2024

Domestic & General

ANNUAL REPORT & ACCOUNTS

OUR PURPOSE

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

+
Strategic Report

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+
Corporate Governance

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Financial Statements

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Domestic & General

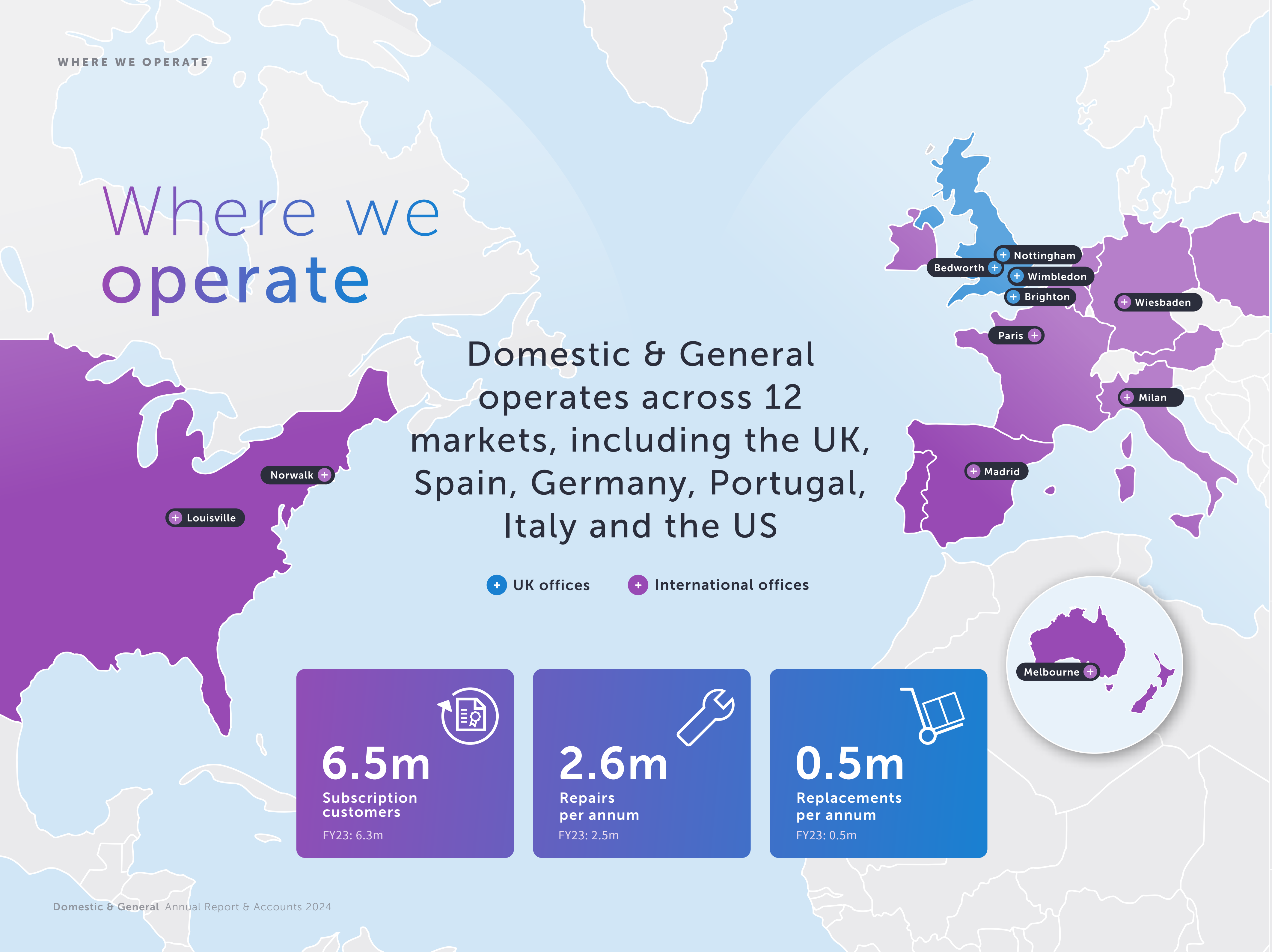
See more online at
domesticandgeneral.com

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

Strategic Report

Where we operate

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



6.5m
Subscription customers
FY23: 6.3m

2.6m
Repairs per annum
FY23: 2.5m

0.5m
Replacements per annum
FY23: 0.5m

Domestic & General

Our business at a glance

Products

Protecting customers from the cost and inconvenience of appliance breakdown by repairing or replacing key household items.

See more on page 6

Markets

We continue to operate effectively across our 12 markets, supporting our customers in all these countries.

See more on pages 32-34

Customers

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

See more on pages 51-54

Partners

We have an established distribution model and a mutually beneficial ecosystem working with our partners.

See more on pages 55-58

People

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

See more on pages 59-65

Our **products**

Product care

Breakdown and accidental damage protection and repair or replacement cover for the most important home products, including large domestic and electrical appliances, mobile phones and heating.

Replacement Care

Breakdown and accidental damage protection for small domestic appliances costing under £200.

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

Repair & Care

A point-of-need solution for customers who have experienced a breakdown of large domestic appliances, including washing machines, fridges, freezers and heating.

We have a **simple and transparent product range** and **a strong and resilient position in the home**

Chair's statement

> "We focus on areas which we, with our unique business model, can influence – acting against climate change, championing a more circular economy, and caring for our customers, our people, and our communities."

David Tyler
Chair

Bio on page 84

Continued growth underpinned by improvements in systems, operations and the way we care for customers

Trading conditions for many businesses have again been challenging over the last 12 months, exacerbated sadly by the effects of war in Ukraine and in Gaza. Demand in the UK for new appliances has dropped over the period because of the pressures on the standard of living of consumers who have been impacted by high levels of inflation.

Despite this, I am pleased to report that in FY24 the business has delivered another year of good financial results with subscription revenue growth of 9% and adjusted EBITDA of £145m (FY23 Restated: £132m).

The performance of the UK business again demonstrated the resilience of our business model and the strength of our strategy. Despite the further decline in appliance sales in the UK market this year, our UK subscription revenue growth still reached 8%. A key contributing factor to our success this year has been the consistently strong customer retention (FY24: 86%, FY23: 85%) that we have maintained over many years. It is satisfying to see our customers continuing their D&G policies year after year because they are happy with the value we provide in protecting their appliances.

Alongside this, our business in continental Europe continued to deliver strong growth, with subscription revenue 12% higher year-on-year.

Our US business grew its revenue from £6m in FY23 to £42m in FY24, with organic growth of 75% in the year and £31m of gross revenue generated from the After Inc. business since acquisition. We are delighted to have broadened the scope of our agreement with Whirlpool and to have launched new sales channels with it in the second half of 2023. In addition, we are in conversations with potential partners in the US which we believe will lead to a broader customer base in future years.

Key to our strategy is to grow our US business following its launch in September 2021. We were very pleased to make two important acquisitions in the year. The first was the acquisition in June 2023 of After Inc., a pioneer in the US warranty industry. After Inc. has helped some of the world's top manufacturers transform their businesses with its industry-leading technology, analytics and marketing capabilities. This was followed in December 2023 by the acquisition of a repair management platform from Nana Technologies Inc. which we believe will transform our service proposition for our customers. These are the first corporate acquisitions made by us for many years. I am delighted that we are now able to offer these additional capabilities to clients as we look to grow our US business in FY25 and beyond.

Other strategic projects over the past 12 months have included upgrades to some of our key systems. This includes a migration from a legacy telephony platform to a cloud Software as a Service ('SaaS') solution, which will improve resilience across our UK and EU businesses. It will also deliver an improved customer experience. We have migrated our legacy core financial system to an enterprise SaaS solution across the group, as well as implementing a new data warehouse. This will support the move we have had to make to the new IFRS 17 accounting standard.

On behalf of the Board, I would like to express our gratitude to all our colleagues across the business for their commitment and skill in serving our customers. I also extend my thanks to my fellow Directors for their continued commitment to the business. The capabilities and experience they bring are of great value to us.

Group adjusted EBITDA

£145m

FY23 Restated[1]: £132m

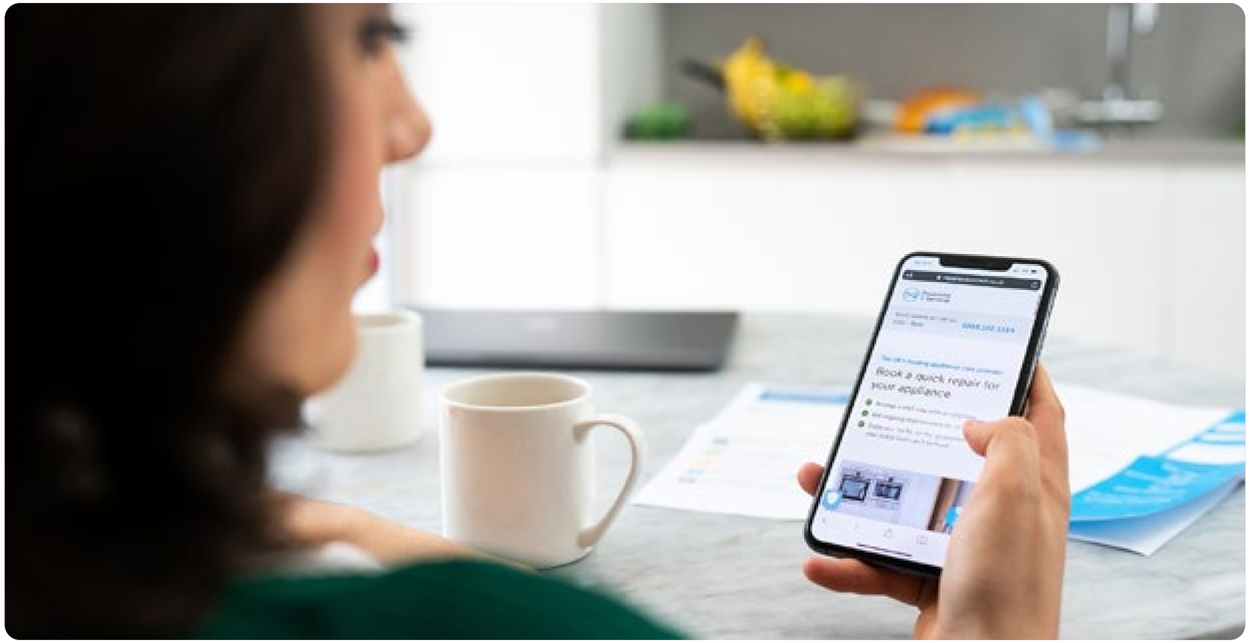
Subscription customer retention rate

86%

FY23: 85%

1 Prior period comparatives have been restated on transition to IFRS 17 'Insurance Contracts', as described in note 2 of the financial statements.

"Over the next financial year, we will have a particular focus on our US expansion as we enhance our offerings with Whirlpool and look to secure additional partnerships."



As Chair of The Parker Review Committee on ethnic diversity in UK business, the topic of diversity and inclusion is very close to my heart. I am pleased that we have made progress in this area, albeit we have plans to do more. As a signatory of "Change the Race Ratio", we met the Parker Review target for ethic minority Board member representation. Our Global Women's Network now has over 200 participants from across the Group, and in December 2023 we also launched a new Global Diversability Network.

Our focus on delivering high quality service for our customers is stronger than ever and has been reinforced further by the FCA's new consumer duty principle, which launched in July 2023. With the continuing pressure on household finances, we understand that our customers are relying on our products to provide them with peace of mind and financial certainty. We are always focused on improving the service that we provide to our customers so that we are there for them when they need us.

We value the importance of our relationships with regulators in our markets and are continuing to invest in our governance and control frameworks to meet the needs of our growing business.

We have continued to evolve our approach to sustainability, and this year are proud to share our new sustainability strategy framework. Introduced for the first time in this report, our sustainability strategy centres on the environmental issues we believe are of critical importance to our stakeholders. We focus on areas which we, with our unique business model, can influence – acting against climate change, championing a more circular economy, and caring for our customers, our people, and our communities. Our Sustainability Committee continues to support the business on environmental and social matters, meeting quarterly and providing regular updates to the Board on targets and progress.

We continue to be a proud member of the United Nation's Global Compact Network, supporting their principles-based approach to business aligned with the Sustainable Development Goals ('SDGs') and global rights. This includes those relating to human rights, labour, anti-corruption and environment.

Our longstanding partnerships with major original equipment manufacturers ('OEMs') and retailers continue to be a core strength for our business, and we have continued to win new partners in FY24. We thank all our partners for their ongoing commitment, and we look forward to continuing to work together for many years to come.

Over the next financial year, we will have a particular focus on our US expansion as we enhance our offerings with Whirlpool and look to secure additional partnerships. Our US President, Gayle Terry, relocated from the UK to the US at the start of 2024 to lead the operation on the ground. Under her leadership, I feel confident that we are well positioned to achieve our ambitious US growth targets. Our UK and EU markets of course remain of critical importance, and we will continue to enhance our service for our millions of loyal customers there.

I look forward to another positive year ahead, which I hope will bring further expansion in the US alongside enhanced service offerings in the UK and EU businesses.

David Tyler
Chair
25 July 2024

CEO's statement

> "I'm incredibly proud that the business has delivered another strong performance in our financial year ended 31 March 2024."

Matthew Crummack
Chief Executive Officer

Bio on page 84

The dedication, resilience and focus from our teams around the world has helped us deliver strong progress on many fronts, alongside good outcomes for our customers and stakeholders. This has been delivered despite another challenging macro-economic backdrop, so I'd like to express my sincere and personal thanks to our teams globally for their continued support.

Engagement with our people is strong, with 82% of our employees willing to participate in a recent survey run by The Great Place To Work. The results show that we have a motivated workforce who are aligned towards the Group's Objectives and Key Results ('OKRs') and I was delighted that we were formally recognised as a Great Place To Work (UK) this year.

This year, we worked hard to deliver strong outcomes for our 6.5m subscription customers, our many business partners and our more than 3,000 colleagues around the world. These continued efforts have delivered yet another strong set of results in FY24.

Going forward, we plan to unlock more opportunities and value by leveraging technology, data and Artificial Intelligence ('AI') applications. We're already making good progress. The investment in our strategic data lake has provided solid foundations, which we can use to optimise our customer retention insights and capabilities over the next 12 months.

Our FY24 performance was another year of profitable growth, with subscription revenue up by 9%, adjusted EBITDA of £145m (FY23 restated: £132m) and continued strong customer retention across the UK and EU.

During the year, we were delighted to launch new partnerships with Carrefour in Europe, as well as CDA and Marks Electrical in the UK. We have also secured important contractual enhancements to our US relationship with Whirlpool. Most importantly, we continue to strengthen our commercial relationships across the globe. I'd like to thank all our partners, who are a key part of our success, for their ongoing partnership and service.

We believe there are still opportunities for continued growth across all our territories in the UK, US and Europe, with the US being a priority based on its great potential. Compared to the UK market, the US has five times the number of households and five times the annual sales volume of major domestic appliances sold in the UK.

Over the last year, the US team – led by Gayle Terry in her role as US President – made great progress. We grew our customer base through our pioneering subscription-based model and continued to build partnerships with leading players like Whirlpool. Our carefully considered acquisitions of After Inc. and the Nana Technologies Inc. repair platform over the past 12 months represent two clear proof points of our strategy in action. We're delighted to bring both of these assets and new colleagues into Domestic & General. These acquisitions will enable us to deliver superior service experience and significantly accelerate our ambition to build a market-leading appliance care business in the US. They are likely also to be relevant in strengthening our business in the UK and Europe.

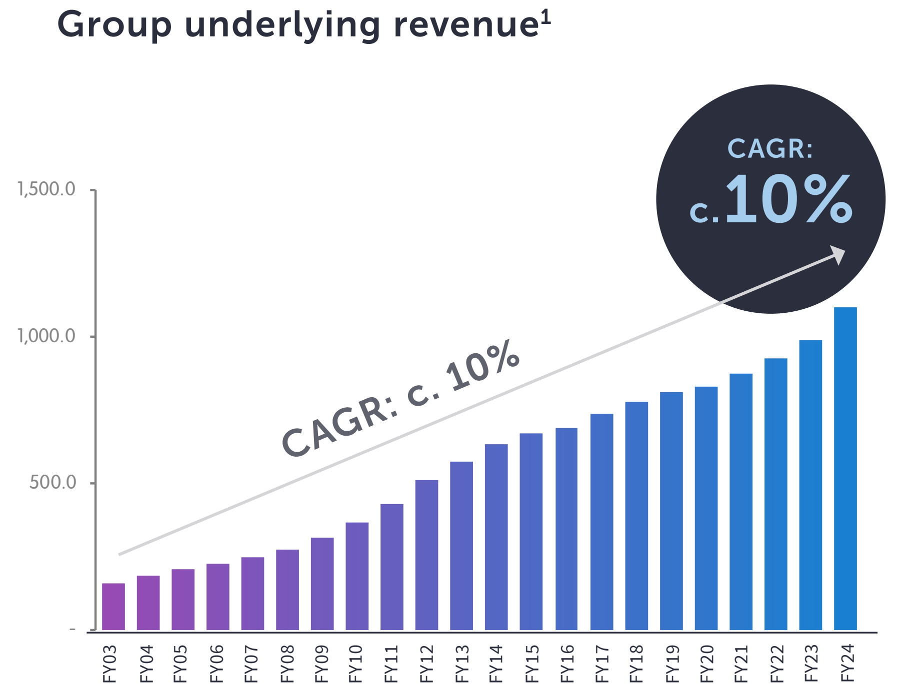
> "Our track record of year-on-year profitable growth I believe is testament to the quality and importance of the products and services offered to customers, **as well as our focus on growing the quality of revenue through a proven subscription model.**"

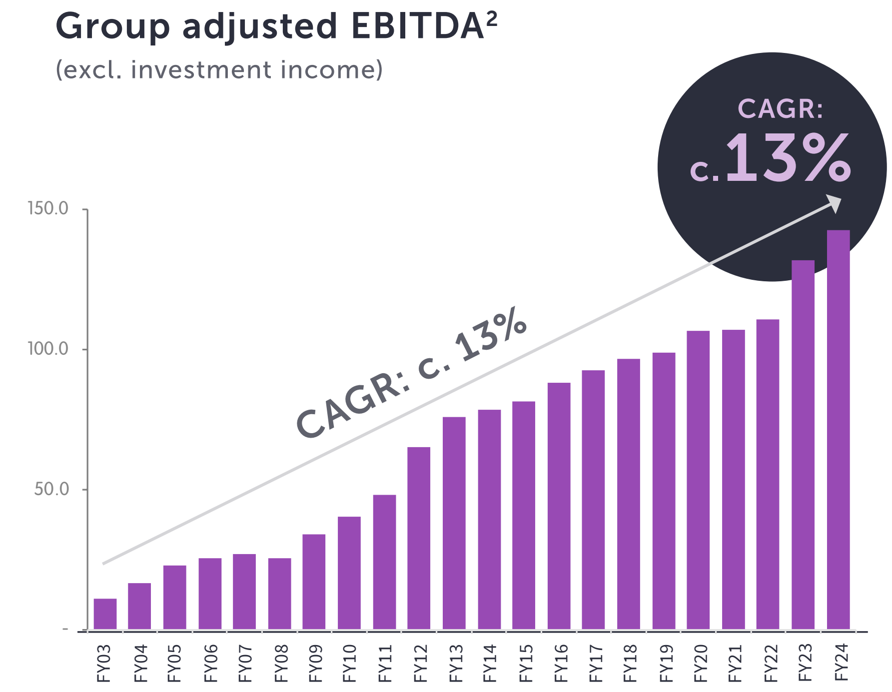
The UK remains a core underpin of the Group's performance and remains our largest and most mature market. We continue to enhance our capabilities to maintain UK growth rates, despite challenging market conditions, which act as a best practice platform for our other markets.

In Europe there is significant headroom for growth and our plans here are to refine our capability while scaling the business, through partnerships with pan-European retailers. Where we're investing in capability, technology and data assets, we're looking to deploy and reuse these across our key markets.

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.





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, Please see the financial statement for full details of the prior period IFRS 17 restatement.

2 Accounting policies have changed over the 21 year period. CAGRs based on FY03 and FY24. FY03 Group adjusted EBITDA (excl. investment income) calculated based on historical financials (under UK GAAP, with the Group adopting IFRS from 1 April 2005). FY22 and prior are presented on an IFRS 4 basis. FY23 onwards are presented on an IFRS 17 basis, Please see the financial statement for full details of the prior period IFRS 17 restatement.

An important focus on delivering great customer outcomes

We continue to grow our customer base across all our markets as well as the number of plans customers hold with us, demonstrating the value and importance of our products.

We're focused on further improving the quality of our customer service in all of our geographic markets, with 44% of repairs booked online (FY23: 39%) and a claims approval rate of 99% (FY23: 99%). We know we don't always get things right for every customer, despite always having the best intentions, but we are continuously learning from customer feedback and are committed to improving our offering. We've seen success under our product-led model, showing that we work at our best when we bring together cross-functional teams to deliver great customer outcomes.

Over the last 12 months we've doubled down on the precision of our customer focus. With the introduction of the FCA's Consumer Duty, we've taken the opportunity to complete a thorough review of our practices. I believe we're a stronger organisation as a result, with a renewed motivation to continue to hold ourselves to higher standards to deliver better outcomes for our customers.

Claims approval rate

99%

FY23: 99%

A responsible business

An important principle of our sustainability strategy has been a commitment to setting science-based targets (SBT's) to further verify and maintain our position of being a responsible business. We've undertaken deeper analysis this year to better understand the journey we have ahead and reinforce our 'repair first' ethos that is already a core part of our unique business model. I'm pleased that as a result we've provided additional disclosures in our reporting this year, as a testament to our ongoing commitments.

Our people

Through some extensive research undertaken this year, we've got to know our customers and our people even better than before. We'll be using this insight to reaffirm our commitments to our key stakeholder groups and provide greater leadership direction and vision to bring to life our strategic narrative. We're also investing in our ongoing leadership development, providing greater support for our people managers, including tailored development for team leaders and operational managers across our call centres.

We're building on firm foundations and our engagement with our staff has never been higher. This year, we successfully launched a brand-new internal communications hub, 'Workvivo', which has brought together our global community on a single, two-way engagement platform. We've also brought together a refreshed inclusivity ambition and priorities for 2024-25 to support our journey to everyday inclusivity at D&G, aided by new and thriving employee networks.

We were delighted to win awards in the 2023 UK and European Contact centre awards, including scooping the prestigious 'Best Contact Centre Workplace of the Year' by the UK Contact Centre Forum. This is a testament to the hard work and efforts put in by the team, including improvements to the way we attract and retain staff. It also reflects the greater focus and investment in their development and wellbeing. This has been, and continues to be, an important area of focus as we navigate a competitive labour market. We're seeing great success with our internal mobility programmes, with an increased number of roles being filled internally year-on-year.

Our future outlook

The Group's strategy remains broadly unchanged but we continue to evolve and adapt to an ever-changing macro environment and market. Our growth plans for the UK, US and Europe are ambitious, but we're well positioned to execute across all territories.

During 2024, more people around the world than ever will be able to vote in elections – so we're set for another uncertain year. However, we remain focused on extending our track record of more than two decades of delivering revenue, profit growth and sustainable value for all our stakeholders.

We remain confident in our ability to deliver against our strategy and our plans, adding another transformative year to the history of the company.

Matthew Crummack
CEO
25 July 2024

Financial **review**

> "Despite continued economic headwinds, we've achieved another strong set of results with annual revenue exceeding £1bn for the first time and double-digit growth in adjusted EBITDA. This demonstrates the strength of our subscription business model and longstanding partnership networks."

Joe Fitzgerald

Chief Financial Officer

Bio on page 84

FY24 Highlights

Overview

- Despite economic headwinds, we've maintained our strong financial performance with Group adjusted EBITDA increasing by 10% to £145m (FY23 Restated: £132m) reflecting our resilient business model and underlying cost discipline.
- Total subscription revenue increased 9% to £956m (FY23 Restated: £878m) reflecting further new business growth and continued stable subscription customer retention rates. Revenue per subscription customer now averages £148 (FY23: £140) with this increase driven by necessary pricing impacts and an increase in the number of policies per customer.

Business update

- In June 2023, we completed the acquisition of After Inc., an experienced US post-sale warranty provider. Its integration with our existing US operations is well underway, with progress being made on aligning processes and technologies.
- In December 2023, we completed the acquisition of a state-of-the-art AI and data-driven repair platform from Nana Technologies Inc. This platform is designed to manage all aspects of repair logistics from parts and payments through to scheduling of appointments and customer communications.
- During the year, we completed key contract extensions with Sky, Haier and Whirlpool US, as well as signing a new agreement in our European business with Carrefour.
- We've upgraded some of our key systems, delivering innovative digital product solutions and an improved customer experience. We've also replaced our legacy core financial system, supporting our transition to the new IFRS 17 accounting standard.

Cash flow and capital

- Positive Group free cash flow of £58m (FY23: £56m) reflects solid trading performance which has supported investment back into the business, including planned capital expenditure on digital capabilities and investment to support US growth.
- Notwithstanding our capital expenditure and US investment, we continue to have strong liquidity and at the year-end, our revolving credit facility ('RCF') had unused capacity of £100.5m (FY23: £100m).
- We continue to be well covered from a regulatory capital perspective at 31 March 2024 with a solvency ratio of 192% (FY23: 185%).

Financial Highlights

Revenue[2]
£1,101m
FY23 Restated[1]: £991m

Subscription revenue
£956m
FY23 Restated[1]: £878m

Adjusted EBITDA
£145m
FY23 Restated[1]: £132m

Free cash flow
£58m
FY23: £56m

Solvency ratio[2]
192%
FY23: 185%

For footnotes see page 20

Operating results

Performance

Group adjusted EBITDA[2] was £145m (FY23 Restated: £132m), an increase of 10%, reflecting continued strong trading performance and increasing profits, due primarily to renewals and stable total cost ratios. Total costs as a proportion of revenue were stable, reflecting the predictable nature of costs arising from our portfolio of large volume, low value contracts, with short tail risks.

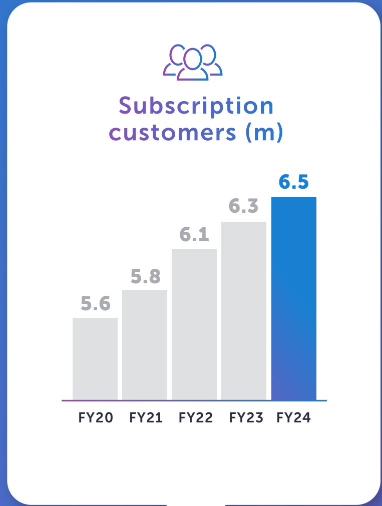
Group profit before tax decreased £4m to £13m (FY23 Restated: £17m) inclusive of spend on one-off significant items of £10m in FY24 (FY23: £4m), primarily relating to finance transformation including IFRS 17 implementation costs and US transaction related costs. This was partially offset by £2m of net investment income (FY23: £0.2m).

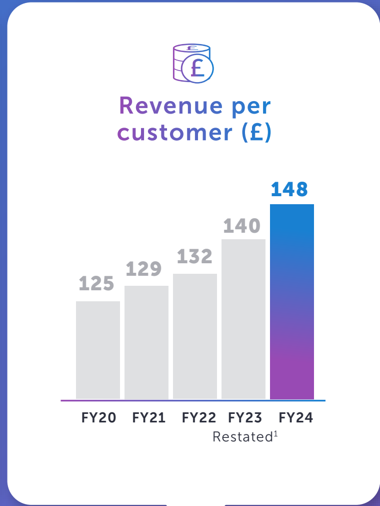
Revenue

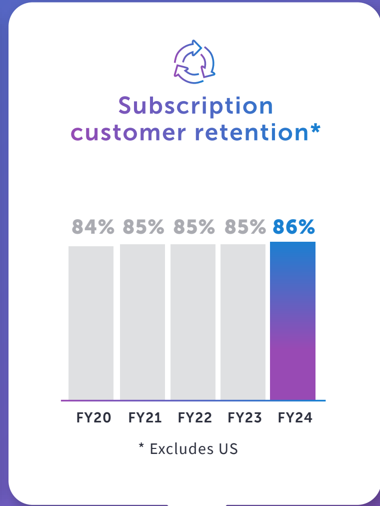
>£1bn
Revenue

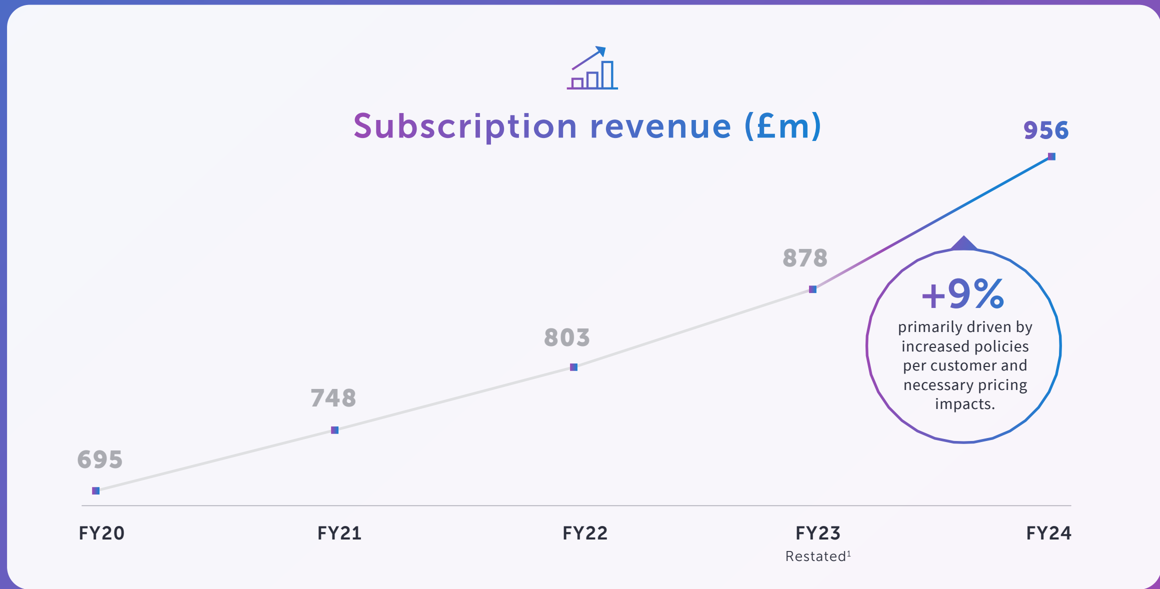
In the last year we continued to see strong financial performance across the Group, with our subscription customer retention rates stable at 86% (FY23: 85%) despite continued inflationary and cost of living pressures. This demonstrates that our customers continue to value our proposition notwithstanding the adverse economic environment. Total group revenue hit a significant milestone in the year, exceeding £1bn for the first time, having grown 11% to £1,101m (FY23 Restated: £991m), with growth across all business units. Our subscription business model continues to demonstrate its strength with total subscription revenue up 9% year on year to £956m (FY23 Restated: £878m). Subscription customers are at a record high of 6.5m (FY23: 6.3m), resulting from continued new business sales growth combined with strong customer renewals.

Our subscription model









For footnotes see page 20

UK revenue increased by 7% to £855m (FY23 Restated: £798m) primarily due to growth in customers, polices per customer, high retention rates and pricing impacts. Subscription revenue in the UK increased 8% to £816m (FY23 Restated: £757m) and represents 95% of total UK revenue.

International (ex US) revenue increased to £203m (FY23 Restated: £187m), an increase of 8%. Subscription revenue continues to be a growing proportion of total international (ex US) revenue at 64% (FY23: 62%) reflecting the continued progress in replicating our UK subscription model. Overall, subscription revenue in our international business (ex US) grew 12% compared to the previous year.

Our US operations are now firmly established and by the end of FY24 we had over 100,000 US subscription customers in our organic business, generating £11m of revenue (FY23: £6m) which is presented in other income in the income statement. This is supplemented by the newly acquired After Inc. revenues which generated gross revenue of £31m since acquisition. Over the next year, we expect to grow Whirlpool customer volumes through our enhanced partnership, and further improve our customer offering via the recently acquired platform from Nana Technologies Inc.

Reconciliation of profit to adjusted EBITDA

	FY24 £m	Restated FY23 £m
Profit before tax	**13.2**	**16.7**
Depreciation and amortisation	53.3	49.9
Other finance expenses	68.8	61.6
EBITDA	**135.3**	**128.2**
Significant items	9.5	4.0
Adjusted EBITDA	**144.8**	**132.2**

Profit before tax is adjusted for certain non-cash expenditure (depreciation and amortisation) together with finance expenses and significant items which are one-off in nature and not considered to be indicative of underlying trading to arrive at adjusted EBITDA of £145m.

Other finance expenses increased by £7m to £69m (FY23: £62m) with the uplift primarily due to market-driven interest rate increases on the floating rate portion of our external debt, interest on the drawn part of our RCF and foreign exchange movements.

Taxation

The corporation tax charge for FY24 has increased to £8m. Prior year adjustments with regards to capital allowances materially impacted the FY23 tax credit and there is no equivalent impact for FY24. FY24 is impacted by not recognising deferred tax assets for losses in respect of the US business. If this impact was excluded the effective tax rate would be 27%, broadly in line with the UK corporation tax rate of 25%.

Group cash flow and net debt

	FY24 £m	FY23 £m
Third-party debt[4]	798.6	762.5
Unrestricted cash reserves	(42.5)	(55.6)
Net debt	756.1	706.9

Unrestricted cash represents the combination of the cash and cash equivalents balance and liquid investment assets of the unregulated business and the distributable surplus capital of the regulated business which is in excess of regulatory capital requirements. Gross third-party debt grew to £799m (FY23: £763m), driven by RCF drawings. At the end of FY24, £37m of the RCF had been drawn, primarily as funding for the Group's aquisitions in the US. As expected, unrestricted cash reserves reduced to £43m (FY23: £56m) driven by our investment in the US in the year. As a result, net debt increased by £49m to £756m (FY23: £707m).

IFRS cash and investments

	FY24 £m	FY23 £m
Cash and cash equivalents at the beginning of the year	**30.3**	**33.9**
Net cash from operating activities	17.0	24.1
Net cash used in investing activities	(82.1)	(24.6)
Net cash relating to financing activities	62.0	(3.5)
Effects of foreign exchange	(0.8)	0.4
Cash and cash equivalents at the end of the year	**26.4**	**30.3**
Liquid investments	44.3	44.1
Cash and cash equivalents and investments at the end of the year	**70.7**	**74.4**

Net cash from operating activities of £17m (FY23: £24m) represents a decrease of £7m compared to the prior year. This was net of working capital outflows of £43m in FY24 (FY23: £42m outflows), which supported the ongoing growth of subscription business, commission arrangements with clients in relation to multi-year commercial terms, US working capital investment and the ongoing run-off of our Australian business.

Net cash used in investing activities was £82m (FY23: £25m), an increase of £57m. The higher outflows in FY24 primarily reflect our purchase of After Inc. in the US (£50m) and increased software acquisitions year on year, including the Nana platform purchase.

There was a net cash inflow from financing activities of £62m in FY24 (FY23: outflow of £4m) primarily reflecting the proceeds from borrowings and equity issuance as part of the After Inc. acquisition. As a net result of the above items, the Group's cash and cash equivalents and investments decreased by £3m to £71m.

For footnotes see page 20

"The Group has continued to maintain a strong regulatory capital position, with both Group and subsidiary solvency ratios in excess of our 130% risk appetite."

Free cash flow

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

	FY24 £m	Restated FY23 £m
Adjusted EBITDA ex US	**147.4**	**139.3**
Change in unregulated working capital (ex Aus and US)	(26.4)	(9.4)
Excess regulated EBITDA over distributable reserves[5]	(18.8)	(25.8)
Operating cash before capex	**102.2**	**104.1**
Operating cash conversion before capex (adj EBITDA ex US)	69%	75%
Capital expenditure	(28.7)	(27.2)
Operating free cash flow before US and Aus working capital	**73.5**	**76.9**
Operating cash conversion after capex (adj EBITDA ex US)	50%	55%
Australia working capital	(8.9)	(9.0)
US Costs (excluding capital expenditure)	(7.0)	(11.5)
Operating free cash flow	**57.6**	**56.4**
Adjusted EBITDA including US	**144.8**	**132.2**
Operating free cash conversion (adj EBITDA incl. US)	40%	43%

Operating free cash flow increased to £58m (FY23: £56m). The operating free cash conversion rate of 40% (FY23: 43%) reflects the Group's current investment into working capital to support its strategic subscription revenue growth objective, as well as other short-term timing impacts.

Capital structure and solvency

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

	FY24 £m	FY23 £m
Solvency II capital resources	182.4	161.7
Solvency II capital requirements	94.9	87.5
Solvency ratio	**192%**	**185%**

The Group has continued to maintain a strong regulatory capital position, with both Group and subsidiary solvency ratios in excess of our 130% risk appetite. The underlying capital structure is kept under review to ensure regulatory requirements are met 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 £182m (FY23: £162m) held by the regulated Group at the year-end comfortably exceeded its capital requirements of £95m (FY23: £88m), giving a regulatory solvency ratio of 192% (FY23: 185%).

Joe Fitzgerald
Chief Financial Officer
25 July 2024

1 Prior period comparatives have been restated on transition to IFRS 17 'Insurance Contracts', as described in note 2 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 164-166.

3 See glossary on pages 167-169 for definitions.

4 Includes €200m Floating Rate Senior Secured Note translated at transaction date spot rate as currency exposure is fully hedged. See note 37(d) on page 162.

5 Excess regulated EBITDA over change in distributable reserves:

	FY24 £m	Restated FY23 £m
Regulated Business adjusted EBITDA	43.3	49.5
Change in distributable reserves in Regulated Business	(24.5)	(23.7)
	18.8	25.8

Our strategy

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

Vision + purpose

During FY24 we conducted our most in-depth brand research to date across customers, partners and employees. In parallel with reviewing our business strategy, we've updated our vision and purpose to ensure we remain compelling in our communications and presentation to these key audiences.

Our vision

To be the global leader in repair and protection solutions, delivering for every customer, every time

Our purpose

To protect what matters at the heart of every home

A strategy **for growth**

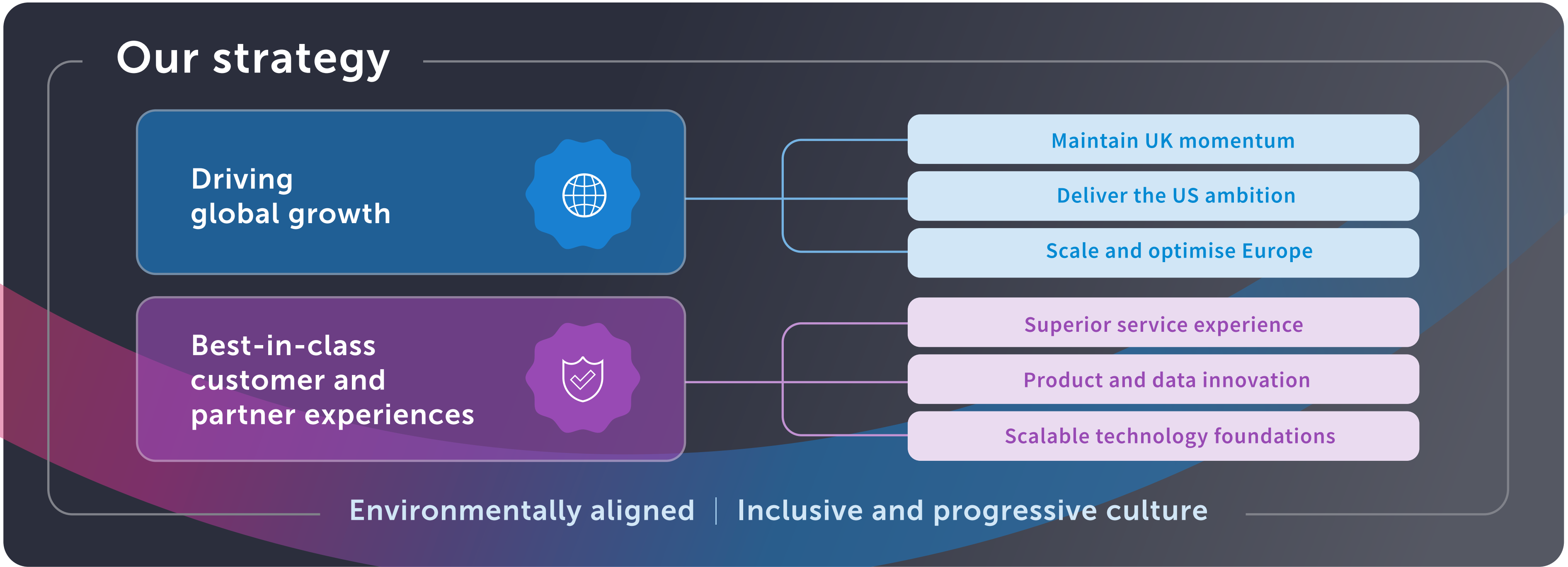
Four years into the ambitious plan we set in 2019, we see clear evidence of the value we're creating for our customers, people, partners and shareholders.

As we now start to look beyond that plan, we're even more confident of the transformational growth opportunity in the US, and the significant market headroom in Europe. We also expect our highly defensible UK business to continue to deliver, as we benefit from customer growth and an ever-increasing number of subscription plans per customer.

Our growth aspirations are underpinned by emerging and innovative digital product solutions and improvements to the customer experience. We continue to invest in our data capabilities, and expect these to deliver margin expansion opportunities in our established markets. We're also starting to operationalise early generative artificial intelligence ('GenAI') use cases, and are confident this will deliver significant financial and other benefits in the medium term.

Consistent with our strategy to consolidate and standardise our practices, we're continuing to build globally deployable solutions to drive scale and simplicity across our business. This includes the evolution of our technology estate built on modern and flexible foundations. In December, we acquired a state of the art AI and data-driven repair technology platform from Nana Technologies Inc., allowing us to bring a key element of our service technology in-house. We'll initially deploy this advanced technology in the US but with the potential for other geographies over time.

All of our efforts are underpinned by an open, inclusive and progressive culture running right through our business. We're proud of this culture and, more broadly, our endeavours to encourage sustainability by promoting and facilitating repairs for our customers.



Driving global growth

Maintain UK momentum

The UK is the cornerstone of our business – resilient, cash generative and with strong recurring revenue – and the blueprint for other markets. We continue to strengthen our OEM and retailer relationships, with several contract extensions and new signings in the year (see 'Our Partners', pages 55-58). Data-led, proactive interventions have been key to maintaining our strong customer retention, helping to grow UK subscription customer numbers to 4.7 million despite the depressed market for new appliances. Going forward, we'll continue to develop and implement best practice in terms of customer propositions, pricing and retention to maintain our UK momentum, including any impacts from the new consumer duty principle.

Deliver the US ambition

Our US business has huge potential given the appealing market opportunity. The US has five times as many households as in the UK and the annual sales volume of major domestic appliances in the US is five times that in the UK market.

We delivered a high level of organic growth of 75% in FY24, reaching the milestone of 100k live customers for the first time. Pleasingly, US consumers are demonstrating a strong appetite for our service - similar to that shown by UK consumers.

The acquisition of After Inc in June 2023 has benefited our US strategy, adding critical data and market campaigning capabilities in the US and beyond. It has deepened our relationships with global OEM partners and has introduced new OEM and retail partners, further underpinning our potential in this market. In addition, it has bolstered our US leadership and local market knowledge, growing our talented team there to more than 120 professionals. After Inc. is profitable and cash generative and has already begun to provide synergies to the Group.

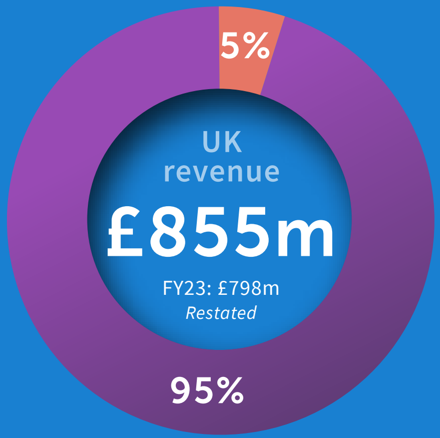
In December, we were delighted to extend our US contract with Whirlpool, one of the largest white goods OEMs in the US. On its own, its sales exceed those in the entire UK white goods market. The new contract runs until the end of 2028 and reinforces our conviction that we can replicate our successful UK model in the US market. In addition, the contract broadens our Whirlpool relationship, particularly in terms of marketing activities, launching a new programme to replace legacy term plans with D&G subscription products at term-end.

We're also starting to sell cover for non-Whirlpool products to existing Whirlpool customers. We are optimistic that, over time, we will be able to sign contracts with further OEM clients and other partners in the US.

Scale and optimise Europe

Europe continues to grow well, with revenue up 8% from FY23. The significant headroom in the market presents a large opportunity to continue to scale our European business. We're expanding our retail and OEM base with several new partners (see 'Our Partners', pages 55-58) while continuing to import data-led campaigning, pricing and retention best practices from the UK. Our strategy remains to convert more of the portfolio to subscription policies, generating a recurring revenue stream, an ongoing customer relationship and, over time, a higher level of profit for the business.

United Kingdom

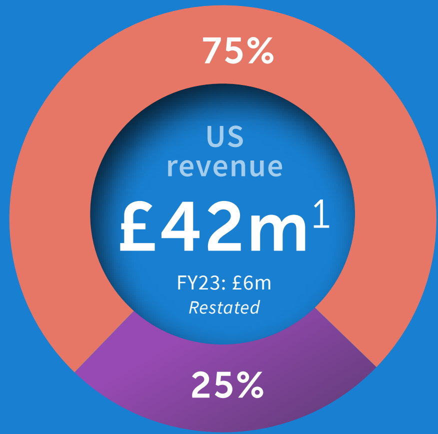


- Subscription (FY23: 95%)
- Non-subscription (FY23: 5%)

4.7m
Subscription customers
FY23: 4.6m

+8%
Subscription revenue growth

United States



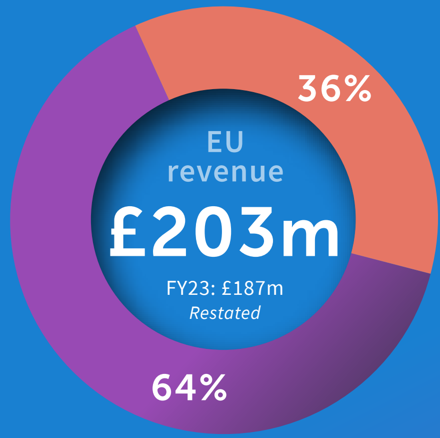
- Subscription (FY23: 100%)
- Non-subscription (FY23: 0%)

0.1m
Subscription customers
FY23: 0.1m

+75%
Subscription revenue growth

1 Includes After Inc. from June 2023

Europe



- Subscription (FY23: 62%)
- Non-subscription (FY23: 38%)

1.7m
Subscription customers
FY23: 1.6m

+12%
Subscription revenue growth

We're focused on creating best-in-class customer and partner experiences

Across our geographies we're focused on creating a best-in-class customer and partner experience. In recent years, we've made significant progress and continue to see opportunities to improve the services we offer while delivering margin improvement through technology and use of data.

Superior service experience

Quality of service is essential to our vision and brand positioning. We deliver good service today, with a high first-time fix rate of 80%, and 98% of issues resolved within two visits. We nonetheless believe we can provide a better and more efficient service, achieved partly through technological and data-driven enhancements.

To this end, we're already introducing innovative repair solutions leveraging improvements in our data estate and advances in AI. Most significantly though, we see the technology acquired from Nana Technologies Inc. as transformative for our service offering. Over time, the functionality of this platform will help improve our service and drive widespread change, including enhancements to customer communications and our first-time fix rate. We'll initially deploy the platform in the US with the potential to then roll out to other geographies.

In FY24, we trialled telephone 'smart fix' for heating products (when a call centre agent helps the customer fix simple, addressable issues). We also piloted further online solutions, including an AI-driven chatbot service. Further development of these and related solutions will deliver faster resolution for customers with easily addressable maintenance issues while allowing us to focus on more problematic repair cases. This will further benefit customers, our partners and our own business – as well as reducing the environmental impact from unnecessary repair visits.

Product and data innovation

We continue to modernise our business to become product led, digitally enabled and increasingly data driven. In FY24, our product teams built, launched and iterated an innovative, "embedded" online sales journey offering subscription policies. The product is live with three of our retail partners and we expect further adoption with both retailers and OEMs. In addition, we recently launched DG Click, a global web platform providing retailers with a range of self-serve facilities which we'll look to expand and enhance over time.

We'll also continue to focus on improving and selectively migrating traffic to our online customer journeys. FY24 saw a strong performance on several key metrics, with 6.0m website users (FY23: 5.3m) and conversion within the online registration journey continuing to climb. 86% (FY23: 86%) of product replacements were completed online, while over 44% (FY23: 39%) of repairs were booked online.

Our data transformation continues at pace, with the potential to drive both top-line and margin benefits. In FY24, we have consolidated, validated and enriched the quality of our core datasets. We have now built and deployed 39 predictive / analytical models for areas including pricing, churn and campaigning. Together these drove around 33m optimisation decisions in FY24.

We're also making significant progress in identifying and preventing fraudulent behaviour and have started to implement GenAI use-cases for our business.

Scalable technology foundations

We're continuing to progress the build of our cloud-based, next-generation "Warranty-in-a-Box" platform. This will consolidate existing systems while providing greater deployment flexibility in different geographies. US rollout is planned to start in FY25, with the UK to follow. The programme will be accelerated by the acquisition of the repair platform from Nana Technologies Inc. Taking this technology in-house will enable us to better connect with our repair partners and build a superior repair experience for customers.

First-time fix rate

80%

FY23: 80%

Website users

6.0m

FY23: 5.3m

FY24 progress on our organic US journey

>100k
Subscription customers

+60%
growth vs FY23 in subscription customers

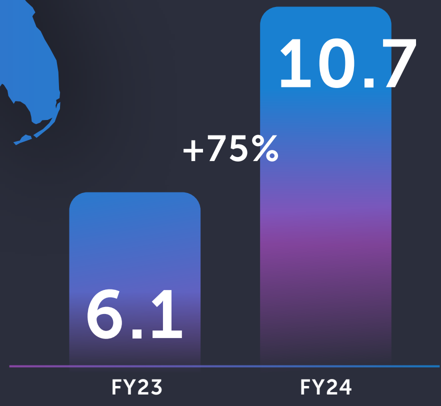
>15k
new subscription customers in June 2024

Whirlpool

During the year, the Group has secured important contractual enhancements to our US relationship secured with Whirlpool. See page 58 for further details.

x5

Compared to the UK market, the US has five times the number of households and five times the annual sales volume of major domestic appliances sold in the UK.

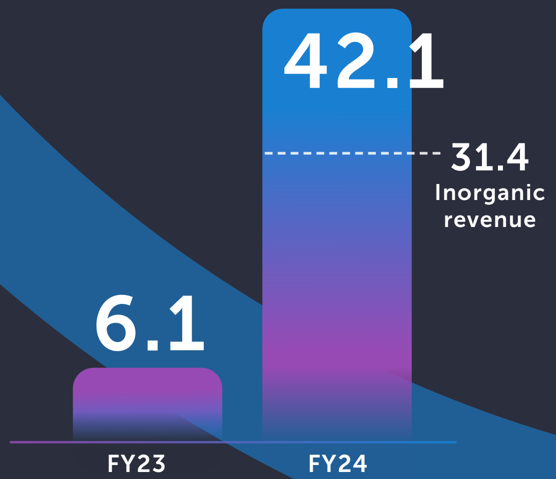


Subscription revenue £m

Inorganic growth

During FY24 we made two attractive acquisitions which accelerate the delivery of our US strategy

Together these acquisitions reflect a maturing in-house M&A capability that will serve as a further lever to accelerate growth in the US and elsewhere.



Total US revenue £m

after + NANA

After Inc. is based in Norwalk, Connecticut and provides 'software-as-a-service' product solutions for warranty-related services, including advanced data and marketing capabilities. It also holds a number of strategically important US-based, global OEM partner relationships. Importantly, the business is profitable with strong cash conversion and synergy potential over time. The acquisition cements our US strategy, significantly accelerating our US growth ambitions. It has deepened our US relationships with global OEM partners and introduces new OEM and retail partners further solidifying the market opportunity.

Nana Technologies Inc. was a venture capital backed start-up which developed a state-of-the-art repair management platform focused on repair solutions. In December 2023, we purchased their repair platform (including a functionality-rich engineer 'app') initially for rollout in the US but with the potential to become our global repair platform over time. The acquisition is expected to bring a step-change to our customer service proposition alongside operational improvements and margin expansion opportunities.

Partner relationships obtained through After Inc.

GE, Samsung, Honda, Generac, LG, QuickCover, Sportsmans Warehouse, Electrolux, Bridgestone, Polaris, John Deere, Assurant, Bass Pro Shops

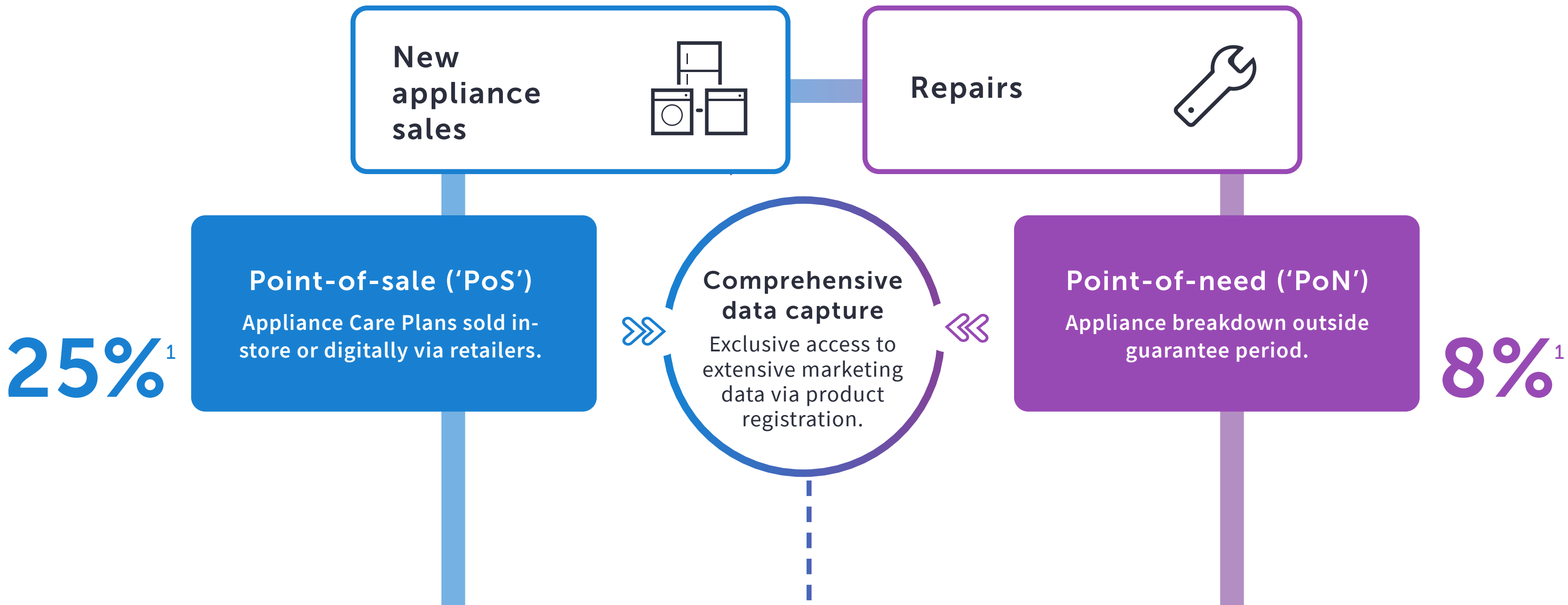
Our business model

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



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

Direct marketing to customers and cross-sell campaigns.

67%[1]

Subscription model driving recurring revenues

Customer

Outcomes

Customers

- Peace of mind against the cost and inconvenience of appliance breakdowns
- Simple and transparent product range, available via multiple channels throughout the appliance lifecycle
- Strong net promoter score for repairs of 50 (FY23: 53[2])

First fix[3] **80%** FY23: 80%

Second fix **98%** FY23: 98%

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 **25 years**[4]

FY23: 24 years

Shareholders & bondholders

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

Adjusted EBITDA **£145m**

FY23 Restated: £132m

Free cash flow **£58m**

FY23: £56m

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] **8/10**

FY23: 7/10

Environment & community

- Extended appliance lifecycles, reducing the need for replacement
- Circular economy benefits from advocacy and support for recycling schemes
- Volunteering support for local communities

Repairs annually **2.6m**

FY23: 2.5m

1 Route to market percentages calculated using FY24 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 Where a product is fixed or written off in the first visit, or resolved remotely by sending a part
4 Based on our largest ten UK partners by FY24 sales
5 Results from FY24 employee survey conducted with Great Place To Work in March 2024

Our **market**

Growth in the face of adversity

FY24 was a mixed year for the global markets in which we operate. While the UK and EU were characterised by slow growth, the US moved ahead faster. Inflation has been mostly tamed, with central banks in all our key markets raising interest rates. This, plus cost-of-living pressures, had an effect on consumer spending power.

Generative artificial intelligence ('GenAI') has become mainstream and companies have started to use the technology to enrich customer experiences. Data science techniques also continue to be used to enhance business processes. M&A activity, which has been at lower levels over the past two years, is beginning to pick up. The volume of new regulation, especially related to artificial intelligence ('AI') and environmental, social and governance ('ESG') matters continues to increase. We have been monitoring the evolving 'right to repair' regulation, particularly in the EU. The regulations place obligations on manufacturers and others in the supply chain, and are designed to encourage customers to repair household goods.

We believe the regulation is in line with our 'repair first' ethos – and are excited about the increased industry focus on the power of repair.

We continue to perform well against this market volatility. We have a compelling, valued appliance care proposition that appeals to a broad section of the market with our subscription customer numbers growing year-on-year. We use the latest data science tools to continue driving profitable growth, via responsible pricing and the provision of fair customer value. As a result of all of this, customers value our service greatly and our costs are amongst the last they consider in a crisis.

We strive to respond with urgency and competence to expected and unexpected market changes. We're agile with our pricing, responsive in our regulatory activity, and increasingly adopting AI, predictive modelling and other technologies to help accelerate our growth. Below is a summary of key overarching trends in our markets and how we're responding to them.

Market trends and our response

Customer expectations

Market trends

- Customers continue to expect frictionless, personalised experiences.
- GenAI offers creativity and efficiency in delivering personalised, innovative solutions to customers.
- Customer purchasing behaviours are evolving. Social commerce continues to grow, there has been a return to physical stores post-pandemic and a growing proportion of customers are purchasing from brands directly.

Our response

- We continue to invest in the service experience we deliver, including the acquisition of a leading repair platform from Nana Technologies Inc. this year.
- We have an active and improving AI programme, as we explore and integrate new technologies to enhance the customer experience.
- We have highly developed and long-standing relationships with a broad range of partners, providing us multiple routes to market.

Competitor insights

Market trends

- Given the cost-of-living crisis, more customers are shopping around for the best deal.
- There has been an increase in M&A activity across the sector.
- The role of partnerships continues to evolve, bringing new commercial models.

Our response

- We aim to deliver value for money to our customers, striving to ensure our propositions meet their needs and expectations.
- In the year, we acquired post sale warranty specialist After Inc. to support our US growth ambitions.
- We continue to monitor the M&A market for opportunities that are a good fit for our strategic ambitions.
- We have mutually beneficial, long-term partnerships with a broad range of manufacturers, retailers and affinity partners and continually assess the market for new partnership opportunities.

Regulatory landscape

Market trends

- Climate change and sustainability reporting and disclosure obligations continue to be defined and developed.
- In the UK, the FCA Consumer Duty came into effect, which sets higher and clearer standards of consumer protection across the financial services sector.
- Cyber security and data privacy continue to be important to governments and regulators.

Our response

- We implement regulatory developments through a controlled framework, collaborating with our regulators and industry forums, to ensure compliance.
- We track regulatory developments across all our territories including FCA developments in this area, including best practice publications. We continually review and assess how we deliver against the four outcomes of product and services, price and value, consumer understanding, and consumer support.
- We're constantly evolving our data protection, privacy and security processes and controls.

Economic environment

Market trends

- Inflation was a key characteristic of our markets over the last year, with reductions seen towards the end of the year.
- All major economies tightened monetary policy by raising interest rates, sometimes to highs not seen in several years.
- The labour markets in our geographies were tight, with relatively low unemployment rates.

Our response

- We always monitor macro-economic factors and use a range of strategies to react to external events. We have long-term supplier contracts in place, with predictable costs to help limit inflationary pressures.
- Despite an external environment characterised by high inflation and high interest rates, our customers continue to value the peace of mind we pprovide – and they prioritise Domestic & General policies in their regular outgoings.

Technology & data enabled transformation

Market trends

- Like last year, AI is still the big story in our sector and beyond – with evidence of live use cases providing customer and business value.
- Data science and predictive modelling are driving transformation within our sector.
- The European Parliament enacted the world's first AI regulation.
- There are several other growing technological trends impacting us, including:
  - Embedded insurance models (insurance offered as part of a product or service)
  - New partnership models
  - New insurtech competitors and suppliers

Our response

- Over the past few years, we have consistently invested in new and developing technologies.
- We have been using AI and data science capabilities across our value chain, including risk, customer service and pricing. We remain committed to exploring new opportunities.
- We provide embedded insurance solutions to our partners.

Sustainability & climate

Market trends

- One of the most significant commitments at COP 28 was the global agreement to triple renewable energy capacity and double energy efficiency by 2030.
- There is growing consumer interest in refurbished products.
- 'Right to repair' legislation is being explored or implemented in several of our geographies.
- There is an increased regulatory focus on climate change and sustainability.
- Waste Electrical and Electronic Equipment regulations are evolving, with key consultations in the UK.

Our response

- Our 'repair first' ethos delivers good environmental outcomes – and we're committed to further limiting our environmental impact.
- We're working on our decarbonisation agenda and have included relevant details in the sustainability section of this report.
- We continue to engage with our suppliers on sustainability topics.

Sustainability

Sustainability Highlights

Committed to setting a science-based reduction target

31%
reduction in UK scope 1 and 2 emissions
See page 49

Average emissions intensity of a repair <5% of a replacement
See page 39

2.6m
Repairs annually
(FY23: 2.5m)

Building on our ‘repair first’ ethos, we’re on a transformative journey towards a more sustainable future – driven by our purpose to protect what matters.

In FY24 we developed our new sustainability strategy, focusing on three pillars: helping limit climate change, championing a more circular economy, and caring for our people and communities. Our strategy is underpinned by our commitment to being a responsible and sustainable business.

Our strategic pillars reflect the opportunities for positive influence that we have within our business model. They also reflect the evolving needs of our stakeholders, including our customers, partners and people. Sustainability topics have remained at the forefront of the global agenda throughout FY24. COP28 underscored the urgency of the transition to a net zero economy, urging a heightened commitment to collective responsibility and climate resilience. The ESG regulatory landscape continued to evolve rapidly, with emerging requirements such as the Corporate Sustainability Reporting Directive (‘CSRD’) in the EU and the International Sustainability Standards Board (‘ISSB’) disclosure standards expected to be adopted globally in the coming years. This indicates heightened awareness of the importance of robust disclosures supported by tangible action. In the UK, the Waste Electrical and Electronic Equipment Directive is evolving, with key consultations proposing reforms to support a drive to a more circular economy. Similarly, in Europe, ‘right to repair’ legislation is being explored. New measures have been proposed to strengthen consumer rights to repair, with the aim of encouraging more sustainable consumption.

These advances reflect the evolving market and consumer demands for more sustainable choices – and we want to work with our partners and value chain so we’re well-positioned to respond. The sustainability section of this report highlights the key areas of focus within our new strategy. It also showcases the areas where we’re developing our approach, so we’ll be able to demonstrate future progress.

Sustainability strategy

Materiality

In early FY24 we conducted a sustainability materiality assessment. We reviewed internationally recognised standards and guidelines, including the Sustainability Accounting Standards Board ('SASB'), Global Reporting Initiative ('GRI') standards, and peer and industry data to develop a shortlist of findings. This involved gathering input from a range of internal and external stakeholders, via a survey and interviews. Stakeholders included our people, customers, partners, investors and local communities. Through this process, we were able to analyse and prioritise our most material topics. We have used these material topics to develop our sustainability strategy and guide our future sustainability reporting.

OUR MATERIAL TOPICS

Environmental

- Circularity
- Climate change
- Responsible and sustainable procurement
- Environmental resources

Social

- Diversity and inclusion
- Employee health, safety and wellbeing
- Customer satisfaction
- Employee training and development

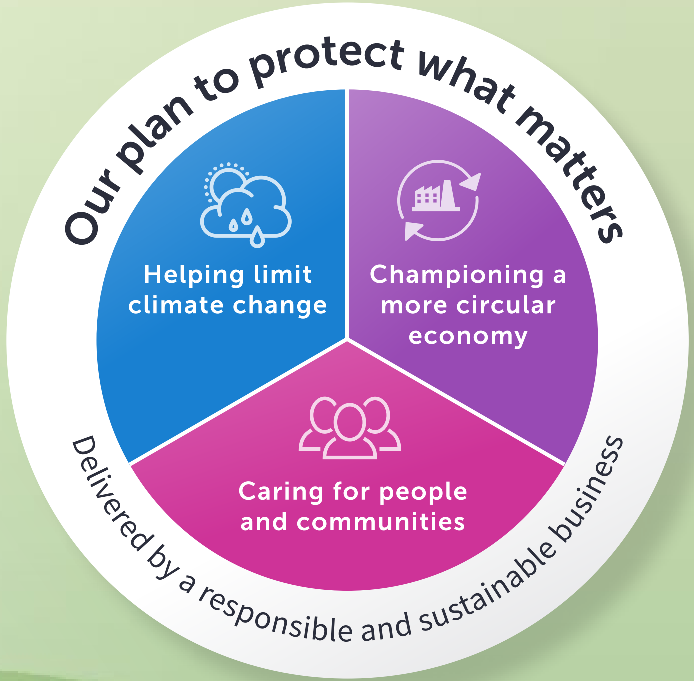
Governance

- Human rights
- Ethical and responsible business practices
- Cyber security and data privacy
- Good corporate governance

Our strategic framework

We're proud to share our newly developed sustainability strategy, which aligns with our core purpose – to protect what matters at the heart of every home. It reflects the areas where we can have a positive influence, leveraging our business strategy to positively impact our environment and stakeholders.

Core to our strategy is a commitment to using our business activities for good. Sustainability is at the heart of what we do, with our 'repair first' ethos that seeks to extend the life of appliances and prevent appliances from prematurely ending up in landfill.



Helping limit climate change

As global environmental challenges continue to escalate, our commitment to acting against climate change has never been more important. We can't tackle the impact of climate change alone. But we do have an important role to play – within our own business and by helping our partners and customers make more sustainable choices. We can help enhance our collective strength against climate-related challenges, now and in the future.

Our climate priorities

- Set and meet our science-based emissions reduction target
- Calculate and communicate the carbon benefits of repair
- Empower our customers and partners to make more climate-friendly choices

Understanding our decarbonisation potential

We have submitted our letter of commitment to the Science Based Targets initiative ('SBTi'), signalling our intention to set a near-term science-based emissions reduction target.

In preparation, we've made some great progress in better understanding our carbon footprint. We conducted a deep dive into our scope 1 and 2 emissions to identify the most relevant decarbonisation levers and the potential associated energy and cost savings. These include potential initiatives across our office spaces, energy use and company fleet.

For our scope 3 footprint, we focused on increasing our understanding of the emissions associated with our purchased goods and services (our supply chain). We performed a supplier maturity analysis of our top 110 suppliers, to understand how mature they are in terms of their climate ambitions and progress. We looked at factors such as whether they have net zero targets or climate-related disclosures. We also analysed their carbon footprint data. On top of this, we've gained more insights through an initial lifecycle analysis in FY24, which considered the lifecycle impact of particular appliances within our supply chain.

We also reviewed potential decarbonisation opportunities within other scope 3 categories, including employee commuting and business travel. The next step is to evolve this work into a more detailed and actionable decarbonisation and supplier engagement plan. We'll work with the business to identify how this can be operationalised in line with our target ambitions.

Over the past year, we've continued with our 'smart fix' trials. This process – enabled by live coaching from agents across our Contact Centre – helps our customers to resolve their simple repair issues more quickly. So we save them time and improve their experience – but we also cut down on unnecessary engineer journeys and the related carbon emissions.

Championing a more circular economy

Globally, there's a growing focus on solutions that support a more circular economy. For us, this means promoting our 'repair first' ethos. It also means considering other sustainable options like refurbishment and recycling – and how we're best placed to support our partners with their circularity efforts.

Understanding the benefits of our 'repair first' ethos

To better understand our emissions and our potential contribution to a more circular economy, we've been developing a way to estimate the carbon benefits of repair. This method breaks down the lifecycle emissions for an appliance. It then compares the emissions associated with an appliance we protect versus an unprotected appliance – from manufacturing to end of life.

Through this process, we're learning about emissions 'hotspots' in the appliance lifecycle, and the level of influence we have over them. The aim is to improve our understanding of our own emissions profile and better communicate the environmental benefits of our repair first approach with customers and partners. Early findings from our research indicate that on average, the emissions intensity of a single repair is less than 5%[1] of a single replacement. We are continuing to refine our analysis and look forward to sharing our process and insights in the future.

Collaborating with our partners on recycling and repair initiatives

To champion a more circular economy, we want to play a collaborative role with our partners and customers – particularly when it comes to encouraging repair and re-use, or recycling (where appropriate). But there are some structural challenges with the recycling market. These include no secondary market for some of our categories and recycling infrastructure that only captures a proportion of appliances reaching end of life. We expect to see this market evolve over the next few years, following the recent government consultation on electrical waste and reforming the producer responsibility system. We support this evolution – and we're looking at how we can help our partners and customers.

Our circular economy priorities

Champion a 'repair first' approach in our sector

Explore collaboration opportunities in our value chain

1 Based on D&G life cycle assessment analysis of our five largest appliance categories (laundry, refrigeration, cooking, dishwashers, and televisions)

CASE STUDY

Consumer attitudes towards re-use and recycling

In November 2023, we carried out a survey of over 3,000 UK consumers with no protection on household items. We wanted to better understand their current practices and attitudes towards repair, refurbishment and recycling. Some highlights include:

- **Refurbished appliances:** 43% of respondents indicated they would consider buying a refurbished appliance, with consideration much stronger among younger people (nearly 60% for those aged 26-35)
- **Affordability and energy efficiency** were the top two considerations for those open to purchasing refurbished appliances
- **Recycling of appliances:** 40% of respondents indicated they recycled their old appliance, with the top three reasons for those who didn't being – they sold it or gave it away, they just didn't consider recycling, they didn't know how to recycle it

Consumer research like this gives us a better insight into the motivations and challenges of potential customers. It helps improve our understanding of how we can work with our partners and customers to champion a more circular approach with appliances.

Caring for our people and communities

Our business wouldn't exist without our people, who are critical to our ongoing growth and success. We're building an inclusive culture where they're not just empowered to drive their own success, but to make a positive difference across our communities too.

Spotlight on inclusivity and belonging at work

In line with the 'Belong' pillar of our People Strategy, we're focusing on championing inclusivity – so our employees feel valued and respected, regardless of who they are and where they come from. In 2023, we completed an inclusivity audit to help us better understand our current practices and highlight opportunities for further developing an environment that enables true inclusivity.

As part of our commitment to promoting an inclusive workplace, we're focused on raising awareness about different experiences and fostering a sense of belonging. For more details, please see the People section starting on page 59. It includes information on our initiatives to improve social mobility, flexibility practices, gender representation and pay gap reporting.

Our people

Please see pages 59-65 for further infomation, including our gender diversity information, a link to our gender pay gap report and FY24 highlights.

Missions completed
1,532
(FY23: 1,324)

Hours volunteered
1,766
(FY23: 1,476)

Trees planted
30k
(FY23: 36k)

Molly working with our communities at Spear London

Our people and community priorities

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

A responsible and sustainable business

Underpinning everything we do is our commitment to being a responsible and sustainable business. Maintaining a strong culture of good corporate governance is important to the ongoing success of our sustainability strategy – and meeting the expectations of our stakeholders.

Evolving regulatory dynamics

The regulatory landscape for sustainability is undergoing a monumental shift, driven by initiatives such as the International Financial Reporting Standards Foundation's ISSB standards and the European Union's CSRD. During FY24, we reviewed current and emerging ESG regulations, to identify areas where we need to improve our focus and be better prepared for upcoming requirements. Over the next year, we'll continue to align our existing approach to these frameworks, and embed new requirements into our operating and reporting practices. We know this will be an ongoing journey of improvement for us.

Enhancing our supply chain practices

In FY24, we've enhanced our engagement with suppliers on sustainability. This includes updating our Supplier Code of Conduct to set clear expectations on what we need from them. Requirements include disclosing information on their environmental impact, social practices and governance measures. We've also evolved our annual review of critical suppliers to request information from them about their carbon footprint – and what they're doing to reduce it. We're also making sure that ESG topics are included in supplier onboarding questionnaires.

Continuing to develop our supply chain practices allows us to build a better picture of our supplier landscape. In turn, this gives us greater insights into how we can collaborate to ensure we're developing and maintaining a responsible and resilient supply chain.

Responsible business 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

FY25 AREAS OF FOCUS

Decarbonisation action planning

Develop a comprehensive decarbonisation action plan in line with our science-based target commitment.

Engaging our value chain

Explore collaboration opportunities with our partners and supply chain, focusing on better ESG data visibility and shared decarbonisation action – as well as enhancing repair, re-use and recycling efforts.

Developing our ESG metrics and KPIs

Develop ESG metrics and KPIs, including the associated data and reporting processes, to support our strategy and emerging disclosure requirements.

Evolve our social impact approach

Adapt our strategic approach to social programmes, including consideration of long-term social impact and how this could be measured.

Embedding sustainability across our business

Identify opportunities to further embed sustainability across existing teams and processes – to strengthen the business-wide approach to sustainability that we believe is necessary for long-term shared value for our stakeholders.

Climate-related financial disclosures

The transition towards a net-zero economy is intensifying. In the face of climate change, we must prepare for climate-related risks and leverage climate-related opportunities to ensure business resilience – 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'. Over the past year, we've made some great progress across the four thematic pillars of governance, risk management, strategy, and KPIs and targets.

This disclosure provides key information on our progress. 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.

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.

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.

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**

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Governance

We continue to strengthen our governance around climate change to make sure it's robust, comprehensive and proportionate to our strategic initiatives. This means we can continue to have a positive impact on our stakeholders.

Climate-related risks and opportunities are governed as follows:

Forum / Role	Frequency of climate-related updates	Oversight and key considerations
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, 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 in relation to climate-related risk management and disclosures.

More information on our governance structure and processes can be found in the corporate governance section of this report on page 82.

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 three categories:

- **Physical risk** – the increasing severity and frequency of extreme weather events and longer-term gradual shifts in the climate
- **Transition risk** – changes to market dynamics driven by the process of adjustment to a low-carbon economy
- **Liability risk** – relates to litigation against parties for losses caused by physical or transition risks (this risk type is not relevant for D&G).

How we identify climate-related risks

Climate risk management is embedded within our existing risk management framework and processes, see page 71. 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, please see pages 72-76.

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 1st 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 – customer 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.

Documentation of the difference between the gross and net rating is facilitated via 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 and third line assurance testing, horizon scanning and monitoring of changes.

Time horizons for climate-related risks and opportunities

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

- **Short term (0-3 years):** Aligned to the financial planning cycle and the Own Risk and Solvency Assessment ('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 & opportunities. There is a significant uncertainty beyond 10 years as D&G could look different.

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

Strategy

In FY24, as part of our detailed risk review process we identified three key climate-related risks. The top three risks have been selected based on their net impact on the business. Risks A and C have been assessed to have a medium risk rating. Risk B was determined to have a lower impact but warrants disclosure as it has the potential to have a material impact in the medium to longer term.

Risk A:
Transition risk

Failure to identify and manage climate-related regulatory requirements

Principal Risk:
Responsiveness to Changes in Market Dynamics

See page 46

Risk B:
Transition risk

Shift in customer sentiment

Principal Risk:
Responsiveness to Changes in Market Dynamics

See page 47

Risk C:
Physical risk

Risk of supply chain disruption and difficulties to schedule repairs

Principal Risk:
Conduct

See page 47

In addition to the above, we explored potential climate-related opportunities, detailed on page 48. We also conducted qualitative scenario analysis to help us understand the resilience of our business and strategy. This involved assessing the potential impact of both physical and transition climate-related risks under different climate scenarios, aligned with those used by the Bank of England. Please refer to the following pages for further details.

Impact on resilience, strategy and financial planning

Based on the qualitative and quantitative scenario analysis performed, we believe our business strategy and financial planning is resilient and we will monitor this over time and respond appropriately 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.

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Our climate-related risks

To define the risk rating, we consider the likelihood, the impact of each risk (regulatory, customer, partner, financial, etc.), and the controls we have in place to mitigate such risks. We also consider each risk under 3 different climate scenarios, outlined below.

Early action scenario

Climate policy is ambitious, with an early and orderly implementation of policies such as carbon taxes, gradually intensifying over time. Global carbon emissions are reduced to net-zero by 2050 and global warming is successfully limited to 1.8°C by the end of the scenario – falling to around 1.5°C by the end of the century. This is the lowest risk path in terms of the probability of limiting global warming

Late action scenario

The implementation of policy to drive the transition to a net-zero economy is delayed until after 2030, after which policy measures are then more sudden and disorderly. Global warming is limited to 1.8°C by the end of the scenario (2050) relative to pre-industrial levels – but it remains around this level at the end of the century.

No action scenario

Severe scenario under the assumption that no additional action is taken to address climate change. The scenario features chronic, often irreversible changes in precipitation, ecosystems and sea-levels. It also features an increase in the frequency and severity of acute weather events, such as storms and floods. Although there are few transition impacts, the physical risks associated with this scenario are severe – with temperatures not limited in line with net zero and reaching 3.3°C by 2050.

These scenarios were selected based on their relevance to D&G. For more information see the Bank of England's Climate Biennial Exploratory Scenario results.

We also run a quantitative climate-change scenario in our annual ORSA. This 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 transitional (change in regulation) as well as physical (claims stress) climate-related risks. The ORSA scenario illustrated that the Group would remain well capitalised under the modelled stress. As our understanding and approach to climate-related risks and opportunities evolves, we aim to keep advancing our use of scenario analysis, to support more analysis of the potential impact on our business.

Risk A: Failure to identify and manage climate-related regulatory requirements | Transition risk

Description and potential impact

There is a potential transition risk of failing to identify and manage regulatory requirements related to climate change. Increasingly, there are more stringent regulatory requirements related to climate change, including disclosure requirements, across the various jurisdictions in which we operate. Failure to adequately identify and respond to these requirements may present a regulatory risk, resulting in increased regulatory scrutiny, and/or reputational damage with linked partner impact.

Time horizon*

Short-medium term

Our response

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 have a comprehensive horizon scanning process with clear responsibilities in place supporting the identification of regulatory requirements. The Sustainability Committee oversees sustainability at Group level, supported by the dedicated sustainability team.

Early action scenario	Late action scenario	No action scenario
Risk A is most pressing under this scenario. Ambitious and swift policy action results in this risk materialising sooner and more prominently – with less time to take mitigating action.	Risk A is relevant under this scenario, but less pressing – as we would have more time to continue mitigating actions.	Risk A is not relevant in this scenario as it assumes no additional action is taken – which means no further climate-related regulatory requirements.

Current risk rating: **Medium**

KPIs and targets

ESG compliance incidents are monitored via the Group's risk management and monitoring processes. Incidents are noted and shared with the appropriate stakeholders. In FY24 there were no such incidents

*For definitions of each time horizon please see page 44

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk B: Shift in customer sentiment | Transition risk

Description and potential impact

Increasingly, customer expectations are trending towards companies with positive sustainability credentials. There is a risk that we fail to deliver the increasing sustainability expectation of our existing or future customers. This could trigger financial and reputational consequences.

Time horizon*

Medium-long term

Our response

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.

Early action scenario	Late action scenario	No action scenario
Risk B is most pressing under this scenario. As the transition accelerates consumers are likely to expect brands to play an increasing part in it, which may make this risk materialise sooner.	The risk is still relevant, but less material in the immediate term. There is time to develop mitigating action and build out strong sustainability focussed messaging (before a later transition).	The risk is still relevant, with some consumers looking to companies to do more in the absence of government action.

Current risk rating: **Low**

KPIs and targets

Over the course of FY25 we will begin developing metrics and targets for this risk.

Risk C: Risk of supply chain disruption and difficulties with scheduling repairs | Physical risk

Description and potential impact

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.

Time horizon*

Medium-long term

Our response

While the business is exposed to a high level of gross risk, mitigating controls are in place to reduce the likelihood of the risk. The Service team monitors customer complaints and adherence to our service levels closely.

Early action scenario	Late action scenario	No action scenario
The risk is less relevant under this scenario, as early action is taken to mitigate against the worst impacts of climate change – and there is minimal supply chain disruption due to extreme weather events.	Under this scenario, the risk is more material in the short-medium term – before dissipating as significant action and mitigations are put in place.	The risk is most material in this scenario. Supply chains become strained due to an increased number of extreme weather events – which leads to further disruption.

Current risk rating: **Medium**

KPIs and targets

Over the course of FY25 we will start developing metrics and targets for this risk.

*For definitions of each time horizon please see page 44

Climate-related opportunities

We recognise that our business strategy and activities may allow us to capitalise on climate-related opportunities, which we have explored during FY24. Our primary focus has been on the identification, assessment and management of climate-related risks so more work is needed to understand what our most material climate-related opportunities are – and how these may be operationalised in line with our strategy. A summary of broad climate opportunity themes relevant to us is provided below.

Theme	Potential opportunity	Effect on business/strategy	Time period
New products and services (customer)	As society transitions towards a net zero and more circular economy, this might provide opportunities for us to develop new protection products (e.g for low-carbon technologies). It could also mean we're able to access new customer groups – as the awareness and appetite for repair, re-use and recycling solutions increases.	Revenue growth from selling new protection products or attracting new customer groups	Medium
Partnerships	As our partners increase their net zero ambitions and move towards more circular business models, this could provide opportunities to develop new partner services and/or develop new relationships in the low-carbon technology sector.	Revenue growth from broadening existing partnerships or developing new relationships	Medium
Resource efficiency	There is an opportunity to reduce ongoing operating costs via investing in office energy efficiency (e.g. low-carbon lighting) and transitioning our fleet to electric vehicles.	Reduced energy usage resulting in lower energy bills Increase in business resiliency (e.g. against energy price shocks)	Short-Medium

KPIs and targets

Information on climate-related targets and our carbon footprint can be found on pages 46-50.

We've started to define KPIs and targets for the key climate-related risks outlined under the strategy section of this climate disclosure. 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 via 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.

We have commenced preparations for upcoming sustainability regulatory reporting requirements, as part of this we will be developing further ESG metrics. The first step in this process is to update our materiality assessment to determine topics and metrics that we will be required to report against. Secondly, we will conduct a gap analysis to assess where we currently meet reporting requirements and where further work is needed to develop metrics. Finally, we will work with relevant internal stakeholders to develop further ESG metrics and collect data to report against them.

Carbon emissions

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

Our UK gas emissions reduced in FY24, following our move to electric-heated offices in Brighton and Nottingham. The UK also experienced its hottest summer in 2022, resulting in increased use of our gas chiller system in the FY23 comparator. Scope 2 emissions from purchased electricity declined, reflecting the implementation of energy efficiency measures across our Wimbledon office. This decline also reflected the benefits of our part-solar-powered operations hub in Nottingham (which we moved into in May 2023). We have also increased our usage of renewable energy across our real estate portfolio.

Scope 3 emissions, from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel, reduced marginally year on year. But we expect this to fluctuate based on mileage expense claims, and it doesn't represent a significant proportion of our emissions. Total UK operational emissions, encouragingly, continue to decline – and we have ambitions to keep improving on these results in the future.

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. In combination with this, information gathered for the fulfilment of the Energy Savings Opportunity Scheme ('ESOS') has been incorporated and the UK Government's greenhouse gas conversion factors have been used to calculate our carbon emissions. The table to the right shows our GHG emissions and energy usage data for the past two years.

Intensity measurement

We have chosen tonnes of gross CO_2e per total £m revenue as the reported SECR intensity metric. This is a relevant and common business metric which allows year-on-year comparison in light of business growth.

UK GHG emissions and energy usage data	FY24	FY23
Energy consumption used to calculate emissions: (kWh)	1.42m	2.17m
Scope 1: Emissions from combustion of gas (tCO_2e)	65	93
Scope 1: Emissions from combustion of fuel for transport (tCO_2e)	0	0
Scope 2: Emissions from purchased electricity – location based (tCO_2e)[1]	190	275
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]	46	59
Total gross tCO_2e based on above (location based)	301	427
Intensity ratio: Gross tCO_2e per £m revenue (location based)	0.4	0.5

1 Scope 2: Emissions from purchased electricity - market based FY24: 250 tCO_2e

2 Scope 3: Upstream transmission and distribution losses and excavation and transport of fuels – location based FY24: 73 tCO_2e

Groupwide emissions reporting

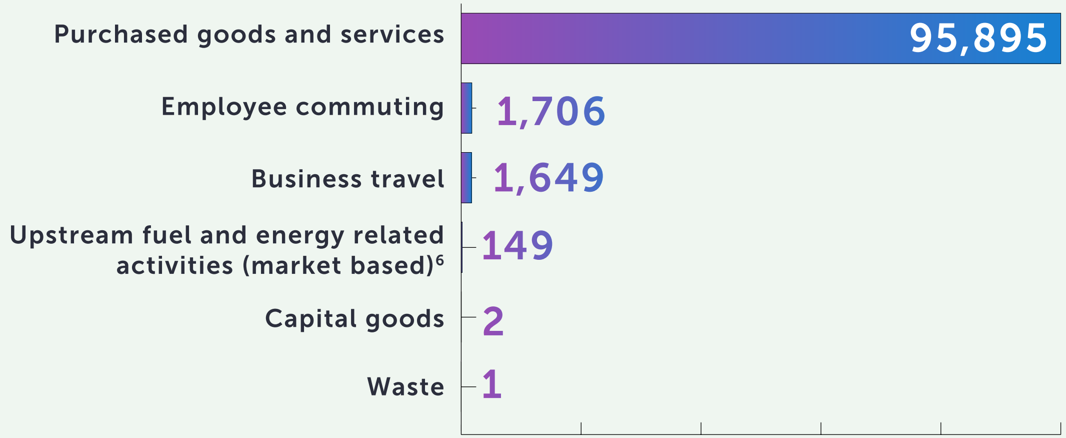
Our groupwide carbon footprint represents calculated emissions across all our markets (excluding After Inc.) for FY24. The footprint uses a hybrid spend and activity-based methodology. During the year we were able to improve our methodology, utilising a higher proportion of activity based data.

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.

We've used the operational control principle in setting our footprint boundary - reporting on all emissions which we have some control over. It covers our operations in the UK, the US, Europe, and Australia, and is expressed in equivalent tonnes of carbon dioxide (seven greenhouse gases covered by the Kyoto Protocol).

Scope[1]	tCO_2e
Scope 1: Emissions from combustion of gas and fuel for transport[2]	210
Scope 2: Emissions from purchased electricity (market based)[3]	371
Scope 2: Emissions from purchased electricity (location based)[4]	268
Scope 3: All other indirect emissions from our value chain (purchase of goods and services, includes upstream and downstream emissions)	99,402
Out of scope (biogenic) emissions[5]	25

Scope 3 emissions breakdown (tCO_2e)



1 Excludes financed emissions associated with our investment portfolio and emissions from the newly acquired After Inc. business.
2 FY23: 189 tCO_2e.
3 A market-based method reflects emissions from electricity that we have used FY23: 661 tCO_2e.
4 A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data) FY23: 398 tCO_2e.
5 Biogenic emission sources are emissions that come from natural sources.
6 Upstream fuel and energy related activities (location based) FY24: 128 tCO_2e.

Our **customers**

Domestic & General 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. The majority of problems are fixed on the first visit, and we're continuously striving to improve on this performance metric.

We're always looking to do better – our commitment to learn from every conversation, every repair, every partnership means we're always working to enhance 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 purchase our products for straightforward cover they can count on and the hassle-free service we provide – which comes through consistently 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. That also includes our digital solutions for customers, so it's easy and straightforward when they need to engage with us.

OUR CUSTOMERS

Highlights

Annual repairs

2.6m

FY23: 2.5m

Customer repair NPS

50

FY23: 53

Subscription customer retention rate

86%

FY23: 85%

Repairs booked online

44%

FY23: 39%

Claims approval rate[1]

99%

FY23: 99%

First fix[2]

80%

FY23: 80%

Second fix

98%

FY23: 98%

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

> "Specifically for our vulnerable customers, we'll focus on ensuring we capture any care needs they have throughout their journey with us."

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

The recent Consumer Duty regulation passed down by the FCA has prompted financial institutions to put more of a customer lens on their operation. While this has always been a focus area for us, the regulation has enabled us to re-examine our approaches – especially towards our vulnerable customers' needs. And we can now reorientate the organisation around these.

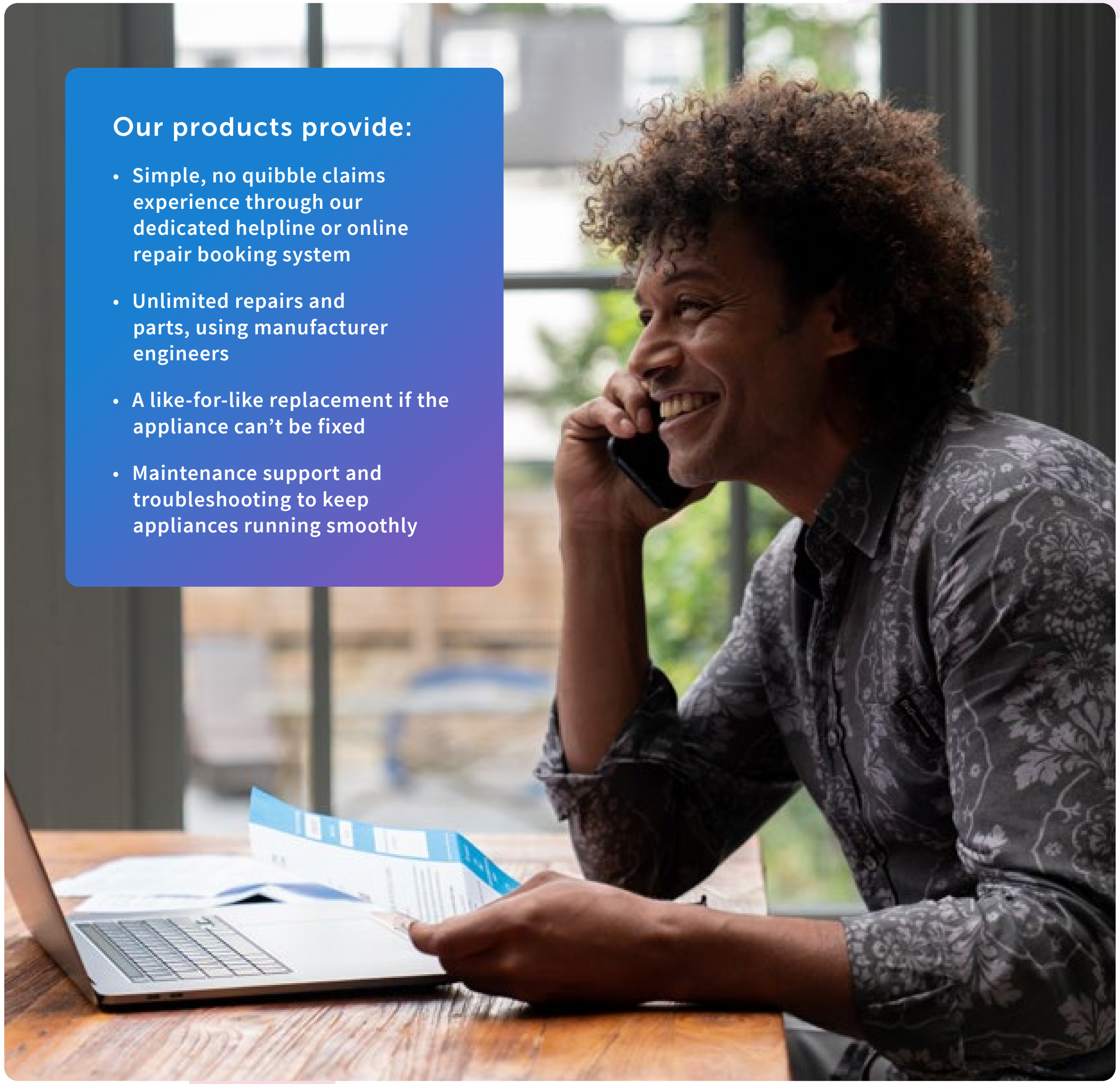
Specifically for our vulnerable customers, we'll focus on ensuring we capture any care needs they have throughout their journey with us.

A large amount of the work we're doing to support the Consumer Duty regulation is enabling customers and agents to:

- Record care needs and align this information across various IT systems.
- Train our agents and colleagues in what care needs are.
- Work with our partners to ensure that these needs are catered for in their repair interactions with customers.

And 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 – and challenge ourselves on whether the experience we're providing to customers could be improved. Through in-depth, ongoing analysis of satisfaction metrics and customer commentary we can identify and act on improvements required. Our data scientists can use this customer feedback alongside operational data to help identify where we need to intervene proactively to support customers and resolve emerging issues.



Our products provide:

- Simple, no quibble claims experience through our dedicated helpline or online repair booking system
- Unlimited repairs and parts, using manufacturer engineers
- A like-for-like replacement if the appliance can't be fixed
- Maintenance support and troubleshooting to keep appliances running smoothly

Our **partners**

Helping build lifetime connections with customers through their experiences

We're a data and technology specialist, making us unique in our capability as one of the market-leading appliance insurers. 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 "Win, Grow, Retain" strategy prioritises sustainable, profitable partnerships, allowing us to deliver on our growth ambitions and open new sectors and channels.

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 white goods OEMs, and our track record speaks for itself.

Our largest ten UK partners by FY24 sales have an average tenure of 25 years and a weighted average remaining contract length of 3 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]

Highly differentiated and value-adding service proposition creates strong partnerships

+

Allows us to maintain customer relationships for renewal

=

Exclusive, mutually beneficial and long-term partnerships

1 Based on our largest ten UK partners by FY24 sales

+20 Years of D&G support

OEMs: Whirlpool, Bosch, beko, BAXI, Hoover, Electrolux, Miele, Candy, Indesit, LG, Dimplex

Retailers/affinity partners: sky, MEDIMAX

5-20 Years of D&G support

OEMs: Vaillant, Lec Pure Refrigeration, Worcester Bosch Group, mira showers

Retailers/affinity partners: Electro Depot, euronics, GAME, ao, Argos, RP Radio Popular, worten

Recent partner wins <5 Years of D&G support

OEMs: Panasonic, ideal boilers, CDA

Retailers/affinity partners: John Lewis, EDF, Carrefour, unieuro, ScottishPower, fnac, sinersis, Marks Electrical

Carrefour

We've reached an agreement with Carrefour Group for the distribution of insurance products, offering consumers protection solutions for their purchases in Carrefour Hypermarkets.

This agreement aims to bring customers the very best of our protection plans on appliances and household electrical products.

Carrefour Group is one of the largest retailers in the world. This represents a further step in our support of Carrefour's global insurance offering, through the extension of the traditional warranty to add cover for accidental damage, with both single payment and monthly subscription models.

The partnership not only endorses our distribution strategy but represents a significant step forward for our subscription business.

Over the next 3 years, both companies will implement an ambitious commercial programme. This will grow the insurance business and create an ecosystem and customer experience that's unique in the market:

- Omnichannel as a growth driver to reach the end customer through the commercial channels they demand at any given moment.
- Develop a portfolio of innovative products that respond to real needs under the subscription model.
- Optimise product offerings to increase sales opportunities.
- Ensure Carrefour's customer satisfaction is maintained in all customer interactions.

Following the extension of our partnership with Sky UK last year, this year has been focused on extending our customer propositions across the Sky estate.

Working in partnership, we've successfully launched a range of Sky Protect policies offering customers the chance to protect their Sky Mobile equipment. This is in both the face-to-face retail experience and the Sky Mobile digital purchase journey.

These innovations complement our core Sky Welcome offering, so that these Sky customers are welcomed to the services we offer. We have further exciting plans for Sky Glass and other channels extending throughout the next financial year. These will include the Sky Voice estate and a new point-of-need Sky Glass solution, for customers nearing the end of their standard warranty or for in-warranty accidental damage. The partnership is seeing a positive customer response across all propositions.

We're delighted to have extended our longstanding and successful partnership with Hoover Candy UK for a further term, while also capturing the rapidly growing parent brand, Haier UK.

Alongside the extended term, during the year we have also strengthened the partnership with the opening of new key sales channels. With the appointment of Hoover as an appointed representative of D&G, we have enabled Hoover to widen its key sales capability to other white goods brands outside of the Hoover family. This exciting development will evolve into the new financial year, as new customer propositions are explored.

By including the Haier UK brand into our partnership, we'll be able to offer propositions to their customers. With the brand continuing to gain market share, having both in and out of warranty propositions available to customers is an important strategic development for both Haier and ourselves.

We are seeing a positive customer response to all offers and are excited for the future, as is Haier.

During the year, the Group has secured important contractual enhancements to its US relationship with Whirlpool.

The new terms expand our offering to Whirlpool customers, particularly with a subscription programme at the end of term plans and additional cross-selling rights. These will accelerate the growth of our 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.

The new extension and agreement includes:

- Our management and oversight of additional mailing campaigns at renewal and acquisition
- Changes and optimisation to the web registration journey for customers
- A new engaged focus in Whirlpool's call centres

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

Our **people**

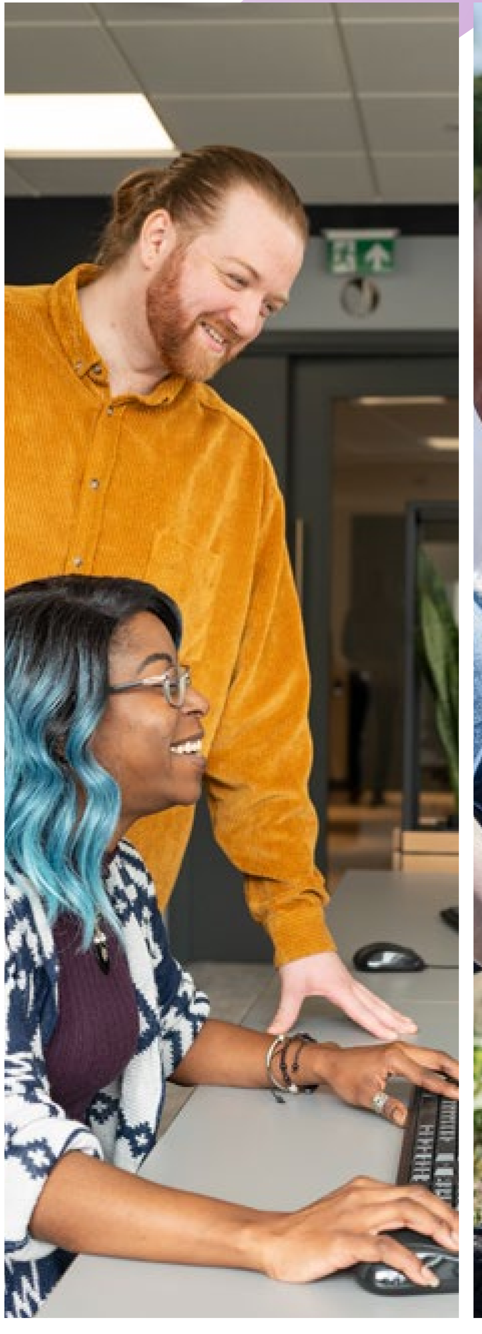
At Domestic & General, our employees can see the difference they make every day for customers, communities and the world around us.

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

Our employees are encouraged to explore new ideas and break new ground. We celebrate our people for who they are, championing individuality, and supporting each other to succeed.

It's an environment where everyone can achieve their ambitions and collaborate with people who share a passion for creating excellent customer experiences.

Above all, we are united by one core purpose: to protect what matters at the heart of every home. With D&G, every day is an opportunity to make a difference.



Our People Strategy

Our People Strategy is as simple as A, B, C, D, and centres on creating an environment where our people can be 'Proud of who we are'.

These four pillars form a framework for creating a compelling, inclusive, and globally aligned people experience:

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 your ambitions

The positive performance and success of our people is celebrated.

Our performance management cycle includes setting team and individual objectives that align to the Group's objectives and key results ('OKRs'), ensuring everyone's aligned on working towards our business goals. This year we celebrated our people's achievements, recognising exceptional performance and contributions at our global annual awards ceremony, an inclusive event across every office location around the globe.

Great Place To Work®
Certified
APR 2023-APR 2024
UK

FY24 highlights

- Launched our first all employee engagement survey with Great Place To Work. We achieved a 70% engagement index and gained 'Great Place To Work' status in the UK.
- Voted one of the UK's Best Workplaces in Financial Services and Insurance.
- Listed as one of the UK's Best Workplaces for Women.
- Improved internal mobility programmes, with an increased number of roles being filled internally year-on-year.
- Introduced social mobility initiatives, providing junior software engineers with accelerated entry into the business through 'Sigma Labs' and 'Code First Girls'.

Matthew Crummack presenting the 'One Team Award' at our Annual Global Awards Ceremony.

We recognise that to keep enabling our people to achieve we need 'brilliant basics' in place. This includes providing a seamless experience that's ready to scale up quickly and support the growth of our business. This year, we started a programme to move from multiple HR systems and processes to a single global HR platform.

8/10
Employees say D&G is a great place to work
FY23: 7/10

Know you **belong**

We are championing diversity and inclusivity to encourage everyone to bring their best self to work.

We want to create a culture and working environment where our people feel they belong and are empowered to contribute their unique talents.

Our popular 'everyday flexibility' empowers our employees to choose to work from the office, at home or in a hybrid way. We've been exploring a range of flexible options to help employees manage their work-life balance, attracting and retaining a diverse and wider pool of talent.

This year, we launched several global employee networks in addition to our established 'Women's Network'. Our colleague-led Pride and Diversity Networks aim to raise awareness about the experiences and considerations essential for maintaining an inclusive workplace. Through the networks, we have been able to shine a light on many areas. For example, partnering with Tommy's to provide support to our employees on navigating pregnancy and baby loss.

We introduced a diversity data campaign and completed an inclusivity audit to better understand our employee representation and enable better insights to meet the needs of our people. We partnered with Inclusive Employers, experts in workplace inclusion, to support and guide us on our inclusivity journey.

Connect with purpose

To ensure all our employees have a voice, we introduced our new two-way communications platform – WorkVivo. It provides instant language translation, recognition tools and gives every employee the chance to post updates in real time. The platform has improved how we connect with those working remotely, reflecting our vibrant community.

We offer many ways employees can stay connected, including monthly business updates, targeted engagements for our extended leadership community, showcase exhibitions and a range of social engagements.

This year, we pioneered a new people data dashboard to provide interactive people metrics for our leaders. They now have a better understanding of their employee base and insights to further improve our culture and ways of working.

Gender diversity information

	Year ended 31 March 2024			Year ended 31 March 2023		
	Directors	Senior Managers[1]	All others	Directors	Senior Managers[1]	All others
Male	3	8	1,512	2	8	1,452
Female	0	5	1,496	0	5	1,434
Total	**3**	**13**	**3,008**	**2**	**13**	**2,886**

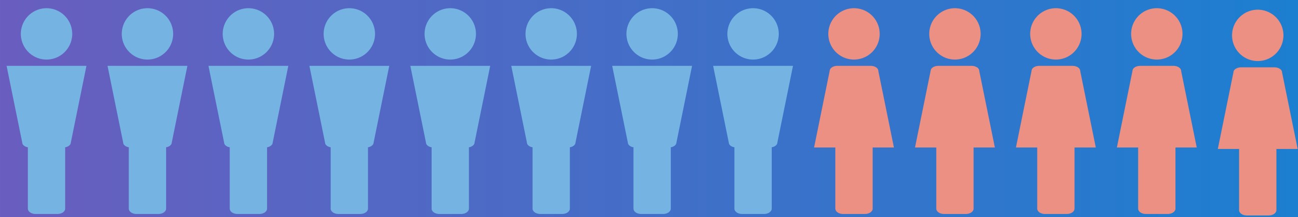
Gender Pay Gap Report

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 Manager[1] roles

FY24



1. In May 2022, the Board created the Domestic & General Leadership Group ('DGLG'). The DGLG has a wide membership, creating broader skillsets and experiences.
The Board delegates the day-to-day operations of the business to the DGLG. We define a 'Senior Manager' as someone who is a member of the DGLG as at 31 March 2023 or 31 March 2024.

Different ways to **develop**

At D&G, we know that our talent is what sets us apart for the future. We aim to foster a culture of growth and development and our people work with the best to help them realise their potential.

In FY24 we supported our people to unlock their full potential and provided a range of role–based training and growth-orientated development opportunities. This included leadership development to support our current and future leaders in guiding our business while playing an essential role in shaping our inclusive, customer-centric and innovative culture.

FY24 highlights

- Launched the Career Hub on our internal learning platform, 'YouLearn', providing resources to support career growth.
- Provided an internal mobility programme in call centres to help our people progress their careers in the company.
- Ran leadership programmes to support leadership development across the business.
- Supported colleagues to complete specialist and leadership apprenticeships.

Stakeholder engagement

The Directors recognise that the success of the Group depends on its ability to engage effectively with all stakeholders and take their views into account.

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

In taking decisions, the Directors carefully consider the balance of interests of the stakeholders who might be affected. The Board and its Committees discuss stakeholders and their interests during the cycle of Board meetings. The Board annually reviews all the Group's key stakeholder groups, looking at material issues of interest to them and assessing how, as an organisation, the Group engages with those stakeholders.

Investors

Their interests

- Performance of the business
- Customer and partner experience
- Return on investment

How we engage

- Meetings
- Investor relations website
- Stock Exchange announcements
- Bondholder telephone calls
- Press releases

How the Board engages

- Investor Directors form part of the Group Board and continually engage with Executives
- Financial result calls
- Annual Report & Accounts

Regulatory bodies

Their interests

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

How we engage

- Regular engagement by telephone and email
- Returns of information
- Joint initiatives such as on fighting financial crime

How the Board engages

- Regular Board updates via the Group Audit & Risk Committee
- Prudential Regulation Authority ('PRA') interviews with Board members
- Regular reports from across the business on regulatory matters

Our partners

Their interests

- Keeping critical business systems running
- Collaboration
- Fair terms
- Service
- Technology

How we engage

- Dedicated partner relationship executives
- Meetings
- Training

How the Board engages

- Engagement with the dedicated partner relationship executives
- Board oversight and approval of key negotiations
- Focused discussion on promoting and protecting the interests of our partners

Our people

Their interests

- Health and safety
- Development and training
- Diversity and inclusion
- Communication and engagement
- Flexible working

How we engage

- Workvivo
- Training
- Wellbeing initiatives
- Town halls and engagement events
- End-of-year awards to support employee recognition
- Flexible working practices
- Employee surveys

How the Board engages

- Board attendance at presentations from teams around the business
- Monthly Business Updates delivered by the CEO which include topics discussed by the Board
- Regular HR updates at Board meetings
- The statement of engagement with employees can be found on page 97

Our customers

Their interests

- Reliability and accessibility of service
- Fair treatment, including pricing
- High quality products
- Resolution of complaints
- Confidentiality of data
- Customer engagement

How we engage

- Customer surveys and research
- Omni-channel (digital and contact centre)
- Customer journey communications
- Direct marketing
- Complaints resolution
- Social media and other digital channels

How the Board engages

- Ongoing assessment of customer requirements
- Engagement in projects that focus on safeguarding the interests of customers
- Updates to the Board from governance committees, via the Group Audit & Risk Committee and Sustainability Committee
- Press releases
- Annual Report & Accounts

Community, environment, and government (central and local)

Their interests

- Openness and transparency
- Compliance with legislation
- Sustainability
- Environment
- Energy use
- Community

How we engage

- Company website
- Philanthropic and charitable initiatives, such as partnering with onHand, the local volunteering and climate impact platform
- Energy Savings Opportunity Scheme compliance

How the Board engages

- Annual Report & Accounts
- Annual tax strategy statement
- Gender pay gap reporting
- Modern slavery statement

"We want to create a culture and working environment where our people feel they belong and are empowered to contribute their unique talents. So they can deliver their best for the organisation."

The Board of Directors confirms that during the year under review, it has acted to promote the long-term success of the Group for the benefit of its stakeholders as a whole. At the same time, it has shown due regard to its duties as set out in the Companies (Jersey) Law 1991 and matters set out in Section 172(1)(a) to (f) of the Companies Act 2006 ('Section 172(1)') as applicable to the Group's UK entities.

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) • Business model (page 29) • Our strategy (page 21)
b) the interests of the company's employees	• Non-financial reporting (pages 4 and 30) • Our people (page 59) • Diversity and inclusion (pages 63 and 64)
c) the need to foster the company's business relationships with suppliers, customers and others	• Our customers (page 51) • Our partners (page 55) • Human rights and modern slavery (page 68) • Supplier payment policy (page 98)
d) the impact of the company's operations on the community and the environment	• Sustainability (commencing on page 35, including Streamlined Energy and Carbon Reporting on page 49) • Our Sustainability Committee (pages 82 and 93) • Climate-related financial disclosures (pages 42-50)
e) the desirability of the company maintaining a reputation for high standards of business conduct	• CEO statement (page 11) • Strategy for growth (page 23)
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

We apply a risk vision focusing on trusted and pro-active business partnering, with robust and proportionate risk management approaches in the different territories. We bring this to life by embedding a strong risk culture, and the risk vision is underpinned by our global operating model.

Governance

The Board sets and monitors adherence to the risk management framework and approves our risk policies. The governance framework is supported by the following 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 page 93 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, and oversees conduct and regulatory compliance with the principles and rules set by our regulators. The committee meets every second month and comprises the DGLG including the CEO. Further representatives from the business are invited, as necessary.

Risk appetite

The Board has agreed a suite of qualitative and quantitative risk appetite statements. These relate to each of the key risk categories, 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 through a comprehensive suite of key risk indicators and risk assessments, designed 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 articulation and communication of the Board's risk appetite. While from a bottom-up perspective, it operates through the risk and control registers. Risk and control owners are clearly identified across the business and take responsibility for the risks in their areas.

2. The second line of defence includes the functions responsible for ongoing monitoring, advisory and facilitation of risk management and control activities. These include data privacy, risk management and compliance, which report to the ARC and the GRC on a regular basis.

3. The Internal Audit function reports to the ARC as a Board sub-committee. This is responsible for independent assurance over the efficiency and effectiveness of our governance, risk management and internal control frameworks and processes.

A summary of the **principal risks** and **uncertainties** facing the Group is shown below:

Information security and data protection

Context:

We collect, process, store and handle non-public data from customers and suppliers and, therefore, must comply with all applicable data protection laws (including General Data Protection Regulation, 'GDPR').

Risk definition:

The risk that we expose our customers, suppliers or employees to data loss or breaches. For example, cyber-attacks or unintended leakage of sensitive data, if data is not held securely and in compliance with legal requirements.

Risk management and mitigation

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 ensure robustness of controls, a multi-phased program of work (the Information Security Roadmap) has been delivered and ongoing enhancements are now ensured via our daily Information Security work. Due to the inherent external threat of cyber-attack, we regularly review advice from government bodies, including the US Cybersecurity & Infrastructure Security Agency and the UK's National Cyber Security Centre. We also work with our vendors and suppliers to identify areas where controls may need to be updated to address new threats.

We comply with GDPR on personal data processing and the free movement of such data, and regularly monitor developments in privacy laws and regulation across the jurisdictions where we operate.

We also have an Enterprise Resilience Framework in place to stress our response, recovery and restoration controls to mitigate the impact of events, should they occur.

Financial management

Context:

We need to ensure that we have sufficient liquidity to meet our liabilities 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.

Risk management and mitigation

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 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. Investment strategy also includes consideration of ESG factors and is overseen by the Group Investment Committee. Risk mitigations include:

- Inflation assumptions in budgets.
- Arrangements with clients and repairers which support stability in our margins.
- Protection against interest rate rises as approximately 3/4 of our external debt carries a fixed rate of interest.

Conduct

Context:

We provide valuable services for essential household appliances and devices and 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.

Risk management and mitigation

- 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. This ensures 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 good customer outcomes in line with Consumer Duty.
- Our second and third lines of defence include a risk-based compliance monitoring and internal audit programme, targeting key areas of conduct risk.
- We monitor the appliance market and work closely with our OEM partners to plan for potential disruption (e.g. supply chain disruption affecting replacement parts/appliance availability).
- The design of our products meets identified customer needs to generate good outcomes, ensuring products are fit for purpose and are sold appropriately.
- The objective of our customer facing communications is to be clear, fair and not misleading.

People

Context:

Our objectives are underpinned by our ability to attract, retain, safeguard and develop employees with the skills that are required to perform their responsibilities. We employ around 3,000 people globally. The delivery of our objectives is driven by our colleagues' skills, talent, behaviour and mindset.

Risk definition:

The risk that we don't attract, retain and develop diverse talent required to deliver our strategic and operational objectives.

Risk management and mitigation

We have a value proposition of everyday flexibility and continue to regularly review our employees' wellbeing, engagement and the adequacy of our skills and resourcing, including via:

- Recruitment and vetting procedures.
- Mandatory training programmes for all employees.
- Targeted training and development of our call centre employees.
- Leadership and professional skills development.
- Performance management processes.
- A reward programme, overseen by our Remuneration Committee.
- Salary progression managed through the existing remuneration governance.
- Talent management and regular review of succession planning (refer to 'Our people' on page 59).
- Inclusivity strategy and initiatives.

Careful resource and succession planning is undertaken annually, which is an enabler for both enterprise resilience and the continued fulfilment of customer and client expectations. This also reduces our exposure to material operational disruption resulting from the availability of appropriately skilled people.

Responsiveness to changes in market dynamics

Context:

We operate within a number of legal and regulatory frameworks and are exposed to external changes outside of our control, which presents risks and opportunities.

Risk definition:

The risk that we can't respond appropriately to changes in the political/legal/regulatory/economic environment, competitors' activity, technology, or consumer behaviour impacting the execution of our strategy.

Risk management and mitigation

We monitor emerging external trends and are able to adapt quickly to opportunities and protect against potential risks. There is significant customer and market research completed, along with regular, real-time customer feedback to help keep close to any emerging trends, allowing us to respond quickly.

We proactively scan the horizon to monitor macro-factors including regulatory/legislative developments, inflation, competitor behaviour, geo-political unrest and changes in consumer behaviour. This ensures that our strategy continues to be aligned with customer needs and the regulatory landscape. We also invest in products and technology to improve our ability to respond to changes in market dynamics.

Our ESG programme builds on practices that already exist within our Risk Management and HR functions. Refer to pages 35-50 for further information about Sustainability, including climate disclosure covering climate related risks.

Key partner relationships

Context:

Our principal route to market is via our key partners across the different territories. The ability to develop and maintain mutually beneficial relationships is fundamental for our growth, and our mature client management framework is adopted for developing markets in the US and Europe.

Risk definition:

The risk of being unable to deliver on strategic growth initiatives due to the loss of a key partner or misalignment in priorities.

Risk management and mitigation

A dedicated partner management team maintains a close relationship with our partners, with careful management of service levels by the service management operations team. We've negotiated long-term agreements with most of our key partners, creating incentives for long-term, sustainable partnerships.

We monitor our key partner dependence on a regular basis in accordance with our business strategy to oversee adherence to risk appetite.

Third party risk

Context:

We have agreements in place with third parties to provide sales distribution, call centres, technology and professional services (subject to satisfactory due diligence outcomes and acceptance of contractual requirements). This allows us to focus on developing our core competencies.

Risk definition:

Third party risk is the risk that services delivered by third parties of D&G fall below the required standards, resulting in business interruption, poor customer outcomes, data breaches, or financial loss.

Risk management and mitigation

All new third party agreements are arranged in accordance with our Procurement Policy and Material Outsourcing and Critical Third Party Policy. They are subject to appropriate levels of due diligence, onboarding and exit strategies.

Exit plan contingencies exist for material outsourcing and critical third party contracts to minimise disruption should there be a termination.

We monitor the performance of our outsourcers and critical third party arrangements. We have a dedicated team who aim to ensure third party sales risks are managed in accordance with internal standards and the Enterprise Resilience Framework.

Underwriting and pricing

Context:

We have extensive experience and specialist technical capabilities in pricing our underwriting risks (such as accidental damage or mechanical breakdown), yielding 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 not able to cover existing or future claims.

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 accordance 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.

In light of the economic headwinds during the year, we continue to invest in closely monitoring KPIs, and appropriate economic assumptions are included in our planning for the future. The rate of policy, plan 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.

Technology

Context:

Technology is a key enabler of our strategy and growth ambitions. As we build an advanced warranty platform and digital services, we're deploying a mix of modern, highly flexible cloud-based platforms and in-house-built digital products. Our teams are not only driving our modernisation but also the transformation of the warranty and repair industry and customer experience. This transformation is underpinned by technology initiatives such as the 'Warranty in a Box Programme', anchored around the deployment of one of the world's leading policy administration systems. Another example, relating to our first-time fix rate, is linked to the acquisition of a state-of-the-art data-driven repair platform in the US (from Nana Technologies Inc.). Doing so requires us to balance risk versus an ambition to successfully deliver operational, commercial and customer benefits without causing business disruption.

Risk definition:

The risk that our technology doesn't enable efficient delivery of business objectives, due to its inflexibility, unavailability, instability, obsolescence or lack of future-proofing.

Risk management and mitigation

We have the following key controls in place to mitigate the technology risk:

- Technology Planning Office which oversees the delivery of the product, platform and technology roadmap driving our transformation.
- IT Service Continuity and Enterprise Resilience Frameworks with robust incident management and disaster recovery procedures.
- In relation to cyber risks, see the 'Information security and data protection' section on page 72.

Delivery and value realisation

Context:

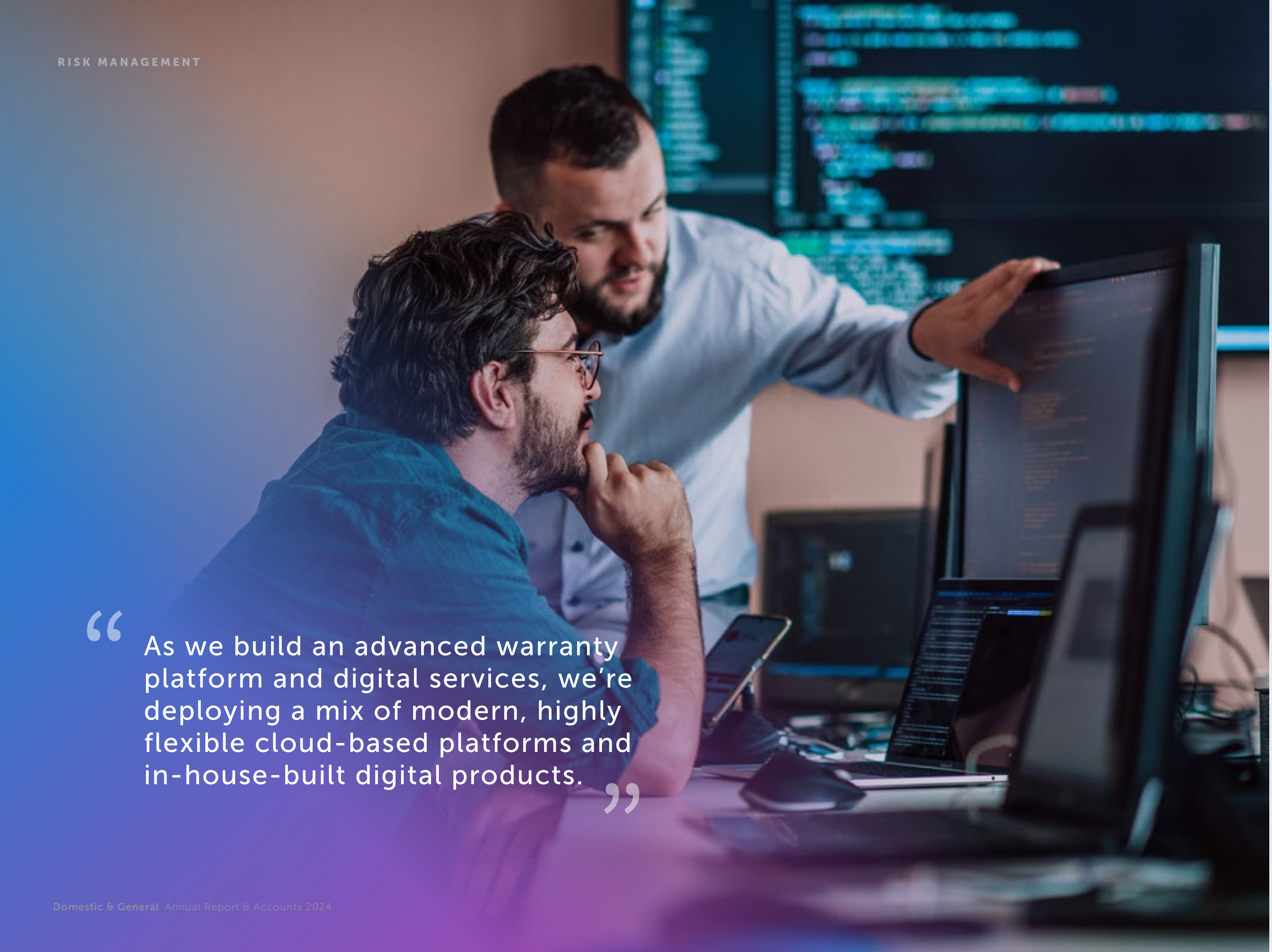
We've set out to deliver a number of ambitious transformation programmes intended to enhance customer experience, profitability and shareholder value, over the medium and long-term. These programmes include digitalisation of sales and service propositions, growth in the US, growth of subscription business across the Group and modernising the technology estate.

Risk definition:

The risk of us not delivering our enterprise-wide transformational programmes. For example, due to lack of oversight, controls and contingency planning.

Risk management and mitigation

- 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 key deliverables.
- The Technology Planning Office provides visibility, controls and governance to mitigate risk exposure. This is delivered through adherence to the change framework, reporting and analysis of spend of technology and transformation initiatives.

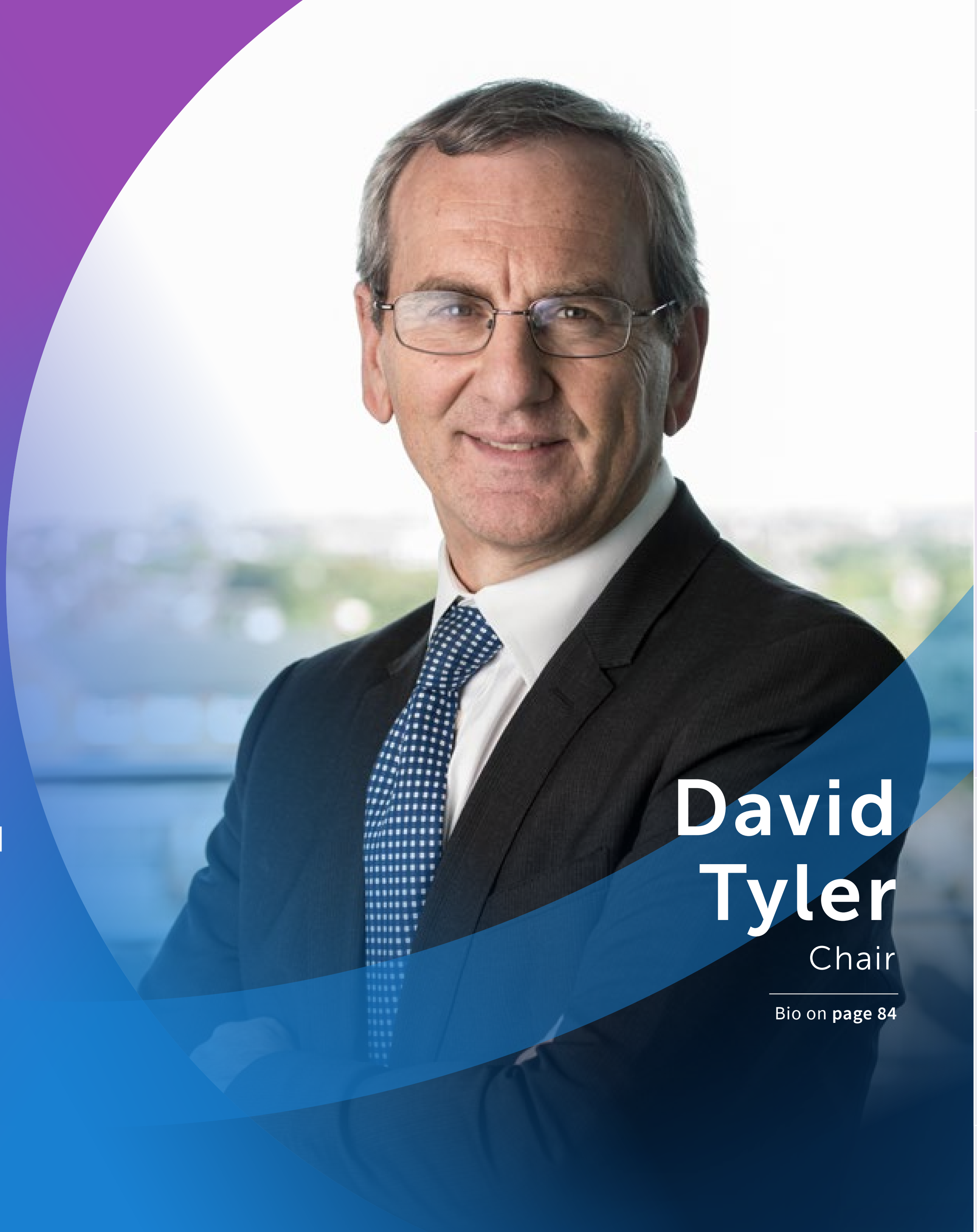


"As we build an advanced warranty platform and digital services, we're deploying a mix of modern, highly flexible cloud-based platforms and in-house-built digital products."

Corporate Governance

Chair's welcome

The Board knows that robust governance processes, that facilitate effective oversight and decision-making, are essential to the success of any business.



David Tyler
Chair

Bio on **page 84**

We continually monitor our governance framework and in the last year have implemented a number of changes to ensure that our business activities are subject to regular scrutiny. This ensures that genuine value is delivered to our stakeholders and that our business can keep running in an ethical and responsible way.

Governance Code and Director duties

Domestic & General Limited is not a listed company. However, the items highlighted in the FRC's Corporate Governance Code 2018 (the 'Code') are highly influential to the Board in its oversight of the Group. In particular, we consider the following matters carefully and monitor performance with them: company culture, workforce engagement, diversity and remuneration.

This report highlights the measures that are in place to ensure that we comply with the spirit of the Code on these items as well as with the Wates Corporate Governance Principles which were introduced in 2018 (the 'Wates Principles'). These provide further clarity on the standard of expected behaviour and transparency to which the UK's largest private companies should aspire. Details of how we apply the Wates Principles can be found in the Corporate Governance statement on pages 95-96.

Further, the Board is aware of all of its duties as set out in the Companies (Jersey) Law 1991 as well as matters set out in section 172(1)(a) to (f) of the Companies Act 2006 as applicable to the UK entities within the Group.

You can find more on how Section 172(1) considerations are embedded in decision making at Board level on pages 66-70 and see how they're demonstrated throughout its governance framework over the following pages.

Leadership and effectiveness

The Board is responsible for providing effective leadership for the business. Above all, it prioritises the setting of our strategy in a sound and reasoned way. This is aided by the diverse experience of our Board members that each bring a broad breadth of experience and skills. Decisions are greatly influenced by interactions with the management team, other colleagues, and by the financial risk appetite. We have a fully articulated regulatory control framework covering both prudential and conduct matters. We carefully review the impact of the Group on each of our stakeholders. Details of how we consider our stakeholders in key decision-making can be found in the stakeholder engagement section within our strategic report on pages 66-70.

Corporate framework

Domestic & General Limited is the statutory entity at which the operational board (the 'Board') sits. 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 regulated operating entity within the Group and has its own Audit & Risk Committee, chaired by Barbara Merry, an independent Non-Executive Director. 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 for each of our committees are provided in more detail on pages 93-94.

David Tyler
Chair
25 July 2024

The role of the Board

The Board has collective responsibility for the long-term success of the Group. It sets its strategic direction and oversees its performance. The Board delegates implementation of strategy and the responsibility for day-to-day operations to the DGLG. This is supported by the extended leadership team.

The Board recognises the importance of its role in setting the tone of the Group's culture, aligning it with our purpose, values and strategy, and embedding it throughout the Group.

At the start of the year, the Chair, the CEO and the Company Secretary agreed the Forward Planner. This identified key dates when normal meetings of the Board and Board activity could take place to ensure that it's directly involved in approving all major decisions.

The Board's routine programme included receiving and discussing regular reports from the CEO and CFO. It also involved monitoring financial reports and operating budgets, monitoring risk management, receiving reports on regulatory affairs, and governance and compliance. The Board also received updates from the respective chairs of its sub-committees.

DIVISION OF RESPONSIBILITIES

Chair

Our Chair, **David Tyler**, is responsible for leading the Board and providing independent judgement and insight on all matters. He monitors the contribution and performance of Board members and acts as a key contact for all 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.

CEO and CFO – 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 can be found on pages 83-85

The Board provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board is responsible for setting our strategic aims, values and standards. It also ensures that its obligations to its stakeholders are understood and met.

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, and is responsible for:

- The execution and delivery of the 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 can be found on pages 89-92

Board committees

The Board delegates certain matters to its sub-committee, which are chaired by Non-Executive Directors. The purpose and scope of each sub-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.

More information can be found on pages 93-94

Audit & Risk Committee

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

Remuneration Committee

The Remuneration Committee is responsible for determining the overall framework and policy for remuneration. This includes remuneration for 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 environmental and sustainability matters relevant to the business.

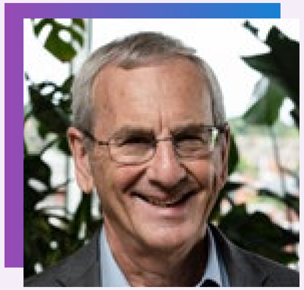
Management level committees

The governance framework is supported by a number of management level forums. These committees have clear Terms of Reference and are each chaired by Senior Managers (appointed under the Senior Managers & Certification Regime) to help them fulfill their responsibilities. These include:

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

Board of Directors

The Directors set out here are Directors of Domestic & General Limited. Domestic & General Limited is the statutory entity at which the Group's operational Board sits and the parent entity of Galaxy Finco Limited, whose financial statements are presented at page 113. Barbara Merry is a Director of Domestic & General Insurance plc and regularly attends Group Board meetings in such capacity.



David Tyler
Chair

Appointed September 2015

Committee Membership
Audit & Risk (D&G, DGI)
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 49 years' experience spanning the consumer, retail, business services and financial services sectors, with his executive 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 and JoJo Maman Bebe Ltd. 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 on 4 October 2021. He is an experienced executive having led the transformation of big consumer-facing digital brands across different geographies.

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. Matthew started his career in consumer goods across Europe at Procter & Gamble and Nestle.

External appointments
Matthew also serves as Pro-Chancellor and Chair of the University Council of Aston University in Birmingham, and a Non-Executive Director and advisor to London start-up Kidadl.

Joe Fitzgerald
Chief Financial Officer

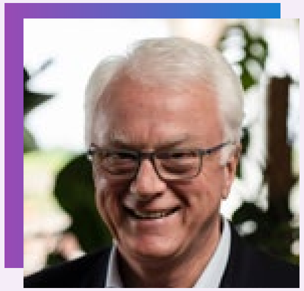
Appointed November 2021

Committee Membership
Sustainability (appointed 1 February 2024)

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 during his time with the Group, also led our Marketing, Data Science, Repair Service, Digital and Group Strategy functions.

Joe was previously 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

Committee Membership
Audit & Risk (Chair – D&G)

Biography
Robin is a Chartered Accountant with extensive experience in retail financial services, both in the UK and internationally. He has skills and experience across a broad range of areas, particularly 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 a Non-Executive Director of Nottingham Building Society.

Nina Bhatia
Independent Non-Executive Director

Appointed April 2019

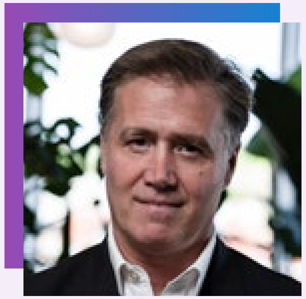
Committee Membership
Remuneration

Biography
Nina is currently the Executive Director, New Businesses at the John Lewis Partnership. Her remit includes Loyalty and Retail Media, Financial Services, Build to Rent 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 & Co., was elected a Partner in 1999 and served clients in multiple 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

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 (a leading roadside recovery provider and insurance broker).

External appointments
Pev serves on the board of the RAC, NewDay, Away Resorts, Lipton Teas, Premiership Rugby and Six Nations Rugby.

Martin Iacoponi

Non-Executive Director

Appointed November 2021

Committee Membership
Audit & Risk (D&G)
Remuneration
Sustainability

Biography
Martin is a 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 and RiverStone International Limited. He has also been involved with CVC Funds' investments in Pensions Insurance Corporation, NewDay, Paysafe and TMF.

Barbara Merry

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

Appointed September 2014

Committee Membership
Audit & Risk (Chair – DGI)
Sustainability

Biography
Barbara is a Chartered Accountant with extensive experience in the insurance industry and underwriting sector. She served for 12 years as CEO of Hardy Underwriting Group. Before that, she was Managing Director of the Omega Group and also worked as a general manager with the Corporation of Lloyds for around 14 years.

External appointments
Barbara is a non-executive director with Pool Reinsurance Company Limited, Argus Group Holdings, Berkshire Hathaway International Insurance Limited, Berkshire Hathaway European Insurance DAC, BGC Brokers LP and BGC European Holdings LP.

Michael Ross

Non-Executive Director

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 Sainsburys Bank, N Brown Group plc and QMetric Group Limited.

David Wells

Non-Executive Director

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 Pro14 Rugby, Away Resorts and ekaterra, and was previously involved with CVC Funds' prior investments in SkyBet, Formula 1 and Samsonite.

Board meeting attendance and activities

Board responsibilities

The Board held seven 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*	9	9
Executive Directors		
Matthew Crummack*	9	9
Joe Fitzgerald*	9	9
Non-Executive Directors – Independent		
Robin Ashton	7	7
Nina Bhatia	7	7
Barbara Merry (DGI)*	9	9
Non-Executive Directors – Investor		
Robin (Pev) Hooper	7	7
David Wells	7	7
Martin Iacoponi	7	6
Michael Ross	7	7

* Directors of the Group were scheduled to attend two additional DGI specific Board meetings compared to the other listed Directors.

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

During decision-making, the Board ensures alignment with D&G's values and stakeholder interests and promotes the long-term sustainable 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. An overview of the Board's key activities for the year is provided:

Key activities of the Board

Strategy

- Approved the acquisition of After Inc. in the US
- Approved the acquisition of a data-driven repair platform from Nana Technologies Inc.
- Received updates from Management on progress against strategy
- Attendance at Annual Strategy Day to discuss strategic priorities

Risk Management

- Approval of Consumer Duty attestations
- Approved the Own Risk and Solvency Assessment
- Approved the Solvency and Financial Condition Report
- Received regular updates from the ARC, including updates on the Risk and Control Self-Assessment process, Key Risk Indicators and risk events

Governance

- Annual review of the Terms of Reference for the DGLG, Audit & Risk Committee, and Sustainability Committee
- Reviewed the FY25 Forward Planner

Finance

- Approved the Group Annual Report & Accounts for the year ended 31 March 2024
- Reviewed the FY25 Budget

Board diversity + characteristics

Age range

25-40	1
41-55	5
56-70	3
70+	1

Ethnic group

Asian or Asian British	1
White English, Welsh, Scottish, Northern Irish or British	9

Nationality

British	10

Disabilities

None	10

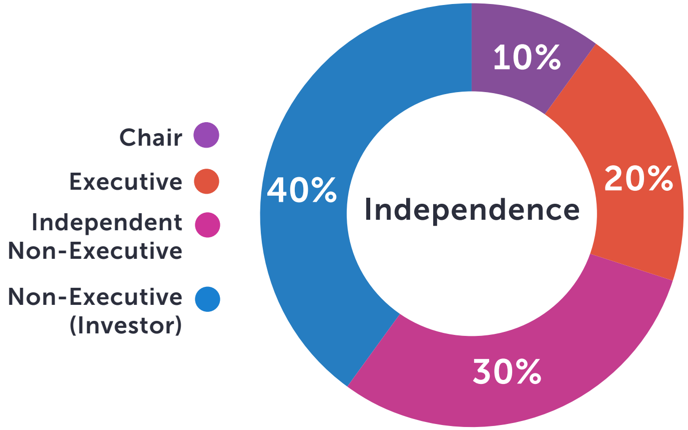
Gender

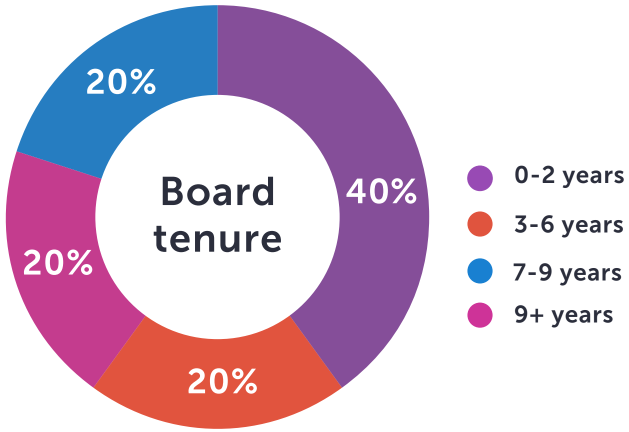
Female	2
Male	8

Level of education

Bachelor's degree	3
Master's degree	7

Board composition



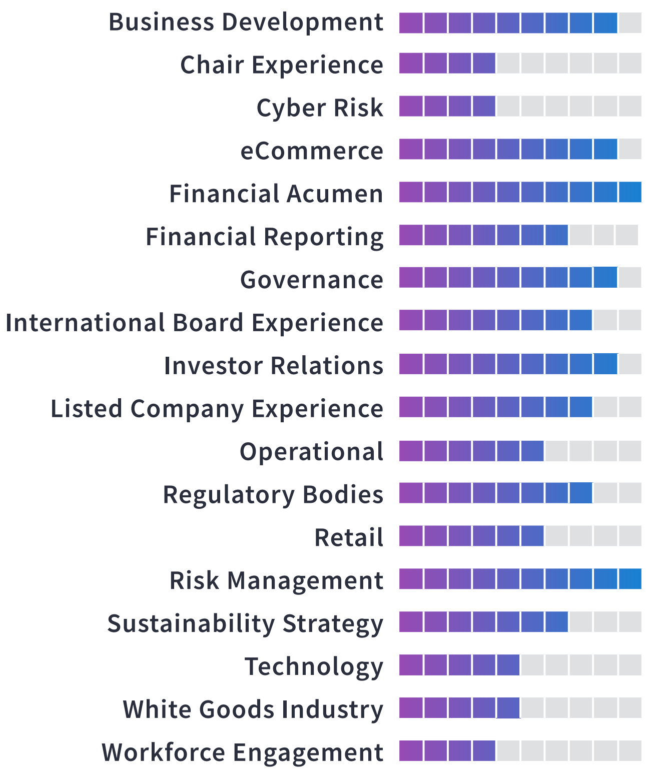


Directors' skills and experience

The Board recognises that diversity has a positive impact on Board effectiveness and decision-making and strengthens the understanding of stakeholders, operations and risk management.

Directors' skills and experience

The table below provides an overview of the skills and experience of our ten Directors as at 31 March 2024:



Independence

The Wates Corporate Governance Principles for Large Private Companies state that a board should give careful consideration to its size and structure, including the appointment of Independent Non-Executive Directors, to meet the needs and challenges of the organisation. At D&G, our Board comprises three Independent Non-Executive Directors as well as the Chair (independent on appointment), representing 40%.

In addition to the Independent Non-Executive Directors, there are 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.

Each year, the Company Secretary undertakes an 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 induction and training

The Board has in place policies for induction and ongoing training. All members of the Board have access to appropriate professional development courses to support them in meeting their obligations and duties. They also receive ongoing briefings on current developments, including updates on governance and regulatory issues. The skills matrix demonstrates where additional training may be beneficial for the Board. This will be used to form the basis of our ongoing programme of training for Directors.

Domestic & General

Leadership Group

The Board delegates the day-to-day operations of the business to the DGLG, which includes the CEO and CFO and is made up of the following key management personnel.

Domestic & General Leadership Group

Anna Capitanio

Chief People Officer

Biography

Anna joined in March 2023 as Chief People Officer. She was previously the People Leader for the BT/EE Consumer division. Anna has over 25 of experience across multiple industries and sectors, including telecoms, where she held Senior Executive roles in Vodafone, BT and more recently EE, pharmaceutical with Glaxo Welcome/ GSK, manufacturing, hospitality, consulting and mining as well as across geographies, from Europe to Australasia, Middle East and Africa.

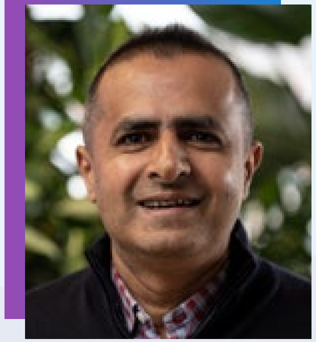
Passionate about people and brands, Anna brings a unique perspective on collaboration, inclusivity and engagement.

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 and has previously worked in a Senior Executive capacity in VMO2, Future plc and Centrica Hive.



Vipul Chhabra

Chief Data & Underwriting Officer

Biography

Vipul joined in October 2022 as Chief Data & Underwriting Officer, responsible for underwriting contribution and pricing for the Group alongside all aspects of our Data & AI strategy.

Before 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 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.

Al Grljevic

Chief Operating Officer

Biography

Al joined in November 2021 to drive Group change and transformation. In May 2022, Al also took on the role of COO. He retains his transformation and programme responsibilities, while also bringing together the various operational teams and activities across the Group.

Prior to joining D&G, Al held several senior roles within the publishing, fintech and travel sectors, successfully leading delivery across multiple business functions including digital, marketing, technology and operations.

Stefano Perino joined the DGLG in July 2024. Stefano has been appointed President, Growth Markets and with a background in strategic delivery, has direct accountability for delivering on the EU business plan and ensuring alignment with our global vision for D&G.

Amanda Shields, who has extensive experience in running and advising Risk teams, joined the DGLG in June 2024 as Interim Chief Risk and Compliance Officer.

Domestic & General Leadership Group

Vikki Kennedy

Chief of Strategy & Corporate Development

Biography

Vikki joined the Group in March 2022 to establish and lead our corporate development function. She has recently assumed responsibility for strategy, brand, and sustainability, as well as our 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.

Hannah Kershaw

Chief Product Officer

Biography

Hannah joined the Group in March 2022 to lead on our transformation to a digital product-led business. She 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 our Technology team. Phil's experience covers all aspects of building and running large-scale technology functions within regulated and non-regulated industries.

Previous roles include CIO and technology leadership positions at Virgin Active, Sainsbury's and Royal Mail.

Phil started his career working in the digital agency and system integration sectors, building multi-channel products and platforms for clients based in London and San Francisco.

Alexis Leonidou

General Counsel & Company Secretary

Biography

Alexis joined the 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 DGLG on all key legal and regulatory matters.

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

Tom Hughes, Chief Risk Officer, served on the DGLG until he left the organisation on 28 June 2024.

Ed Knox, Director of Operations, served on the DGLG until he left the organisation on 31 May 2024.

Jim Vreeland, Chief Revenue Officer, US, served on the DGLG until he left the organisation on 1 March 2024.

Following a change in role, **Sonal Sutcliffe**, Director of Organisational Effectiveness, stepped down from the DGLG on 24 January 2024.

Domestic & General Leadership Group

Steve Purser

Managing Director – Client Management, New Business Sales & International

Biography

Steve joined in March 2008 and is responsible for our global partner 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 four years as Chief Marketing Officer, responsible for creating and delivering the customer and marketing strategy.

Gayle has recently taken 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 Group, Gayle worked in several leadership roles at British Gas, including Marketing, Commercial, Operations and Business Transformation.

Amy Wright

Chief of Staff

Biography

Amy joined the Operations team in January 2021 and was appointed as Chief of Staff in January 2024.

Prior to joining the Group, Amy held a succession of senior roles with global insurer Zurich Insurance Group. Her responsibilities included operations strategy, transformation, sustainability and general management, where she successfully led their UK marine insurance business.

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

balance of skills + experience

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 relationship of the Group 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 determining targets for, any performance-related pay and bonus schemes operated by any member of the Group

Sustainability Committee

Members:

- **Barbara Merry** (Chair)
- **Matthew Crummack**
- **Joe Fitzgerald** (appointed 1 February 2024)
- **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 the development of the Group's environmental and sustainability strategy, including its net zero strategy, and monitor its performance
- Identify environmental and sustainability related risks to the business and escalate to the Board those of material significance
- Monitor current and emerging environmental and sustainability trends, standards and legal requirements

Gayle Terry served on the Sustainability Committee until 1 February 2024.

In May 2024, membership of the Sustainability Committee was reviewed by the Board and updated such that membership is made up of Board members only. Non-Board members regularly attend meetings, as attendees.

DOMESTIC & GENERAL INSURANCE PLC

UK regulated operating entity

Audit & Risk Committee

Members:

- **Barbara Merry** (Chair)
- **David Tyler**

Terms of Reference:
To meet at least three times a year and in the current year met seven times.

Responsibilities include:

- Review of the annual financial statements (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 including consumer duty related aspects.

Corporate Governance Statement FY24

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 Governane Principles for Large Private Companies.

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

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

By order of the Board

David Tyler
Chair
25 July 2024

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 21-28
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 recognise that a balanced Board promotes effective decision-making and supports different 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 84-85 For more on our Board composition see page 87

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 general duties and accountabilities. Responsibilities of the Board and its Committees are defined within Terms of Reference which are reviewed annually. For more on the role of the Board see pages 81-82
Opportunity and risk A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value. It should also establish oversight for the identification and mitigation of risks.	The Board has agreed a suite of qualitative and quantitative risk appetite statements relating to each of the key risk categories to articulate the amount of risk the Board is willing to accept in pursuit of its objectives. Oversight of the effectiveness of risk management is delegated to the Audit & Risk Committees. For more on our Risk Management Framework, see pages 71-77 and on our Audit & Risk Committees, see pages 93-94
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 such policy is to ensure that members of the DGLG are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Group. For more on the Remuneration Committee, see page 93
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 should consider their views when making decisions.	The Board is committed to maintaining strong relationships with all stakeholders, including our employees, and to actively engaging with them on an ongoing basis. For more on stakeholder engagement see pages 66-70

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 84.

Share capital

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

Dividends

The Group did not declare a dividend in the year (FY23: £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 59-65.

Our policy concerning employment of disabled persons

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

Following the re-introduction of our diversity and inclusion networks in 2022, which extended our Women's and Working Families networks to also include a Mental Health Network, we have now launched the Diversability Network and Global Pride Network. 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.

Recruitment, promotion, and training and development decisions are based on people's skills, competencies, potential and objective job-related criteria relating to job requirements and job performance. 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 49 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, ensuring the suppliers are made aware of the terms of payment and abiding by the terms of the payment. Payables of the Group for FY24 were equivalent to 31 days' purchases (FY23: 25 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 15-20 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 as 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, 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 2024.

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; and 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 fourth 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) of the Companies (Miscellaneous Reporting) Regulations 2018, see the Strategic Report, specifically stakeholder engagement on pages 66-68, our partners on pages 55-58 and our supplier payment policy on page 98.

Non-financial information statement

This non-financial information statement highlights information necessary for an understanding of the Company's development, performance, position and impact of its activity. It also identifies the information relating to environmental, employee, social, respect for human rights, anti-corruption and anti-bribery matters. Where possible, the following table states where additional information can be found that supports the requirements of sections 414CA and 414CB of the Companies Act 2006.

By order of the Board

Joe Fitzgerald
Director
25 July 2024

Reporting requirement	Relevant policies/procedures	Where in report
Risk management	Risk Management Framework, Financial Crime Framework, Data Privacy Policy, Whistleblowing Policy, Risk Management Framework, Financial Crime Framework, Data Privacy Policy, Whistleblowing Policy, Operational Risk, Conduct Risk, Anti-Bribery & Prevention and Fraud Policies	Pages 71-77
Non-financial KPIs	N/A	Pages 4, 17, 30 and 52
Employee engagement	Employee Handbook	Pages 59-65
Human rights	Modern Slavery Statement, Diversity & Inclusion Policy, Business Ethics and Standards Policy	Pages 40, 63, 64 and 68
Social and environmental matters	Business Ethics and Standards Policy	Pages 35-50

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

Report on the audit of the Financial Statements

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

See also Financial Statements on page 113

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

1. 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 affairs as at 31 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been properly prepared in accordance with 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 statements 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, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

2. 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 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 as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of goodwill • Valuation of Assets for Insurance Acquisition Cash Flows ("AIACF") • Transition to IFRS 17 Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the group financial statements was £6.7m which was determined on the basis of earnings before interest, taxes, depreciation, and amortisation ("EBITDA") for the year.
Scoping	The scoping of our audit included four entities subject to full scope audits and four entities subject to the audit of specified account balances, classes of transactions or disclosures. These entities represent 93% of group revenue and 86% of group total assets.
Significant changes in our approach	In the current year, the group has adopted IFRS 17 which is a significant accounting policy change which involves critical management assumptions and judgement, thus we identified two new key audit matters as outlined below, • Valuation of Assets for Insurance Acquisition Cash Flows ("AIACF") • Transition to IFRS 17

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

4. 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.

Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included:

- assessing financing facilities including nature of facilities, the availability of undrawn funds and repayment terms;
- challenging the reasonableness of the profit and cash flow forecasts used by management by assessing historic forecast accuracy and the future growth rates of the different segments;
- evaluating the group's current year performance and year end liquidity and solvency capital position of its regulated subsidiaries;
- assessing the impact of current macroeconomic conditions;
- assessing impacts of any potential debt refinancing scenarios on future profit and cash flow forecasts;
- performing subsequent events review; and
- assessing financial statements disclosures in respect of going concern for transparency and inclusion of all facts and circumstances of which we are aware through the performance of the audit work.

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 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.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of goodwill

Key audit matter description	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 £322.0m (2023: £278.5m) 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 4A to the financial statements (Critical accounting judgements) and to note 23 (Goodwill and intangible assets).

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

How the scope of our audit responded to the key audit matter	In response to the key audit matter, 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.
Key observations	Based on the work performed, we considered the key assumptions and the valuation of goodwill to be appropriate.

5.2. Valuation of Assets for Insurance Acquisition Cash Flows

Key audit matter description	IFRS 17 introduces changes in how insurance acquisition expenses should be accounted for when compared to IFRS 4. Specifically, 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 £167.4m (2023: £151m) as at year end. In line with above, 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 key audit matter as a change in the assumption would result in a material change to the valuation of the AIACF. Refer to note 3B to the financial statements (Changes in significant accounting policies) and to note 17 (Insurance contract assets).
How the scope of our audit responded to the key audit matter	In response to the key audit matter, 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.
Key observations	Based on the work performed, we consider the assumption and methodology used by management to be appropriate.

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

5.3. Transition to IFRS 17

Key audit matter description	With effect from 1 April 2023, the group adopted IFRS 17: Insurance Contracts which replaced the existing standard for insurance contracts, IFRS 4. IFRS 17 introduces pervasive changes to the measurement, presentation and disclosure of insurance contracts and related account balances. The standard is complex and has required significant judgement and interpretation in its application. To meet the requirements of the new standard, the group has made significant changes to systems, processes and controls. IFRS 17 has been applied retrospectively as at 1 April 2022 to each group of insurance contracts. As a result, comparative information has been restated within the financial statements. The net impact on the opening balance sheet equity at 1 April 2022 was an increase of £85m. The transition to IFRS 17 is considered a key audit matter due to the pervasive accounting impact and the significant judgements made by management in its application. This has had a corresponding impact on audit effort. Refer to note 2 and 3B in the financial statements which sets out the qualitative and quantitative IFRS 17 information, including the relevant recognition and measurement requirements of the Standard, and the accounting policies applied on its adoption.
How the scope of our audit responded to the key audit matter	• In response to the key audit matter, we performed the following audit procedures: • Obtained an understanding of the relevant controls and IT systems implemented for both the restated balances and business processes impacted by the transition to IFRS 17 during the year; • Assessed management's accounting policy and methodology papers for compliance with the standard, involving relevant IFRS 17 specialists where required; • Substantively tested the restated comparative figures for IFRS 17 through gaining an understanding of the underlying balances and verifying adjustments; • Inspected contract terms and management information to assess the application of level of aggregation and contract boundary requirements to the insurance contracts issued and reinsurance contracts held by the group; • Recalculated the earnings and insurance acquisition cash flow model, including testing methodology and data inputs used in calculation of the insurance service result and valuation of insurance contract asset; • Involved our actuarial specialist to test and challenge management's conclusion on PAA eligibility and Risk adjustment assumption; • Obtained an understanding of management's onerous contracts assessment and performed procedures to test the input data used and the mathematical accuracy of the results reached; and • Assessed the disclosures and presentation within the financial statement against the requirements of IFRS 17
Key observations	Based on the work performed, we considered the IFRS 17 accounting policies and methodologies adopted to be reasonable and in compliance with the standard and associated disclosure requirements.

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

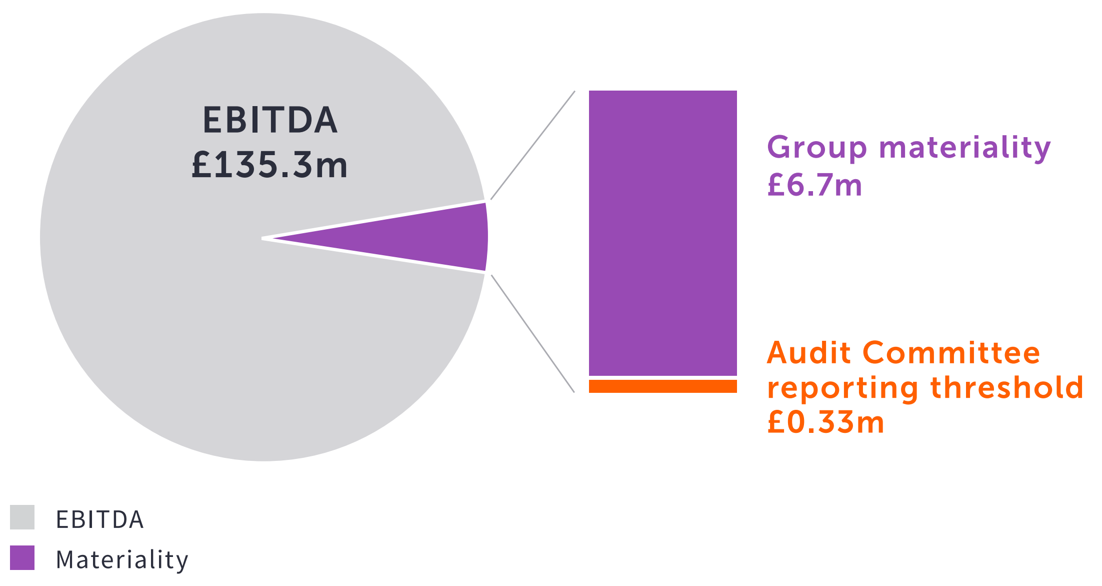
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality	£6.7m (2023: £6.0m)
Basis for determining materiality	5% of earnings before interest, tax, depreciation and amortisation ("EBITDA") (2023: 5% of EBITDA).
Rationale for the benchmark applied	We determined that the critical benchmark for the group was EBITDA. As with other private equity owned businesses, the key benchmark to the shareholders is EBITDA, thus this is a key performance indicator for management which supports the increased focus on this metric.



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

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Group performance materiality was set at 65% of the group materiality for the 2024 audit (2023: 65%). In determining performance materiality, we considered the following factors:

a. our risk assessment including our assessment of the group's overall control environment; and

b. our experience of the audit, including our consideration of the number of corrected and uncorrected misstatements identified in prior periods.

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £330k (2023: £300k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our group audit was scoped by obtaining an understanding of the group and its environment, including group-wide controls, and assessing the risks of material misstatement at the group level.

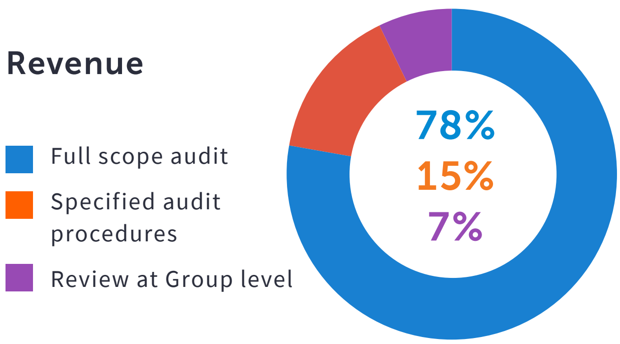
Given the number of components and operating locations within the group including UK, continental Europe (Germany, Spain, Italy and Portugal), Australia, New Zealand and the US, we assessed the extent of audit work required to be performed for each component in order to gather sufficient audit evidence to reduce the risk of material misstatement and to give appropriate coverage for the purposes of the group financial statement audit. Our approach considered revenue contribution to the group as primary measure of financial significance and scope.

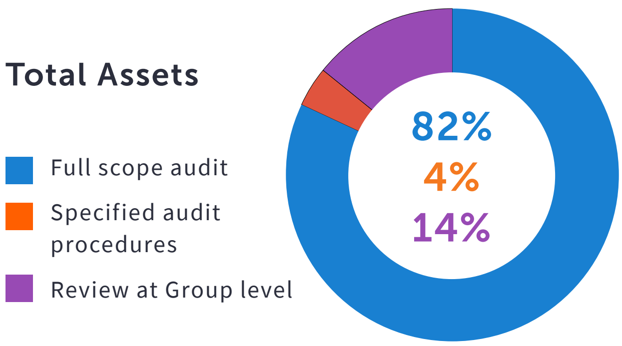
Of the group's total reporting components, we subjected:

- Four components to full scope audits. These are Domestic & General Services Limited ('DGS'), Domestic & General Insurance plc ('DGI'), and the holding companies, Galaxy Finco Limited ('Finco') and Galaxy Bidco Limited ('Bidco'); and
- Four components to an audit of certain account balances, classes of transactions or disclosures. These are the international components of Germany, Spain and Portugal and Domestic & General Group Limited ('DGGL'). Those subjected to an audit of certain account balances, classes of transactions or disclosures are not individually financially significant enough to require full scope audit of the financial information of the component but represent specific areas of risk which needed to be addressed.

Coverage obtained on this basis was 93% (2023: 96%) of insurance revenue and other income,and 86% (2023: 91%) of total assets. Materiality is set for each significant component in line with the component's proportion of the chosen benchmark. This is capped at the lower of 60% of group materiality and the component materiality determined for a standalone audit. Component materialities for entities within the scope of our group audit ranged from £2.7m to £4.1m (2023: £2.7m to £3.6m).

At the group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to full audit.





7.2. Our consideration of the control environment

IT Controls

In planning our audit, we identified key systems and IT tools that were material to the group's financial reporting processes. These systems handled data relating to insurance revenue, insurance service expense, expenses

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

and payroll. With the involvement of our IT specialists, we obtained an understanding of the relevant IT controls as well as the wider general IT controls environment across the group, including the IT controls associated with the policy administration system and adoption of IFRS 17. We were able to rely upon IT controls around a financial reporting system and policy administration system, while management continue to implement control improvements around other group systems and tools.

Business processes and financial reporting controls

In planning our audit, we identified and obtained an understanding of business processes that were material to the group's financial reporting processes. These processes spanned the group's material transactions and account balances including the insurance revenue, insurance service expense, expenses, investments, goodwill and reserving processes. We placed reliance upon relevant controls associated with some of these business processes. Where deficiencies were identified, management continue to implement control improvements to the group's overall control environment.

7.3. Our consideration of climate-related risks

The group's climate change risks are discussed within the Strategic report, Sustainability section, which commences on page 35.

We read management's climate change risk assessment and own risk & solvency assessment ('ORSA') to understand the group's process and governance structure for considering the impact of climate related risks and controls.

We assessed management's analysis for risk considerations of climate change by performing an independent climate change risk assessment, including impact of the flood risk on property, plant and equipment and with support from our climate specialists.

We read the climate change related disclosure within the strategic report to consider whether it is materially consistent with the financial statements, our knowledge obtained during the audit, the requirements under FRC thematic review on streamlined energy and carbon reporting ("SECR") as well as the mandatory climate-related financial disclosure requirements ("CFD").

7.4. Working with other auditors

Work on three international components, Germany, Spain and Portugal, was undertaken by a Deloitte overseas component audit team. The other five components, DGI, DGS, DGGL, Bidco and Finco, were audited by the UK group audit team. We directed and supervised the component team in the performance of their work through providing detailed instructions setting out the work to be performed, having regular conference calls with the team throughout the audit and by performing a review of their audit working papers.

8. 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, 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

9. 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 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 to cease operations, or have no realistic alternative but to do so.

10. 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

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

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.

11. 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the board on 25 July 2024;
- results of our enquiries of management, internal audit, the directors and the audit and risk committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector of warranty insurance;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, IT, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of goodwill and the valuation of assets for insurance acquisition cash flows. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Companies (Jersey) Law.

In addition, we considered provisions of other laws and regulations that 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.

11.2. Audit response to risks identified

As a result of performing the above, we identified valuation of goodwill and the valuation of assets for insurance acquisition cash flows related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit and risk committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- 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;

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

- 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; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Matters on which we are required to report by exception

12.1. Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the parent company, or proper 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.

We have nothing to report in respect of these matters.

13. 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

25 July 2024

For the year ended
31 March 2024

Financial Statements

For information on the Report of the
Independent Auditor **see page 103**

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2024

	Note	Year ended 31 March 2024 £m	Restated[1] Year ended 31 March 2023 £m
Insurance revenue		1,040.5	964.4
Insurance service expenses		(829.0)	(762.9)
Insurance service result	7	211.5	201.5
Net investment income		2.1	0.2
Net finance expenses from insurance contracts		(2.0)	(1.1)
Net financial result	8	0.1	(0.9)
Other income		60.0	26.6
Other finance expenses	9	(68.8)	(61.6)
Other operating expenses	10	(189.6)	(148.9)
Profit before taxation		13.2	16.7
Tax	13	(7.7)	0.4
Profit for the year		5.5	17.1

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Note	Year ended 31 March 2024 £m	Restated[1] Year ended 31 March 2023 £m
Profit for the year	31	5.5	17.1
Currency translation differences	30	(4.7)	4.1
Changes in fair value of investments through OCI	30	1.7	(0.5)
Revaluation for the year	30	(2.6)	(1.0)
Tax on revaluation	30	-	0.2
Effective portion of changes in fair value of cash flow hedges – hedging reserve	30	0.6	0.8
Total comprehensive profit for the year		0.5	20.7

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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

All components of other comprehensive profit 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 2024

	Note	31 March 2024 £m	Restated[1] 31 March 2023 £m	Restated[1] 1 April 2022 £m
Assets				
Cash and cash equivalents	14	26.4	30.3	33.9
Inventory	15	0.6	-	-
Financial investments	21	105.7	104.4	102.7
Trade and other receivables	16	85.0	77.1	77.0
Current tax asset		2.6	7.5	2.4
Insurance contract assets	17	203.3	163.1	125.4
Property, plant and equipment	19	36.5	39.3	27.9
Non-current assets held for sale	19	-	6.3	7.3
Derivative assets	20	-	0.2	1.0
Goodwill and intangible assets	23	511.2	441.5	462.5
Total assets		971.3	869.7	840.1
Liabilities				
Trade and other payables	24	74.6	72.0	82.6
Provisions	25	0.4	0.5	0.7
Loans and borrowings	26	855.0	816.9	793.0
Derivative liability	20	11.7	8.2	13.9
Deferred tax	22	56.6	48.1	46.6
Total liabilities		998.3	945.7	936.8
Equity				
Capital	29	138.4	89.9	89.9
Other reserves	30	(4.6)	0.4	(3.2)
Accumulated loss	31	(160.8)	(166.3)	(183.4)
Total equity		(27.0)	(76.0)	(96.7)
Total equity and liabilities		971.3	869.7	840.1

[1] The comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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

These financial statements were approved by the Board of Directors on 25 July 2024 and were signed on its behalf by:

J Fitzgerald
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

At 31 March 2024

	Note	Ordinary share capital[1] £m	Share premium £m	Capital contribution[2] £m	Hedging reserves £m	Other reserves £m	Revaluation reserves £m	Accumulated loss £m	Total equity £m
As at 1 April 2023[1]	31	0.9	89.0	-	(1.9)	(0.3)	2.6	(166.3)	(76.0)
Profit for the year		-	-	-	-	-	-	5.5	5.5
Other comprehensive profit/ (loss) for the year	30	-	-	-	0.6	(3.0)	(2.6)	-	(5.0)
Total comprehensive profit for the year		-	-	-	0.6	(3.0)	(2.6)	5.5	0.5
Shares issued[2]	29	44.9	-	-	-	-	-	-	44.9
Capital contribution[3]	29	-	-	3.6	-	-	-	-	3.6
As at 31 March 2024		45.8	89.0	3.6	(1.3)	(3.3)	-	(160.8)	(27.0)

[1] Prior period comparatives have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

[2] Pursuant to the After Inc. acquisition (see note 39 for further information) the Group issued share capital of £44.9m.

[3] Pursuant to the After Inc. acquisition (see note 39 for further information) the parent entity of the Group, Galaxy Midco 2 Limited invested additional capital of £3.6m into the Group

	Note	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
As at 1 April 2022 previously reported		0.9	89.0	-	(2.7)	(3.7)	3.4	(268.6)	(181.7)
Adjustment on initial application of IFRS 17, net of tax		-	-	-	-	(0.2)	-	85.2	85.0
As at 1 April 2022 (Restated)[1]		0.9	89.0	-	(2.7)	(3.9)	3.4	(183.4)	(96.7)
Profit for the year	31	-	-	-	-	-	-	17.1	17.1
Other comprehensive profit for the year	30	-	-	-	0.8	3.6	-	-	4.4
Revaluation for the year	30	-	-	-	-	-	(1.0)	-	(1.0)
Tax on revaluation	29						0.2		0.2
Total comprehensive profit for the year		-	-	-	0.8	3.6	(0.8)	17.1	20.7
As at 31 March 2023[1]		0.9	89.0	-	(1.9)	(0.3)	2.6	(166.3)	(76.0)

[1] Prior period comparatives have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2024

	Note	31 March 2024 £m	Restated[1] 31 March 2023 £m
Net cash from operating activities	28	17.0	24.1
Cash flows from investing activities			
Acquisition of property, plant and equipment		(2.7)	(5.8)
Proceeds from sale of property, plant and equipment		6.3	-
Acquisition of software and other intangibles		(37.3)	(23.1)
Disposal of financial instrument investments		2.3	0.1
(Deposit in)/withdrawal from money market funds		(0.2)	4.2
Purchase of subsidiary, net of cash acquired		(50.5)	-
Net cash used in investing activities		(82.1)	(24.6)
Cash flows from financing activities			
Repayment of lease liability		(4.4)	(1.6)
Net proceeds from borrowings		35.9	-
Net proceeds from equity issuances		32.8	-
Repayment of debt		(2.0)	-
Amounts paid to related parties and other non-cash items		(0.3)	(1.9)
Net cash from/(used in) financing activities		62.0	(3.5)
Net decrease in cash and cash equivalents		(3.1)	(4.0)
Effects of exchange rates		(0.8)	0.4
Cash and cash equivalents at the beginning of the year		30.3	33.9
Cash and cash equivalents at the end of the year		26.4	30.3

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 2024 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

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').

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 under 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. 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 2026). 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 2024.

Standards adopted during the year ended 31 March 2024

The Group has adopted the following new IFRSs and International Accounting Standards ('IASs') that became mandatorily effective for the Group for the first time in the financial year.

IFRS 17 Insurance contracts

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 3B 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 £85.0 m (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 earnings, replacement of the IFRS 4 margin in the measurement of insurance contract liabilities with a risk adjustment and the effect of discounting certain insurance contract liabilities;
- partly offset by other differences including the recognition of an additional deferred tax liability and an onerous contract loss component.

The Group has also 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 relating to the disclosure of accounting policy and materiality judgements, effective for reporting periods beginning on or after 1 January 2023
- Amendments to IAS 8 'Accounting policies, change in accounting estimates and errors' relating to the definition of accounting estimates, effective for reporting periods beginning on or after 1 January 2023
- Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transactions', issued in May 2021 and effective for reporting periods beginning on or after 1 January 2023
- Amendments to Pillar II regime, which intends to apply a 15% effective tax rate to profits arising in each jurisdiction in which a multinational group operates, applies to the group from 1 April 2024. The Group has considered the impact of the regime and has not identified any jurisdiction in which the regime is expected to have a material impact on the tax position going forward. The Group continues to monitor developments.

New, amended and revised statements and Interpretations

The following new standards and amendments to existing standards have been issued, are not effective for the current reporting period and are not expected to 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
- Amendments to IAS 7 and IFRS 7 'Supplier finance arrangements', issued in May 2023 and effective for reporting periods on or after 1 January 2024

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

B. Changes in significant accounting policies

The Group's accounting policies, which have been revised following the adoption of IFRS 17 are set out below.

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; 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 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 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.

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. See note 17 (c) for further details on the methodology for estimating the LIC and note B (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 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.

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 fulfilment cash flows of the associated group of contracts when the group is initially recognised.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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. 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 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) insurance service result comprising insurance service revenue and insurance service expenses, and (b) net finance expenses from insurance contracts. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

C. 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.

D. 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. 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.

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.

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.

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.

E. 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.

F. 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.

G. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

H. 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 is 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.

I. 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.

J. 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), and
- those to be measured at amortised cost.

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. Impairment losses are presented as a separate line item in the income statement.
- **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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 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.

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; and
- other financial assets for which credit risk has not increased significantly since initial recognition.

Measurement of ECL

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; and
- 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; and
- 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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.

K. 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; or
  - designated as at FVTPL; and
- 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.

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.

L. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

M. 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.

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.

N. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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.

O. 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.

P. 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.

Q. 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.

R. 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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.

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.

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 120-130. 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 estimates and judgements

i. Recoverability of prepayments and receivables (accounting policy – J)

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 – J)

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 – B.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.

v. Assessment for eligibility for PAA (accounting policy – B.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 allocate fixed and variable overheads fulfilment cash flows directly attributable to the fulfilment of insurance contracts.

vii. 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.

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 A.iii for details of the key judgements in respect of earnings patterns.

B. Key sources of estimation uncertainty

i. Measurement of recoverable amount of goodwill contained in CGUs (accounting policy – N)

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 – H)

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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. Onerous contracts (accounting policy – B.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.

v. Discount rates (accounting policy – B.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 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%

31 March 2023	1 year	2 years	3 years	4 years	5 years	More than 5 years
GBP	4.550%	4.290%	4.081%	3.919%	3.778%	3.658%
Euro	3.472%	3.315%	3.140%	3.009%	2.930%	2.886%
USD	4.719%	4.064%	3.671%	3.454%	3.332%	3.255%

vi. 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.

C. Changes in accounting estimates

In FY24, following a review of the useful economic life (‘UEL’) of software assets, the Group revised the UEL of certain assets based on the expected future consumption of economic benefits following a revision to the implementation of a new platform. This resulted in a net additional amortisation charge of £1.6m in the year with a corresponding benefit in future years. The impact of this is shown within the total FY24 amortisation charge in note 23.

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 2024	Year ended 31 March 2023
Eurozone		
Average rate (€1 equals)[1]	£0.8630	£0.8639
Year end rate (€1 equals)	£0.8551	£0.8791
US		
Average rate ($1 equals)[1]	£0.7956	£0.8295
Year end rate ($1 equals)	£0.7916	£0.8088

[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 2024	UK £m	Europe & Other £m	US £m	Total International £m	Other £m	Group £m
Insurance revenue						
Subscription revenue[1]	796.0	120.3	10.7	131.0	-	927.0
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	33.3	(14.8)	18.5	(94.4)	13.2
Non-current assets[3]	436.5	25.1	97.1	122.2	-	558.7

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2023 – restated[4]	UK £m	International: Europe & Other £m	International: US £m	International: Total International £m	Other £m	Group £m
Insurance revenue						
Subscription revenue[1]	739.9	105.8	6.1	111.9	-	851.8
Cash and other insurance revenue	41.2	71.4	-	71.4		112.6
Other income[2]						
Subscription revenue[1]	16.6	10.0	-	10.0	-	26.6
Cash and other revenue	-	-	-	-	-	-
Profit/(loss) before taxation	79.0	24.7	(8.7)	16.0	(78.3)	16.7
Non-current assets[3]	464.4	27.8	7.7	35.5	-	499.9

[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. Note that Jersey is included within the UK segment for non-current assets.
[4] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 2024 £m	Reatated Year ended 31 March 2023 £m
Insurance revenue	1,040.5	964.4
Insurance service expenses		
Incurred claims and other incurred insurance expenses	(456.2)	(413.8)
Losses & reversal of losses from onerous contracts	0.9	0.5
Insurance acquisition cash flows		
Amortisation	(373.7)	(349.6)
Total insurance service result (see note 17)	211.5	201.5

Claims and repair costs relating to non-insurance 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 2024 £m	Restated Year ended 31 March 2023 £m
Total realised gains	2.1	0.2
Amounts recognised in OCI	1.7	(0.5)
Total investment return	3.8	(0.3)
Interest accreted	(2.0)	(1.1)
Total net finance expenses from insurance contracts	(2.0)	(1.1)
Amounts recognised in profit or loss		
Investment return	2.1	0.2
Net finance expenses from insurance contracts	(2.0)	(1.1)
Total amounts recognised in profit or loss	0.1	(0.9)
Amounts recognised in OCI		
Investment return	1.7	(0.5)
Total amounts recognised in OCI	1.7	(0.5)

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 2024 £m	Year ended 31 March 2023 £m
Interest payable on external loans and borrowings	57.2	50.5
Interest payable on shareholder loans and borrowings	0.8	0.7
Interest expense on lease liabilities	1.7	1.0
Other finance costs	9.1	9.4
Total finance costs	68.8	61.6

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 2024 £m	Restated[1] Year ended 31 March 2023 £m
Claims and repairs costs[2]		22.5	20.5
Auditors' remuneration	11	2.2	1.1
Employee costs		82.4	67.4
Depreciation and amortisation		47.3	44.6
Non-insurance related mailing costs[3]		13.0	-
Repairs and maintenance expenditure on property, plant and equipment		10.2	8.1
Research and development costs		-	1.6
Significant items		9.5	4.0
Other operating expenses[3]		2.5	1.6
Total other operating expenses		189.6	148.9

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.
[2] Relates to IFRS 15 business and excludes any IFRS 17 claims & repair costs which are recognised in insurance service result.
[3] Non-insurance mailing costs and the increase in other operating expenses in FY24 relates to the expenses of After Inc.

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 2024 £m	Year ended 31 March 2023 £m
Finance transformation including implementation of IFRS 17	7.7	2.3
Transaction related costs	3.9	1.0
Restructuring costs	0.5	2.1
Talbot Street sale	(2.6)	-
Customer First	-	(1.4)
Total significant items	9.5	4.0

Costs of £7.7m (31 March 2023: £2.3m) have been recognised relating to our finance transformation including the implementation of IFRS 17.

Costs of £3.9m (31 March 2023: £1m) have been recognised primarily relating to one-off legal and consultancy fees associated with the acquisitions of After Inc. and the Nana Technologies platform. Please see note 39 for more information on the After Inc. acquisition.

Costs of £0.5m (FY23: £2.1m) have been recognised, primarily relating to restructuring costs incurred in the restructuring of elements of our business to focus on our strategic priorities.

The £2.6m credit represents the recycling of the revaluation reserve to the income statement following the completion of the sale of the Group's property in Talbot Street, Nottingham on 30 April 2023.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 2024 £m	Year ended 31 March 2023 £m
Statutory audit of the Group financial statements[1]	1.1	0.2
Statutory audit of the subsidiary financial statements	0.8	0.6
Additional fees relating to the prior year audit of the Group	0.1	0.1
Total audit fees	2.0	0.9
Audit related assurance	0.2	0.2
Total audit and assurance fees	2.2	1.1

[1] The increase in the fees for the statutory audit of Group financial statements primarily relates IFRS 17 audit fees.

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 2024 £m	Year ended 31 March 2023 £m
Wages and salaries	139.6	121.4
Social security costs	14.4	13.5
Other pension costs	4.9	4.2
Total staff costs	158.9	139.1

Included in staff costs is £76.5m (31 March 2023: £71.7m) 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 2024	Year ended 31 March 2023
Directors	3	3
Sales and marketing	348	287
Commercial and claims	185	182
Finance and administration	563	511
Contact Centres and IT	1,921	1,877
Total employee numbers	3,020	2,860

[1] Average employee numbers have been calculated using the monthly employee numbers during the year. This approach takes into account recruitment, leavers and acquisitions of business.

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 2024 £m	Restated[1] Year ended 31 March 2023 £m
Current tax		
For the period	(7.4)	(4.3)
Adjustment to tax charge in respect of previous years	-	6.0
Total current tax	(7.4)	1.7
Deferred tax		
Origination/reversal of temporary differences	(3.0)	(0.8)
IFRS 17	(0.6)	(2.9)
Tax effect of amortisation of intangible assets	4.3	3.3
Movement in DTA on disallowed interest attributes carried forward	(1.3)	1.9
Prior year adjustments	0.3	(2.8)
Total deferred tax	(0.3)	(1.3)
Total tax (charged)/credited to income statement	(7.7)	0.4

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 2024 £m	Restated[1] Year ended 31 March 2023 £m
Profit on ordinary activities before tax	13.2	16.7
Standard corporation tax rate in the UK	25%	19%
Profit on ordinary activities multiplied by the standard rate	(3.3)	(3.2)
Effects of:		
Items disallowed for tax purposes	(1.7)	(1.9)
Adjustment to tax charge in respect of prior years	0.3	3.3
Movement in deferred tax and losses not recognised	(2.6)	3.8
Tax rate differences in branches	(0.1)	(1.2)
Other	(0.3)	(0.4)
Total tax (charged)/credited to income statement	(7.7)	0.4

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

14. Cash and cash equivalents

This note analyses the Group's cash and short-term investments.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Bank and cash balances	22.7	26.4
Short term bank deposits	3.7	3.9
Total cash and cash equivalents	26.4	30.3

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

15. Inventory

This note analyses the Group's inventory held by our US business.

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
As at 1 April	-	-
Acquired inventory	1.1	-
Decrease in inventory during the year	(0.5)	-
At 31 March	0.6	-

16. Trade and other receivables

This note analyses the Group's total receivables.

	Year ended 31 March 2024 £m	Restated[1] Year ended 31 March 2023 £m
Trade receivables	0.5	0.3
Other receivables	22.7	7.1
Prepayments and accrued income	61.8	69.7
	85.0	77.1
Split between:		
Amounts expected to be recognised in 12 months	74.0	64.3
Amounts expected to be recognised after 12 months	11.0	12.8

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

17. Insurance contract assets

A. Carrying amount

Insurance contracts at 31 March comprised:

		International				
Year ended 31 March 2024	UK £m	Europe & Other £m	US £m	Total International £m	Other £m	Group £m
Insurance contracts						
Insurance contract assets/(liabilities)	47.6	(12.7)	1.0	(11.7)	-	35.9
Assets for insurance acquisition cash flows	125.0	36.4	6.0	42.4	-	167.4
Insurance contracts assets	172.6	23.7	7.0	30.7	-	203.3

		International				
Year ended 31 March 2023	UK £m	Europe & Other £m	US £m	Total International £m	Other £m	Group £m
Insurance contracts						
Insurance contract assets/ (liabilities)	34.6	(23.7)	1.2	(22.5)	-	12.1
Assets for insurance acquisition cash flows	114.5	32.7	3.8	36.5	-	151.0
Insurance contracts assets	149.1	9.0	5.0	14.0	-	163.1

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 2024	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	75.4	(1.8)	(57.3)	(4.2)	12.1
Changes in comprehensive income					
Insurance revenue	1,040.5	-	-	-	1,040.5
Insurance service expenses:					
Incurred claims and other insurance service expenses	-	-	(455.8)	(0.4)	(456.2)
Amortisation of insurance acquisition cash flows	(373.7)	-	-	-	(373.7)
Losses on onerous contracts and reversals of those losses	-	0.9	-	-	(0.9)
Insurance service result	666.8	0.9	(455.8)	(0.4)	211.5
Net finance expenses from insurance contracts	(2.0)	-	-	-	(2.0)
Net financial result	(2.0)	-	-	-	(2.0)
Total changes in comprehensive income	664.8	0.9	(455.8)	(0.4)	209.5
Cashflows:					
Premiums received	(988.3)	-	-	-	(988.3)
Claims and other insurance service expenses paid	-	-	447.4	-	447.4
Insurance acquisition cash flows paid	355.2	-	-	-	355.2
Total cash flows	(633.1)	-	447.4	-	(185.7)
Closing assets	107.1	(0.9)	(65.7)	(4.6)	35.9

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Liabilities for remaining coverage		Liabilities for incurred claims		
Year ended 31 March 2023	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	51.5	(2.3)	(53.0)	(4.3)	(8.1)
Changes in comprehensive income					
Insurance revenue	964.4	-	-	-	964.4
Insurance service expenses:					
Incurred claims and other insurance service expenses	-	-	(413.9)	0.1	(413.8)
Amortisation of insurance acquisition cash flows	(349.6)	-	-	-	(349.6)
Losses on onerous contracts and reversals of those losses	-	0.5	-	-	0.5
Insurance service result	614.8	0.5	(413.9)	0.1	201.5
Net finance expenses from insurance contracts	1.1	-	-	-	1.1
Net financial result	1.1	-	-	-	1.1
Total changes in comprehensive income	615.9	0.5	(413.9)	0.1	202.6
Cashflows:					
Premiums received	(953.9)	-	-	-	(953.9)
Claims and other insurance service expenses paid	-	-	409.6	-	409.6
Insurance acquisition cash flows paid	361.9	-	-	-	361.9
Total cash flows	(592.0)	-	409.6	-	(182.4)
Closing assets	75.4	(1.8)	(57.3)	(4.2)	12.1

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 cost 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 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 2024		31 March 2023	
	Change in assumptions	Profit or loss £m	Equity £m	Profit or loss £m	Equity £m
Increase in incurred claims expense	1% increase	(4.6)	(4.6)	(4.1)	(4.1)
Decrease in incurred claims expense	1% decrease	4.6	4.6	4.1	4.1

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 2024 £m	Restated[1] Year ended 31 March 2023 £m
At 1 April	151.0	130.9
Amounts incurred during the year	58.8	55.8
Amounts derecognised and included in the measurement of insurance contracts	(41.4)	(36.8)
Effect of movements in exchange rates	(1.0)	1.1
At 31 March	167.4	151.0

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

Expected derecognition of the insurance acquisition cash flow asset

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
< 1 year	44.7	41.6
1 – 2 years	33.0	29.1
2 – 3 years	33.3	29.9
3 – 4 years	24.2	21.6
4 – 5 years	16.9	14.9
Greater than 5 years	15.3	13.9
Total	167.4	151.0

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 2024 £m	Year ended 31 March 2023 £m
Other owned PPE		14.0	14.4
Other leased PPE	27 A	22.5	24.9
		36.5	39.3
Non-current assets held for sale	19 A	-	6.3
		36.5	45.6

A. Non-current assets held for sale

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Reconciliation of carrying amount		
Balance at 1 April	6.3	7.3
Movement in year	(6.3)	(1.0)
As at 31 March	-	6.3

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 is recycled from OCI into the income statement in the year.

B. Other property and equipment owned

	Computer equipment £m	Fixtures, fittings and equipment £m	Total £m
Cost			
At 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			
At 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

	Computer equipment £m	Fixtures, fittings and equipment £m	Total £m
Cost			
At 1 April 2022	11.0	17.4	28.4
Additions	0.8	5.0	5.8
Disposals	-	(5.9)	(5.9)
At 31 March 2023	11.8	16.5	28.3
Depreciation			
At 1 April 2022	7.2	8.8	16.0
Charge for the year	1.4	2.4	3.8
Disposals	-	(5.9)	(5.9)
At 31 March 2023	8.6	5.3	13.9
Carrying amount at 31 March 2023	3.2	11.2	14.4

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 2024 £m	Year ended 31 March 2023 £m
Foreign exchange forward	A	(0.1)	0.2
Derivative liability	B	(11.6)	(8.2)

A. Foreign exchange forward

The Group has entered into GBP/AUD foreign exchange forward contracts 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 assets were:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Foreign exchange forward contracts	(0.1)	0.2

B. Derivative liability

In 2019, the Group entered into derivative financial instruments for the purpose of converting synthetically into GBP debt, €150m of the Group's total €200m EUR Floating Rate Senior Secured Notes issued.

In May 2023 these derivative financial instruments were extended to 31 July 2025 resulting in de-designation of the original derivative instruments and re-designation of the extended derivatives, with a corresponding income statement impact of £0.3m. The re-designation had no other significant changes to terms of the original instruments.

The carrying value of the Group's derivative financial liabilities were:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Current liability	4.5	3.6
Non-current liability	7.1	4.6
Cross currency interest rate swap	11.6	8.2

The fair value of the derivative financial instruments is based on market quotations provided by an independent third party.

C. Hedge accounting

The Group has elected to apply hedge accounting for those derivative instruments 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)	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 above hedge mitigates the Group's exposure to adverse fluctuations in currency movements between GBP and EUR. Details of the Group's loans and borrowings are set out in note 26.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Balance at 1 April	(1.9)	(2.7)
Amount recognised in equity in the year	0.6	0.8
Cash flow hedge reserves as at 31 March	(1.3)	(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.

The Group occasionally enters into cross currency interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The Group has chosen 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.

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 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)
	42.1	51.9	111.4	(929.6)	(724.2)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Restated[1] Year ended 31 March 2023	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	-	0.1	-	-	0.1
Investment in unlisted securities	-	60.3	-	-	60.3
Other investments	42.2	1.8	-	-	44.0
Total financial investments	42.2	62.2	-	-	104.4
Trade and other receivables	-	-	77.1	-	77.1
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	-	-	-	(72.0)	(72.0)
	42.2	54.2	107.4	(888.9)	(685.1)

* FVOCI – Fair value through other comprehensive income
** FVTPL – Fair value through profit or loss
[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 or loss include £61.4m 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 and investments held in money market funds.

The value of financial assets which are expected to be recovered in less than one year is £0.3m (31 March 2023: £0.1m) and those greater than one year is £105.4m (31 March 2023: £104.3m).

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).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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

Year ended 31 March 2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Investments at fair value through profit or 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

B. Further information on Level 3 assets and liabilities

Level 3 Financial Instruments	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Balance at 1 April	60.3	55.9
Interest	3.0	2.8
Foreign exchange movements	(1.9)	1.6
At 31 March	61.4	60.3

For fair value measurements categorised within Level 3 above, these represent the preference shares issued by Galaxy Finco 2 Limited, a fellow subsidiary of the Group's immediate parent, Galaxy Midco 2 Limited (see note 34). The fair value reflects 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 is unpaid. The level 3 investments are exposed to the sensitivity of foreign exchange movements of the underlying AUD and EUR against GBP, however, these movements are immaterial. There have been no transfers in or out of level 3 assets and liabilities.

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 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	8.7	-	8.7
German GAAP differences	-	(7.2)	(7.2)
Other temporary differences	0.8	(0.7)	0.1
	21.9	(69.6)	(47.7)
Newly acquired intangibles	-	(8.9)	(8.9)
	21.9	(78.5)	(56.6)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Year ended 31 March 2023	Assets £m	Liabilities £m	Restated[1] Net £m
Intangible assets	-	(24.9)	(24.9)
Capital allowances	-	(5.4)	(5.4)
IFRS 17	-	(31.0)	(31.0)
Disallowed interest attributes carried forward	11.1	-	11.1
Losses	1.8	-	1.8
Other temporary differences	0.7	(0.4)	0.3
	13.6	(61.7)	(48.1)

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 2023 previously reported	(20.8)
IFRS 17 impact on deferred tax	(27.3)
Net deferred tax position as at 31 March 2023	(48.1)
Newly acquired deferred tax liability	(8.9)
Movement in the year	0.3
Net deferred tax position at 31 March 2024	(56.6)

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 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	27.4	46.6
Disposals	-	-	-	(0.2)	(0.2)
At 31 March 2024	-	178.9	253.1	96.4	528.4
Carrying amount at 31 March 2024	322.0	82.0	40.6	66.6	511.2

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Goodwill £m	OEM relationships £m	Customer relationships & other £m	Software £m	Total £m
Cost					
1 April 2022	278.5	260.9	251.3	109.2	899.9
Additions	-	-	-	23.1	23.1
Foreign exchange	-	-	-	0.5	0.5
At 31 March 2023	278.5	260.9	251.3	132.8	923.5
Amortisation and impairment losses					
1 April 2022	-	144.1	251.3	42.0	437.4
Charge for the year	-	17.4	-	27.2	44.6
At 31 March 2023	-	161.5	251.3	69.2	482.0
Carrying amount as at 31 March 2023	278.5	99.4	-	63.6	441.5

All amortisation charges in the year have been charged through other operating expenses and insurance service expense as appropriate. In FY24, following a review of the useful economic life ('UEL') of software assets, the Group revised the UEL of certain assets based on the expected future consumption of economic benefits following a revision to the implementation timing of a new platform. This resulted in a net additional amortisation charge of £1.6m in the year with a corresponding benefit in future years. The impact of this is shown within the total FY24 amortisation charge above.

The UK and International goodwill of £278.5m 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 £43.5m 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 2024 £m	Year ended 31 March 2023 £m
UK	265.6	265.6
International (Continental Europe & Other)	12.9	12.9
US	43.5	-
	322.0	278.5

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

	Extrapolated future profits growth rate		Future profits discount rates (pre-tax)	
Key assumptions	31 March 2024 %	31 March 2023 %	31 March 2024 %	31 March 2023 %
UK	1.4	1.4	11.7	12.4
International (Continental Europe & Other)	1.6	1.7	10.5	11.4
US	1.9	-	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 2024 £m	Year ended 31 March 2023 £m
Cut in the long-term growth rate:		
UK	1.4% to -29.4%	1.4% to -36.2%
International (Continental Europe & Other)	1.6% to > -50%[1]	1.7% to > -50%[1]
US	1.9% to 1.0%	n/a
Rise in the discount rate from:		
UK	11.7% to 25.4%	12.3% to 24.5%
International (Continental Europe & Other)	10.5% to > 50%[1]	11.3% to 47.1%
US	13.7% to 14.4%	n/a
Reduction in 2028 cash flows from:		
UK	£148.3m to £37.2m	£155.9m to £35.2m
International (Continental Europe & Other)	£40.1m to £(0.1)m	£37.9m to £(3.5m)m
US	£19.2m to £17.8m	n/a

[1] The International CGU value-in-use is insensitive to changes in the long-term growth rate and a rise in the discount rate in FY24, 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.

24. Trade and other payables

This note analyses our payable and other payables at the end of the year.

	Year ended 31 March 2024 £m	Restated[1] Year ended 31 March 2023 £m
Accruals	41.3	39.4
Deferred income[2]	16.9	28.1
Other payables	16.4	4.5
Total	74.6	72.0

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

[2] Deferred income relates to contracts recognised in accordance with IFRS 15.

Of the total payables, £4.2m (31 March 2023 restated: £10.0m) is expected to be settled more than 12 months after the reporting date. Non-insurance claims approved but not yet settled are included within trade payables.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

25. Provisions

This note analyses our payable and other payables at the end of the year.

	Year ended 31 March 2024 £m	Restated[1] Year ended 31 March 2023 £m
Non-insurance claims provision	0.4	0.5

26. Loans and borrowings

The Group's loans and borrowings are analysed below:

	Note	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Senior Secured Notes due 2026		405.0	405.0
Senior Secured Floating Rate Notes due 2026		171.0	175.8
Senior Notes due 2027		150.0	150.0
Revolving Credit Facility (RCF)		37.0	-
Loan due to Parent Company		9.0	8.5
Loan due to Fellow Subsidiary Company		65.9	62.6
Total		837.9	801.9
Transaction costs		(8.9)	(11.9)
Carrying amount		829.0	790.0
Lease liability	27 (ii)	26.0	26.9
Loans and borrowings		855.0	816.9

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
6.5% Senior Secured Notes	6.5%	2026	400.9
€200m Senior Secured Floating Rate Notes	EURIBOR + 5%	2026	168.8
9.25% Senior Notes	9.25%	2027	147.4
Drawn Revolving Credit Facility (RCF)	SONIA + 3%	2026	37.0
5.35% Loan due to Parent Company	5.35%	2028	9.0
5.25% Loans due to Fellow Subsidiary Company	5.25%	2028	65.9
Total			829.0

The entire balance of loans and borrowings, with the exception of the 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 2024 and 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 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 March 2024, £37.0m (31 March 2023: £nil) of the Group's RCF had been drawn. The increase in size of the RCF during the year was negotiated to partially fund the acquisition of After Inc., thereby preserving access to substantial liquidity. See note 39 for further details. At the balance sheet date, £3.0m (31 March 2023: £3.0m) of the RCF is available as a same day drawdown overdraft facility.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 2024 and 2025.

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
- 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

	Note	Land and buildings £m	Motor vehicles £m	Total £m
At 1 April 2022		15.0	0.5	15.5
Additions		12.4	-	12.4
Depreciation		(2.8)	(0.2)	(3.0)
Disposals		(0.5)	-	(0.5)
Depreciation on disposals		0.5	-	0.5
At 31 March 2023	19	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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

ii. Lease liabilities

Lease liabilities included within note 26 total £26.0m (31 March 2023: £26.9m). Future contractual aggregate minimum lease payments are as follows:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Maturity analysis – contractual undiscounted cash flows		
Less than one year	4.5	2.8
One to five years	16.4	15.9
More than five years	16.9	17.9
Total undiscounted lease liabilities	37.8	36.6
Lease liabilities in balance sheet	26.0	26.9

iii. Amounts recognised in the income statement

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Sublease income	0.2	-
Interest on lease liabilities	(1.7)	(1.0)
Depreciation on leased assets	(3.4)	(3.0)
Total amounts recognised in the income statement	(4.9)	(4.0)

Sublease income on non-cancellable property operating lease is receivable as follows:

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Within one year	0.6	-
Between one and two years	0.9	-
Between two and five years	1.0	-
	2.5	-

iv. Amounts recognised in the cash flow statement

	Year ended 31 March 2024 £m	Year ended 31 March 2023 £m
Total cash outflow for leases	4.4	1.6

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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

28. Statement of cashflows – reconciliation of profit before tax to the cash flows from operating activities

This note gives further detail behind the figures in the statement of cash flows.

	31 March 2024 £m	Restated[1] 31 March 2023 £m
Profit before taxation	13.2	16.7
Adjustments for:		
Depreciation and amortisation	48.2	46.1
Gain on sale of land and building	(2.6)	-
Other finance expenses	68.8	61.6
Net investment income	(2.1)	(0.2)
Net finance expenses from insurance contracts	2.0	1.1
	127.5	125.3
Changes in working capital		
Increase in insurance contract assets	(35.8)	(31.3)
(Increase)/decrease in trade and other receivables	(2.4)	3.8
Decrease in trade and other payables	(6.3)	(15.9)
Cash flows from operating activities	83.0	81.9
Interest paid	(62.4)	(54.6)
Income taxes paid	(3.6)	(3.2)
Net cash from operating activities	17.0	24.1

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

29. Capital

This note gives details of Galaxy Finco Limited's share capital and the movements in the year.

	31 March 2024 £m	31 March 2023 £m
Ordinary share capital	45.8	0.9
Share premium	89.0	89.0
Capital contribution	3.6	-
	138.4	89.9

In the period there was an increase of share capital and capital contributions as part of the acquisition of After Inc. See note 39 for further detail of the acquisition.

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 2024	31 March 2023
Class			
A Ordinary	£0.01	4,578,511,259	89,871,070

Called up share capital

	Year ended 31 March 2024		Year ended 31 March 2023	
Allotted, called up and fully paid	**No.**	**£m**	**No.**	**£m**
A Ordinary	4,578,511,259	45.8	89,871,070	0.9

Authorised share capital

	Year ended 31 March 2024		Year ended 31 March 2023	
Authorised	**No.**	**£m**	**No.**	**£m**
A Ordinary	10,000,000,000	100	89,871,070	0.9

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Share premium account

	31 March 2024 £m	31 March 2023 £m
Balance as at 1 April and 31 March	89.0	89.0

30. Other reserves

This note gives details of the other reserves which form part of the Group's consolidated equity.

	31 March 2024 £m	Restated[1] 31 March 2023 £m
Opening balance	0.4	(3.2)
Revaluation for the year	(2.6)	(1.0)
Tax on revaluation	-	0.2
Currency translation differences	(4.7)	4.1
Changes in fair value of investments through OCI	1.7	(0.5)
Effective portion of changes in fair value of cash flow hedges – hedging reserves	0.6	0.8
Balance as at 31 March	(4.6)	0.4

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

Revaluation for the year

Fair value loss on assets held for sale and associated tax impact on the revaluation.

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 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.

31. Accumulated loss

This note analysis the movements in the consolidated accumulated loss during the year.

	31 March 2024 £m	Restated[1] 31 March 2023 £m
Opening balance	(166.3)	(183.4)
Profit for the period	5.5	17.1
Balance as at 31 March	(160.8)	(166.3)

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 2024, the Group had capital commitments contracted for but not provided of £6.1m (31 March 2023: £2.7m).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

B. Contingent liabilities

There were no contingent liabilities at 31 March 2024 (31 March 2023: £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 where this varies)
Galaxy Bidco 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 & Wales[2]	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]	Licensed operating company	100%
Domestic & General USA Services LLC	USA Delaware[3]	Licensed 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 Service GmbH	Germany[5]	Dormant company	100%
Domestic & General Insurance Europe AG	Germany[5]	Warranty insurance	100%
Domestic & General Services Pty Ltd	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 controlling party 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

During the year there was an increase of share capital of £44.9m and capital contributions of £3.6m relating to the acquisition of After Inc. - see note 39 for further detail.

As at 31 March 2024, amounts owed to the immediate Parent undertaking Galaxy Midco 2 Limited totalled £9.0m (31 March 2023: £8.5m), of which £0.5m is interest (31 March 2023: £0.4m) was charged on loans outstanding.

As at 31 March 2024 amounts owed to a fellow subsidiary of the immediate Parent undertaking, Galaxy Finco 2 Limited totalled £65.9m (31 March 2023: £62.6m) of which £1.6m of interest (31 March 2023: £1.5m) was charged on this balance.

As at 31 March 2024 investments carried at fair value through profit or loss include £61.4m of investments in preference shares issued by Galaxy Finco 2 Limited, a fellow subsidiary of the Group's immediate Parent, Galaxy Midco 2 Limited (31 March 2023: £60.3m). This includes unpaid interest on these preference shares accrued at 5% coupon retranslated at the year-end exchange rate. At 31 March 2024, the cumulative balance of the unpaid interest was £12.4m (31 March 2023: £9.4m).

During the year ended 31 March 2024, no fees were paid to CVC or ADIA (31 March 2023: £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 Galaxy Finco 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 2024 £m	Year ended 31 March 2023 £m
Wages and salaries and other social security costs	9.5	8.1
Other pension costs – defined contribution schemes	0.8	0.6
Total key management personnel compensation	10.3	8.7

35. Dividends

No dividends were paid in 2024 (2023: 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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.

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 client, 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(vi) 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 investment portfolio and borrowings, which are managed by the Group’s Treasury function, with the investment portfolio being outsourced to a third-party specialist investment manager.

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: 72%
- For the next 13 to 24 months: 72%
- For the next 25 to 36 months: 72%
- For the next 37 to 48 months: 72%
- For the next 49 to 60 months: 72%

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Proportions of fixed rate indebtedness shown above for periods beyond 24 months, assume that refinancing of existing debt will use the same proportions as current debt, although this is not currently certain.
A 1.0% increase in interest rates would have a £2.2m (31 March 2023: £1.8m) negative annual impact on interest payable by the Group.

The 28% floating rate proportion of gross debt, which includes both EUR floating rate notes and the drawn portion of the RCF, is partially hedged by cash and investment asset balance, where those balances attract a floating rate of interest. A 1.0% increase in interest rates would have a £0.3m (31 March 2023: £0.4m) positive annual impact on interest income in relation to cash and floating rate investment balances, assuming other variables remain constant.

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:

Year ended March 2024	A- rated (or above) institutions £m	BBB+ rated (or below) institutions £m	Unrated £m	Total £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

Restated[1] Year ended March 2023	A- rated (or above) institutions £m	BBB+ rated (or below) institutions £m	Unrated £m	Total £m
Cash and cash equivalents	30.3	-	-	30.3
Money market funds	0.1	-	-	0.1
Investments in unlisted securities	-	-	60.3	60.3
Investments carried at fair value	26.0	18.0	-	44.0
Trade and other receivables	-	-	77.1	77.1
	56.4	18.0	137.4	211.8

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The unrated assets as at 31 March 2024 represent the investments in preference shares issued by Galaxy Finco 2 Limited, a fellow subsidiary of the Group's immediate Parent, Galaxy Midco 2 Limited and amounts due from trade partners.

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
- Debt 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 2024 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 2024, the expected credit loss allowance for trade and other receivables is £4.0m (2023: £3.9m), with the movement recognised in the income statement.

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.

		31 March 2024 £m	Restated[1] 31 March 2023 £m
Not past due		83.2	75.7
	0 – 30	0.2	0.3
	31 – 60	-	-
Past due (days)	61 – 90	0.8	0.5
	90+	0.8	0.6
Carrying amount		85.0	77.1

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

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 the maturity profile is an analysis by estimated timing of the amounts recognised in the balance sheet.

Year ended March 2024	Provisions £m	Loans and borrowings[1] £m	Trade and other payables £m	Total £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

Year ended March 2023 Restated[2]	Provisions £m	Loans and borrowings[1] £m	Trade and other payables £m	Total £m
0 – 90 days	0.5	-	37.2	37.7
91 days – 1 year	-	-	24.8	24.8
1 – 3 years	-	-	10.0	10.0
3 – 5 years	-	730.8	-	730.8
Greater than 5 years	-	71.1	-	71.1
Total	0.5	801.9	72.0	874.4

[1] Excluding transaction costs and lease liabilities.
[2] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

Interest payable is calculated using yield curves appropriate to the maturities of the Group's borrowings and assumes all borrowings are held to term.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 €200m Senior Secured Floating Rate Notes issued in July 2019 have been partially hedged with a €150m Cross Currency Interest Rate swaps and the remaining €50m exposure has been hedged within the Galaxy Finco Group by investing in EUR denominated preference shares for the same amount issued by Galaxy Finco 2 Limited, a fellow subsidiary to Galaxy Finco Limited. 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 £27.0m (31 March 2023 (restated): £76.0m), Senior Secured Notes (net of financing costs) of £400.9m (31 March 2023: £399.4m), Senior Secured Floating Rate Notes of £168.8m (31 March 2023: £172.8m), Senior Notes of £147.4m (31 March 2023: £146.7m) and amounts owed to parent and fellow subsidiary undertakings (including accrued interest) of £74.9m (31 March 2023: £71.1m). As at 31 March 2024, the Group had drawn £37.0m of the RCF (31 March 2023: undrawn).

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. Business combinations

On 7 June 2023, the Group completed the acquisition of After Inc. by acquiring 100% of the issued share capital (and voting rights), for total consideration of $86.5m (£69.4m), along with £2.4m of transaction costs relating to the acquisition recognised in significant items. The acquisition was funded through a combination of drawing on the revolving credit facility and new equity from existing institutional investors and After Inc. management. See notes 26 and 29 for further detail.

Total consideration on a fair value basis included unconditional deferred consideration of $14.4m (£11.5m) and conditional deferred consideration of $5.2m (£4.2m). At the time of acquisition, the range of outcomes for the conditional deferred consideration (on an undiscounted basis) was considered to be between $0 to $20m, contingent on the achievement of synergy targets and revenue outperformance of After Inc. over a 7-month period to 31 December 2023. The obligation to pay the deferred consideration is a liability of Domestic & General Limited, a parent company of Galaxy Finco Limited and as a result this liability sits outside the Group. This component of consideration has been recognised as equity in the Group.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

The fair value of net assets of After Inc at the date of acquisition were as follows:

	Fair value	
	US$m	£m
Cash and cash equivalents	4.0	3.2
Inventory	1.4	1.1
Trade and other receivables	9.0	7.3
Intangible assets	44.5	35.7
Property, plant and equipment	3.1	2.5
Total assets	62.0	49.8
Trade and other payables	(13.5)	(10.9)
Loans and borrowings	(5.2)	(4.1)
Deferred tax liabilities	(11.8)	(9.5)
Total liabilities	(30.5)	(24.5)
Total identifiable net assets	31.5	25.3
Goodwill	55.0	44.1
Total consideration	86.5	69.4

The goodwill on acquisition of $55.0m (£44.1m), represents future business value and synergies arising from the acquisition, as well as the value of workforce in place. This is not tax deductible. Intangible assets arising on the acquisition of After Inc. of $43.8m (£35.2m) primarily represent customer contracts and relationships.

After Inc. contributed $39.5m (£31.4m) revenue (recognised within Group ‘Other income’) and $0.9m (£0.7m) profit to the Group’s profit before tax for the period from the acquisition date. If the acquisition had taken place on 1 April 2023, on a pro-forma basis the Group’s other income is estimated at £66.4m and the Group’s profit before tax attributable to shareholders is estimated at £13.6m. This result includes an estimate for the cost of financing and amortisation of acquired intangible assets for the period from 1 April 2023. The pro-forma results are provided for information purposes only and do not necessarily reflect the actual results that would have occurred had the acquisition taken place on 1 April 2023, nor are they necessarily indicative of the future results of the combined Group.

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 markets.

OTHER INFORMATION CONTINUED

Reconciliation of adjusted EBITDA to profit for the year

	Year ended 31 March 2024 £m	Restated[1] Year ended 31 March 2023 £m
Insurance revenue[2]	1,040.5	964.4
Other income	60.0	26.6
Total revenue	1,100.5	991.0
Insurance service expense	(829.0)	(762.9)
Other operating expenses	(142.3)	(104.3)
Total expenses	(971.3)	(867.2)
Investment income	2.1	0.2
Net finance expenses from insurance contracts	(2.0)	(1.1)
Net financial result	0.1	(0.9)
Items excluded from adjusted EBITDA		
- Significant items	9.5	4.0
- Net change in depreciation costs recognised in insurance service expenses	6.0	5.3
Adjusted EBITDA	144.8	132.2
Significant items	(9.5)	(4.0)
EBITDA	135.3	128.2
Depreciation and amortisation[3]	(53.3)	(49.9)
Other finance expenses	(68.8)	(61.6)
Profit before tax	13.2	16.7
Tax	(7.7)	0.4
Profit for the year	5.5	17.1

[1] The FY23 comparative results have been restated from those previously published following adoption of IFRS 17 Insurance Contracts, as described in note 2.

[2] Impairment losses on financial assets of £0.2m (FY23: £4.2m) 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 £47.3m are included in Other operating expenses – see note 10 for further information.

OTHER INFORMATION CONTINUED

Reported solvency ratio analysis (unaudited)

Year ended 31 March 2024	DGI solo[1] £m	DGIEU solo[2] £m	Total £m	Consol adj. £m	DGA group[3] £m
Eligible own funds	142.4	35.8	178.2	4.2	182.4
Solvency capital requirements (SCR)	83.6	8.5	92.1	2.8	94.9
Capital surplus	58.8	27.3	86.1	1.4	87.5
Ratio of eligible own funds to the SCR	170%	420%	193%		192%

Year ended 31 March 2023	DGI solo[1] £m	DGIEU solo[2] £m	Total £m	Consol adj. £m	DGA group[3] £m
Eligible own funds excluding post year-end dividend	148.1	26.0	174.1	2.6	176.7
Solvency capital requirements (SCR)	78.5	7.9	86.4	1.1	87.5
Capital surplus excluding post year-end dividend	69.6	18.1	87.7	1.5	89.2
Ratio of eligible own funds to the SCR	189%	329%	202%		202%
Dividend approved after year-end	(15.0)	-	(15.0)	-	(15.0)
Eligible own adjusted for post year-end dividends	133.1	26.0	159.1	2.6	161.7
Capital Surplus adjusted for post year-end dividends	54.6	18.1	72.7	1.5	74.2
Ratio of Eligible Own Funds to the SCR adjusted for post year-end dividends	169%	329%	184%		185%

[1] Domestic & General Insurance Plc, the most senior insurance undertaking in the regulated group.
[2] Domestic & General Insurance Europe AG, 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 table above for the year ended 31 March 2023 has been restated to take into account interim dividends which were approved by both DGI and DGA in June 2023, following the 31 March 2023 year-end. As these interim dividends were declared after the year-end, but before the date of signing of the SFCR they are required to be treated as “foreseeable dividends” and are, therefore, deducted from Own Funds.

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 or second fix	Percentage of repairs completed within the first or second 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