Registered number: SC143099

GAP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

GAP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D G Anderson I M Anderson M D Anderson C A G Parr
Company secretary	C A G Parr
Registered number	SC143099
Registered office	Citypoint 2 25 Tyndrum Street Glasgow G4 0JY
Independent auditor	RSM UK Audit LLP Third Floor Centenary House 69 Wellington House Glasgow G2 6HG

GAP HOLDINGS LIMITED

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

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 £302.7m and our pre-tax profit increased 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

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2024

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

Principal activities

The Principal activity of the Group ('GAP') is the hire of small tools and unmanned plant, mainly to 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 a 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.

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 been developing its Sustainability Strategy throughout 2023/24. 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.

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 demonstratable 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 tCO2e) are absolute values.

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 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 reportng period 1 April 2023 - 31 March 2024

Total	2022-23 kWh	2023-24 kWh
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
Total Scope 1 & 2 energy use (kWh)	**72,342,089.01**	**76,427,672.02**

Greenhouse gas emissions

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

Scope 1	2022-23 tCO_2e	2023-24 tCO_2e
Gas	385.89	413.94
Transport Fuel*	15,120.64	15,574.81
Total Scope 1	15,506.53	15,988.75
Scope 2	**2022-23 tCO_2e**	**2023-24 tCO_2e**
Purchase electricity (grid average)	857.81	886.94
Total Scope 2	857.81	886.94
Total	**2022-23 tCO_2e**	**2023-24 tCO_2e**
Total Scope 1 & 2 emissions	**16,364.34**	**16,875.69**
Intensity Ratio: tCO_2e/employee	**8.73**	**7.93**

*Purchased diesel, petrol and AdBlue

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%.

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

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 becomes 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.

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, recognizing 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.

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.

s72 (continued) Employee engagement (continued)

- 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.

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 facilitiy 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.

Financial Information

The Group's five year performance is summarised below:

	2024	2023	2022	2021	2020
No. of locations	191	175	148	146	146
Turnover	£302.7m	£278.7m	£240.2m	196.9m	£209.8m
No. of employees at 31 March	2,073	2,068	1,867	1,696	1,805
EBITDA	£132.0m	£120.3m	£100.8m	£86.1m	£81.7m*
Pre-tax profit	£43.9m	£43.8m	£36.1m	£23.6m	£18.7m
Shareholder's funds	£194.2m	£172.2m	£146.2m	£133.1m	£117.3m

*EBITDA 2020 excludes the revaluation gain on investment property.

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

Results and dividends

The operations of the Group for the year resulted in a profit after tax of £32,893,000 (2023: £34,984,000), 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 on 30 August 2024 and signed on its behalf.

Chris AG Parr

C A G Parr
Company Secretary

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

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
C A G Parr

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.

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

Qualifying indemnity provision

GAP Holdings 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.

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 on 30 August 2024 and signed on its behalf.

Chris AG Parr

C A G Parr
Company Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAP HOLDINGS LIMITED

Opinion

We have audited the financial statements of GAP Holdings 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.

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 13, 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.

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 entitiy 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAP HOLDINGS LIMITED

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 House
Glasgow
G2 6HG

16 September 2024

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

	Note	2024 £000	*2023* *£000*
Turnover	4	**302,679**	*278,726*
Cost of sales		**(184,714)**	*(170,064)*
Gross profit		**117,965**	*108,662*
Administrative expenses		**(61,219)**	*(58,338)*
Operating profit	5	**56,746**	*50,324*
Interest receivable and similar income	9	**66**	*6*
Interest payable and similar expenses	10	**(12,868)**	*(6,481)*
Profit before tax		**43,944**	*43,849*
Tax on profit	11	**(11,051)**	*(8,865)*
Profit for the financial year attributable to the owners		**32,893**	*34,984*

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 49 form part of these financial statements.

GAP HOLDINGS LIMITED
REGISTERED NUMBER: SC143099

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £000		2023 £000
Fixed assets					
Goodwill	13		**1,178**		*1,781*
Tangible fixed assets	14		**400,520**		*356,232*
Investment property	16		**8,627**		*5,144*
			410,325		*363,157*
Current assets					
Stocks	17	**7,583**		*8,010*	
Debtors: amounts falling due within one year	18	**61,323**		*59,008*	
Cash at bank and in hand	19	**4,340**		*3,153*	
		73,246		*70,171*	
Creditors: amounts falling due within one year	20	**(100,352)**		*(108,143)*	
Net current liabilities			**(27,106)**		*(37,972)*
Total assets less current liabilities			**383,219**		*325,185*
Creditors: amounts falling due after more than one year	21		**(167,382)**		*(131,417)*
Provisions for liabilities					
Deferred taxation	24	**(21,651)**		*(21,520)*	
			(21,651)		*(21,520)*
Net assets			**194,186**		*172,248*
Capital and reserves					
Called up share capital	25		**150**		*150*
Profit and loss account			**194,036**		*172,098*
Shareholders' funds			**194,186**		*172,248*

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

Iain M Anderson

I M Anderson
Director

COMPANY BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £000		2023 £000
Fixed assets					
Investments	15		6,312		6,312
Investment Property	16		8,059		4,576
			14,371		10,888
Current assets					
Debtors: amounts falling due within one year	18	44		598	
Cash at bank and in hand	19	177		164	
		221		762	
Creditors: amounts falling due within one year	20	(10,425)		(7,169)	
Net current liabilities			(10,204)		(6,407)
Total assets less current liabilities			4,167		4,481
Provisions for liabilities					
Deferred taxation	24	(37)		(32)	
			(37)		(32)
Net assets			4,130		4,449
Capital and reserves					
Called up share capital	25		150		150
Profit and loss account			3,980		4,299
Shareholders' funds			4,130		4,449

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 £10,636,000 (2023: £9,044,000).

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

Iain M Anderson

I M Anderson
Director

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

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2022	150	146,056	146,206
Comprehensive income for the year			
Profit for the year	-	34,984	34,984
Deferred tax movements	-	79	79
Other comprehensive income for the year	-	79	79
Total comprehensive income for the year	-	35,063	35,063
Contributions by and distributions to owners			
Dividends: Equity capital	-	(9,021)	(9,021)
Total transactions with owners	-	(9,021)	(9,021)
At 1 April 2023	150	172,098	172,248
Comprehensive income for the year			
Profit for the year	-	32,893	32,893
Total comprehensive income for the year	-	32,893	32,893
Contributions by and distributions to owners			
Dividends: Equity capital	-	(10,955)	(10,955)
Total transactions with owners	-	(10,955)	(10,955)
At 31 March 2024	150	194,036	194,186

The notes on pages 27 to 49 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2022	150	4,355	4,505
Comprehensive income for the year			
Profit for the year	-	9,044	9,044
Deferred tax movements	-	(79)	(79)
Other comprehensive income for the year	-	(79)	(79)
Total comprehensive income for the year	-	8,965	8,965
Contributions by and distributions to owners			
Dividends: Equity capital	-	(9,021)	(9,021)
Total transactions with owners	-	(9,021)	(9,021)
At 1 April 2023	150	4,299	4,449
Comprehensive income for the year			
Profit for the year	-	10,636	10,636
Total comprehensive income for the year	-	10,636	10,636
Contributions by and distributions to owners			
Dividends: Equity capital	-	(10,955)	(10,955)
At 31 March 2024	150	3,980	4,130

The notes on pages 27 to 49 form part of these financial statements.

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

	2024 £000	2023 £000
Cash flows from operating activities		
Profit for the financial year	**32,893**	*34,984*
Adjustments for:		
Amortisation of intangible assets (note 13)	**603**	*810*
Depreciation of tangible assets (note 14)	**74,697**	*69,170*
Gain on disposal of tangible assets	**(20,704)**	*(17,800)*
Interest payable and similar charges (note 10)	**12,868**	*6,481*
Interest receivable and similar income (note 9)	**(66)**	*(6)*
Taxation charge (note 11)	**11,051**	*8,865*
Decrease/(Increase) in stocks (note 17)	**427**	*(888)*
Increase in debtors	**(2,315)**	*(8,410)*
(Decrease)/increase in creditors	**(530)**	*2,941*
Corporation tax paid	**(8,934)**	*(7,538)*
Dividends paid	**(10,955)**	*(9,021)*
Interest paid	**(12,248)**	*(5,962)*
Interest element of finance lease rental payments	**(554)**	*(513)*
Net cash generated from operating activities	**76,233**	*73,113*
Cash flows from investing activities		
Sale of tangible fixed assets	**41,792**	*34,491*
Acquisition of tangible fixed assets and investment properties (note 14/16)	**(130,715)**	*(134,101)*
Aquisition of tangible fixed assets from leasing unwind	**-**	*(10,476)*
Aquisitions in year - net of cash acquired	**-**	*(1,339)*
Net cash from investing activities	**(88,923)**	*(111,425)*
Cash flows from financing activities		
Capital elements from finance lease payments	**(9,336)**	*(552)*
Proceeds from new loan (net of repayments)	**36,054**	*40,974*
Movement in related party balances	**(12,841)**	*2,350*
Net cash used in financing activities	**13,877**	*42,772*
Net increase in cash and cash equivalents	**1,187**	*4,460*
Cash and cash equivalents at beginning of year	**3,153**	*(1,307)*
Cash and cash equivalents at the end of year	**4,340**	*3,153*

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

	2024 £000	2023 £000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,340	3,153
	4,340	3,153

The notes on pages 27 to 49 form part of these financial statements.

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

	At 1 April 2023 £000	Cash flows £000	New finance leases £000	At 31 March 2024 £000
Cash at bank and in hand	3,153	1,187	-	4,340
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)
	(158,464)	(25,531)	(16,289)	(200,284)

The notes on pages 27 to 49 form part of these financial statements.

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

1. General information

GAP Holdings Limited (the "Company") is a private company limited by shares and incorporated in Scotland, UK. The registered number is SC143099 and the registered address is Citypoint 2, 25 Tyndrum Street, Glasgow, Scotland, G4 0JY.

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 of 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.

2. Accounting policies (continued)

2.3 Going concern

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 is £220m, with a further accordion of £80m available.

Management has produced forecasts for GAP Holdings Limited, that have been extended beyong 12 months from the date of signing these financial statements. These forecasts are reviewed by the Board of Directors. The Directors believe that 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 Company is well placed to continue in operational existence for the forseeable future.

As such, the Directors are satisfied that the Company has adequate resources to pay its liabilities as they fall due and will continue to operate for the foreseeable future. For this, they continued 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 and late penalty fee interest.

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.

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.

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.

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.

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.

4. Turnover

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

An analysis of turnover by class of business is as follows:

	2024 £000	2023 £000
Hire of equipment and ancillary services	301,566	277,216
Investment property rentals	1,113	1,510
	302,679	278,726

Analysis of turnover by country of destination:

	2024 £000	2023 £000
United Kingdom	294,967	270,695
Rest of the world	7,712	8,031
	302,679	278,726

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

6. Auditor's remuneration

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

	2024 £000	*2023 £000*
Fees payable to the Company's auditor and their associates for the audit of the consolidated and parent Company's financial statements	10	*10*
Fees payable to the Company's auditor and their associates in respect of:		
The auditing of accounts of associates of the Company	100	*88*

7. Employees

Staff costs were as follows:

	Group 2024 £000	*Group 2023 £000*
Wages and salaries	67,299	*62,960*
Social security costs	6,854	*6,758*
Contributions to defined contribution plans	2,213	*1,916*
	76,366	*71,634*

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

	2024 No.	*2023 No.*
Sales, administration and operations	2,063	*1,964*

8. Directors' remuneration

	2024 £000	*2023 £000*
Aggregate remuneration (including benefits in kind)	2,754	*3,441*
Aggregate of company contributions to defined contribution pension schemes	1	*54*
	2,755	*3,495*

Directors' remuneration (continued)

	2024 £000	*2023 £000*
Highest paid Director - remuneration	**946**	*908*

Number of Directors to whom retirement benefits are accruing

	2024 No.	*2023 No.*
Defined contribution schemes	**1**	*1*

9. Interest receivable

	2024 £000	*2023 £000*
Other interest receivable	**66**	*6*

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
Corporation tax		
Current tax on profits for the year	11,879	9,984
Adjustments in respect of previous periods	(959)	(591)
	10,920	9,393
Total current tax	10,920	9,393
Deferred tax		
Origination and reversal of timing differences	124	(846)
Adjustments in respect of previous periods	7	585
Effect of changes in tax rates	-	(267)
Total deferred tax	131	(528)
Tax on profit	11,051	8,865

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	**43,944**	*43,849*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	**10,986**	*8,331*
Effects of:		
Expenses not deductible	**1,429**	*1,207*
Income not deductible	**(190)**	*(118)*
Prior year adjustments	**(951)**	*(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)*
Chargeable gains	**82**	*-*
Total tax charge for the year	**11,051**	*8,865*

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

12. Dividends

	2024 £000	*2023 £000*
Interim dividend paid (£73.03 (2023: £60.14))	**10,955**	*9,021*
	10,955	*9,021*

13. Goodwill

Group

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

14. Tangible fixed assets

Group

	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost or valuation				
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 to investment property	**(3,535)**	**-**	**-**	**(3,535)**
At 31 March 2024	**133,162**	**356,478**	**55,995**	**545,635**
Depreciation				
At 1 April 2023	**20,016**	**119,787**	**25,242**	**165,045**
Charge for the year on owned assets	**3,874**	**64,410**	**6,413**	**74,697**
Disposals	**(22)**	**(56,990)**	**(4,698)**	**(61,710)**
Disposals - leasing unwind	**-**	**(32,834)**	**-**	**(32,834)**
Depreciation on transfers to investment property	**(83)**	**-**	**-**	**(83)**
At 31 March 2024	**23,785**	**94,373**	**26,957**	**145,115**
Net book value				
At 31 March 2024	**109,377**	**262,105**	**29,038**	**400,520**
At 31 March 2023	*83,559*	*252,918*	*19,755*	*356,232*

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 then 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.

15. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2023	**6,312**
At 31 March 2024	**6,312**
Net book value	
At 31 March 2024	**6,312**
At 31 March 2023	*6,312*

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
GAP Group Limited	2	Ordinary	100%
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%
Gordon Anderson Plant Limited (Dormant)	1	Ordinary	100%
4 Group Limited	4	Ordinary*	100%
GAP Hire Solutions Limited (Dormant)	1	Ordinary*	100%
4 Hire (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 Estatem Douglas, Isle of Man, IM1 5AT.
4. Home Farm, La Rue de Grouville, Grouville, Jersey, JE3 9HP.
5. Bulwer Buildings, Bulwer Avenue, St. Sampson, Guensey, GY2 4LG.

* Shares held indirectly

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

	Freehold investment property £000
Valuation	
At 1 April 2023	5,144
Additions at cost	35
Transfer between long-term leasehold property	3,448
At 31 March 2024	8,627

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.

Company

	Freehold investment property £000
Valuation	
At 1 April 2023	4,576
Additions at cost	35
Transfers intra group	3,448
At 31 March 2024	8,059

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.

17. Stocks

	Group 2024 £000	Group 2023 £000
Spares, consumble stores and goods for resale	7,583	8,010

18. Debtors

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Due within one year				
Trade debtors	56,778	54,483	12	24
Amounts owed by group undertakings	-	-	-	125
Other debtors	26	-	-	-
Prepayments and accrued income	4,519	4,525	32	449
	61,323	59,008	44	598

Interest is charged at rates 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

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Cash at bank and in hand	4,340	3,153	177	164

20. Creditors: Amounts falling due within one year

	Group 2024 £000	*Group 2023 £000*	Company 2024 £000	*Company 2023 £000*
ABL revolving credit facility (note 22)	**29,756**	*25,702*	-	-
Unamortised facility costs	**(97)**	-	-	-
Trade creditors	**20,935**	*40,792*	-	-
Amounts owed to group undertakings	-	-	**10,425**	*7,109*
Corporation tax	**3,393**	*1,407*	-	-
Other taxation and social security	**5,202**	*3,422*	-	-
Obligations under finance lease and hire purchase contracts	**7,583**	*4,498*	-	-
Other creditors	**332**	-	-	-
Accruals and deferred income	**33,248**	*32,322*	-	*60*
	100,352	*108,143*	**10,425**	*7,169*

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

	Group 2024 £000	*Group 2023 £000*
ABL credit facility (note 22)	**159,797**	*127,289*
Unamortised facility costs	**(411)**	-
Net obligations under finance leases and hire purchase contracts (note 23)	**7,996**	*4,128*
	167,382	*131,417*

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

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.

	Group 2023 £000	*Group 2022 £000*
Amounts falling due within one year		
Bank loans	**29,756**	*25,702*
Unamortised facility costs	**(97)**	-
Amounts falling due 1-2 years		
Bank loans	**35,516**	*84,859*
Unamortised facility costs	**(97)**	
Amounts falling due 2-5 years		
Bank loans	**106,547**	*42,430*
Unamortised facility costs	**(290)**	-
Amounts falling due after more than 5 years	**-**	-
Bank Loans	**17,734**	-
Unamortised facility costs	**(24)**	-
	189,045	**152,991**

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2024 £000	*Group 2023 £000*
Within one year	**7,583**	*4,498*
Between 1-5 years	**7,996**	*4,128*
	15,579	*8,626*

24. Deferred taxation

Group

	2024 £000
At beginning of year	(21,520)
Charged to profit or loss	(124)
Adjustment in respect of prior periods	(7)
At end of year	**(21,651)**

Company

	2024 £000
At beginning of year	(32)
Charged to profit or loss	(4)
Adjustment in respect of prior years	(1)
At end of year	**(37)**

The provision for deferred taxation is made up as follows:

	Group 2024 £000	*Group 2023 £000*	Company 2024 £000	*Company 2023 £000*
Fixed asset timing differences	(21,763)	*(21,677)*	(37)	*-*
Short term timing differences	47	*46*	-	*(33)*
Non trading timing difference	-	*1*	-	*1*
Losses	65	*110*	-	*-*
	(21,651)	*(21,520)*	(37)	*(32)*

25. Share capital

	2024 £000	*2023 £000*
Allotted, called up and fully paid		
150,000 *(2023 - 150,000)* Ordinary shares of £1.00 each	150	*150*

26. 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).

27. Commitments under operating leases

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

	Group 2024 £000	*Group 2023 £000*
Not later than 1 year	**2,547**	*2,388*
Later than 1 year and not later than 5 years	**4,035**	*4,440*
Later than 5 years	**753**	*882*
	7,335	*7,710*

28. Related party transactons

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*
GAP Vehicle Hire Limited (at the date of disposal)		
Administrative expenses recovered from	-	*382*
Purchases from	-	*(3,673)*
Loan receivables outstanding	-	*2,500*
Trade debtor outstanding	-	*78*
Trade creditor outstanding	-	*(303)*

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.

29. Ultimate parent company and parent company of larger group

The ultimate ownership of the company is the Anderson family including the directors D G Anderson and I M Anderson who control all the share capital.