-**	**(1.7)**
Total comprehensive income for the period	**-**	**-**	**-**	**0.5**	**0.4**	**(2.6)**	**11.1**	**9.4**
Shares issued	**44.9**	**-**	**-**	**-**	**-**	**-**	**-**	**44.9**
Capital contribution	**-**	**-**	**3.6**	**-**	**-**	**-**	**-**	**3.6**
Balance as at 31 December 2023	**45.8**	**89.0**	**3.6**	**(1.4)**	**0.2**	**-**	**(163.8)**	**(26.6)**

	31 March 2023 (Unaudited)							
	Ordinary share capital	Share premium £m	Capital contribution £m	Hedging reserves £m	Other reserves £m	Revaluation reserves £m	Accumulated loss £m	Total equity £m
Balance as at 1 April 2022 previously reported	0.9	89.0	-	(2.7)	(3.7)	3.4	(268.6)	(181.7)
Adjusted on initial application of IFRS 17, net of tax	-	-	-	-	-	-	79.4	79.4
Restated balance as at 1 April 2022	0.9	89.0	-	(2.7)	(3.7)	3.4	(189.2)	(102.3)
Profit for the period	-	-	-	-	-	-	14.3	14.3
Revaluation for the year	-	-	-	-	-	(1.0)	-	(1.0)
Tax on revaluation	-	-	-	-	-	0.2	-	0.2
Other comprehensive income for the period	-	-	-	0.8	3.5	-	-	4.3
Balance as at 31 March 2023	0.9	89.0	-	(1.9)	(0.2)	2.6	(174.9)	(84.5)

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2023

	Note	**Period ended 31 December 2023 (Unaudited) £m**	Restated[1] Period ended 31 December 2022 (Unaudited) £m
Profit before tax		**18.2**	26.1
Adjustments for:			
Depreciation and amortisation		**34.3**	27.7
Finance costs		**53.8**	45.8
Gain on sale of PPE		**(2.6)**	-
Investment return		**(1.6)**	(0.3)
Impairment loss on financial assets		**-**	1.2
Net finance expenses from insurance contracts		**0.1**	(0.1)
		102.2	100.4
Changes in working capital			
Increase in insurance contract assets		**(32.5)**	(38.0)
Decrease in trade and other receivables		**6.9**	15.3
Decrease in trade and other payables		**(18.3)**	(12.0)
Cash flows from operating activities		**58.3**	65.7
Interest paid		**(38.8)**	(30.5)
Tax paid		**(4.2)**	(5.8)
Net cash from operating activities		**15.3**	29.4
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(1.2)**	(2.3)
Proceeds from sale of property, plant and equipment		**6.3**	-
Acquisition of software		**(23.6)**	(19.8)
(Deposit)/withdrawal of money market funds		**0.1**	2.8
Net investment in financial instruments		**(0.6)**	(1.1)
Purchase of subsidiary, net of cash acquired		**(50.5)**	-
Net cash used in investing activities		**(69.5)**	(20.4)
Cash flows from financing activities			
Repayment of lease liability		**(2.9)**	(1.6)
Amounts paid to related parties		**(0.3)**	(0.3)
Net proceeds from debt issuance		**28.9**	-
Net proceeds from equity issuances		**32.8**	-
Repayment of debt		**(2.0)**	-
Net cash from/(used in) financing activities		**56.5**	(1.9)
Net increase in cash and cash equivalents		**2.3**	7.1
Effects of exchange rates		**(0.4)**	0.9
Cash and cash equivalents at beginning of the period		**30.3**	33.9
Cash and cash equivalents at the end of the period	10	**32.2**	41.9

[1]Please refer to note 2 for further details

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. These condensed consolidated interim financial statements of the Company are for the nine-month period 1 April 2023 to 31 December 2023 and comprise the Company and its subsidiaries (together referred to as the 'Group').

2. Basis of preparation

The condensed consolidated interim financial statements for the nine-month period ended 31 December 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial information contained in these interim results does not constitute statutory accounts of Galaxy Finco Limited within the meaning of Section 105 of the Companies (Jersey) Law, 1991.

The Group financial statements have been properly prepared in accordance with International Accounting Standards 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').

These condensed consolidated interim financial statements have been prepared by applying the accounting policies used in the 31 March 2023 Annual Report and Accounts, except for the addition of a new policy in respect of inventory shown below and the adoption of new standards that have become effective, which were in accordance with International Financial Reporting Standards as adopted by the UK ('Adopted IFRSs'). New standards adopted at 31 December 2023 are outlined below, and there was no difference between IFRSs endorsed by the UK and IFRSs issued by the IASB in terms of their application to the Group.

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's Annual Report and Accounts as at 31 March 2023.

New accounting policy - 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.

New standards, interpretations and amendments adopted by the Group

IFRS 17 is a new accounting standard that provides for a comprehensive and consistent approach to accounting for insurance contracts. It is effective for the Group for the annual reporting period beginning 1 April 2023 and replaces IFRS 4, which was issued in 2005 and was largely based on grandfathering previous local accounting policies.

The Group adopted the full retrospective approach on transition to IFRS 17 using the Premium Allocation Approach ("PAA"). The Group applied the accounting policies relating to the accounting for insurance contracts set out in note 2.1 for the first time during FY24. All other accounting policies remain consistent with those set out in the Group's Annual Report and Accounts as at 31 March 2023.

At the transition date of 1 April 2022, the Group has determined the net impact to net equity of the application of IFRS 17 was an increase of £79.4m (net of tax) driven primarily by the following factors:

- treatment of acquisition costs, the effect on the timing of revenue recognition for certain insurance contracts arising from changes in the calculation of underlying earnings patterns and replacement of the IFRS 4 margin in the measurement of insurance contract liabilities with a risk adjustment;
- partly offset by other differences including the recognition of an additional deferred tax liability, onerous contract net loss component and the effect of discounting certain insurance contract liabilities.

2.1 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 significant additional payments in any scenario, excluding scenarios which lack commercial substance, at the inception of a contract.

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

Classification of a contract as an 'insurance contract' for the purposes of IFRS 17 does not necessarily imply that the contract relates to a regulated insurance activity. A significant part of the Group's service business is not written by a regulated insurance entity but such plans may still be classified as insurance contracts in accordance with IFRS 17.

(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; and
- Any remaining contracts

(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:

a) 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
b) 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 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 fulfilment 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 liability for remaining coverage ('LRC') is increased by premiums received and the amortisation of insurance acquisition cash flows recognised as expenses, 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.

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 fulfilment 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.

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 fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss 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 existing or 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 fulfilment cash flows of the associated group of contracts when the group is initially recognised. When only 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 fulfilment cash flows. The related portion is determined on a systematic and rational allocation method that considers the timing of recognition of the contracts in the group.

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. Any impairment loss is recognised in profit or loss for the 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.

(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 fulfilment 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) an insurance service result comprising insurance service revenue and insurance service expenses, and (b) insurance finance income or expenses.

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.

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 expenses
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
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

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.

Critical accounting judgements and sources of estimation uncertainty
A. Critical accounting judgements

Level of aggregation
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.

Assessment for eligibility for PAA
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.

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

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.

Onerous contracts
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 as determined above. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Discount rates
IFRS 17 requires entities to determine discount rates using either the ‘bottom up’ or ‘top down’ approach. The ‘top-down’ approach uses yield curves that reflect current market rates of return of a reference portfolio that closely reflects the duration, currency and liquidity characteristics of the insurance cash flows. The Group has elected to apply the ‘bottom-up’ approach 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.

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 between the 80th and 90th percentile, based on Group risk appetite. The risk adjustment is allocated to groups of contracts using a systematic approach.

Going concern

In order to assess the appropriateness of the going concern basis of accounting, the Directors have considered 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.

Inflation and ongoing geo-political factors have caused disruption to the economy and financial markets globally, which 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 of the going concern analysis.

The Directors have also considered severe downside scenarios which incorporate reductions in sales and increases in cancellation rates. The Group's assessment takes into account the acquisition of After Inc

After performing this assessment, the Directors have a reasonable expectation that the Group and the Company have adequate resources to meet their debt obligations and continue their operations for a period of at least 12 months from the date 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 place reliance on the going concern assessment performed at year-end as the underlying assumptions and analysis remain appropriate, and the assessment period covers at least 12 months from the date of these financial statements. The Directors therefore consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

3. Segmental Analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, to allocate resources to the segments and to assess their performance. 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) Segmental 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 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), Australia, New Zealand and the US.

b) Segment results

Revenue consists of subscription, cash and other insurance revenue and other income. 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				
Unaudited	**UK**	**Europe & other**	**US**	**Total International**	**Other**	**Group**
Nine months ended 31 December 2023						
Insurance revenue						
Subscription	**591.7**	**88.4**	**7.2**	**95.6**	**-**	**687.3**
Cash and other insurance revenue	**29.7**	**56.6**	**-**	**56.6**	**-**	**86.3**
	621.4	**145.0**	**7.2**	**152.2**	**-**	**773.6**
Other income[1]						
Subscription	**14.5**	**6.8**	**-**	**6.8**	**-**	**21.3**
Cash revenue	**-**	**-**	**22.1**	**22.1**	**-**	**22.1**
	14.5	**6.8**	**22.1**	**28.9**	**-**	**43.4**
Profit/(loss) before taxation	**64.3**	**27.5**	**(9.8)**	**17.7**	**(63.8)**	**18.2**
Non-current assets[2]	**440.9**	**15.6**	**90.7**	**106.3**	**-**	**547.2**

		International				
Unaudited	**UK**	**Europe & other**	**US**	**Total International**	**Other**	**Group**
Nine months ended 31 December 2022 restated[3]						
Insurance revenue						
Subscription	544.6	76.1	4.2	80.3	-	624.9
Cash and other insurance revenue	31.2	53.1	-	53.1	-	84.3
	575.8	129.2	4.2	133.4	-	709.2
Other income[1]						
Subscription	12.4	7.4	-	7.4	-	19.8
Profit/(loss) before taxation	68.8	20.7	(5.3)	15.4	(58.1)	26.1
Non-current assets[2]	457.4	15.7	7.7	23.4	-	480.8

[1] 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.
[2] Non-current assets comprise property, plant and equipment, intangible assets and goodwill. Companies incorporated in Jersey are included in the UK segment for non-current assets. Comparative non-current asset information is as at 31 March 2023.
[3] Please refer to note 2 for further details

4. Significant items

	Period ended 31 December 2023 (Unaudited) £m	Period ended 31 December 2022 (Unaudited) £m
IFRS 17 costs	**3.4**	-
Transaction related costs	**2.4**	-
Restructuring costs	**0.3**	1.6
Talbot Street sale	**(2.6)**	-
	3.5	1.6

In the first 9 months of FY24 a charge of £3.4m has been recognised relating to the implementation of IFRS 17, £2.4m for transaction related costs incurred as part of the After Inc and Nana acquisitions and £0.3m for restructuring costs. The £2.6m credit represents the recycling of the revaluation reserve to the income statement as realised profit, following the completion of the sale of the Group's property in Talbot Street, Nottingham on 30 April 2023.

5. Taxation

	Period ended 31 December 2023 (Unaudited) £m	Restated[1] Period ended 31 December 2022 (Unaudited) £m
Current tax charge on profit for the period	**4.8**	5.9
Deferred tax	**2.3**	1.9
Total tax charge	**7.1**	7.8

[1] Please refer to note 2 for further details

6. Property, plant and equipment

	31 December 2023 (Unaudited) £m	31 March 2023 (Unaudited) £m
Other owned PPE	**13.7**	14.4
Other leased PPE	**23.4**	24.9
	37.1	39.3
Non-current assets held for sale[1]	**-**	6.3
	37.1	45.6

[1] Completion of the sale of the Group's property in Talbot Street, Nottingham for £6.3m which occurred on 30 April 2023.

7. Financial investments

	31 December 2023 (Unaudited)		
	FVOCI*	**FVTPL****	**Total**
	£m	**£m**	**£m**
Investments in unlisted securities	**-**	**61.6**	**61.6**
Investments carried at fair value	**44.3**	**2.0**	**46.3**
	44.3	**63.6**	**107.9**

	31 March 2023 (Unaudited)		
	FVOCI*	FVTPL**	Total
	£m	£m	£m
Money market funds	-	0.1	0.1
Investments in unlisted securities	-	60.3	60.3
Investments carried at fair value	42.2	1.8	44.0
	42.2	62.2	104.4

* *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 securities which are managed by an external fund manager. The fair values of these assets are based on quoted market prices.

Investments carried at fair value through profit and loss include £61.6m of investments in preference shares issued by Galaxy Finco 2 Limited (31 March 2023: £60.3m), a fellow subsidiary of the Group's immediate parent, Galaxy Midco 2 Limited, fixed-income securities of £2.0m (31 March 2023: £1.8m) which are managed by an external fund manager and investments held in money market funds of nil (31 March 2023: £0.1m).

8. Derivative financial instruments

		31 December 2023 (Unaudited) £m	31 March 2023 (Unaudited) £m
Derivative (liability)/asset (FX forward)	(a)	**-**	0.2
Derivative (liability) (cross currency interest rate forwards)	(b)	**(10.0)**	(8.2)

a) Derivative (liability)/asset – FX forward

The Group has entered into a GBP/AUD foreign exchange forward contract for the purpose of managing the Group's exposure to movements in foreign exchange rates, in relation to future funding to be provided to the Australian business, primarily via repayment of intra-group loans. The amount and timing of the trades has been designed to correlate to expected payments over the period to January 2025. The Group has not elected to apply hedge accounting to these instruments.

The carrying value of the Group's derivative financial (liability)/asset was:

	31 December 2023 (Unaudited) £m	31 March 2023 (Unaudited) £m
Foreign exchange forward contract	**-**	0.2

b) Derivative liability - cross currency interest rate forwards

The Group has entered into 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.

The carrying value of the Group's derivative financial liability was:

	31 December 2023 (Unaudited) £m	31 March 2023 (Unaudited) £m
Cross-currency interest rate swap	**10.0**	8.2
- Current liability	**4.3**	3.6
- Non-current liability	**5.7**	4.6

The fair value of the derivative financial instruments is based on third-party market valuations.

c) *Hedge accounting*

The Group has elected to apply hedge accounting for those derivative liabilities entered into for the purpose of managing the Group's exposure to currency fluctuations on its Euro denominated debt.

The Group has entered into the following cash flow hedge arrangements:

Hedged item	Notional €m	Remaining term (years)	Maturity date
€150m of Floating Rate Senior Notes	150	3	31 July 2026

Hedging instrument – derivative liability	Notional €m	Remaining term (years)	Maturity date
€150m cross-currency interest rate swap (CCIRS)	150	2	31 July 2025

The following table sets out movements in the Group's cash flow hedge reserves:

	31 December 2023 (Unaudited) £m	31 March 2023 (Unaudited) £m
Balance at 1 April	**(1.9)**	(2.7)
Amount recognised in equity in the period/year	**0.5**	0.8
Cash flow hedge reserves as at period/year end	**(1.4)**	(1.9)

Hedge ineffectiveness

Hedge effectiveness is 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 have similar critical terms to the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group does not use cross-currency swaps to hedge the entirety 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 not being 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.

9. Financial assets and financial liabilities

This note provides information about the Group's financial instruments, including:

- an overview of financial instruments held by the Group;
- the classification of financial instruments;
- relevant accounting policies; and
- information about determination of the fair value of the instruments, including judgements and estimation uncertainty involved.

The Group holds the following financial instruments:

	31 December 2023 (Unaudited)				
	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**
Investments	**44.3**	**63.6**	**-**	**-**	**107.9**
Trade and other receivables	**-**	**-**	**123.8**	**-**	**123.8**
Cash and cash equivalents	**-**	**-**	**32.2**	**-**	**32.2**
Derivative financial instruments	**-**	**(10.0)**	**-**	**-**	**(10.0)**
Loans and borrowings	**-**	**-**	**-**	**(849.1)**	**(849.1)**
Trade and other payables	**-**	**-**	**-**	**(224.3)**	**(224.3)**
	44.3	**53.6**	**156.0**	**(1,073.4)**	**(819.5)**

	Restated[1] 31 March 2023 (Unaudited)				
	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
Investments	42.2	62.2	-	-	104.4
Trade and other receivables	-	-	124.8	-	124.8
Cash and cash equivalents	-	-	30.3	-	30.3
Derivative financial instruments	-	(8.0)	-	-	(8.0)
Loans and borrowings	-	-	-	(816.9)	(816.9)
Trade and other payables	-	-	-	(223.4)	(223.4)
	42.2	54.2	155.1	(1,040.3)	(788.8)

[1] Please refer to note 2 for further details

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.

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 non-optional derivatives, and option pricing models for optional derivatives. 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; and
- 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);
- 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).

	31 December 2023 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
	£m	**£m**	**£m**	**£m**
Investments at fair value through profit and loss	**2.0**	**-**	**61.6**	**63.6**
Investments at fair value through other comprehensive income	**44.3**	**-**	**-**	**44.3**
Derivative financial instruments	**-**	**(10.0)**	**-**	**(10.0)**
	46.3	**(10.0)**	**61.6**	**97.9**

	31 March 2023 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Investments at fair value through profit and loss	1.8	0.1	60.3	62.2
Investments at fair value through other comprehensive income	42.2	-	-	42.2
Derivative financial instruments	-	(8.0)	-	(8.0)
	44.0	(7.9)	60.3	96.4

Level 3 Financial Instruments	**31 December 2023 (Unaudited) £m**	31 March 2023 (Unaudited) £m
At 1 April	**60.3**	55.9
Interest	**2.2**	2.8
Foreign exchange movements	**(0.9)**	1.6
At the end of the period/year	**61.6**	60.3

Financial instruments categorised within Level 3 represent preference shares issued by Galaxy Finco 2 Limited, a fellow subsidiary of the Group's immediate parent, Galaxy Midco 2 Limited. The fair value reflects the initial transaction price translated at the period-end exchange rate plus the value of any unpaid, accrued dividends.

10. Cash and cash equivalents

	31 December 2023 (Unaudited) £m	31 March 2023 (Unaudited) £m
Bank and cash balances	**28.3**	26.4
Short-term bank deposits	**3.9**	3.9
	32.2	30.3

11. Insurance contract assets

	31 December 2023 (Unaudited) £m	Restated[1] 31 March 2023 (Unaudited) £m
Insurance contract assets	**360.3**	320.5
Insurance contract liabilities	**(65.0)**	(65.6)
	295.3	254.9

[1] Please refer to note 2 for further details

12. Loans and borrowings

The Group's interest-bearing borrowings, which are measured at amortised cost, are as follows:

	31 December 2023 (Unaudited) £m	31 March 2023 (Unaudited) £m
6.5% Senior Secured Notes due 2026	**405.0**	405.0
€200m Senior Secured Floating Rate Notes due 2026	**173.3**	175.8
9.25% Senior Notes due 2027	**150.0**	150.0
Drawn Revolving Credit Facility (RCF)	**30.0**	-
5.35% Loan due to Parent Company	**8.9**	8.5
5.25% Loan due to Fellow Subsidiary Company	**65.1**	62.6
Total principal	**832.3**	801.9
Transaction costs	**(9.7)**	(11.9)
Carrying amount	**822.6**	790.0
Lease liability	**26.5**	26.9
Loans and borrowings	**849.1**	816.9

For more information about the Group's exposure to interest rate risk see note 33(a) of the Group's Annual Report and Accounts for 31 March 2023.

Terms and debt repayment schedule for Loan Notes

	Nominal interest rate	Year of maturity	Principal £m	Carrying amount £m
6.5% Senior Secured Notes	6.50%	2026	405.0	400.5
€200m Senior Secured Floating Rate Notes	EURIBOR +5%	2026	173.3	170.8
9.25% Senior Notes	9.25%	2027	150.0	147.3
Amounts drawn under revolving credit facility	SONIA +3%	2026	30.0	30.0
5.35% Loan due to Parent Company	5.35%	2028	8.5	8.9
5.25% Loan due to Fellow Subsidiary Company	5.25%	2028	64.3	65.1
				822.6

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 on principal or interest or other breaches with respect to its loans and borrowings during the period ended 31 December 2023 or the year ended 31 March 2023.

Certain non-regulated Group companies have pledged collateral as security in respect of the loan notes in the form of a general charge over their assets.

The Group has a revolving credit facility ('RCF') of £137.5m (31 March 2023: £100.0m) with a final maturity date of 1 May 2026, of which £30.0m (31 March 2023: £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 December 2023, £30m (31 March 2023: £nil) of the Group's RCF had been drawn. The increase in size of the Group RCF in FY24 was negotiated to partially fund the acquisition of After Inc. See note 15 of the 30 June 2023 results statement for further details.

13. Total equity

	(Unaudited)					
	Capital £m	**Hedging reserves £m**	**Other reserves £m**	**Revaluation reserves £m**	**Accumulated loss £m**	**Total equity £m**
At 1 April 2023	**89.9**	**(1.9)**	**(0.2)**	**2.6**	**(174.9)**	**(84.5)**
Increase in share capital	**44.9**	**-**	**-**	**-**	**-**	**44.9**
Capital contribution	**3.6**	**-**	**-**	**-**	**-**	**3.6**
Total comprehensive income for the period	**-**	**0.5**	**0.4**	**(2.6)**	**11.1**	**9.4**
Balance as at 31 December 2023	**138.4**	**(1.4)**	**0.2**	**-**	**(163.8)**	**(26.6)**

	(Unaudited)					
	Capital £m	Hedging reserves £m	Other Reserves £m	Revaluation reserve £m	Accumulated loss £m	Total equity £m
Balance as at 1 April 2022 previously reported	89.9	(2.7)	(3.7)	3.4	(268.6)	(181.7)
Adjusted on initial application of IFRS 17, net of tax	-	-	-	-	79.4	79.4
Restated balance as at 1 April 2022	89.9	(2.7)	(3.7)	3.4	(189.2)	(102.3)
Total comprehensive loss for the year	-	0.8	3.5	(0.8)	14.3	17.8
Balance as at 31 March 2023	89.9	(1.9)	(0.2)	2.6	(174.9)	(84.5)

Hedging reserves

The hedging reserves comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Other reserves

The other reserves primarily relates to the cumulative (gain)/loss on investments in debt instruments classified as FVOCI, which are reclassified to the income statement on disposal, and foreign exchange differences on consolidation of foreign subsidiaries and branches.

	31 December 2023 (Unaudited) £m	31 March 2023 (Audited) £m
Ordinary share capital	**45.8**	0.9
Share premium	**89.0**	89.0
Capital contribution	**3.6**	-
	138.4	89.9

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 December 2023 (Unaudited) Number	31 March 2023 (Audited) Number
Class			
A Ordinary	**£0.01**	**4,578,511,259**	89,871,070

In the period there was an increase of share capital and capital contributions as part of the acquisition of After Inc. See note 15 of the 30 June 2023 results statement for further detail of the acquisition.

Called up share capital

	Period ended 31 December 2023 (Unaudited)		Year ended 31 March 2023 (Audited)	
Allotted, called up and fully paid	**Number**	**£m**	Number	£m
A Ordinary	**4,578,511,259**	**45.8**	89,871,070	0.9

Share premium account

	31 December 2023 (Unaudited) £m	31 March 2023 (Audited) £m
Balance as at 1 April and 31 March	**89.0**	89.0
	89.0	89.0

14. Related parties

In the period there was an increase of share capital of £44.9m and capital contributions of £3.6m - see note 13 for further detail. The nature of the remaining related party transactions of the Group are consistent in nature and scope with those disclosed in note 30 of the Group's consolidated financial statements for the year ended 31 March 2023.

15. Financial risk management

The Group is exposed to financial risk through its financial assets and financial liabilities, and its appliance care service plans and insurance contracts. Risks include interest rate risk, credit risk, liquidity risk and foreign exchange risk.

The nature of these risks is disclosed in note 33 of the Group's consolidated financial statements for the year ended 31 March 2023.

Credit ratings of significant classes of financial assets

	31 December 2023 (Unaudited)			
	A rated (or above) Instruments*	**B rated (or below) Instruments***	**Unrated**	**Total**
	£m	**£m**	**£m**	**£m**
Cash and cash equivalents	**32.2**	**-**	**-**	**32.2**
Investment in unlisted securities	**-**	**-**	**61.6**	**61.6**
Investment carried at fair value	**28.9**	**17.4**	**-**	**46.3**
Trade and other receivables	**26.5**	**22.5**	**74.8**	**123.8**
	87.6	**39.9**	**136.4**	**263.9**

	Restated[1] 31 March 2023 (Unaudited)			
	A rated (or above) Instruments*	B rated (or below) Instruments*	Unrated	Total
	£m	£m	£m	£m
Cash and cash equivalents	30.3	-	-	30.3
Money market funds	0.1	-	-	0.1
Investment in unlisted securities	-	-	60.3	60.3
Investment carried at fair value	26.0	18.0	-	44.0
Trade and other receivables	26.4	19.8	78.6	124.8
	82.8	37.8	138.9	259.5

[1] Please refer to note 2 for further details

*** *A rated or above includes those financial assets with a rating of A- (or an equivalent rating) and above. B rated or below includes those assets with a rating of BBB+ (or an equivalent rating) and below.*

4. NON-GAAP ALTERNATIVE PERFORMANCE MEASURES

The table below provides a reconciliation between GAAP and non-GAAP underlying performance measures.

Reconciliation of adjusted EBITDA to profit for the period

	Period ended 31 December 2023 (Unaudited) £m	Restated Period ended 31 December 2022 (Unaudited) £m
Insurance revenue	**773.6**	709.2
Other income	**43.4**	19.8
Total revenue	**817.0**	729.0
Insurance service expense	**(604.9)**	(550.3)
Other operating expenses	**(107.3)**	(78.3)
Total expenses	**(712.2)**	(628.6)
Investment income	**1.6**	0.3
Impairment gain/(loss) on financial assets	**-**	(1.2)
Net finance expenses from insurance contracts	**(0.1)**	0.1
Net investment return and insurance finance expenses	**1.5**	(0.8)
Adjust for items excluded from adjusted EBITDA		
- Significant items	**3.5**	1.6
- Net change for depreciation included in insurance service expenses	**4.3**	3.6
Adjusted EBITDA	**114.1**	104.8
Significant items	**(3.5)**	(1.6)
EBITDA	**110.6**	103.2
Depreciation and amortisation[1]	**(38.6)**	(31.3)
Other finance expenses	**(53.8)**	(45.8)
Profit before tax	**18.2**	26.1
Tax	**(7.1)**	(7.8)
Profit for the year	**11.1**	18.3

[1]Includes adjustment for certain depreciation costs which are recognised in insurance service expenses but are excluded from adjusted EBITDA.

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	Group's operating profit for a particular period adjusted for amortisation of acquisition intangibles, depreciation and amortisation, significant items and other finance expenses
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
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 or second fix	Percentage of repairs completed within the first or second visit to a customer
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 individual 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 29 in the notes to the FY23 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. 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.
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
USP	Undertaking Specific Parameters as defined by EIOPA to adjust standard formula
Value in Use ('VIU')	The present value of the future cash flows expected to be derived from an asset or cash- generating unit