

Registered number: 00198823

**GAP GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

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**GAP GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D G Anderson I M Anderson M D Anderson R W Dey D Gordon K J J Greenshields W A Linter C A G Parr A C Telfer
<b>Company secretary</b>	C A G Parr
<b>Registered number</b>	00198823
<b>Registered office</b>	GAP Group Blenheim Place Dunston Industrial Estate Gateshead Tyne And Wear NE11 9HF
<b>Independent auditor</b>	RSM UK Audit LLP Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG

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**GAP GROUP LIMITED**

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**GAP GROUP LIMITED**

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**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2024**

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The economic headwinds of inflationary pressures, skill shortages and a tight labour market eased slightly during 2024 which, coupled with our constantly expanding service offer, helped to deliver another strong performance.

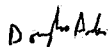
Our turnover increased by 9% to £302.3m and our pre-tax profit decreased to £43.9m. Investment in our hire fleet totalled £86.5m and we invested a further £33.6m in operational property.

Supporting and developing our employees will always be a priority. During the year we continued to support our employees with the cost of living challenges by making two payments to over 80% of our workforce during the winter months. We upgraded our employee Wellbeing Hub during the year to offer a more interactive and personalised user experience while our trained Mental Health First Aiders continue to offer support to our colleagues on a more personal level.

Developing the young workforce remains crucial to our on-going success and our long-established apprenticeship programmes continue to provide the Company with future talent across all areas of the business. During the year we recruited 23 new apprentices whilst 14 completed their qualifications in a range of disciplines. Significant investment was also made during the year in a new Learning Management System.

Public finances, whether at Westminster or the devolved parliaments, are never far from the headlines and it is worthy of note that between business and employment taxes GAP contributed a total of £51.7m to the public purse in the year to March 2024.

Looking forward, demand levels and order pipelines within our core sectors remain robust and our strong balance sheet and high leverage position us well to continue to respond to the requirements of our customers and to further develop our product range. We strongly believe that our independent family ownership which underpins our ability to maintain a long-term planning horizon provides us with a unique advantage within our cohort of National hire companies. Our progressive strategy of owning as much of our operational property as possible continued strongly with our gross book value of land and buildings closing the year at £133.2m providing us with long term security that is unrivalled in our industry.



Name D G Anderson  
Chairman and Joint Managing Director

Date 30 August 2024

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## GAP GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

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The Directors submit their report and financial statements for the year ended 31 March 2024.

#### **Principal activities**

The principal activity of the Group is the hire of small tools and unmanned plant, primarily serving the utilities, building and construction industries.

#### **Performance**

The Group's performance is outlined in the Chairman's statement.

#### **Overseas Branches**

The Group maintains branches in Jersey, Guernsey, and the Isle of Man, which have significantly contributed to our international growth strategy. These branches have demonstrated strong financial performance and market engagement, supporting our overall success. We remain dedicated to ensuring their continued compliance and fostering growth in these regions.

#### **Customers**

The Group remains dedicated to delivering high-quality service to its customers, with account managers assigned to handle our Major Accounts. The Commercial Team, located at GAP's Head Office, offers tender support for both new business and Major Accounts.

#### **Safety**

GAP continued to build on its deep-rooted passion for health and safety excellence where nothing within the business is more important than maintaining safe and operationally reliable services. GAP continued to focus on the development of safety programmes and strategies to maintain and enhance the effectiveness of its safety processes and procedures within operations, including supporting a culture of care for others.

Through this sustained effort to improve safety, including work on safety leadership, safety culture and performance, GAP continued to embed its Think Safe Golden Safety Rules through encouraging its workforce to provide feedback through 'safety conversations'. These 'conversations' have helped reinforce an interdependent culture of safety and drive a common approach to improving health, safety and environmental performance. Safety 'conversations' have also helped to verify that critical safety controls are in place, being applied correctly and are effective in managing risks that have the potential to cause injury.

GAP's safety trends were also positive, with continued improved performance in operational safety events, recordable injury frequency and other key safety and environmental metrics. GAP carefully designs and plans its new and existing operations with the aim of identifying potential hazards and having rigorous operating and maintenance practices applied by capable staff to manage risk at every stage.

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## GAP GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Risk & governance

GAP's Risk & Compliance Committee continues to play a central role in providing the Board with assurance on the achievement of compliance with statutory requirements, the protection of its customers, employees and business assets, but also on the wider issues of sustainability and environmental impacts. The Committee reviewed safety, project and operational safety and environmental performance throughout the year as well as assessing the exposure of new and emerging safety, compliance and environmental risks from divisional activities and growth plans.

GAP continues to develop its risk management framework to manage and report the risks it faces as a Group. GAP continued to undertake regular risk and insurance reviews of its services to ensure its risks and uncertainties are identified, incidents and unexpected/undesirable events are avoided and business outcomes are enhanced.

#### Environment

GAP is committed to building a sustainable future and making a positive impact on the planet future generations will inherit. Through deep engagement with its customers, staff, suppliers and other stakeholders, GAP has developed its Sustainability Strategy. GAP has a clear understanding that to reach its sustainability goals it is vital it continues to foster strong and meaningful environmental sustainability dialogue and collaboration with its customers and suppliers. This is particularly important when seeking meaningful reductions of Scope 3 emissions which will depend on technological progress to allow equipment to be replaced with low or zero emission technologies, customers adopting and sustaining the use of new technologies and manufacturers decarbonising their products and services.

Aligned with the highest ambitions of the Paris Climate Change Agreement, GAP will continue to set a target of achieving Net Zero across our supply chain by 2050 and will continue to work towards the ambition of reaching this in 2040, or as early as possible.

GAP will continue to update its Net Zero Strategy regularly to reflect operational changes and progress, and ensure it continues to serve our goal to build a sustainable future.

#### Transport

GAP's Transport Management team continued the transformation of its operating procedures through its digitalised safety and compliance system which improves data collection, analysis and visibility of transport compliance and performance across all management levels. Through consultation, trialling and embedding, new transport operational checks were developed covering vehicle safety, condition and roadworthiness across fleet operations with scheduled notifications supporting compliance and escalation of issues. A new tachograph analysis and infringement management drivers' application was launched providing commercial drivers a high level of visibility of their operational hours which assists them in planning their day more effectively whilst ensuring they keep within the legal limits.

GAP recognises the importance of keeping its commercial drivers well informed of Company and role specific critical information and has invested in the provision of smartphones. These allow drivers access to various operational and support applications including our new GAP Academy. The Safety and Transport Management team continued to design bespoke 'micro-lessons' and Toolbox Talks with highly specific, meaningful, and interactive content for drivers to learn and retain their understanding of best practice and fleet operational risk controls.

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## GAP GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Security

GAP continued to embed its risk-based approach to depot and asset security. This is against a backdrop of a significant increase of organised criminal activity affecting the hire sector. Security arrangements at depots continued to be enhanced with newer surveillance technology, monitoring and threat response arrangements. GAP continued to commit to the fostering of strong relations with its business peers, insurers and law enforcement agencies to tackle security threats, including fraud, to our industry. Through a combination of experience and market leading 'state of the art' theft prevention and recovery solutions, GAP's tracking solutions continued to enjoy a crime prevention and recovery rate unrivalled throughout the hire industry, benefitting both GAP and its customers.

#### Certification

GAP continued to benefit from its integrated approach to the implementation of internationally recognised certifications across all business Divisions: ISO 9001 (Quality Management); ISO 14001 (Environmental Management) and, ISO 45001 (Occupational Health & Safety Management).

GAP received the Royal Society for the Prevention of Accidents (RoSPA) Gold Medal award for its achievements in occupational health and safety performance and for continued demonstrable evidence of its compliant health and safety management system.

GAP also achieved Certification to FORS Gold and also RoSPA Gold Award for Fleet Safety, based on RoSPA's Managing Occupational Road Risk, which evidences its commitment to motor fleet safety, safeguarding of its drivers, and ensuring the safety of other road users. The RoSPA Gold Award for Fleet Safety was achieved following RoSPA's comprehensive evaluation and benchmarking of GAP's fleet safety procedures, including analysis of accident data performance and its implementation and management of an effective, cohesive road risk management program.

#### Streamlined energy & carbon reporting regulations (SECR)

The reportable energy consumption and emissions information for the reporting period have been produced in accordance with the Greenhouse Gas Protocol (March 2004) and HM Government's Environmental Reporting Guidelines (March 2019). The reporting boundary has been defined using the 'operational control' approach.

Scope 1 emissions account for GAP's directly controlled emissions such as total natural gas consumption as well as fuel used in any company owned vehicles. Fuel used in company cars for personal journeys was excluded. Emissions from the Diesel exhaust fluid AdBlue are also included as part of Scope 1.

Scope 2 emissions are for the total electricity purchased by GAP across its depot estate.

Only Scope 3 emissions from fuel used in leased or owned vehicles where GAP has been responsible for purchasing the fuel are mandatory. No emissions are attributed to this for the reporting period. Other non-mandatory Scope 3 emissions have not been included in this report.

Emissions from purchased electricity, natural gas and fuel have been calculated using the BEIS (DEFRA), Government Emission Conversion Factors for Company Reporting, to ensure data is in line with in the SECR guidelines. Scope 1 and Scope 2 emissions (where stated in tCO<sub>2</sub>e) are absolute values.

**GAP GROUP LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

*Energy efficient action*

In 2023/24, GAP continued to pursue its goals of energy efficiency and sustainability through a variety of projects and strategies.

A large proportion of GAP's energy consumption is attributed to vehicle fuel use with GAP continuing to replace standard combustion engine vehicles with hybrid vehicles. All long-term car leasing contracts are now hybrid. Telematics are fitted to vehicles to help identify efficiency issues and encourage energy efficient driving techniques. GAP's Gold FORS certification, Fleet Operator and Gold Certification for RoSPA Fleet Safety Recognition schemes, further demonstrates that GAP is achieving exemplary levels of best practice in vehicle fleet efficiency and environmental protection. All commercial vehicle drivers are required to undertake eco driving training.

Recently, GAP moved to its new head office designed to optimise energy usage and minimise environmental impacts. The new office is equipped with an energy-efficient lighting system, such as LED lights, which consume significantly less energy than traditional lighting options, resulting in lower electricity bills and reduced carbon emissions. Additionally, GAP utilises a Building Management System (BMS) in the new office to monitor, control and optimise the building's performance while minimising energy dispersions. Finally, GAP has installed heat pumps in newly established depots, reducing the reliance on gas boilers and minimising energy consumption.

*Energy consumption*

Table 1: Energy consumption for the reporting period 1 April 2023 - 31 March 2024

<b>Total</b>	<b>2022-23 kWh</b>	<b>2023-24 kWh</b>
Gas	2,141,355.41	2,228,011.83
Transport	65,757,097.38	69,768,847.36
Electricity	4,443,636.22	4,430,812.83
<b>Total Scope 1 &amp; 2 energy use (kWh)</b>	<b>72,342,089.01</b>	<b>76,427,672.02</b>

*Greenhouse Gas emissions*

Table 2: Greenhouse Gas emissions for the reporting period 1 April 2023 - 31 March 2024

<b>Scope 1</b>	<b>2022-23 tCO<sub>2</sub>e</b>	<b>2023-24 tCO<sub>2</sub>e</b>
Gas	385.89	413.94
Transport Fuel*	15,120.64	15,574.81
<b>Total Scope 1</b>	<b>15,506.53</b>	<b>15,988.75</b>
<b>Scope 2</b>	<b>2022-23 tCO<sub>2</sub>e</b>	<b>2023-24 tCO<sub>2</sub>e</b>
Purchase electricity (grid average)	857.81	886.94
<b>Total Scope 2</b>	<b>857.81</b>	<b>886.94</b>
<b>Total</b>	<b>2022-23 tCO<sub>2</sub>e</b>	<b>2023-24 tCO<sub>2</sub>e</b>
<b>Total Scope 1 &amp; 2 emissions</b>	<b>16,364.34</b>	<b>16,875.69</b>
<b>Intensity Ratio: tCO<sub>2</sub>e/employee</b>	<b>8.73</b>	<b>7.93</b>

\*Purchased diesel, petrol and AdBlue



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## GAP GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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During 2023-24, GAP experienced:

An increase in gas and a reduction in electricity consumption within operational buildings, due to the opening of 7 new depots and the closure of 1 (due to relocation). The overall electricity consumption reduced by 0.29% and gas consumption increased by 4.05%.

GAP concurrently saw an 6.10% increase in transport fuel use, which can be explained by the following:

- There was a 12.44% increase in the number of operational vehicles used by GAP during the same period.
- The distance covered by GAP commercial vehicles increased by 6.21%
- The distance covered by GAP cars increased by 3.23% and hybrid vehicles were used 80.97% of miles driven.

Despite an increase in fuel and gas consumption, GAP's overall emission intensity ratio (based on number of employees) reduced by 9.16%.

#### Human resources

As GAP continues to grow, the opportunities for employees to progress and advance their careers with the business become even greater which, in turn, enables us to retain a skilled and talented workforce, crucial to our on-going success.

In line with business growth, average headcount during the year increased by 5% and attrition levels remained broadly similar. 136 employees were promoted, and 85 employees were transferred to new positions within the Group which demonstrates our ethos of promoting employees from within wherever possible.

Building on our existing Leadership Development Programme, supporting the development of our Senior Management Team, we launched a similar Management Development Programme aimed at our middle management team. Our team of General Managers and Head Office Managers will also now benefit from a bespoke learning experience to enhance their management skill set.

During the year, 23 new apprentices started their careers with GAP whilst 14 apprentices completed their qualifications in a range of disciplines including Plant Mechanics, Lifting Engineering and Customer Service. Our Graduate development support network, which was established in 2022, continues to offer support and encouragement to those who are participating, or have participated, in further education qualifications.

Significant investment was also made in a new Learning Management System which encompasses three modules including a Content Library, Performance Management and Succession Planning. The Content Library includes over 8,000 course titles and will allow every employee access to training specific to their job role and career aspirations. The solution, which is being rolled out in phases, starting with the Content Library, will be fully functional by the end of 2024.

Employee wellbeing continues to be a key priority for the business. Cost of living support continued into the year with two cost of living payments being made to over 80% of our workforce during the winter months. Further financial support was also introduced through the introduction of flexible pay which gives employees access to their earned income throughout the month allowing them to manage their money to suit their individual needs. The new app also offers a savings scheme, access to a financial knowledge hub and a benefits checker.

In addition to our online Wellbeing Hub, which was upgraded during the year to offer a more interactive and personalised user experience, our trained Mental Health First Aiders continue to offer support to our colleagues on a more personal level and our on-going support of the Lighthouse Club, the charity that supports the construction industry, gives our employees access to the Construction Industry Helpline which also offer 24/7 support.

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## GAP GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### *Human resources - continued*

Finally, the upgrade of our HR & Payroll software solution to a fully integrated cloud-based system was completed successfully in January 2024.

As a family business, our people remain our priority and we will continue to invest in their personal and professional development and ensure they have the resources they need to flourish, not only in their future careers with GAP but in life in general.

#### **Systems**

Investing in technology remains a paramount focus for our business as we continually endeavour to elevate our systems, infrastructure, and workforce. With the aim of refining our operations and delivering an unparalleled digital journey to our customers, we've implemented cutting-edge data analytics and digital platforms.

At the core of our operations lies our integrated Enterprise Resource Planning (ERP) system, which empowers us to seamlessly manage all facets of our endeavours. Moreover, we're actively embracing cloud technology, having recently integrated Microsoft's latest offerings such as Azure and Office 365. This strategic step enables us to harness the advantages of cloud-based solutions, including scalability, flexibility, and enriched collaboration, thereby further enhancing our operational efficiency and customer service standards. Concurrently, we're exploring innovative applications of AI within our business systems, recognising the potential to optimise processes and drive transformative outcomes.

Our unwavering commitment to technological advancement underscores our dedication to delivering an exceptional experience to our valued customers.

#### **S172 statement**

The Board of Directors of the company, and each Director, have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the company's various stakeholders and other matters set out in s.172 (1) (a-f) of the Act).

The following paragraphs summarise how each Director fulfils their duties with respect to s.172, with reference to other sections of this Strategic Report.

#### *Employee engagement*

Employees are informed on matters of concern to them through various forms of communication by the Board and senior management. The form of communication will be dependent on the scale and importance of the information being disseminated and examples of this include company-wide communication by email, conference calls and attaching notices to boards in communal areas at our depots. Employees are regularly informed on several different topics including:

- Business updates including a quarterly summary of financial results
- Strategic updates including announcements regarding senior staff appointments and any changes in the structure of the business

In addition, a monthly GAP Gazette is emailed and shared on our employee portal. The Gazette includes a note from a Director with a business update as well as news from around the business including new projects and customers we are working with, helpful advice and contact details around areas such as mental health and personal stories of staff.

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## GAP GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Employee engagement (continued)

Employees are consulted on a regular basis through pulse surveys, team and one-to-one meetings and a buddy scheme.

- Formal one-to-one meetings are held with all employees on an annual basis. A job chat form is completed noting additional training needs and objectives for the coming 12-month period as well as reviewing the previous 12 months performance. The form is then used for subsequent one-to-one meetings to ensure both line manager and employee are meeting these objectives.
- Pulse surveys are carried out on a regular basis across the business. These are used to gather more information in for example a region or division in the business. The information gathered is used to ensure the appropriate decisions are made for the benefit of the employees and the business.
- Head Office departmental meetings are held on a quarterly basis to inform staff of business updates both within Head Office and across the wider business. The purpose is to ensure consistent communication across all departments.
- All members of the Senior Management team are partnered with various depots across the UK and have the responsibility of engaging with the staff and feeding back any questions or concerns with the aim of improving relationships and communication.
- The GAP Wellbeing Hub will continue to ensure that GAP employees and their families have access to all the support they need both in their professional and personal lives.

All Directors directly engage with employees and operate an open-door policy. This provides employees with an opportunity to ask questions or raise any concerns as they see fit and ensures employee engagement remains at the forefront of the business.

A stakeholder impact assessment is conducted during the decision-making process for principal decisions and employee's views are considered in decisions likely to affect their interests. All decisions are recorded in the minutes. GAP provides a number of employee-related initiatives throughout the course of the year. These include:

- Long service recognition awards
- Monthly and Annual GAP Code Excellence awards where employees' exceptional performance in line with the core values of the business is recognised
- GAP donates a percentage of its profits on an annual basis to charity. The charities selected during the year are nominated by employees. Employees taking part in fundraising events are also able to secure matched funding for their charity of choice.

#### Business planning and risk management: long term decision making

The Board considers any likely consequence of any decisions in the long term with consideration of the impact on the company's regulatory compliance framework and its investment risk framework. The Board's strategies with respect to long term funding and Corporate Governance are set out later in this Strategic Report. In the course of determining the most appropriate strategic course, the Board considers the needs of all relevant stakeholders and in particular ensures that all stakeholders are treated equitably.

#### Business relationships

The ways in which the Group interacts with its customers and suppliers and fosters long term business relationships are set out within the Customers section and the Safety, Environment & Security section of this Strategic Report.

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## GAP GROUP LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Community and environment

The Group's impact on the communities it serves and the environment are described in the Safety, Environment & Security and Streamlined Energy & Carbon Reporting sections of this Strategic Report.

#### Funding and going concern

The Group is funded through an Asset Backed Lending ('ABL') facility. The facility is in place until July 2029, with a committed facility of £220m. The facility has a further £80m accordion available. Adequacy of facilities and compliance with relevant covenant tests are monitored on an ongoing basis.

The Group's funding structure has been carefully formulated to maintain a strong balance sheet while supporting the significant level of investment in capital expenditure required by the business. With regard to the performance to date in the year to March 2024 the Directors have reviewed the Group's forecasts and are satisfied that the Group should be able to operate within the level of its current facilities. As a consequence, the Directors believe the Group is well placed to manage its financial position.

#### Corporate governance

GAP defines corporate governance to include its management structure and supporting functions and systems which are implemented through an established framework of policies, procedures and processes that ensure effective business outcomes. Strategies to review and improve organisational effectiveness are also in place to ensure effective resource allocation and quality business and customer support services. Key challenges include attracting skilled staff, effectively equipping depot staff to deliver to GAP standards and regulatory compliance; and ensuring continuous improvement at a time of significant change within the utilities and construction sectors.

#### Non-financial information

The main non-financial measures reviewed by the Directors relate to the monitoring of plant utilisation and health and safety within the business through reports generated for review.

The health and safety of GAP's employee's and customers is the main priority for the Directors. The Group reviews health and safety in a number of different ways including, monthly board and separate health and safety meetings including Directors, rolling depot audits, reviewing health and safety procedures and ongoing staff training. The Directors review our health and safety statistics against industry wide performance and note, without complacency, industry leading performance.

Plant utilisation is monitored by way of regular reporting that is distributed across the business. The Directors set and review targets and are pleased to report that these continue to be met.

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**GAP GROUP LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

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**Financial information**

The Group's five year performance is summarised below:

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
No. of locations	191	175	148	146	146
Turnover	£302.3m	£278.3m	£239.8m	£196.5m	£209.8m
No. of employees at 31 March	2,073	2,068	1,867	1,696	1,805
EBITDA	£132.0m	£120.7m	£100.7m	£86.0m	£81.7m*
Pre-tax profit	£43.9m	£44.3m	£36.0m	£23.5m	£18.7m
Shareholder's funds	£196.5m	£174.6m	£148.1m	£135.1m	£118.2m

\*EBITDA 2020 excludes the revaluation gain on investment property

**Results and Dividends**

The operations of the Group for the year resulted in a profit after tax of £32,872,000 (2023: £35,412,000), which is reviewed in the Chairman's statement.

An interim dividend of £10,955,000 was declared in July 2023 and paid in the year (2023: £9,021,000). No final dividend has been proposed.

This report was approved by the board and signed on its behalf.

*Chris AG Parr*

**C A G Parr**  
Company Secretary

Date: 30 August 2024

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## GAP GROUP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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The Directors present their report and the financial statements for the year ended 31 March 2024.

#### **Directors**

The Directors who served during the year and to the date of this report were:

D G Anderson  
I M Anderson  
M D Anderson  
R W Dey  
D Gordon  
K J J Greenshields  
W A Linter  
C A G Parr  
A C Telfer

#### **Employee involvement**

The Group has a policy of communicating and consulting with employees on matters of concern to them and providing them with information on the performance of the Group.

Specific methods and results of employee engagement are outlined in detail in the S172 Statement in the Strategic Report.

#### **Business relationships**

Relationships with customers and suppliers are critical to the success of the business. The Directors meet regularly with key contacts to continue to develop working relationships during the year. These meetings allow the Directors to ensure the business strategy meets the requirements of our customer base and that its supply chain can provide the necessary support.

#### **Employment of disabled persons**

It is the policy of the Group that disabled persons will receive full and fair consideration when applying for a job and in selection for training, career development and promotion.

#### **Future outlook**

The Directors continue to monitor current market conditions closely ensuring that all investment decisions are made with a view to long term sustainability and success. The Chairman's statement highlights how the business will address the current inflationary pressures and the Directors are confident that the Group will continue to be profitable in the financial year to March 2025 and beyond.

#### **Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

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**GAP GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

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**Qualifying indemnity provision**

GAP Group Limited has granted indemnities to the extent permitted by law to each of the Directors. These indemnities are uncapped in amount in relation to certain losses and liabilities which they may incur to third parties in the course of acting as a Director. The indemnity does not provide cover in the event a Director is proved to have acted fraudulently or dishonestly. The indemnity is categorised as a 'qualifying third-party indemnity' for the purposes of the Companies Act 2006 and will continue in force for the benefit of Directors on an ongoing basis.

**Director appointments**

On 29 July 2024 Wayne Allan Linter terminated his appointment as Director.

**Auditor**

The auditor, RSM UK Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

*Chris AG Parr*

**C A G Parr**  
Company Secretary

Date: 30 August 2024

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**GAP GROUP LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2024**

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The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law 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 Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the GAP Group Limited's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



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## GAP GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAP GROUP LIMITED

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#### Opinion

We have audited the financial statements of GAP Group Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the consolidated profit and loss account, the consolidated balance sheet, the Company balance sheet, the consolidated statement of changes in equity, the Company statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company'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 Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

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

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## GAP GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAP GROUP LIMITED

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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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report or strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 14, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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## GAP GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAP GROUP LIMITED

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#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with the local tax authorities and evaluating advice received from tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the entity is in compliance with these laws and regulations and inspected board meetings minutes for health and safety instances.

The Group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to using data analytics to test transactions impacting revenue that do not follow the usual transaction flow, testing revenue transactions recorded near to the year end and ensuring that they have been recorded in the correct period, testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report

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**GAP GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAP GROUP LIMITED**

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

*K Morrison*

Katie Morrison (Senior Statutory Auditor)

for and on behalf of

**RSM UK Audit LLP**

Third Floor Centenary House  
69 Wellington Street  
Glasgow  
G2 6HG

16 September 2024

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**GAP GROUP LIMITED**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2024**

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	Note	2024 £000	2023 £000
Turnover	4	302,315	278,332
Cost of sales		(184,714)	(170,064)
<b>Gross profit</b>		<u>117,601</u>	<u>108,268</u>
Administrative expenses		(60,921)	(57,548)
<b>Operating profit</b>	5	56,680	50,720
Interest receivable and similar income	9	103	32
Interest payable and similar expenses	10	(12,868)	(6,481)
<b>Profit before tax</b>		<u>43,915</u>	<u>44,271</u>
Tax on profit	11	(11,043)	(8,859)
<b>Profit for the financial year attributable to the owners</b>		<u><u>32,872</u></u>	<u><u>35,412</u></u>

There were no recognised gains and losses for 2024 or 2023 other than those included in the profit and loss account.

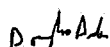
The notes on pages 27 to 50 form part of these financial statements.

**GAP GROUP LIMITED**  
**REGISTERED NUMBER:00198823**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2024**

	Note	2024 £000	2023 £000
<b>Fixed assets</b>			
Intangible assets	13	1,178	1,781
Tangible assets	14	400,520	356,232
Investment property	16	569	568
		<u>402,267</u>	<u>358,581</u>
<b>Current assets</b>			
Stocks	17	7,583	8,010
Debtors	18	71,841	66,200
Cash at bank and in hand	19	4,162	2,990
		<u>83,586</u>	<u>77,200</u>
Creditors: amounts falling due within one year	20	(100,387)	(108,321)
		<u>(16,801)</u>	<u>(31,121)</u>
<b>Net current liabilities</b>			
		(16,801)	(31,121)
<b>Total assets less current liabilities</b>			
		<u>385,466</u>	<u>327,460</u>
Creditors: amounts falling due after more than one year	21	(167,382)	(131,417)
<b>Provisions for liabilities</b>			
Deferred taxation	24	(21,612)	(21,488)
		<u>(21,612)</u>	<u>(21,488)</u>
<b>Net assets</b>			
		<u>196,472</u>	<u>174,555</u>
<b>Capital and reserves</b>			
Called up share capital	25	71	71
Share premium account		6,066	6,066
Profit and loss account		190,335	168,418
		<u>196,472</u>	<u>174,555</u>
<b>Shareholders' funds</b>			
		<u>196,472</u>	<u>174,555</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2024.



**D G Anderson**  
Director

The notes on pages 27 to 50 form part of these financial statements.

**GAP GROUP LIMITED**  
**REGISTERED NUMBER:00198823**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2024**

	Note	2024 £000	2023 £000
<b>Fixed assets</b>			
Tangible fixed assets	14	297,781	275,325
Investments	15	12,031	14,350
		<u>309,812</u>	<u>289,675</u>
<b>Current assets</b>			
Stocks	17	6,754	7,460
Debtors	18	207,720	232,354
Cash at bank and in hand	19	2,843	1,865
		<u>217,317</u>	<u>241,679</u>
Creditors: amounts falling due within one year	20	(141,136)	(166,592)
<b>Net current assets</b>		<u>76,181</u>	<u>75,087</u>
<b>Total assets less current liabilities</b>		<u>385,993</u>	<u>364,762</u>
Creditors: amounts falling due after more than one year	21	(188,966)	(198,899)
<b>Provisions for liabilities</b>			
Deferred taxation	24	(15,397)	(9,279)
		<u>(15,397)</u>	<u>(9,279)</u>
<b>Net assets</b>		<u>181,630</u>	<u>156,584</u>
<b>Capital and reserves</b>			
Called up share capital	25	71	71
Share premium account		6,066	6,066
Profit and loss account		175,493	150,447
<b>Shareholders' funds</b>		<u>181,630</u>	<u>156,584</u>

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**GAP GROUP LIMITED**  
**REGISTERED NUMBER:00198823**

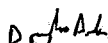
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**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2024**

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As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account and related notes as it prepares consolidated accounts. The Company's profit for the year was £36,001,000 (2023: £30,813,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2024.



**D G Anderson**  
Director

The notes on pages 27 to 50 form part of these financial statements.



**GAP GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2024**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
<b>At 1 April 2022</b>	71	6,066	141,948	148,085
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	35,412	35,412
Deferred tax movements	-	-	79	79
<b>Total comprehensive income for the year</b>	-	-	35,491	35,491
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(9,021)	(9,021)
<b>Total transactions with owners</b>	-	-	(9,021)	(9,021)
<b>At 1 April 2023</b>	71	6,066	168,418	174,555
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	32,872	32,872
<b>Total comprehensive income for the year</b>	-	-	32,872	32,872
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(10,955)	(10,955)
<b>Total transactions with owners</b>	-	-	(10,955)	(10,955)
<b>At 31 March 2024</b>	71	6,066	190,335	196,472

The notes on pages 27 to 50 form part of these financial statements.

**GAP GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2024**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
<b>At 1 April 2022</b>	71	6,066	128,655	134,792
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	30,813	30,813
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(9,021)	(9,021)
<b>Total transactions with owners</b>	-	-	(9,021)	(9,021)
<b>At 1 April 2023</b>	71	6,066	150,447	156,584
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	36,001	36,001
<b>Total comprehensive income for the year</b>	-	-	36,001	36,001
<b>Contributions by and distributions to owners</b>				
Dividends: Equity capital	-	-	(10,955)	(10,955)
<b>Total transactions with owners</b>	-	-	(10,955)	(10,955)
<b>At 31 March 2024</b>	71	6,066	175,493	181,630

The notes on pages 27 to 50 form part of these financial statements.

**GAP GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £000	2023 £000
<b>Cash flows from operating activities</b>		
Profit for the financial year	32,872	35,412
<b>Adjustments for:</b>		
Amortisation of intangible assets (note 13)	603	810
Depreciation of tangible assets (note 14)	74,697	69,170
Gain on disposal of tangible assets (note 5)	(20,704)	(17,800)
Interest payable and similar charges (note 10)	12,868	6,481
Interest receivable and similar income (note 9)	(103)	(32)
Taxation charge (note 11)	11,043	8,859
Decrease/(increase) in stocks	427	(888)
Increase in debtors	(2,326)	(8,419)
(Decrease)/increase in creditors	(547)	2,478
Corporation tax paid	(8,933)	(7,529)
Dividends paid (note 12)	(10,955)	(9,021)
Interest paid	(12,211)	(5,937)
Interest element of finance lease rental payments	(554)	(513)
<b>Net cash generated from operating activities</b>	<b>76,177</b>	<b>73,071</b>
<b>Cash flows from investing activities</b>		
Sale of tangible fixed assets	45,275	34,491
Acquisition of tangible fixed assets (note 14)	(134,128)	(134,101)
Acquisition of tangible fixed assets from Leasing unwind	-	(10,476)
Acquisitions in year	-	(1,339)
<b>Net cash from investing activities</b>	<b>(88,853)</b>	<b>(111,425)</b>
<b>Cash flows from financing activities</b>		
Capital elements of finance lease payments	(9,336)	(551)
Proceeds from new loan (net of repayments)	36,054	40,974
Movement in related party balances	(12,870)	2,317
<b>Net cash used in financing activities</b>	<b>13,848</b>	<b>42,740</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,172</b>	<b>4,386</b>
Cash and cash equivalents at beginning of year	2,990	(1,396)
<b>Cash and cash equivalents at the end of year</b>	<b>4,162</b>	<b>2,990</b>

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**GAP GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

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	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	4,162	2,990
	<u>4,162</u>	<u>2,990</u>
	<u>4,162</u>	<u>2,990</u>

The notes on pages 27 to 50 form part of these financial statements.

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**GAP GROUP LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2024**

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	At 1 April 2023 £000	Cash flows £000	New finance leases £000	At 31 March 2024 £000
Cash at bank and in hand	2,990	1,172	-	4,162
Debt due after 1 year	(127,289)	(32,097)	-	(159,386)
Debt due within 1 year	(25,702)	(3,957)	-	(29,659)
Finance leases	(8,626)	9,336	(16,289)	(15,579)
	<u>(158,627)</u>	<u>(25,546)</u>	<u>(16,289)</u>	<u>(200,462)</u>

The notes on pages 27 to 50 form part of these financial statements.

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## GAP GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 1. General information

GAP Group Limited (the "Company") is a private company limited by shares and incorporated in England in the UK. The registered number is 00198823 and the registered address is GAP Group, Blenheim Place, Dunston Industrial Estate, Gateshead, NE11 9HF.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key management personnel disclosures

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application to these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

##### 2.2 Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all its subsidiary undertakings made up to 31 March 2024. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

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## GAP GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

GAP Group Limited is a subsidiary of GAP Holdings Limited. GAP Holdings Limited is funded through a combination of an ABL credit facility and hire purchase arrangements. The ABL revolving credit facility runs to July 2029. The committed facility is £220m, with a further accordion of £80m available. The ABL facility is in the name of GAP Holdings Limited hence why the going concern of the entity is based on the ability of GAP Holdings Limited to continue trading. GAP Group Limited is party to the facilities within GAP Holdings Limited.

Management has produced forecasts for both GAP Group Limited and GAP Holdings Limited that have been extended beyond 12 months from the date of signing these financial statements. These forecasts are reviewed by the Board of Directors. The Directors believe that due to its position with GAP Holdings Limited, the Company is well placed to manage its business risks successfully.

The projections have been stress tested to factor in inflationary and interest rate increases, due to the current economic conditions that the business faces. After reviewing these projections, the Directors believe that, in the current economic environment, the Group and Company are well placed to continue in operational existence for the foreseeable future.

As such, the Directors are satisfied that the Company has adequate resource to pay its liabilities as they fall due and will continue to operate for the foreseeable future. For this, they continue to adopt the going concern basis for preparing these financial statements.

##### 2.4 Turnover

Turnover represents amounts invoiced, net of discounts and rebates, in relation to the hire of equipment and ancillary services (excluding value added tax) and rental income from properties.

##### 2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 2.6 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 2.7 Interest income

Interest income is recognised in the profit and loss in the period in which it is receivable. Interest income includes bank interest, HMRC interest, interest on staff loans and interest receivable from GAP Holdings Limited - the controlling party of GAP Group Limited.

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## GAP GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 2. Accounting policies (continued)

##### 2.8 Borrowing costs

Borrowings are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges. Transaction costs are charged to the profit and loss over the term of the borrowing.

##### 2.9 Pensions

###### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

##### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



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## GAP GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 2. Accounting policies (continued)

##### 2.11 Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Profit and Loss Account over its useful economic life of 5 years.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment property rented to other group entities and accounted for under the cost model is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold buildings and improvements	- over the period of the lease or 20%, whichever is shorter
Freehold buildings	- 4% - 5.7%
Plant and machinery	- 12.5% - 33%
Motor vehicles	- 17% - 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Assets under construction are not depreciated until brought into use.

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## GAP GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 2. Accounting policies (continued)

##### 2.13 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

- investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. The Directors review the value on the current underlying market performance and long-term use of the properties. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- no depreciation is provided in respect of investment properties applying the fair value model.

##### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

##### 2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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## GAP GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 2. Accounting policies (continued)

##### 2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a Director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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## GAP GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 2. Accounting policies (continued)

##### 2.20 Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The judgements, estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following accounting policies and judgements are limited to those items that would be most likely to produce materially different results were the underlying judgements, estimates and assumptions changed:

##### Property, plant and equipment

In relation to the Group's property, plant and equipment (note 14), useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. At 31 March 2024, the carrying value of hire equipment was £265.6m (2023: £247.3m) representing 66% (2023: 70%) of the total property, plant and equipment. Both useful economic lives and residual values are reviewed on a regular basis.

##### Investment properties

The Directors review the value of investment properties annually, based on the current underlying market performance and long-term use of the property. Investment property whose fair value can be measured reliably without undue cost or effort are carried at fair value. No depreciation is provided in respect on investment properties applying the fair value model.

##### Bad debt provision

The Group monitors the risk profile of debtors regularly and makes a provision for amounts that may not be recoverable.

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**GAP GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**4. Turnover**

Turnover arises principally from the hiring of plant within the United Kingdom, Jersey, Guernsey and The Isle of Man.

	2024 £000	2023 £000
Hire of equipment and ancillary services	301,775	277,774
Investment property rentals	540	558
	<u>302,315</u>	<u>278,332</u>

Analysis of turnover by country of destination:

	2024 £000	2023 £000
United Kingdom	294,603	270,301
Rest of the world	7,712	8,031
	<u>302,315</u>	<u>278,332</u>

**5. Operating profit**

The operating profit is stated after charging/(crediting):

	2024 £000	2023 £000
Depreciation of tangible fixed assets - owned	70,522	65,945
Depreciation of tangible fixed assets - finance leases	4,175	3,225
Gain on disposal of tangible fixed assets	(20,704)	(17,800)
Amortisation of goodwill	603	810
Hire of vehicles under operating leases	2,931	2,680
Hire of plant and machinery	(15)	313
Rental of land and buildings under operating leases	8,513	3,380
	<u>8,513</u>	<u>3,380</u>

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**6. Auditor's remuneration**

During the year, the Group obtained the following services from the Company's auditor and their associates:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and their associates for the audit of the consolidated and parent Company's financial statements	71	60
Fees payable to the Company's auditor and their associates in respect of the auditing of the accounts of associates of the Company	29	28
	<b>70</b>	<b>88</b>

**7. Employees**

Staff costs were as follows:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2024</b>	<i>2023</i>	<b>2024</b>	<i>2023</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Wages and salaries	67,299	62,960	65,740	60,875
Social security costs	6,854	6,758	6,842	6,625
Contributions to defined contribution plans	2,213	1,916	2,213	1,837
	<b>76,366</b>	<i>71,634</i>	<b>74,795</b>	<i>69,337</i>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2024</b>	<i>2023</i>	<b>2024</b>	<i>2023</i>
	<b>No.</b>	<i>No.</i>	<b>No.</b>	<i>No.</i>
Sales, administration and operations	2,063	1,964	2,001	1,903
	<b>2,063</b>	<i>1,964</i>	<b>2,001</b>	<i>1,903</i>

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**8. Directors' remuneration**

	2024 £000	2023 £000
Aggregate remuneration (including benefits in kind)	3,683	3,441
Aggregate of company contributions to defined contribution pension schemes	67	54
	3,750	3,495

	2024 £000	2023 £000
Highest paid Director remuneration (including benefits in kind)	946	908

**Number of Directors to whom retirement benefits are accruing**

	2024 No.	2023 No.
Defined contribution schemes	6	6

**9. Interest receivable**

	2024 £000	2023 £000
Interest receivable from group companies	37	26
Other interest receivable	66	6
	103	32

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**10. Interest payable and similar expenses**

	2024 £000	2023 £000
Bank interest payable	12,237	5,496
Amortisation of bank facility	72	468
Finance leases and hire purchase contracts	554	513
Other interest payable	5	4
	12,868	6,481

**11. Taxation**

	2024 £000	2023 £000
<b>Corporation tax</b>		
Current tax on profits for the year	11,868	9,978
Adjustments in respect of previous periods	(949)	(591)
	10,919	9,387
<b>Total current tax</b>	<b>10,919</b>	<b>9,387</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	119	(845)
Adjustment in respect of prior periods	5	584
Effect of changes in tax rates	-	(267)
	124	(528)
<b>Total deferred tax</b>	<b>124</b>	<b>(528)</b>
<b>Taxation on profit on ordinary activities</b>	<b>11,043</b>	<b>8,859</b>



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**GAP GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2023 - *higher than*) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £000	2023 £000
Profit on ordinary activities before tax	43,915	44,271
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	10,979	8,411
<b>Effects of:</b>		
Expenses not deductible	1,422	1,121
Capital allowances for year in excess of depreciation	-	(118)
Prior year adjustments	(945)	(5)
Tax rate changes	-	(267)
Recognition of deferred tax not previously recognised	-	(8)
Utilisation of tax losses not previously recognised	-	(36)
Enhanced tax relief on capital expenditure	-	(40)
Overseas tax rates	(305)	(199)
Income not taxable	(190)	-
chargeable gains	82	-
<b>Total tax charge for the year</b>	<b>11,043</b>	<b>8,859</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**12. Dividends**

	2024 £000	2023 £000
Interim dividend paid (£153.86 (2023: £126.70))	10,955	9,021

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**GAP GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**13. Goodwill**

**Group**

	<b>Goodwill £000</b>
<b>Cost</b>	
At 1 April 2023	4,365
At 31 March 2024	<u>4,365</u>
<b>Amortisation</b>	
At 1 April 2023	2,584
Charge for the year	603
At 31 March 2024	<u>3,187</u>
<b>Net book value</b>	
At 31 March 2024	<u>1,178</u>
At 31 March 2023	<u>1,781</u>

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**14. Tangible fixed assets**

**Group**

	Freehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2023	103,575	372,705	44,997	521,277
Additions	33,554	84,413	16,161	134,128
Additions - leasing unwind	-	12,881	-	12,881
Disposals	(432)	(67,806)	(5,163)	(73,401)
Disposals - leasing unwind	-	(45,715)	-	(45,715)
Transfers with immediate holding company	(3,535)	-	-	(3,535)
At 31 March 2024	<u>133,162</u>	<u>356,478</u>	<u>55,995</u>	<u>545,635</u>
<b>Depreciation</b>				
At 1 April 2023	20,016	119,787	25,242	165,045
Charge for the year	3,874	64,410	6,413	74,697
Disposals	(22)	(56,990)	(4,698)	(61,710)
Disposals - leasing unwind	-	(32,834)	-	(32,834)
Transfers with immediate holding company	(83)	-	-	(83)
At 31 March 2024	<u>23,785</u>	<u>94,373</u>	<u>26,957</u>	<u>145,115</u>
<b>Net book value</b>				
At 31 March 2024	<u><u>109,377</u></u>	<u><u>262,105</u></u>	<u><u>29,038</u></u>	<u><u>400,520</u></u>
At 31 March 2023	<u><u>83,559</u></u>	<u><u>252,918</u></u>	<u><u>19,755</u></u>	<u><u>356,232</u></u>

Included in the total net book value of plant and machinery and motor vehicles is £15,786,000 (2023: £15,835,000) in respect of assets held under hire purchase agreements and finance lease other than those with related parties.

Included in the total net book value of plant and machinery is £290,000 (2023: £407,000) in respect of assets held under construction.

Included in the total net book value of long-term leasehold property is £3,430,000 (2023: £1,952,000) in respect of assets held under construction.

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**14. Tangible fixed assets (continued)**

**Company**

	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2023	24,213	360,695	43,020	427,928
Additions	6,382	81,301	15,701	103,384
Additions - leasing unwind	-	12,881	-	12,881
Disposals	(432)	(66,296)	(4,715)	(71,443)
Disposals - leasing unwind	-	(45,715)	-	(45,715)
At 31 March 2024	<u>30,163</u>	<u>342,866</u>	<u>54,006</u>	<u>427,035</u>
<b>Depreciation</b>				
At 1 April 2023	13,670	114,473	24,460	152,603
Charge for the year	1,848	62,761	6,143	70,752
Disposals	(93)	(56,547)	(4,627)	(61,267)
Disposals - leasing unwind	-	(32,834)	-	(32,834)
At 31 March 2024	<u>15,425</u>	<u>87,853</u>	<u>25,976</u>	<u>129,254</u>
<b>Net book value</b>				
At 31 March 2024	<u>14,738</u>	<u>255,013</u>	<u>28,030</u>	<u>297,781</u>
At 31 March 2023	<u>10,543</u>	<u>246,222</u>	<u>18,560</u>	<u>275,325</u>

Included in the total net book value of plant and machinery and motor vehicles is £61,648.731 (2023: £64,814,000) in respect of assets held under hire purchase agreements and finance leases including those with related parties.

Included in the total net book value of plant and machinery is £290,000 (2023: £407,000) in respect of assets held under construction.

Included in the total net book value of long-term leasehold property is £3,430,000 (2023: £1,952,000) in respect of assets held under construction.

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GAP GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

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15. Fixed asset investments

Company

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 April 2023	14,350
At 31 March 2024	<u>14,350</u>
<b>Impairment</b>	
Charge for the period	2,319
At 31 March 2024	<u>2,319</u>
<b>Net book value</b>	
At 31 March 2024	<u>12,031</u>
<i>At 31 March 2023</i>	<u>14,350</u>

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**15. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
GAP Group Properties Limited	1	Ordinary	100%
GAP Group Leasing Limited	2	Ordinary	100%
Ace Hire and Sales Limited	3	Ordinary	100%
GAP Hire Limited (Dormant)	1	Ordinary	100%
4 Group Limited	4	Ordinary	100%
GAP Hire Solutions Limited (Dormant)	1	Ordinary	100%
4Hire (Guernsey) Limited	5	Ordinary	100%
Bavanar Limited	2	Ordinary	100%
Mobile Healthcare Solutions Limited	2	Ordinary	100%

1. Citypoint 2, 25 Tyndrum Street, Glasgow, Scotland, G4 0JY
2. Blenheim Place, Dunston Industrial Estate, Gateshead, Tyne and Wear, NE11 9HF
3. Unit 10, South Quay Industrial Estate, Douglas, Isle of Man, IM1 5AT
4. Home Farm, La Rue de Grouville, Grouville, Jersey, JE3 9HP
5. Bulwer Building, Bulwer Avenue, St.Sampson, Guernsey, GY2 4LG

On the 22 June 2024, Mobile Health Systems (UK) Limited officially changed its name to Mobile Healthcare Solutions Limited by way of a special resolution passed by the members.

**16. Investment property**

**Group**

Valuation	Freehold investment property £000
At 1 April 2023	568
Additions at cost	1
	<hr/>
At 31 March 2024	<u>569</u>

The 2024 valuations were made by the Directors on an open market value for existing use basis. The Directors actively review property valuations and market conditions across the UK during the course of the year because of our property portfolio. As a result of this work, the Directors are happy with the valuation of the properties held in the financial statements.

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**GAP GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**17. Stocks**

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
Spares, consumable stores and goods for resale	<b>7,583</b>	<i>8,010</i>	<b>6,754</b>	<i>7,460</i>

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**18. Debtors**

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
<b>Due within one year</b>				
Trade debtors	56,768	54,462	55,372	53,149
Amounts owed by group undertakings	10,528	7,213	148,167	175,207
Prepayments and accrued income	4,519	4,525	4,181	3,998
Other debtors	26	-	-	-
	<u>71,841</u>	<u>66,200</u>	<u>207,720</u>	<u>232,354</u>

Interest is charged at rates of between 5.7% and 6.7% (2023: 2.5% and 5.7%) on amounts owed by group undertakings and are repayable on demand.

**19. Cash and cash equivalents**

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
Cash at bank and in hand	4,162	2,990	2,843	1,865

**20. Creditors: Amounts falling due within one year**

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
ABL credit facility (note 22)	29,756	25,702	29,756	25,702
Unamortised facility costs (note 22)	(97)	-	(97)	-
Trade creditors	20,937	40,794	20,684	40,595
Amounts owed to group undertakings	-	126	42,013	59,813
Corporation tax	3,393	1,407	3,393	1,499
Other taxation and social security	5,202	3,422	5,129	3,358
Obligations under finance lease and hire purchase contracts (note 23)	7,583	4,498	7,302	4,105
Other creditors	332	-	328	-
Accruals and deferred income	33,281	32,372	32,628	31,520
	<u>100,387</u>	<u>108,321</u>	<u>141,136</u>	<u>166,592</u>

Interest is charged at rates of between 5.7% and 6.7% (2023: 2.5% and 5.7%) on amounts owed to group undertakings and are repayable on demand.



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**GAP GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**21. Creditors: Amounts falling due after more than one year**

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
ABL credit facility (note 22)	159,797	127,289	159,797	127,289
Unamortised facility costs (note 22)	(411)	-	(411)	-
Net obligations under finance leases and hire purchase contracts (note 23)	7,996	4,128	7,707	3,489
Amounts owed to group undertakings	-	-	21,873	68,121
	<u>167,382</u>	<u>131,417</u>	<u>188,966</u>	<u>198,899</u>

Interest is charged at rates of between 5.7% and 6.7% (2023: 2.5% and 5.7%) on amounts owed to group undertakings.

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**22. Loans**

The Group has in place an ABL revolving credit facility for 6 years through to July 2029. The committed facility is for £220m, with a further £80m accordion available.

Interest on this facility is charged at SONIA + 1.5% across all components of the borrowing base.

RBS Invoice Finance Limited hold charges over the Company in relation to the ABL facility. A fixed charge is held over: the property; all licenses to enter upon or use land and buildings of other agreements relating to the land; and the proceeds of sale of all property. A floating charge is held over the assets of the Company. The loan agreement contains a negative pledge clause, prohibiting the Company from pledging its assets to any other lender without the prior consent of RBS.

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
<b>Amounts falling due within one year</b>				
Bank loans	29,756	25,702	29,756	25,702
Unamortised facility costs	(97)	-	(97)	-
<b>Amounts falling due 1-2 years</b>				
Bank loans	35,516	84,859	35,516	84,859
Unamortised facility costs	(97)	-	(97)	-
<b>Amounts falling due 2-5 years</b>				
Bank loans	106,547	42,430	106,547	42,430
Unamortised facility costs	(290)	-	(290)	-
<b>Amounts falling due after more than 5 years</b>				
Bank loans	17,734	-	17,734	-
Unamortised facility costs	(24)	-	(24)	-
	<u>189,045</u>	<u>152,991</u>	<u>189,045</u>	<u>152,991</u>

**23. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
Within one year	7,583	4,498	7,302	4,105
Between 1-5 years	7,996	4,128	7,707	3,489
	<u>15,579</u>	<u>8,626</u>	<u>15,009</u>	<u>7,594</u>

**GAP GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**24. Deferred taxation**

**Group**

	<b>2024 £000</b>
At beginning of year	(21,488)
Charged to profit or loss	(119)
Adjustment in respect of prior periods	(5)
<b>At end of year</b>	<b>(21,612)</b>

**Company**

	<b>2024 £000</b>
At beginning of year	(9,279)
Charged to profit or loss	(6,323)
Adjustment in respect of prior periods	205
<b>At end of year</b>	<b>(15,397)</b>

	<b>Group 2024 £000</b>	<i>Group 2023 £000</i>	<b>Company 2024 £000</b>	<i>Company 2023 £000</i>
Fixed asset timing differences	(21,724)	(21,644)	(15,443)	(9,324)
Short term timing differences	47	46	46	45
Losses	65	110	-	-
	<b>(21,612)</b>	<i>(21,488)</i>	<b>(15,397)</b>	<i>(9,279)</i>

The 2021 Budget announced an increase in the UK's main corporation tax rate to 25% and this is effective from 1 April 2023, therefore, deferred taxes on the balance sheet have been measured at 25%.

**GAP GROUP LIMITED**

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**25. Share capital**

	<b>2024</b>	<i>2023</i>
	<b>£000</b>	<i>£000</i>
<b>Allotted, called up and fully paid</b>		
1,000 (2023 - 1,000) Preference shares of £1.00 each	1	1
70,202 (2023 - 70,202) Ordinary shares of £1.00 each	70	70
	71	71
	71	71

**26. Capital commitments**

At 31 March 2024 the Group and Company had no capital commitments.

**27. Pension commitments**

The Group operates a stakeholder defined contribution pension scheme.

The total expense relating to this scheme in the current year was £2,213,000 (2023: £1,916,000). The balance sheet position at year end showed a creditor of £468,000 (2023: £426,000).

**28. Commitments under operating leases**

At 31 March 2024 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2024</b>	<i>2023</i>	<b>2024</b>	<i>2023</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Not later than 1 year	2,547	2,388	8,372	6,568
Later than 1 year and not later than 5 years	4,035	4,440	3,119	3,180
Later than 5 years	753	882	-	-
	7,335	7,710	11,491	9,748
	7,335	7,710	11,491	9,748

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**GAP GROUP LIMITED**

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**29. Related party transactions**

The group paid rental amounts for vehicles at market value and other charges to the following company, in which D G Anderson and I M Anderson held a material interest until its sale on 30 September 2022.

	2024 £000	2023 £000
<b>GAP Vehicle Hire Limited (at the date of disposal)</b>		
Administrative expenses recovered from	-	382
Purchases from	-	(3,673)
Loan receivables outstanding	-	2,500
Trade debtor outstanding	-	78
Trade creditor outstanding	-	(303)
	<u>                    </u>	<u>                    </u>

The amounts are repayable on demand and interest is charged at Base Rate + 1%.

Other related parties comprise wholly owned Group companies. Transactions with related parties were carried out at arms-length agreed terms, conditions and prices. The Group and company have taken advantage of the exemption within FRS102 Section 33 paragraph 33.1A from the requirement to disclose transactions with other wholly owned companies within the same group.

The Directors are considered to be key management personnel. Their total remuneration is disclosed in note 8.

**30. Parent company guarantee**

Bavanar Limited (0156582) and Mobile Health Systems (UK) Limited (03520161), both subsidiaries of GAP Group Limited, are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary companies under section 479C of the Act.

**31. Ultimate parent company and parent company of larger group**

The controlling party is GAP Holdings Limited.

The smallest and largest group in which the results of the Company are consolidated is that headed by GAP Holdings Limited. The consolidated accounts of GAP Holdings Limited are available to the public and may be obtained at Companies House, Crown Way, Cardiff, CF14 3UZ.

