GROUP INCOME STATEMENT

For the year ended 31 March 2024

	Notes	2024 £m	2023 £m
Revenue	2,3,4	**2,942.4**	2,982.3
Cost of sales	5	**(1,678.5)**	(1,630.1)
Gross profit		**1,263.9**	1,352.2
Operating costs	6	**(983.8)**	(969.2)
Operating profit	2,3	**280.1**	383.0
Finance income	7	**4.8**	2.0
Finance costs	7	**(36.7)**	(14.2)
Share of profit of joint venture	17	**0.6**	0.7
Profit before tax		**248.8**	371.5
Income tax expense	11	**(65.1)**	(86.7)
Profit for the year attributable to owners of the Company		**183.7**	284.8
Earnings per share attributable to owners of the Company			
Basic	12	**38.8p**	60.4p
Diluted	12	**38.7p**	60.2p

The Notes on pages 131 to 172 form part of these Group accounts.

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 £m	2023 £m
Profit for the year		**183.7**	284.8
Other comprehensive income			
Items that will not be reclassified subsequently to the income statement			
Remeasurement of retirement benefit obligations	10	**0.8**	(34.2)
Related income tax	11	**(0.1)**	7.9
		0.7	(26.3)
Items that may be reclassified subsequently to the income statement			
Foreign exchange translation differences of joint venture	17	**(0.2)**	(0.1)
Foreign exchange translation differences		**(3.9)**	43.1
Fair value gain on net investment hedges	23	**3.4**	5.4
Movement in cash flow hedges	27	**(0.1)**	3.9
Related income tax	11	**–**	(0.7)
		(0.8)	51.6
Other comprehensive (expense) / income for the year		**(0.1)**	25.3
Total comprehensive income for the year		**183.6**	310.1
Total comprehensive income is attributable to:			
Owners of the Company		**183.7**	310.1
Non-controlling interests		**(0.1)**	–
		183.6	310.1

The Notes on pages 131 to 172 form part of these Group accounts.

GROUP BALANCE SHEET

As at 31 March 2024

Company number: 647788

	Notes	2024 £m	2023 £m
Non-current assets			
Intangible assets	14	**982.6**	704.8
Property, plant and equipment	15	**180.9**	186.3
Right-of-use assets	16	**72.8**	46.9
Investment in joint venture	17	**1.3**	1.5
Other receivables	19	**8.4**	6.5
Retirement benefit net assets	10	**1.5**	0.8
Deferred tax assets	11	**9.5**	6.9
Total non-current assets		**1,257.0**	953.7
Current assets			
Inventories	18	**656.0**	616.3
Trade and other receivables	19	**701.4**	692.0
Cash and cash equivalents – cash and short-term deposits	22	**258.7**	260.3
Derivative assets	21	**2.6**	1.8
Current income tax receivables		**22.7**	19.9
Total current assets		**1,641.4**	1,590.3
Total assets		**2,898.4**	2,544.0
Current liabilities			
Trade and other payables	20	**(602.7)**	(658.9)
Cash and cash equivalents – bank overdrafts	22	**(162.7)**	(139.8)
Lease liabilities	16,22	**(16.0)**	(14.6)
Derivative liabilities	21	**(1.1)**	(1.7)
Provisions	24	**(5.0)**	(1.8)
Current income tax liabilities		**(27.8)**	(22.1)
Total current liabilities		**(815.3)**	(838.9)

	Notes	2024 £m	2023 £m
Non-current liabilities			
Other payables	20	**(17.3)**	(9.3)
Retirement benefit obligations	10	**(27.2)**	(37.2)
Borrowings	22	**(440.3)**	(184.6)
Lease liabilities	16,22	**(57.9)**	(34.3)
Provisions	24	**(4.2)**	(4.7)
Deferred tax liabilities	11	**(103.3)**	(90.1)
Total non-current liabilities		**(650.2)**	(360.2)
Total liabilities		**(1,465.5)**	(1,199.1)
Net assets		**1,432.9**	1,344.9
Equity			
Share capital and share premium	26	**286.9**	283.3
Own shares held by Employee Benefit Trust (EBT)	26	**(1.8)**	(2.2)
Other reserves	27	**108.3**	108.8
Retained earnings		**1,038.9**	954.3
Equity attributable to owners of the Company		**1,432.3**	1,344.2
Non-controlling interests		**0.6**	0.7
Total equity		**1,432.9**	1,344.9

The Notes on pages 131 to 172 form part of these Group accounts.

These Group accounts were approved by the Board of Directors on 22 May 2024 and signed on its behalf by:

Kate Ringrose
Chief Financial Officer

GROUP CASH FLOW STATEMENT

For the year ended 31 March 2024

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Profit before tax		**248.8**	371.5
Depreciation and amortisation	6	**83.7**	64.6
Impairment of intangible assets	14	**4.6**	7.1
Impairment of right-of-use assets		**0.4**	–
Loss on disposal of non-current assets	6	**1.6**	4.4
Equity-settled share-based payments	8,9	**7.8**	14.2
Net finance costs		**31.9**	12.2
Share of profit of and dividends received from joint venture	17	**–**	(0.1)
Decrease / (increase) in inventories		**4.9**	(44.3)
Decrease / (increase) in trade and other receivables		**8.1**	(37.8)
(Decrease) / increase in trade and other payables		**(82.2)**	33.2
Increase / (decrease) in provisions		**1.1**	(1.4)
Defined benefit retirement contributions in excess of charge		**(9.8)**	(10.6)
Cash generated from operations		**300.9**	413.0
Interest received		**4.8**	2.0
Interest paid		**(35.8)**	(14.6)
Income tax paid		**(73.3)**	(93.9)
Net cash from operating activities		**196.6**	306.5
Cash flows from investing activities			
Acquisition of businesses	29	**(313.1)**	(237.2)
Cash and cash equivalents acquired with businesses	29	**9.0**	12.7
Total cash impact on acquisition of businesses		**(304.1)**	(224.5)
Purchase of intangible assets		**(35.7)**	(27.5)
Purchase of property, plant and equipment		**(15.9)**	(18.6)
Proceeds on sale of property, plant and equipment		**–**	0.1
Net cash used in investing activities		**(355.7)**	(270.5)

	Notes	2024 £m	2023 £m
Cash flows from financing activities			
Proceeds from the issue of share capital	26	**3.6**	4.8
Purchase of own shares by EBT		**(1.5)**	(2.1)
Loans drawn down		**286.7**	83.2
Loans repaid		**(27.3)**	(58.1)
Principal elements of lease payments		**(18.5)**	(18.8)
Dividends paid	13	**(104.1)**	(88.6)
Net cash generated from / (used in) financing activities		**138.9**	(79.6)
Net decrease in cash and cash equivalents		**(20.2)**	(43.6)
Cash and cash equivalents at the beginning of the year		**120.5**	158.4
Effect of exchange rate changes		**(4.3)**	5.7
Cash and cash equivalents at the end of the year	22	**96.0**	120.5

The Notes on pages 131 to 172 form part of these Group accounts.

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Attributable to owners of the Company						
	Share capital and share premium (Note 26) £m	Own shares held by EBT £m	Other reserves (Note 27) £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 1 April 2022	278.5	(3.0)	60.2	772.8	1,108.5	–	1,108.5
Profit for the year	–	–	–	284.8	284.8	–	284.8
Other comprehensive income	–	–	51.6	(26.3)	25.3	–	25.3
Total comprehensive income	–	–	51.6	258.5	310.1	–	310.1
Cash flow hedging gains transferred to inventories	–	–	(3.7)	–	(3.7)	–	(3.7)
Tax on cash flow hedging gains transferred to inventories	–	–	0.7	–	0.7	–	0.7
Dividends (Note 13)	–	–	–	(88.6)	(88.6)	–	(88.6)
Equity-settled share-based payments (Notes 8 and 9)	–	–	–	14.2	14.2	–	14.2
Settlement of share awards	4.8	2.9	–	(2.9)	4.8	–	4.8
Purchase of own shares by EBT	–	(2.1)	–	–	(2.1)	–	(2.1)
Tax on equity-settled share-based payments	–	–	–	1.0	1.0	–	1.0
Sale of subsidiary's shares to non-controlling interests	–	–	–	(0.7)	(0.7)	0.7	–
At 31 March 2023	283.3	(2.2)	108.8	954.3	1,344.2	0.7	1,344.9
Profit for the year	–	–	–	183.7	183.7	–	183.7
Other comprehensive income	–	–	(0.7)	0.7	–	(0.1)	(0.1)
Total comprehensive (expense) / income	–	–	(0.7)	184.4	183.7	(0.1)	183.6
Cash flow hedging gains transferred to inventories	–	–	(1.6)	–	(1.6)	–	(1.6)
Cash flow hedging losses transferred to acquisition purchase price	–	–	1.8	–	1.8	–	1.8
Dividends (Note 13)	–	–	–	(104.1)	(104.1)	–	(104.1)
Equity-settled share-based payments (Notes 8 and 9)	–	–	–	7.8	7.8	–	7.8
Settlement of share awards	3.6	1.9	–	(1.9)	3.6	–	3.6
Purchase of own shares by EBT	–	(1.5)	–	–	(1.5)	–	(1.5)
Tax on equity-settled share-based payments	–	–	–	(1.6)	(1.6)	–	(1.6)
At 31 March 2024	**286.9**	**(1.8)**	**108.3**	**1,038.9**	**1,432.3**	**0.6**	**1,432.9**

The Notes on pages 131 to 172 form part of these Group accounts.

NOTES TO THE GROUP ACCOUNTS

For the year ended 31 March 2024

1 Basis of preparation

RS Group plc (the Company) is a public limited company registered in England and Wales and listed on the London Stock Exchange.

The Group accounts for the year ended 31 March 2024 are presented in sterling and rounded to £0.1 million. They are prepared in accordance with UK-adopted international accounting standards (UK IAS) and the requirements of the Companies Act 2006.

The Group accounts have been prepared on a going concern basis (see the going concern statement on page 39) under the historical cost convention, modified by the revaluation of retirement benefit obligations and certain financial assets and liabilities (including derivative financial instruments) as explained in the relevant notes. The principal accounting policies have been applied consistently unless otherwise stated.

Basis of consolidation

The Group accounts comprise the results, assets and liabilities of the Company and all its subsidiaries (together referred to as the Group) and include the Employee Benefit Trust (EBT) and the Group's interest in a joint venture. Subsidiaries are entities controlled by the Company. The joint venture is accounted for using the equity method of accounting.

The results of businesses acquired in the year are consolidated from the effective date of acquisition. The net assets of businesses acquired are incorporated in the Group accounts at their fair values at the date of acquisition.

Intra-group transactions and balances are eliminated in preparing the Group accounts and no profit or loss is recognised on intra-group transactions. Unrealised gains or losses arising from transactions with the joint venture are eliminated to the extent of the Group's interest in the entity.

Estimates and judgements

The preparation of accounts in accordance with UK IAS requires the Group to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Except for judgements involved in estimations, no judgements have been made in the process of applying the Group's accounting policies that have had a significant effect on the amounts recognised in the accounts. The judgements involved in estimations take account of the Group's latest expectations of the longer-term impacts of climate change and environmental regulations and the current global economic and geopolitical uncertainties.

Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next year. The significant estimates made in preparing the accounts were in relation to retirement benefit obligations and further details on the application of these estimates can be found in Note 10. While not significant estimates, the Group also focuses on estimates made in relation to inventories (Note 18), the fair values on acquisition of businesses (Note 29) and the review of intangibles and other assets for impairment (Notes 14 and 23). Further details are provided in the relevant notes.

Actual results in the longer term may differ from these estimates.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in operating profit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at the rate ruling at the date the fair value was determined.

Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at exchange rates ruling at the balance sheet date. The income statement and cash flows of foreign operations are translated at the average rate for the period. Foreign exchange differences on translation of foreign operations are recognised in other comprehensive income.

Standards and interpretations adopted in the year

Amendments to IAS 12 'International Tax Reform – Pillar Two Model Rules'

The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The amendments introduce a temporary exception to the recognition and disclosure of information about deferred tax assets and liabilities related to any resulting top-up income taxes, which the Group has applied. Note 11 contains more details on the implementation of these amendments.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

1 Basis of preparation continued

Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences, such as leases. The Group previously recognised the deferred tax asset or liability on leases on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets from the beginning of the comparative period presented and disclosed the amounts in Note 11. There was no impact on the balance sheet, as the balances qualify for offset under paragraph 74 of IAS 12, or on opening retained earnings as at 1 April 2022 as a result of the change.

Other

International Financial Reporting Standard (IFRS) 17 'Insurance Contracts', Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' and Amendments to IAS 8 'Definition of Accounting Estimates' were adopted in the year. There was no material impact on the reported results or financial position of the Group.

Standards or interpretations issued but not yet applied

The Group does not consider that any standards or interpretations issued but not yet applicable will have a significant impact on the accounts.

The impact of any standards or interpretations issued after the year end has not been assessed yet.

2 Segmental reporting

The Group's operating segments comprise three regions: EMEA, Americas and Asia Pacific. Their principal activities are described on pages 29 to 31. The operating segments' performance is assessed on revenue and adjusted operating profit on a monthly basis by the chief operating decision maker, who is the Chief Executive Officer. Inter-segment pricing is determined on an arm's length basis, comprising sales of product at cost and a handling charge included within operating costs.

Year ended 31 March 2024	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Revenue from external customers	**1,794.8**	**933.7**	**213.9**	**2,942.4**
Segmental operating profit	**255.7**	**101.4**	**3.8**	**360.9**
Central costs				**(49.1)**
Adjusted operating profit				**311.8**
Amortisation of acquired intangibles				**(26.6)**
Acquisition-related items (Note 3)				**(5.1)**
Operating profit				**280.1**
Net finance costs				**(31.9)**
Share of profit of joint venture				**0.6**
Profit before tax				**248.8**
Segmental capital expenditure	**38.3**	**12.5**	**0.4**	**51.2**
Central costs				**–**
Capital expenditure				**51.2**
Segmental depreciation and amortisation	**38.8**	**14.2**	**2.7**	**55.7**
Central costs				**1.4**
Amortisation of acquired intangibles				**26.6**
Depreciation and amortisation (including of right-of-use assets)				**83.7**

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

2 Segmental reporting continued

Year ended 31 March 2023	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Revenue from external customers	1,768.5	945.5	268.3	2,982.3
Segmental operating profit	275.8	148.5	38.4	462.7
Central costs				(60.5)
Adjusted operating profit				402.2
Amortisation and impairment of acquired intangibles				(16.6)
Acquisition-related items (Note 3)				(2.6)
Operating profit				383.0
Net finance costs				(12.2)
Share of profit of joint venture				0.7
Profit before tax				371.5
Segmental capital expenditure	34.9	7.1	0.4	42.4
Central costs				–
Capital expenditure				42.4
Segmental depreciation and amortisation	34.7	11.9	3.2	49.8
Central costs				1.5
Amortisation of acquired intangibles				13.3
Depreciation and amortisation (including of right-of-use assets)				64.6

Disaggregation of revenue

In the table below, revenue is disaggregated by sales channels, by own-brand products or other product and service solutions, and also by service solutions or other. The Group's largest own brand is RS PRO. £2,850.7 million of revenue is recognised at a point in time (2022/23: £2,901.2 million) and £91.7 million over time (2022/23: £81.1 million).

Sales channel

Year ended 31 March 2024	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Web	**880.8**	**258.9**	**88.5**	**1,228.2**
eProcurement and other digital	**441.5**	**77.3**	**34.6**	**553.4**
Digital	**1,322.3**	**336.2**	**123.1**	**1,781.6**
Offline	**472.5**	**597.5**	**90.8**	**1,160.8**
Revenue	**1,794.8**	**933.7**	**213.9**	**2,942.4**

Year ended 31 March 2023				
Web	893.8	304.3	121.2	1,319.3
eProcurement and other digital	417.3	100.5	39.6	557.4
Digital	1,311.1	404.8	160.8	1,876.7
Offline	457.4	540.7	107.5	1,105.6
Revenue	1,768.5	945.5	268.3	2,982.3

Own-brand / other products and service solutions

Year ended 31 March 2024	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Own-brand product and service solutions	**364.9**	**6.7**	**33.2**	**404.8**
Other product and service solutions	**1,429.9**	**927.0**	**180.7**	**2,537.6**
Revenue	**1,794.8**	**933.7**	**213.9**	**2,942.4**

Year ended 31 March 2023				
Own-brand product and service solutions	360.2	7.1	37.2	404.5
Other product and service solutions	1,408.3	938.4	231.1	2,577.8
Revenue	1,768.5	945.5	268.3	2,982.3

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

2 Segmental reporting continued

Service solutions / other

During the first half of the year the Group reviewed what it classes as service solutions which has resulted in certain revenue streams now being included and certain ones excluded, resulting in an overall decrease to the service solutions revenue for the year ended 31 March 2023 of £48.6 million and £29.9 million for the year ended 31 March 2022. The information below reflects the new classification.

Year ended 31 March 2024	EMEA £m	Americas £m	Asia Pacific £m	Group £m
Service solutions	**532.3**	**132.8**	**43.4**	**708.5**
Other	**1,262.5**	**800.9**	**170.5**	**2,233.9**
Revenue	**1,794.8**	**933.7**	**213.9**	**2,942.4**
Year ended 31 March 2023 (restated)				
Service solutions	506.1	132.9	46.4	685.4
Other	1,262.4	812.6	221.9	2,296.9
Revenue	1,768.5	945.5	268.3	2,982.3
Year ended 31 March 2022 (restated)				
Service solutions	425.6	93.4	39.1	558.1
Other	1,153.9	625.3	216.4	1,995.6
Revenue	1,579.5	718.7	255.5	2,553.7

Revenue and non-current assets by geographical location

In the table below, revenue is based on the location of the Group operation where the sales originated and non-current assets are based on the location of the assets. Non-current assets exclude financial instruments, retirement benefit net assets and deferred tax assets.

	Revenue		Non-current assets	
	2024 £m	2023 £m	**2024 £m**	2023 £m
UK (country of domicile)	**686.1**	713.2	**218.4**	216.8
US	**698.3**	852.8	**381.9**	394.3
France	**326.2**	323.1	**13.7**	11.6
Mexico	**193.2**	46.5	**238.8**	231.5
Germany	**189.0**	208.2	**30.2**	61.3
Italy	**126.9**	128.6	**3.4**	4.3
Switzerland	**44.3**	12.9	**288.0**	–
Rest of world	**678.4**	697.0	**63.3**	20.0
Group	**2,942.4**	2,982.3	**1,237.7**	939.8

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

3 Alternative Performance Measures (APMs)

The Group uses a number of APMs in addition to those measures reported in accordance with UK IAS. Such APMs are not defined terms under UK IAS and are not intended to be a substitute for any UK IAS measure. The Directors believe that the APMs are important when assessing the underlying financial and operating performance of the Group. The APMs are used internally for performance analysis and in employee incentive arrangements, as well as in discussions with the investment analyst community.

The APMs improve the comparability of information between reporting periods by adjusting for factors such as fluctuations in foreign exchange rates, number of trading days and items, such as reorganisation costs, that are substantial in scope and impact and do not form part of operational or management activities that the Directors would consider part of underlying performance. The Directors also believe that excluding recent acquisitions, amortisation and impairment of acquired intangibles and acquisition-related items aids comparison of the underlying performance between reporting periods and between businesses with similar assets that were internally generated.

Adjusted profit measures

These are the equivalent UK IAS measures adjusted to exclude amortisation and impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs, one-off pension credits or costs, significant tax rate changes and, where relevant, associated income tax effects. Adjusted profit before tax is a performance measure for the annual incentive and the all employee Long Term Incentive Plan (LTIP) called the RS YAY! Award. Adjusted earnings per share is a performance measure for the LTIP and Journey to Greatness (J2G) LTIP Award. Adjusted operating profit conversion, adjusted operating profit margin and adjusted earnings per share are financial key performance indicators (KPIs) which are used to measure the Group's progress in delivering the successful implementation of its strategy and monitor and drive its performance.

Year ended 31 March 2024	Operating costs £m	Operating profit £m	Operating profit margin[1] %	Operating profit conversion[2] %	Profit before tax £m	Profit for the year £m	Basic earnings per share p	Diluted earnings per share p
Reported	**(983.8)**	**280.1**	**9.5%**	**22.2%**	**248.8**	**183.7**	**38.8p**	**38.7p**
Amortisation of acquired intangibles	**26.6**	**26.6**			**26.6**	**19.8**	**4.2p**	**4.2p**
Acquisition-related items	**5.1**	**5.1**			**5.1**	**3.8**	**0.8p**	**0.8p**
Adjusted	**(952.1)**	**311.8**	**10.6%**	**24.7%**	**280.5**	**207.3**	**43.8p**	**43.7p**

Year ended 31 March 2023								
Reported	(969.2)	383.0	12.8%	28.3%	371.5	284.8	60.4p	60.2p
Amortisation and impairment of acquired intangibles	16.6	16.6			16.6	13.3	2.8p	2.8p
Acquisition-related items	2.6	2.6			2.6	2.1	0.4p	0.4p
Adjusted	(950.0)	402.2	13.5%	29.7%	390.7	300.2	63.6p	63.4p

1. Operating profit margin is operating profit expressed as a percentage of revenue.
2. Operating profit conversion is operating profit expressed as a percentage of gross profit.

Acquisition-related items comprise transaction costs directly attributable to the acquisition of businesses, any deferred consideration payments relating to the retention of former owners of acquired businesses expensed as remuneration, adjustments to acquisition-related indemnification assets and the related liabilities that result from events after the acquisition date and any remeasurements of contingent consideration payable on acquisition of businesses that result from events after the acquisition date.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

3 Alternative Performance Measures (APMs) continued

	2024 £m	2023 £m
Transaction costs – acquisition-related costs incurred in year for acquisitions completed in year (Note 29)	**(4.7)**	(2.6)
Adjustments to indemnification assets and related liabilities included in operating costs	**(0.8)**	–
Remeasurements of contingent consideration (Note 29)	**0.4**	–
Acquisition-related items (in operating costs)	**(5.1)**	(2.6)
Adjustments to uncertain tax provisions related to indemnification assets	**1.3**	–
Other associated income tax effects	**–**	0.5
Acquisition-related items after tax	**(3.8)**	(2.1)

Like-for-like revenue and profit measures

Like-for-like revenue and profit measures are adjusted to exclude the effects of changes in exchange rates on translation of overseas profits. They exclude acquisitions in the relevant years until they have been owned for a year, at which point they start to be included in both the current and comparative years for the same number of months. These measures enable management and investors to track more easily, and consistently, the underlying performance of the business.

The principal exchange rates applied in preparing the Group accounts and in calculating the following like-for-like measures are:

	2024 Average	2024 Closing	2023 Average	2023 Closing
US dollar	**1.257**	**1.264**	1.206	1.239
Euro	**1.159**	**1.170**	1.158	1.137

Like-for-like revenue change

Like-for-like revenue change is also adjusted to eliminate the impact of differences in trading days year on year. It is calculated by comparing the revenue of the base business for the current year with the prior year converted at the current year's average exchange rates and pro-rated for the same number of trading days as the current year. It is a performance measure for the annual incentive and a financial KPI.

	£m
Revenue for 2023	2,982.3
Effect of exchange rates	(57.4)
Effect of trading days	(24.1)
Revenue for 2023 at 2024 rates and trading days	2,900.8

	2024 Group £m	Less: acquisitions owned < 1 year £m	2024 base business £m	2023 £m	2023 at 2024 rates and trading days £m	Like-for-like change %
EMEA	**1,794.8**	**134.6**	**1,660.2**	1,768.5	1,743.1	(5)%
Americas	**933.7**	**145.9**	**787.8**	945.5	909.3	(13)%
Asia Pacific	**213.9**	**1.8**	**212.1**	268.3	248.4	(15)%
Revenue	**2,942.4**	**282.3**	**2,660.1**	2,982.3	2,900.8	(8)%

Gross margin and like-for-like gross margin change

Gross margin is gross profit expressed as a percentage of revenue. Like-for-like change in gross margin is calculated by taking the difference between gross margin for the base business for the current year and gross margin for the prior year with revenue and gross profit converted at the current year's average exchange rates.

	2024 Group £m	Less: acquisitions owned < 1 year £m	2024 base business £m	2023 £m	2023 at 2024 rates £m	Like-for-like change pts
Revenue	**2,942.4**	**282.3**	**2,660.1**	2,982.3	2,924.9	
Gross profit	**1,263.9**	**88.8**	**1,175.1**	1,352.2	1,326.0	
Gross margin	**43.0%**	**31.5%**	**44.2%**	45.3%	45.3%	(1.1) pts

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

3 Alternative Performance Measures (APMs) continued

Like-for-like profit change

Like-for-like change in profit is calculated by comparing the base business for the current year with the prior year converted at the current year's average exchange rates.

	2024 Group £m	Less: acquisitions owned < 1 year £m	2024 base business £m	2023 £m	2023 at 2024 rates £m	Like-for-like change %
Segmental operating profit						
EMEA	**255.7**	**5.9**	**249.8**	275.8	274.1	(9)%
Americas	**101.4**	**11.7**	**89.7**	148.5	142.3	(37)%
Asia Pacific	**3.8**	**–**	**3.8**	38.4	33.7	(89)%
Segmental operating profit	**360.9**	**17.6**	**343.3**	462.7	450.1	(24)%
Central costs	**(49.1)**	**–**	**(49.1)**	(60.5)	(60.1)	(18)%
Adjusted operating profit	**311.8**	**17.6**	**294.2**	402.2	390.0	(25)%
Adjusted profit before tax	**280.5**	**15.4**	**265.1**	390.7	378.5	(30)%
Adjusted earnings per share	**43.8p**	**2.8p**	**41.0p**	63.6p	61.7p	(34)%
Adjusted diluted earnings per share	**43.7p**	**2.8p**	**40.9p**	63.4p		

Adjusted free cash flow and adjusted operating cash flow conversion

Adjusted free cash flow is net cash from operating activities less purchases of intangible assets, property, plant and equipment plus any proceeds on sale of intangible assets, property, plant and equipment, adjusted for the cash impact of substantial reorganisation costs and acquisition-related items and is a performance measure for the annual incentive.

Adjusted operating cash flow is adjusted free cash flow before income tax and net interest paid. Adjusted operating cash flow conversion is adjusted operating cash flow expressed as a percentage of adjusted operating profit and is a financial KPI.

	2024 £m	2023 £m
Net cash from operating activities	**196.6**	306.5
Purchase of intangible assets	**(35.7)**	(27.5)
Purchase of property, plant and equipment	**(15.9)**	(18.6)
Proceeds on sale of property, plant and equipment	**–**	0.1
Add back: impact of substantial reorganisation cash flows	**0.7**	0.5
Add back: impact of acquisition-related items cash flows	**5.5**	2.6
Adjusted free cash flow	**151.2**	263.6
Add back: income tax paid	**73.3**	93.9
Add back: net interest paid	**31.0**	12.6
Adjusted operating cash flow	**255.5**	370.1
Adjusted operating profit	**311.8**	402.2
Adjusted operating cash flow conversion	**81.9%**	92.0%

Earnings before interest, tax, depreciation and amortisation (EBITDA), net debt and net debt to adjusted EBITDA

EBITDA is operating profit excluding depreciation and amortisation. Net debt is defined and reconciled in Note 22. Net debt to adjusted EBITDA (one of the Group's debt covenants) is the ratio of net debt to EBITDA excluding impairment of intangible assets arising on acquisition of businesses, acquisition-related items, substantial reorganisation costs, substantial asset write-downs and one-off pension credits or costs.

	2024 £m	2023 £m
Operating profit	**280.1**	383.0
Add back: depreciation and amortisation	**83.7**	64.6
EBITDA	**363.8**	447.6
Add back: impairment of acquired intangibles	**–**	3.3
Add back: acquisition-related items	**5.1**	2.6
Adjusted EBITDA	**368.9**	453.5
Net debt	**418.2**	113.0
Net debt to adjusted EBITDA	**1.1x**	0.2x

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

3 Alternative Performance Measures (APMs) continued

Earnings before interest, tax and amortisation (EBITA) and EBITA to interest

EBITA is adjusted EBITDA after depreciation. EBITA to interest (one of the Group's debt covenants) is the ratio of EBITA to finance costs including capitalised interest less finance income.

	2024 £m	2023 £m
Adjusted EBITDA	**368.9**	453.5
Less: depreciation	**(35.5)**	(36.2)
EBITA	**333.4**	417.3
Finance costs	**36.7**	14.2
Less: finance income	**(4.8)**	(2.0)
Interest (per debt covenants)	**31.9**	12.2
EBITA to interest	**10.5x**	34.2x

Return on capital employed (ROCE)

ROCE is adjusted operating profit expressed as a percentage of monthly average net assets excluding net debt and retirement benefit obligations and is an underpin for the LTIP and J2G LTIP Award and a financial KPI.

	2024 £m	2023 £m
Average net assets	**1,389.3**	1,258.0
Add back: average net debt	**371.6**	25.6
Add back: average retirement benefit net (assets) / obligations	**31.2**	24.1
Average capital employed	**1,792.1**	1,307.7
Adjusted operating profit	**311.8**	402.2
ROCE	**17.4%**	30.8%

Working capital as a percentage of revenue

Working capital is inventories, current trade and other receivables and current trade and other payables.

	2024 £m	2023 £m
Inventories	**656.0**	616.3
Current trade and other receivables	**701.4**	692.0
Current trade and other payables	**(602.7)**	(658.9)
Working capital	**754.7**	649.4
Revenue	**2,942.4**	2,982.3
Working capital as a percentage of revenue	**25.6%**	21.8%

Inventory turn

Inventory turn is cost of sales divided by inventories.

	2024 £m	2023 £m
Cost of sales	**1,678.5**	1,630.1
Inventories	**656.0**	616.3
Inventory turn	**2.6**	2.6

Ratio of capital expenditure to depreciation

Ratio of capital expenditure to depreciation is capital expenditure divided by depreciation and amortisation excluding amortisation of acquired intangibles and depreciation of right-of-use assets.

	2024 £m	2023 £m
Depreciation and amortisation	**83.7**	64.6
Less: amortisation of acquired intangibles	**(26.6)**	(13.3)
Less: depreciation of right-of-use assets	**(18.6)**	(18.3)
Adjusted depreciation and amortisation	**38.5**	33.0
Capital expenditure	**51.2**	42.4
Ratio of capital expenditure to depreciation	**1.3 times**	1.3 times

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

4 Revenue recognition

Revenue from the sale of goods is recognised in the income statement when control of the goods has transferred, which in most countries is contractually on delivery to the customer but in a few countries is contractually on collection from the Group's distribution sites by the delivery company. When the Group arranges the delivery of goods where control has transferred on collection, the customer is invoiced an amount to cover the cost of freight and this is included in revenue over time as the goods are shipped. Customers are invoiced on dispatch of the goods. Revenue is measured with reference to the amount invoiced to the customer, net of any immediate discounts applicable to the order. Obligations for retrospective customer volume discounts are calculated by estimating the expected discount percentage that will be achieved for the contractual period using historical data adjusted for current experience and applying that percentage to actual qualifying sales. When a customer has a right to return goods purchased, the Group estimates the obligation for the expected value of the refunds using recent experience. Obligations for both retrospective customer volume discounts and the expected value of refunds for returns are deducted from the revenue recognised when the goods are sold and included in other payables on the balance sheet and at 31 March 2024 were £16.7 million (2022/23: £18.1 million).

Products sourced for customers under the provision of outsourced services are sent directly by suppliers to customers and the Group has no control over the products sourced and bears no inventory risk. The Group does not have discretion in establishing the price as the price charged to customers is the price charged by the suppliers. Therefore, the Group acts as an agent in relation to these products and so does not recognise the value of these products in revenue or cost of sales. Revenue is measured with reference to the amount invoiced to the customer for management charges and is recognised either over time based on time elapsed for monthly management charges or when the related products are delivered for other management charges. Invoices are raised monthly for monthly management charges or when the invoices for the related products are invoiced for other management charges, normally on a weekly or monthly basis. Income earned from suppliers for access to the Group's online procurement portals is recognised as revenue either over time based on time elapsed for subscription fees or as their products are delivered to the Group's customers for licence fees. Invoices are raised monthly, quarterly or annually in advance for subscription fees depending on contractual terms. Credit notes for licence fee income are received from suppliers depending on contractual terms with the least frequent being annual.

Revenue from the sale of calibration services is recognised when control of the services has transferred, which is upon delivery to the customer of the items which have been calibrated. Customers are invoiced on dispatch of the calibrated items. Revenue is measured with reference to the amount invoiced to the customer.

All revenue is recognised net of sales taxes and all payment terms are based on commercially reasonable terms for the respective markets and no element of financing is deemed present.

Remaining performance obligations (unsatisfied or partially unsatisfied) at the year end all relate to customer contracts that have an original expected duration of not more than one year or are invoiced based on time incurred. As permitted under IFRS 15 'Revenue from Contracts with Customers', the transaction price allocated to these remaining performance obligations is not disclosed.

5 Cost of sales

Cost of sales comprises the cost of goods delivered to customers and the write-down of inventories to net realisable value.

When a customer has a right to return goods, the Group estimates the expected value of the goods that are likely to be returned based on historical experience and the expected gross margin. It recognises an asset in other receivables for the right to recover these goods and deducts this from cost of sales when the goods are sold.

The Group receives rebates from certain suppliers relating mainly to the volume of purchases made in a specified time period. These rebates are recognised as a reduction in cost of sales to the extent that the inventories purchased from the supplier and eligible for rebates have been sold in the year. Rebates on purchases that remain in inventories are deducted from the cost of inventories, thus reducing cost of sales in the income statement in the period in which the inventories are expensed. The Group recognises the rebate only where there is evidence of a binding arrangement with the supplier, the amount can be estimated reliably and receipt is probable. The Group estimates whether the supplier rebates relate to products already sold or remaining in inventories, based on inventory turns. When estimating the value of supplier rebates earned but not yet received, the Group makes assumptions about the likely volume of eligible purchases to be made over the remaining rebate period. As at 31 March 2024, the Group had £2.1 million (2022/23: £4.2 million) of supplier rebates recognised within trade and other receivables.

	2024 £m	2023 £m
Inventory scrapped	**13.2**	12.6
Movement in inventory provisions	**21.9**	20.4
Write-down of inventories to net realisable value	**35.1**	33.0
Loss on foreign exchange related to sales and purchases	**6.8**	1.5
Net gains on forward foreign exchange contracts classified as fair value through profit or loss	**(2.6)**	–
Direct pass-through costs related to the provision of outsourced services	**42.8**	39.6
Inventories recognised as an expense	**1,596.4**	1,556.0
Cost of sales	**1,678.5**	1,630.1

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

6 Operating costs

	2024 £m	2023 £m
Amortisation of intangible assets (Note 14)	**48.2**	28.4
Depreciation of property, plant and equipment (Note 15)	**16.9**	17.9
Depreciation of right-of-use assets (Note 16)	**18.6**	18.3
Depreciation and amortisation	**83.7**	64.6
Amortisation of government grants	**(0.1)**	(0.1)
Loss on other foreign exchange	**0.1**	4.2
Net (gains) / losses on forward foreign exchange contracts classified as fair value through profit or loss	**(0.5)**	5.2
Loss on disposal of intangible assets	**0.2**	4.4
Loss on disposal of property, plant and equipment	**1.3**	–
Loss on disposal of right-of-use assets	**0.1**	–
Increase in impairment allowance for financial assets (Note 23)	**3.4**	5.5
Employee costs (Note 8)	**469.7**	479.0
Less: capitalised employee costs	**(15.4)**	(13.0)
Less: pass-through employee costs included in cost of sales	**(39.8)**	(35.8)
Other operating costs	**481.1**	455.2
Operating costs	**983.8**	969.2

Fees paid to the Auditors were:

	2024 £m	2023 £m
Fees payable to the Company's Auditors for the audit of the Company and Group accounts	**1.1**	0.9
Fees payable to the Company's Auditors and their associates for other services:		
Audit of the Company's subsidiaries	**2.0**	2.0
Audit-related assurance services	**0.1**	0.1
Total fees payable to the Company's Auditors and their associates	**3.2**	3.0

7 Finance income and costs

Finance costs that are directly attributable to the construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Interest on financial assets and liabilities measured at amortised cost and on lease liabilities is calculated using the effective interest method and recognised in the income statement as incurred.

Invoice finance charges relate to costs incurred when the Group makes use of its customers' supplier invoice financing options where this is commercially and administratively attractive. These options are used for some outsourced services customers, including where they give the Group access to the customers' invoice portals to simplify the invoice query reconciliation process and so speed up the receipt of payments.

	2024 £m	2023 £m
Finance income		
Interest income on financial assets measured at amortised cost	**4.8**	1.8
Interest income on interest rate swaps	**–**	0.2
Finance income	**4.8**	2.0
Finance costs		
Interest expense on financial liabilities measured at amortised cost	**(28.1)**	(9.5)
Interest expense on lease liabilities	**(2.9)**	(1.1)
Interest expense on financial liabilities not at fair value through profit or loss	**(31.0)**	(10.6)
Interest expense on interest rate swaps	**–**	(0.7)
Interest expense on tax payable	**(1.2)**	–
Interest on uncertain income tax positions	**(0.1)**	(0.2)
Invoice finance charges	**(4.4)**	(2.7)
Finance costs	**(36.7)**	(14.2)

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

8 Employees

Average number of employees	2024	2023
EMEA	**5,872**	5,417
Americas	**2,256**	1,670
Asia Pacific	**767**	668
Central costs	**69**	63
Group	**8,964**	7,818

Employment costs	2024 £m	2023 £m
Wages and salaries	**373.8**	385.9
Social security costs	**52.7**	50.7
Share-based payments – equity-settled (Note 9)	**7.8**	14.2
Share-based payments – cash-settled (Note 9)	**0.4**	1.3
Defined contribution retirement benefit costs (Note 10)	**21.0**	19.5
Defined benefit retirement benefit costs (Note 10)	**4.1**	3.5
	459.8	475.1
Termination benefits	**9.9**	3.9
Total	**469.7**	479.0

Information on the Directors' remuneration is given in the Directors' Remuneration Report on pages 99 to 115.

9 Share-based payments

The Group operates share-based payment schemes which are the LTIPs, the Deferred Share Bonus Plan (DSBP) and the Savings-Related Share Option Scheme (SAYE).

Equity-settled share-based payments are measured at fair value at the grant date, calculated using an appropriate option pricing model. The fair value is expensed in the income statement with a corresponding increase in equity on a straight-line basis over the period that employees become unconditionally entitled to the awards. The income statement charge is adjusted to reflect expected and actual levels of vesting associated with non-market performance related criteria.

Cash-settled share-based payments are measured at fair value at the balance sheet date, taking into account the estimated number of awards that will actually vest and the relative completion of the vesting period. This fair value is included in liabilities and changes in the value of these liabilities are recognised in the income statement.

The EBT established to administer the schemes owns shares in the Company which are shown in equity.

LTIPs – equity settled and cash settled

The Group's active LTIPs are granted under the 2019 LTIP, the 2022 LTIP, the J2G LTIP Award and the RS YAY! Award. Under these LTIPs, awards are made to plan participants normally subject to service conditions and performance conditions. Some of the awards are equity settled and some are cash settled. At the vesting date the award will either vest, in full or in part, or expire depending on the outcome of normally the performance conditions. All awards have £nil exercise price and normally receive accrued dividends on settlement.

Those awards made under the 2019 LTIP in 2020/21 (vested in June 2023) and 2021/22 are normally subject to a market performance condition based on total shareholder return (TSR) of the Group versus a defined comparator group (see the Directors' Remuneration Report for details) and a non-market performance condition based on cumulative growth in adjusted earnings per share (EPS) over the vesting period with a ROCE underpin.

Awards under the 2022 LTIP are normally subject to a market performance condition based on TSR of the Group versus a defined comparator group (see the Directors' Remuneration Report for details) and a non-market performance condition based on the adjusted EPS compound annual growth rate (CAGR) over the vesting period with a ROCE underpin.

Awards under the J2G LTIP Award to senior management are subject to non-market performance conditions based on the adjusted EPS CAGR over the vesting period and a scorecard of key performance indicators directly linked to The RS Way scorecard, with a ROCE underpin.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

9 Share-based payments continued

Awards under the RS YAY! Award to all other employees are subject to a non-market performance condition based on adjusted profit before tax CAGR over the vesting period.

The fair values of equity-settled LTIP awards were calculated at the grant date using the assumptions below, with the fair value of those subject to market performance conditions calculated using a Monte Carlo model.

	2024				2023	
Grant date	December 2023	November 2023	June 2023	May 2023	December 2022	July 2022
Market performance conditions						
Awards granted	**31,818**	**110,006**	**6,109**	**931,186**	77,792	777,686
Fair value at grant date	**243p**	**184p**	**251p**	**295p**	471p	626p
Assumptions used:						
Share price	**816p**	**714p**	**800p**	**798p**	921p	979p
Expected volatility	**29.5%**	**29.6%**	**30.0%**	**30.2%**	32.8%	32.4%
Expected life	**2 years 5 months**	**2 years 6 months**	**2 years 11 months**	**3 years**	2 years 7 months	3 years
Risk-free interest rate	**3.97%**	**4.29%**	**4.95%**	**4.50%**	3.36%	1.75%
Other conditions						
Awards granted	**31,818**	**178,634**	**53,670**	**1,413,539**	243,911	4,009,281
Fair value at grant date	**816p**	**714p**	**800p**	**798p**	921p	979p

Expected volatility was estimated based on the historical volatility of the Company's shares over the most recent period commensurate to the expected life of the award. The risk-free interest rate represents the yield, at the grant date, of UK government bonds with duration commensurate to the expected life of the award.

The fair values of cash-settled LTIP awards at 31 March 2024 were:

	Awards granted	Fair value
June 2021 – Other conditions	**4,393**	**727p**
June 2021 – Market performance conditions	**4,393**	**–p**
July 2022 – Other conditions	**12,000**	**245p**
December 2022 – Other conditions	**1,300**	**230p**
June 2023 – Other conditions	**462**	**200p**
December 2023 – Other conditions	**2,419**	**–p**
December 2023 – Market performance conditions	**2,419**	**–p**

The movements in the LTIP awards (equity and cash settled) were:

	2024 Number of awards	2023 Number of awards
Outstanding at 1 April	**6,302,743**	3,940,677
Forfeited during the year	**(1,019,886)**	(1,293,879)
Expired during the year	**(585,383)**	(789,203)
Exercised during the year	**(632,463)**	(676,822)
Granted during the year	**2,762,080**	5,121,970
Outstanding at 31 March	**6,827,091**	6,302,743

DSBP – equity settled

Under the DSBP, one-third of the total annual incentive earned by plan participants is awarded as shares and vests after two years, normally subject to the continued employment of the participant within the Group. There are no other performance conditions. The participants receive accrued dividends on vesting. Deferred share awards relating to the annual incentive for the year ended 31 March 2024 are expected to be awarded in June 2024. The fair value of the shares awarded during the year was 803p (2022/23: 1,005p) per share award which was the share price at the date of award.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

9 Share-based payments continued

The movements in the DSBP awards were:

	2024 Number of awards	2023 Number of awards
Outstanding at 1 April	224,185	259,570
Forfeited during the year	–	(17,766)
Exercised during the year	(108,658)	(189,422)
Granted during the year	133,061	171,803
Outstanding at 31 March	**248,588**	224,185

SAYE – equity settled and cash settled

The SAYE scheme is available to the majority of employees of the Group employed at the time that the invitation period commences. The UK element is equity settled and the overseas element is cash settled. The option price is based on the average market price of the Company's shares over the three days prior to the offer, discounted by 20%. The option exercise conditions are the employee's continued employment for a three-year period and the maintenance of employee's regular monthly savings. Failure of either of these conditions is normally deemed a forfeiture of the option. Employees may subscribe to the three-year or, when offered, the five-year savings period. Under the UK element, at the end of the savings period, the employee has six months to either exercise their options to purchase the shares at the agreed price or withdraw their savings with accrued interest. Under the overseas element, at the end of the savings period, the employee has six months to either exercise their options to receive cash equal to the difference between the market price and the option price or withdraw their savings with accrued interest. There are no market conditions attached to the vesting of the options.

The fair value of equity-settled SAYE options was calculated at the grant date using a Black-Scholes model, with the assumptions below.

	2024	2023
Grant date	3 year November 2023	3 year December 2022
Options granted	1,814,474	1,300,316
Fair value at grant date	265p	325p
Assumptions used:		
Share price	776p	944p
Exercise price	562p	715p
Expected volatility	28.7%	32.6%
Expected option life	3 years	3 years
Expected dividend yield	2.50%	1.71%
Risk-free interest rate	4.14%	3.16%

Expected volatility was estimated based on the historical volatility of the Company's shares over the most recent three-year period. Expected dividend yield was the annual dividend yield as at the grant date. The risk-free interest rate was the yield, at the grant date, of three-year UK government bonds.

The fair values of cash-settled SAYE options at 31 March 2024 are shown below and were calculated using a Black-Scholes model, using a share price of 727p, expected dividend yield of 2.7% and additional assumptions below.

	Options granted	Fair value	Exercise price	Expected volatility	Expected remaining option life	Risk-free interest rate
5 year September 2019	99,256	288p	439p	26.2%	0.5 years	4.50%
5 year September 2020	19,798	189p	573p	27.9%	1.5 years	4.17%
3 year September 2021	222,284	27p	824p	26.2%	0.5 years	4.50%
5 year September 2021	11,939	106p	824p	30.1%	2.5 years	3.94%
3 year December 2022	518,735	216p	715p	27.9%	1.8 years	4.17%
3 year November 2023	707,264	324p	562p	28.8%	2.8 years	3.94%

Expected volatility is estimated based on the historical volatility of the Company's shares over the most recent period commensurate to the expected remaining life of the option. Expected dividend yield is the annual dividend yield as at the year end. The risk-free interest rate is the yield, at the year end, of UK government bonds with duration commensurate to the expected remaining life of the option.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

9 Share-based payments continued

The movements in and weighted average exercise price of the SAYE options (equity and cash settled) were:

	2024		2023	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April	**662p**	**4,056,336**	564p	3,850,612
Forfeited during the year	**733p**	**(299,010)**	594p	(154,098)
Expired during the year	**708p**	**(847,998)**	729p	(147,083)
Exercised during the year	**539p**	**(904,196)**	442p	(1,312,146)
Granted during the year	**562p**	**2,521,738**	715p	1,819,051
Outstanding at 31 March	**616p**	**4,526,870**	662p	4,056,336
Exercisable at 31 March	**573p**	**125,525**	438p	171,214

SAYE options outstanding at the year end were:

	2024	2023
Option prices:		
£2.00 – £2.99	**–**	1,310
£4.00 – £4.99	**280,813**	488,139
£5.00 – £5.99	**2,761,202**	1,090,103
£7.00 – £7.99	**1,048,950**	1,778,421
£8.00 – £8.99	**435,905**	698,363
	4,526,870	4,056,336
Weighted average remaining contractual life (in years)	**2.62**	1.91
Weighted average share price during period of exercise	**753p**	954p

10 Retirement benefit obligations

For defined benefit schemes, the surplus or deficit recognised in the balance sheet is the difference between the fair value of the scheme assets and the present value of the obligations at the balance sheet date. The present value of the obligations is calculated by independent actuaries using the projected unit credit method. It is determined by discounting estimated future cash outflows using a discount rate reflecting yields on high-quality corporate bonds with terms approximating the terms of the related obligation. The operating profit charge comprises the current service cost, net interest cost, past service costs, administrative expenses, curtailment gains and losses and settlement gains and losses. The net interest cost is based on the discount rate at the beginning of the year, contributions paid in and the surplus or deficit during the year. Past service costs and curtailment gains and losses are recognised at the earlier of when the scheme amendment or curtailment occurs and when any related reorganisation costs or termination benefits are recognised. Settlement gains and losses are recognised when the settlement occurs. Remeasurements, representing returns on scheme assets excluding amounts included in interest and actuarial gains and losses arising from changes in demographic and financial assumptions and experience adjustments, are recognised in other comprehensive income.

The Group's largest defined benefit pension scheme is in the UK, providing benefits based on final pensionable pay for eligible employees who joined on or before 1 April 2003. The scheme is administered by a corporate trustee and the funds are independent of the Group's finances. The Group also has defined benefit pension schemes in Germany and the Republic of Ireland which are closed to both new members and accruals for future service, defined benefit retirement indemnity schemes in France and Italy, and a contribution-based pension scheme in Switzerland that guarantees a minimum rate of investment return and so is accounted for under IAS 19 'Employee Benefits' as a defined benefit pension scheme.

For defined contribution schemes, the costs are charged to operating profit as they fall due. The Group has defined contribution schemes in a number of countries, including the UK, the US, Australia and Germany, and contributes to government schemes in a number of other countries that are defined contribution schemes. The Group also makes payments to employees' personal pensions in the UK when their employing company does not provide defined benefit or defined contribution schemes.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

10 Retirement benefit obligations continued

Regulatory framework and governance

The UK scheme, the RS Group Pension Scheme, is a registered scheme established under trust law and, as such, is subject to UK pension, tax and trust legislation. It is managed by a corporate trustee, RS Group Pension Trustees Limited (the Trustee). The Trustee includes representatives appointed by both the Company and members. Although the Company bears the financial cost of the scheme, the Trustee directors are responsible for the overall management of the scheme including compliance with applicable regulations and legislation. The Trustee directors are required by law to act in the interest of all relevant beneficiaries and to set certain policies, to manage the day-to-day administration of the benefits and to set the scheme investment strategy in consultation with the Company.

UK pensions are regulated by the Pensions Regulator whose statutory objectives and regulatory powers are described on its website: www.thepensionsregulator.gov.uk.

Deficit position and funding

The funding of the UK scheme is assessed using assumptions in accordance with the advice of independent actuaries. These assumptions may be different to those used for the accounting valuation. The last triennial funding valuation was carried out as at 31 March 2022 and showed a deficit of £36.4 million on a statutory technical provisions basis. The Trustee and the Company agreed a recovery plan to eliminate this deficit over time. Under this plan, the Group agreed to make deficit contributions of £11.1 million per annum with the aim that the scheme will be fully funded on a statutory technical provisions basis by 30 September 2025.

The rules of the UK scheme give the Trustee powers to wind up the scheme, which it may exercise if the Trustee is aware that the assets of the scheme are insufficient to meet its liabilities. Although the scheme was in deficit on a statutory funding basis at 31 March 2022, the Trustee has confirmed that it has no current intention to exercise its power to wind up the scheme.

Under the UK scheme's rules the power to wind up the scheme and augment benefits is with the Trustee and, therefore, under IFRIC 14 the Group does not have an unconditional right to any surplus that may arise. On that basis, the defined benefit net asset at 31 March 2024 has been restricted to £nil (2022/23: £nil) and an additional liability of £16.1 million (2022/23: £26.2 million) has been recognised which is equal to the present value of the agreed future deficit contributions under the recovery plan.

Based on the funding position as at 31 March 2024, in the year ending 31 March 2025 the Group expects to pay £13.1 million of contributions to the UK scheme, including £11.1 million of deficit contribution payments, and £0.8 million to the other defined benefit schemes.

Investment strategy and risk exposure

The defined benefit schemes expose the Group to actuarial risks such as longevity, interest rate, inflation and investment risks. The approach for managing the UK scheme's investment strategy and risks are set out below.

Interest rate risk

The Trustee has set a benchmark for total investment in bonds (government and corporate), interest rate swaps, inflation swaps, gilt repurchase agreements and cash as part of its matching asset portfolio (comprising the qualifying investor alternative investment fund (QIAIF), a bespoke pooled structure in which the scheme is the sole investor). Under this strategy, if gilt yields fall, the value of the investments within the matching asset portfolio will rise to help match the increase in the valuation of the liabilities arising from a fall in the discount rate, which is derived from gilt yields. Similarly, if gilt yields rise, the value of the matching asset portfolio will fall, as will the valuation of the liabilities because of an increase in the discount rate.

Inflation risk

The scheme holds index-linked gilts, inflation swaps and repurchase agreements to manage against inflation risk associated with pension liability increases.

Longevity risk

Prudent mortality assumptions are used that appropriately allow for future improvements in life expectancy. These assumptions are reviewed on a regular basis to ensure they remain appropriate. The Trustee uses the Club Vita Service to provide a better estimate of the mortality rates of the scheme's membership than the standard tables. With effect from 1 June 2008, the scheme introduced a mortality risk sharing mechanism whereby members' benefits for pensionable service after that date will be reduced if the life expectancy of the scheme's members increases more quickly than a pre-determined rate.

Environmental, social and governance (ESG) and climate risk

The Trustee considers how ESG and climate change are integrated within investment processes and how they align with the Trustee's policies in appointing new investment managers and monitoring existing investment managers. The Trustee has set out clear expectations for its advisors and the scheme's investment managers to consider ESG issues, including climate change, where relevant to investment outcomes. The Trustee, together with its advisor, monitors annually the extent to which ESG factors, including explicit consideration of climate change, are integrated into the investment managers' approaches. To supplement this, the Trustee makes regular use of the investment consultant's ESG ratings and will engage proactively with investment managers whose ESG ratings are judged to be lagging their peers within the asset class. The investment and risk subcommittee meets all investment managers at least annually to discuss ESG and climate change issues specifically.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

10 Retirement benefit obligations continued

Assumptions

Financial assumptions

The principal assumptions used to determine the defined benefit obligations were:

	2024		2023	
	UK	Other	UK	Other
Discount rate	**4.90%**	**2.31%**	4.90%	3.66%
Rate of increase in pensionable salaries	**Nil**	**1.57%**	Nil	1.04%
Rate of RPI inflation	**3.20%**	**1.58%**	3.30%	2.34%
Rate of CPI inflation	**2.80%**	**1.58%**	2.80%	2.34%
Rate of pension increases				
RPI inflation capped at 5.0% p.a.	**2.95%**	**n/a**	3.05%	n/a
RPI inflation capped at 2.5% p.a.	**1.95%**	**n/a**	2.05%	n/a

Life expectancy assumptions

Based upon the demographics of scheme members, the weighted average life expectancy assumptions used to determine the UK defined benefit obligations were:

	2024 Years	2023 Years
Member aged 65 (current life expectancy) – male	**22.0**	21.9
Member aged 65 (current life expectancy) – female	**23.4**	23.3
Member aged 45 (life expectancy at aged 65) – male	**23.4**	23.3
Member aged 45 (life expectancy at aged 65) – female	**25.1**	25.8

At 31 March 2024, the weighted average duration of the UK defined benefit obligation was 14 years (2022/23: 14 years).

Sensitivity analysis of the impact of changes in key assumptions

The calculations of the defined benefit obligations are sensitive to the assumptions used. The sensitivity analysis below is based on a change in the assumption on the UK scheme while holding all other assumptions constant; in practice changes in some of the assumptions may be correlated.

A change would have the following increase / (decrease) on the UK defined benefit obligations as at 31 March 2024:

	Increase in assumption £m	Decrease in assumption £m
Effect on obligation of a 0.5 pts change to the assumed discount rate	**(24.7)**	**27.3**
Effect on obligation of a 0.25 pts change in the assumed inflation rate	**11.7**	**(11.3)**
Effect on obligation of a change of one year in assumed life expectancy	**10.9**	**(10.9)**

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

10 Retirement benefit obligations continued

Income statement

The net charge / (credit) recognised in operating profit for retirement benefit obligations was:

	2024			2023		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Current service cost	1.2	0.4	1.6	2.0	0.3	2.3
Past service cost	–	(0.1)	(0.1)	–	–	–
Interest expense on obligation	18.7	0.9	19.6	15.4	0.3	15.7
Interest income on scheme assets	(20.7)	(0.6)	(21.3)	(16.3)	(0.1)	(16.4)
Interest expense on asset ceiling / onerous liability	3.0	0.1	3.1	0.7	–	0.7
Administrative expenses	1.2	–	1.2	1.2	–	1.2
Total charge for defined benefit schemes	3.4	0.7	4.1	3.0	0.5	3.5
Total charge for defined contribution schemes and personal pensions	10.6	10.4	21.0	8.9	10.6	19.5

Balance sheet

The amounts included in the balance sheet arising from the Group's assets / (obligations) in respect of its defined benefit schemes was:

	2024			2023		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
Fair value of scheme assets	421.2	30.8	452.0	425.4	6.6	432.0
Present value of defined benefit obligations	(385.1)	(36.7)	(421.8)	(390.5)	(16.8)	(407.3)
Effect of asset ceiling / onerous liability	(52.2)	(3.7)	(55.9)	(61.1)	–	(61.1)
Retirement benefit net obligations	(16.1)	(9.6)	(25.7)	(26.2)	(10.2)	(36.4)
Amount recognised on the balance sheet – liability	(16.1)	(11.1)	(27.2)	(26.2)	(11.0)	(37.2)
Amount recognised on the balance sheet – asset	–	1.5	1.5	–	0.8	0.8

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

10 Retirement benefit obligations continued

The other defined benefit schemes were:

	2024				2023		
	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Effect of asset ceiling / onerous liability £m	Retirement benefit obligations £m	Fair value of scheme assets £m	Present value of defined benefit obligations £m	Retirement benefit obligations £m
Germany's defined benefit pension scheme	**–**	**(7.2)**	**–**	**(7.2)**	–	(7.1)	(7.1)
Republic of Ireland's defined benefit pension scheme	**7.2**	**(5.7)**	**–**	**1.5**	6.6	(5.8)	0.8
France's defined benefit retirement indemnity scheme	**–**	**(3.1)**	**–**	**(3.1)**	–	(3.0)	(3.0)
Italy's defined benefit retirement indemnity scheme	**–**	**(0.8)**	**–**	**(0.8)**	–	(0.9)	(0.9)
Switzerland's contribution-based scheme	**23.6**	**(19.9)**	**(3.7)**	**–**	–	–	–
Other	**30.8**	**(36.7)**	**(3.7)**	**(9.6)**	6.6	(16.8)	(10.2)

Movements in the present value of the defined benefit obligations in the year were:

	2024			2023		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	**390.5**	**16.8**	**407.3**	560.8	20.0	580.8
Acquisitions	**–**	**20.5**	**20.5**	–	–	–
Current service cost	**1.2**	**0.4**	**1.6**	2.0	0.3	2.3
Past service cost	**–**	**(0.1)**	**(0.1)**	–	–	–
Interest expense	**18.7**	**0.9**	**19.6**	15.4	0.3	15.7
Effect of changes in demographic assumptions	**(5.1)**	**–**	**(5.1)**	(17.8)	0.3	(17.5)
Effect of changes in financial assumptions	**(4.4)**	**1.6**	**(2.8)**	(176.1)	(4.9)	(181.0)
Effect of experience adjustments	**2.3**	**0.1**	**2.4**	24.3	0.7	25.0
Benefits paid	**(18.1)**	**(3.2)**	**(21.3)**	(18.1)	(0.6)	(18.7)
Employee contributions	**–**	**0.1**	**0.1**	–	–	–
Exchange differences	**–**	**(0.4)**	**(0.4)**	–	0.7	0.7
At 31 March	**385.1**	**36.7**	**421.8**	390.5	16.8	407.3

Of the UK scheme's present value of the defined benefit obligations, £33.8 million (2022/23: £33.8 million) relates to active members, £153.6 million (2022/23: £153.3 million) to vested deferred members and £197.7 million (2022/23: £203.3 million) to retirees.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

10 Retirement benefit obligations continued

Movements in the fair value of the schemes' assets in the year were:

	2024			2023		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	**425.4**	**6.6**	**432.0**	585.7	7.6	593.3
Acquisitions	**–**	**25.6**	**25.6**	–	–	–
Interest income	**20.7**	**0.6**	**21.3**	16.3	0.1	16.4
Return on scheme assets (excluding interest income)	**(18.6)**	**0.5**	**(18.1)**	(170.7)	(1.5)	(172.2)
Contributions by company	**13.0**	**0.9**	**13.9**	13.4	0.7	14.1
Benefits paid	**(18.1)**	**(3.2)**	**(21.3)**	(18.1)	(0.6)	(18.7)
Administrative expenses	**(1.2)**	**–**	**(1.2)**	(1.2)	–	(1.2)
Employee contributions	**–**	**0.1**	**0.1**	–	–	–
Exchange differences	**–**	**(0.3)**	**(0.3)**	–	0.3	0.3
At 31 March	**421.2**	**30.8**	**452.0**	425.4	6.6	432.0

The fair values of the schemes' assets were:

	2024			2023		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
QIAIF (liability driven investment and credit portfolio of quoted assets)	**264.9**	**–**	**264.9**	281.4	–	281.4
Quoted equities	**–**	**10.1**	**10.1**	–	2.4	2.4
Quoted debt instruments	**68.3**	**12.8**	**81.1**	63.1	4.1	67.2
Unquoted debt instruments	**87.8**	**–**	**87.8**	80.1	–	80.1
Property	**–**	**7.7**	**7.7**	–	–	–
Cash	**0.2**	**0.2**	**0.4**	0.8	0.1	0.9
Total market value of scheme assets	**421.2**	**30.8**	**452.0**	425.4	6.6	432.0

The defined benefit schemes do not invest in the Company and no property or other assets owned by the schemes are used by the Group.

The fair values of the unquoted debt instruments are determined by the fund managers using quoted prices for similar assets or other valuation techniques where all the inputs are directly observable or indirectly observable from market data.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

10 Retirement benefit obligations continued

Movements in the effect of asset ceiling / onerous liability were:

	2024			2023		
	UK £m	Other £m	Total £m	UK £m	Other £m	Total £m
At 1 April	**61.1**	**–**	**61.1**	24.9	–	24.9
Acquisitions	**–**	**5.1**	**5.1**	–	–	–
Interest expense	**3.0**	**0.1**	**3.1**	0.7	–	0.7
Change in asset ceiling / onerous liability (excluding interest expense)	**(11.9)**	**(1.5)**	**(13.4)**	35.5	–	35.5
At 31 March	**52.2**	**3.7**	**55.9**	61.1	–	61.1

11 Taxation

Current and deferred tax are recognised in the income statement, except when they relate to items recognised in other comprehensive income or directly in equity when the related tax is also recognised in other comprehensive income or directly in equity.

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

The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is calculated using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which these temporary differences can be utilised.

No deferred tax liabilities are recognised on the initial recognition of goodwill. However, when goodwill arises in a jurisdiction where it is deductible in determining taxable profit, the amortisation for tax purposes of goodwill creates a taxable temporary difference and this resulting deferred tax liability is recognised.

The Group recognises a current tax provision when the Group has a present obligation as a result of a past event, and it is considered probable that there will be a future outflow of funds. As an international business, the Group is exposed to the income tax laws of the large number of jurisdictions in which it operates. These laws are complex and subject to different interpretations by taxpayers and tax authorities. The assessment of uncertain tax positions is subjective. It is based on the Group's interpretation of country-specific tax law and its application and interaction, on previous experience and on management's professional judgement supported by external advisors where necessary.

The Group estimates a provision for uncertain tax positions by making judgements about the position likely to be taken by each tax authority. Where it is considered probable that the tax authority will accept the tax treatment used, or expected to be used, in the income tax return, the accounts reflect the treatment in the return. Where it is not considered probable that the tax authority will accept the tax treatment, the tax amounts in the accounts reflect that uncertainty using either the most likely amount or the expected value amount depending on which method is expected to reflect the resolution of that uncertainty better.

Provisions for uncertain tax positions are included within current tax liabilities. The Group's uncertain tax positions relate principally to cross-border transfer pricing. As at 31 March 2024, the total value of these tax provisions was £8.8 million (2022/23: £10.6 million). It is possible that the amounts paid will be different from the amounts provided but this is not expected to be material.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

11 Taxation continued

Tax expense / (income) recognised in the income statement

	2024 £m	2023 £m
Current tax		
Current tax on profits for the year	67.8	89.5
Adjustments for prior years	6.3	(0.6)
Total current tax	74.1	88.9
Deferred tax		
Origination and reversal of temporary differences	(2.6)	(2.4)
Changes in tax rates and laws	–	(0.5)
Adjustments for prior years	(6.4)	0.7
Total deferred tax	(9.0)	(2.2)
Income tax expense	65.1	86.7

The income tax expense for the year can be reconciled to the profit per the income statement as follows:

	2024 £m	2023 £m
Profit before tax	248.8	371.5
Expected tax charge at UK corporation tax rate of 25% (2023: 19%)	62.2	70.6
Recurring items		
Differences in overseas corporation tax rates	0.2	12.3
Impact of tax losses	(0.1)	(0.2)
Items not taxable for tax purposes	(1.2)	(1.2)
Items not deductible for tax purposes	4.7	4.1
Other local taxes suffered overseas	1.1	1.0
Non-recurring items		
Changes in tax rates and laws	–	(0.5)
Movement in uncertain tax provisions in current year	0.9	1.7
Movement in uncertain tax provisions for prior years	(2.6)	(1.2)
Prior year adjustments	(0.1)	0.1
	65.1	86.7

The Group's effective tax rate increased in the year as the UK government enacted a change in the UK corporation tax rate in May 2021 from 19% to 25% which was effective from 1 April 2023.

The Group is within the scope of the OECD Pillar Two model rules, which the UK government substantively enacted in its Finance (No.2) Act 2023 on 20 June 2023, introducing an income inclusion rule and domestic minimum top-up tax that apply for accounting periods beginning on or after 31 December 2023. The Group has applied the exception under Amendments to IAS 12 'International Tax Reform – Pillar Two Model Rules' to not recognise and disclose information about deferred tax assets and liabilities related to any resulting top-up income taxes. The Group is continuing to assess the full impact of this and it is not expected to have a material impact on the reported results or financial position of the Group.

Tax expense / (income) recognised directly in other comprehensive income

	2024 £m	2023 £m
Relating to remeasurement of retirement benefit obligations	0.1	(7.9)
Relating to movement in cash flow hedges	–	0.7
	0.1	(7.2)

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

11 Taxation continued

Movement in deferred tax assets and liabilities

	Intangible assets (excluding goodwill), right-of-use assets and property, plant and equipment restated[1] £m	Goodwill £m	Retirement benefit obligations £m	Employee benefits £m	Tax losses £m	Lease liabilities restated[1] £m	Other £m	Net tax (liabilities) / assets £m
At 1 April 2022	(24.9)	(48.2)	2.2	9.9	3.0	–	2.5	(55.5)
Effect of Amendments to IAS 12 (Note 1)	(11.3)	–	–	–	–	11.3	–	–
At 1 April 2022 (restated)	(36.2)	(48.2)	2.2	9.9	3.0	11.3	2.5	(55.5)
Acquisitions	(35.1)	–	–	–	–	2.9	1.6	(30.6)
Credit / (charge) to income statement	1.8	(0.1)	0.6	2.5	(0.2)	(1.4)	(1.0)	2.2
Recognised directly in equity	–	–	5.8	(0.5)	–	–	–	5.3
Translation differences	(2.4)	(2.9)	0.1	0.1	–	0.3	0.2	(4.6)
At 31 March 2023	(71.9)	(51.2)	8.7	12.0	2.8	13.1	3.3	(83.2)
Acquisitions (Note 29)	(25.7)	–	–	–	2.4	6.8	2.4	(14.1)
Credit / (charge) to income statement	8.9	0.3	0.4	(3.7)	1.6	(1.0)	2.5	9.0
Recognised directly in equity	–	–	(2.9)	(1.7)	–	–	–	(4.6)
Translation differences	(1.7)	1.0	(0.1)	(0.1)	–	–	–	(0.9)
At 31 March 2024	**(90.4)**	**(49.9)**	**6.1**	**6.5**	**6.8**	**18.9**	**8.2**	**(93.8)**

Analysed in the balance sheet as:

	2024 £m	2023 £m
Deferred tax assets	**9.5**	6.9
Deferred tax liabilities	**(103.3)**	(90.1)
	(93.8)	(83.2)

1 Restated as described in Note 1

A deferred tax asset has been recognised for tax losses where current projections show that sufficient taxable profits will arise in the near future against which these losses may be offset. A deferred tax asset has not been recognised in respect of carry-forward tax losses where recoverability is uncertain totalling £1.3 million (2022/23: £0.7 million) which carries no expiry date.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

12 Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of shares in issue during the year excluding shares held by the EBT.

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume the conversion of all potentially dilutive ordinary shares. The share-based payment schemes which result in the issue of shares at a value below the market price of the shares are potentially dilutive.

	2024 Number	2023 Number
Weighted average number of shares	**473,300,106**	471,717,928
Dilutive effect of share-based payments	**781,177**	1,194,205
Diluted weighted average number of shares	**474,081,283**	472,912,133
Basic earnings per share	**38.8p**	60.4p
Diluted earnings per share	**38.7p**	60.2p

13 Dividends

	2024 £m	2023 £m
Final dividend for the year ended 31 March 2023 – 13.7p (2022: 11.6p)	**64.8**	54.6
Interim dividend for the year ended 31 March 2024 – 8.3p (2023: 7.2p)	**39.3**	34.0
	104.1	88.6

The trustees of the EBT have waived their right to receive dividends and this rounds to £nil (2022/23: £nil).

A proposed final dividend for the year ended 31 March 2024 of 13.7p is subject to approval by shareholders at the Annual General Meeting on 11 July 2024 and the estimated amount to be paid of £64.9 million has not been included as a liability in these accounts.

14 Intangible assets

Goodwill represents the excess of the fair value of the consideration of an acquisition over the fair value attributed to the net assets acquired (including contingent liabilities). Goodwill is not amortised but is reviewed annually for impairment. Acquisition-related costs are charged to the income statement as incurred.

Intangible assets excluding goodwill are stated at cost, or fair value at the date of acquisition, less accumulated amortisation and any provisions for impairment. Residual value is reassessed annually. Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred. Amortisation is calculated to write off the cost on a straight-line basis over the following useful lives from the date the assets are first available for use: software 2 – 11 years; development expenditure 3 years; brands 5 – 10 years; customer contracts, relationships and distribution agreements 4 – 16 years; and acquired research 3 years.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

14 Intangible assets continued

	Goodwill £m	Software £m	Development expenditure £m	Brands £m	Customer contracts, relationships and distribution agreements £m	Acquired research £m	Total £m
Cost							
At 1 April 2022	330.5	326.2	1.8	4.0	86.3	1.1	749.9
Acquisitions	111.8	–	–	–	107.8	–	219.6
Additions – internally generated	–	10.8	–	–	–	–	10.8
Additions – other	–	14.6	–	–	–	–	14.6
Disposals	–	(10.2)	–	(4.0)	–	–	(14.2)
Reclassifications	–	(0.6)	–	–	–	–	(0.6)
Translation differences	21.0	2.7	–	–	5.7	–	29.4
At 31 March 2023	463.3	343.5	1.8	–	199.8	1.1	1,009.5
Acquisitions (Note 29)	182.3	10.6	–	22.1	73.5	–	288.5
Additions – internally generated	–	12.4	–	–	–	–	12.4
Additions – other	–	23.2	–	–	–	–	23.2
Disposals	–	(1.0)	–	–	–	–	(1.0)
Translation differences	0.7	(1.3)	–	(0.1)	6.4	–	5.7
At 31 March 2024	**646.3**	**387.4**	**1.8**	**22.0**	**279.7**	**1.1**	**1,338.3**
Amortisation							
At 1 April 2022	–	250.7	0.7	0.5	24.2	0.5	276.6
Charge for the year	–	14.5	0.7	0.2	12.7	0.3	28.4
Impairment losses	–	3.8	–	3.3	–	–	7.1
Disposals	–	(5.8)	–	(4.0)	–	–	(9.8)
Translation differences	–	2.1	–	–	0.3	–	2.4
At 31 March 2023	–	265.3	1.4	–	37.2	0.8	304.7
Charge for the year	–	21.2	0.4	2.0	24.3	0.3	48.2
Impairment losses	–	4.6	–	–	–	–	4.6
Disposals	–	(0.8)	–	–	–	–	(0.8)
Translation differences	–	(1.2)	–	–	0.2	–	(1.0)
At 31 March 2024	**–**	**289.1**	**1.8**	**2.0**	**61.7**	**1.1**	**355.7**
Net book value							
At 31 March 2024	**646.3**	**98.3**	**–**	**20.0**	**218.0**	**–**	**982.6**
At 31 March 2023	463.3	78.2	0.4	–	162.6	0.3	704.8

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

14 Intangible assets continued

As at 31 March 2024, the cost and accumulated amortisation of internally generated intangible assets included in software were £78.8 million and £49.5 million (2022/23: £68.5 million and £41.9 million) respectively. All development expenditure was internally generated.

At 31 March 2024, the only material individual software asset was the new product management system with a net book value of £16.0 million which will have a useful life of 8 years (2022/23: none). Material individual customer contracts, relationships and distribution agreements are from the acquisitions of IESA, Synovos, Risoul and Distrelec with net book values of £15.4 million, £14.4 million, £105.0 million and £69.7 million respectively (2022/23: £19.8 million, £18.6 million, £108.0 million and £nil) and remaining useful lives of 1 to 4 years, 4 years, 1 to 14 years and 15 years respectively.

Goodwill is allocated at acquisition to the cash generating units (CGUs) that are expected to benefit from the synergies arising as a result of the acquisition, with £412.1 million (2022/23: £410.2 million) relating to the Americas CGU, £231.1 million (2022/23: £49.7 million) relating to the EMEA CGU and £3.1 million (2022/23: £3.4 million) relating to the Asia Pacific CGU.

The Group reviews its intangible assets regularly to assess if there are any indications the assets may be impaired. In addition, goodwill and any other intangible assets that are not yet being amortised are subject to annual impairment reviews.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount is calculated as the higher of fair value less costs of disposal and value in use. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the CGU to which the asset belongs.

In 2022/23, as a result of the rebranding of Needlers to RS Safety Solutions effective from 1 November 2022, the net book value of the Needlers brand acquired in December 2020 was impaired by £3.3 million and then written off. This impairment was included in operating costs (and was the impairment in amortisation and impairment of acquired intangibles).

The software impairments are included in operating costs in EMEA and relate to assets which will stop being used in the future.

For the goodwill impairment reviews, the recoverable amount of the CGUs is based on value-in-use calculations, which use cash flow projections based on the Group's annual targets and strategic plan which cover the next five years. The strategic plan is also used as the basis for the viability statement. When the strategic plan was prepared it considered current performance and made assumptions about future revenue and gross margin growth rates determined using internal forecasts based upon historical growth rates and future medium-term plans which consider, and are consistent with, relevant macroeconomic indicators. It also took into account expected increases in costs of products and overheads, including those related to climate change as well as expected benefits from the expansion of the Group's more sustainable product range and ESG solutions business. The cash flows from the strategic plan are extrapolated using the relevant long-term growth rate for the CGU and discounted at the Group's externally sourced pre-tax weighted average cost of capital (including lease liabilities) adjusted for the estimated tax cash flows and risk applicable for the CGU to estimate cash flow projections. These cash flow projections are adjusted to take account of the likely future capital expenditure costs of meeting the Group's climate change commitments to be net zero in its direct operations by 2030 (expected to be c. £15 million) and are consistent with the Group's climate scenario analysis of physical and transition risk impacts conducted for the Task Force on Climate-related Financial Disclosures (TCFD).

For the Americas CGU, the long-term growth rate is 1.9% (2022/23: 1.8%) which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for Americas. The nominal pre-tax discount rate is 11.9% (2022/23: 11.6%).

For the EMEA CGU, the long-term growth rate is 1.5% (2022/23: 1.7%) which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for EMEA. The nominal pre-tax discount rate is 11.9% (2022/23: 11.6%).

For the Asia Pacific CGU, the long-term growth rate is 2.0% (2022/23: 2.0%) which is consistent with the market estimate of long-term average growth rates for the product and service solutions providers industries and does not exceed expected long-term GDP growth for Asia Pacific. The nominal pre-tax discount rate is 17.5% (2022/23: 16.3%).

There is significant headroom between the carrying amount and the value in use of the CGUs (over 70%) and so the Directors believe that currently all reasonably likely changes in the key assumptions referred to above would not give rise to an impairment charge.

15 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provisions for impairment after taking account of any impact of the Group's strategy related to climate change. The cost of self-constructed assets includes the cost of materials, direct labour and certain direct overheads.

No depreciation has been charged on freehold land. Other assets are depreciated to residual value, which is reassessed annually, on a straight-line basis over the following useful lives: freehold buildings and improvements to leasehold buildings 50 years (or the lease term if shorter); plant and machinery 5 – 20 years; and computer equipment 3 – 5 years. This reassessment includes consideration of the Group's climate scenario analysis of physical and transition risk impacts conducted for the TCFD.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

15 Property, plant and equipment continued

	Land and buildings £m	Plant and machinery £m	Computer equipment £m	Total £m
Cost				
At 1 April 2022	155.6	226.1	62.4	444.1
Acquisitions	1.5	1.0	0.4	2.9
Additions	1.8	10.9	4.3	17.0
Disposals	–	(0.7)	(2.3)	(3.0)
Reclassifications	–	(0.1)	0.7	0.6
Translation differences	4.8	4.6	1.5	10.9
At 31 March 2023	163.7	241.8	67.0	472.5
Acquisitions (Note 29)	–	0.4	0.2	0.6
Additions	2.7	10.1	2.8	15.6
Disposals	(0.6)	(2.8)	(0.5)	(3.9)
Reclassifications	–	0.1	(0.1)	–
Translation differences	(2.7)	(2.7)	(0.7)	(6.1)
At 31 March 2024	**163.1**	**246.9**	**68.7**	**478.7**
Depreciation				
At 1 April 2022	56.0	152.9	57.9	266.8
Charge for the year	3.6	10.3	4.0	17.9
Disposals	–	(0.6)	(2.3)	(2.9)
Translation differences	1.2	1.9	1.3	4.4
At 31 March 2023	60.8	164.5	60.9	286.2
Charge for the year	3.7	11.0	2.2	16.9
Disposals	(0.5)	(1.6)	(0.5)	(2.6)
Reclassifications	–	0.1	(0.1)	–
Translation differences	(0.8)	(1.3)	(0.6)	(2.7)
At 31 March 2024	**63.2**	**172.7**	**61.9**	**297.8**
Net book value				
At 31 March 2024	**99.9**	**74.2**	**6.8**	**180.9**
At 31 March 2023	102.9	77.3	6.1	186.3

Included above are £5.9 million of property, plant and equipment under construction at 31 March 2024 (2022/23: £2.2 million).

16 Leases

The Group assesses at the inception of a contract whether the contract is, or contains, a lease. Where it conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is deemed to be, or to include, a lease. The Group leases various properties, plant and machinery, computer equipment and vehicles typically for periods between 2 and 20 years. Where a contract includes a vehicle lease, the Group has elected to account for the non-lease components as part of the lease. Where the Group determines, at the commencement date of each lease, that it is reasonably certain to exercise an option to extend the lease or not to exercise an option to terminate the lease, the additional period is included within the lease term.

Leases are recognised on the balance sheet at their commencement date as a liability representing the present value of the future lease payments not yet paid and a right-of-use asset reflecting the future benefit to the Group generated by using the underlying asset. The discount on the lease liability is calculated using the Group's incremental borrowing rate, as rates implicit in the Group's leases cannot be readily determined, and is charged to finance costs in the income statement as it unwinds. The Group's incremental borrowing rate is adjusted to take account of the country risk, lease term and start date for each lease. Fixed payments less any lease incentives receivable, in-substance fixed payments and variable payments based on an index or rate form part of the lease liability. Variable payments which are not based on an index or rate are expensed when the event that triggers the payment occurs.

The right-of-use asset is stated at cost less accumulated depreciation and any provisions for impairment. Initially the cost of the right-of-use asset comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement of the lease less any lease incentives received, plus any direct costs incurred and an estimate of the cost to restore the underlying asset. The right-of-use asset is depreciated on a straight-line basis over the lease term (or useful life of the asset, if shorter), which is reassessed as the underlying facts and circumstances of the lease change.

The Group has elected to not recognise the lease liability and right-of-use asset in respect of short-term leases and leases of low-value assets on the balance sheet. Short-term leases and leases of low-value assets are expensed in the income statement on a straight-line basis over the lease term.

The lease liability is remeasured when there is a change in the future lease payments or if the Group changes its assessment of whether it will exercise an extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset. If the carrying value of the right-of-use asset is reduced to zero, any further reductions are recognised in the income statement.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as an operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

16 Leases continued

The amounts recognised relating to leases were:

	2024 £m	2023 £m
Right-of-use assets		
Buildings	**64.3**	39.5
Plant and machinery	**0.1**	0.2
Computer equipment	**–**	1.3
Vehicles	**8.4**	5.9
Right-of-use assets	**72.8**	46.9
Lease liabilities		
Current	**16.0**	14.6
Non-current	**57.9**	34.3
Lease liabilities	**73.9**	48.9
Depreciation charge for right-of-use assets		
Buildings	**13.3**	10.1
Plant and machinery	**0.1**	0.3
Computer equipment	**1.3**	5.2
Vehicles	**3.9**	2.7
Depreciation charge for right-of-use assets	**18.6**	18.3
Additions to right-of-use assets		
Right-of-use assets acquired with businesses	**29.8**	10.0
Other additions to right-of-use assets	**8.4**	6.3
Additions to right-of-use assets	**38.2**	16.3

	2024 £m	2023 £m
Total cash outflow / (inflow) for leases		
Included in cash flows from operating activities:		
Interest expense	**2.9**	1.1
Expense relating to short-term leases	**1.1**	1.0
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	**0.4**	0.5
Expense relating to variable lease payments not included in measurement of lease liabilities	**0.9**	0.6
Income from sub-leasing right-of-use assets	**(1.8)**	–
Included in cash flows from financing activities:		
Principal elements of lease payments	**18.5**	18.8
Total cash outflow for leases	**22.0**	22.0

The contractual maturity analysis of lease liabilities is included in liquidity risk in Note 23.

17 Investment in joint venture

The Group's share of the post-tax profit of its joint venture is included in profit before tax. The investment in the joint venture is carried in the Group balance sheet at historical cost plus post-acquisition changes in the Group's share of the joint venture's net assets. The Group owns 50% of the share capital of RS Components & Controls (India) Limited, its joint venture.

	2024 £m	2023 £m
At 1 April	**1.5**	1.5
Group's share of profit for the year	**0.6**	0.7
Group's share of other comprehensive expense	**(0.2)**	(0.1)
Group's share of total comprehensive income	**0.4**	0.6
Dividends	**(0.6)**	(0.6)
At 31 March	**1.3**	1.5

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

18 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated on a weighted average basis and for finished goods and goods for resale includes attributable overheads.

The Group estimates the net realisable value of inventories in order to determine the value of any provision required. In this estimation judgements, including any impact of obsolescence including that related to regulatory changes due to amongst other things climate change, are made in relation to the number of years of sales there are in inventories of each product and the value recoverable from those inventories. The Group bases its estimates on recent historical experience and knowledge of the products on hand.

	2024 £m	2023 £m
Raw materials and consumables	**111.0**	96.6
Finished goods and goods for resale	**613.6**	563.4
Gross inventories	**724.6**	660.0
Inventory provisions	**(68.6)**	(43.7)
Net inventories	**656.0**	616.3

If the numbers of each product sold in a year decreased leading to an increase of one year in the number of years of sales there are in inventory, inventory provisions would increase by £4.8 million (2022/23: £3.0 million). If the numbers of each product sold in a year increased leading to a decrease of one year in the number of years of sales there are in inventory, inventory provisions would decrease by £3.7 million (2022/23: £2.3 million). A reduction in the value recoverable leading to an increase in provision rates of 10%, up to a maximum of 100% provision per product, would increase the inventory provisions by £4.3 million (2022/23: £2.0 million). An increase in the value recoverable leading to a decrease in provision rates of 10% would decrease the inventory provisions by £5.7 million (2022/23: £2.8 million). Therefore, currently the Group does not expect any reasonably likely changes, including regulatory changes and the current global economic and geopolitical uncertainties, to have a material impact on the net realisable value of inventories.

19 Trade and other receivables

	2024 £m	2023 £m
Current		
Gross trade receivables	**624.0**	621.0
Impairment allowance (Note 23)	**(11.1)**	(12.6)
Net trade receivables	**612.9**	608.4
Amounts owed by joint venture	**1.5**	2.8
Prepayments	**43.9**	36.1
Other taxation and social security	**7.8**	6.3
Contract assets	**8.1**	1.8
Other receivables	**27.2**	36.6
Current trade and other receivables	**701.4**	692.0
Non-current		
Prepayments	**0.1**	0.3
Other receivables	**8.3**	6.2
Non-current other receivables	**8.4**	6.5

Contract assets relate mainly to licence fee income and are where the Group has performed its part of the contract for that element but other performance obligations are required to be completed before it can receive the credit note for licence fee income from suppliers or raise the invoice for other contracts with customers.

Other receivables include £7.9 million (2022/23: £20.7 million) for amounts yet to be invoiced to customers related to product sales where the Group acts as an agent (Note 4). Invoices cannot be raised until other performance obligations are completed.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

20 Trade and other payables

	2024 £m	2023 £m
Current		
Trade payables	**381.8**	398.5
Other taxation and social security	**40.7**	42.4
Government grants	**0.1**	0.1
Cash-settled share-based payment liability	**1.2**	2.0
Accruals	**133.0**	180.6
Contract liabilities	**4.4**	7.6
Other payables (including estimated obligations for customer volume discounts and refunds – Note 4)	**41.5**	27.7
Current trade and other payables	**602.7**	658.9
Non-current		
Government grants	**2.2**	2.3
Cash-settled share-based payment liability	**2.4**	2.8
Other employee benefits	**3.8**	3.5
Accruals	**0.1**	0.7
Other payables	**8.8**	–
Non-current other payables	**17.3**	9.3

Contract liabilities are where the Group has received payment but is yet to perform its part of the contract.

Government grants related to expenditure on property, plant and equipment are credited to the income statement at the same rate as the depreciation on the asset to which the grant relates.

The Group offers a supply chain finance facility to its suppliers. This was set up when the Group worked with suppliers to extend payment terms to protect its working capital position. It is primarily provided to give suppliers the option to protect their own working capital position from the impact of this extension. The substance of the contractual terms with the bank providing the financing does not differ from the terms under the supplier contracts and there are no changes to the invoice terms and therefore the amount owed to the bank of £14.1 million (2022/23: £13.5 million) is included in trade payables. Related cash flows are included in cash generated from operations.

21 Financial instruments

The Group uses derivative financial instruments, principally forward foreign exchange contracts and occasionally currency swaps, to cover its exposure to foreign exchange risk arising from operational and financing activities.

In accordance with its treasury policies, the Group designates the majority of its derivative financial instruments as cash flow hedges or net investment hedges. The Group does not hold or issue derivative financial instruments for trading purposes.

Derivatives are recognised at fair value. Derivative financial instruments that do not qualify for cash flow hedge or net investment hedge accounting are classified as measured at fair value through profit or loss and changes in their fair values are recognised in the income statement as they arise.

Cash flow hedge accounting

The Group uses derivative financial instruments, namely forward foreign exchange contracts, to hedge variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction. The effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income, while any ineffective part is recognised immediately in the income statement. When the hedged item subsequently results in the recognition of a non-financial asset or liability (e.g. inventories), the associated cumulative gain or loss recognised in the hedging reserve is transferred to the initial carrying amount of the asset or liability. When the hedged item subsequently results in the recognition of a financial asset or liability, the associated cumulative gain or loss that was recognised in other comprehensive income is reclassified from equity to the income statement in the same period that the hedged item affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the Group discontinues hedge accounting as it no longer meets the Group's risk management objective but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is reclassified from equity when the transaction occurs in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is reclassified to the income statement.

The fair value of forward foreign exchange contracts is the difference between their discounted contractual forward price and their current forward price.

Net investment hedge accounting

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in other comprehensive income. The ineffective portion is recognised immediately in the income statement. Amounts taken to other comprehensive income are reclassified from equity to the income statement when the foreign operations are sold or liquidated.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

21 Financial instruments continued

Other financial instruments

All other financial instruments are initially recognised at fair value plus transaction costs. Initial fair value is generally the transaction price. Subsequent measurement is as follows:

- Borrowings are measured at amortised cost unless they are designated as being fair value hedged, in which case they are remeasured for the fair value changes in respect of the hedged risk with these changes recognised in the income statement. Options to extend the term of facilities are considered to be loan commitments.
- All other financial assets, including current receivables, are measured at amortised cost less any impairment allowances.
- All other financial liabilities, including current payables, are measured at amortised cost.

Derivatives

	2024		2023	
	Current assets £m	**Current liabilities £m**	Current assets £m	Current liabilities £m
Forward foreign exchange contracts designated as cash flow hedges (principal amount £225.3 million (2022/23: £112.4 million))	**2.4**	**(1.1)**	1.1	(1.4)
Forward foreign exchange contracts classified as fair value through profit or loss	**0.2**	**–**	0.7	(0.3)
Derivatives	**2.6**	**(1.1)**	1.8	(1.7)

Fair values

Under IFRS 13 'Fair Value Measurement', fair values are measured using a hierarchy where the inputs are:

- Level 1 – quoted prices in active markets for identical assets or liabilities
- Level 2 – not Level 1 but are observable for that asset or liability either directly or indirectly
- Level 3 – not based on observable market data (unobservable)

The derivatives listed above are measured at fair value using Level 2 inputs, estimated by discounting the future contractual cash flows using appropriate market-sourced data at the balance sheet date.

For all financial assets and liabilities, fair value approximates the carrying amounts in the balance sheet except for the following:

	2024		2023	
	Carrying amounts £m	**Fair value £m**	Carrying amounts £m	Fair value £m
Non-current private placement loan notes	**(157.1)**	**(142.9)**	(160.4)	(147.7)

The fair values are calculated using Level 2 inputs by discounting future cash flows to net present values using prevailing interest rate curves and the Group's credit margin.

Netting arrangements for financial instruments

The Group operates a number of cash pooling arrangements to provide the benefits of settling interest on a net basis. The balances on these accounts do not meet the criteria for offsetting and so are not presented on a net basis in the balance sheet. Where a legal right of offset exists, these are shown in the table below along with any financial instruments which can be netted under master netting arrangements.

	Gross and net amounts in balance sheet £m	Financial instruments not offset £m	Net amounts £m
At 31 March 2024			
Cash and cash equivalents – cash and short-term deposits	**258.7**	**(159.9)**	**98.8**
Other derivative assets	**2.6**	**(1.0)**	**1.6**
Cash and cash equivalents – bank overdrafts	**(162.7)**	**159.9**	**(2.8)**
Other derivative liabilities	**(1.1)**	**1.0**	**(0.1)**
At 31 March 2023			
Cash and cash equivalents – cash and short-term deposits	260.3	(135.2)	125.1
Other derivative assets	1.8	(1.0)	0.8
Cash and cash equivalents – bank overdrafts	(139.8)	135.2	(4.6)
Other derivative liabilities	(1.7)	1.0	(0.7)

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

22 Net debt

Net debt comprises cash and cash equivalents, borrowings and lease liabilities. Cash and cash equivalents comprise cash in hand and in current accounts, overnight deposits and short-term deposits net of overdrafts with qualifying financial institutions. Borrowings represent loans from qualifying financial institutions.

	2024 £m	2023 £m
Cash and short-term deposits	**258.7**	260.3
Bank overdrafts (unsecured)	**(162.7)**	(139.8)
Cash and cash equivalents	**96.0**	120.5

	2024 £m	2023 £m
Non-current borrowings		
Unsecured private placement loan notes repayable after more than five years	**(78.4)**	(80.0)
Unsecured private placement loan notes repayable from three to four years	**–**	(80.4)
Unsecured private placement loan notes repayable from two to three years	**(78.7)**	–
Unsecured sustainability-linked loan repayable from four to five years	**(155.0)**	(24.2)
Unsecured term loan repayable from two to three years	**(128.2)**	–
Non-current borrowings	**(440.3)**	(184.6)
Total borrowings	**(440.3)**	(184.6)
Cash and cash equivalents	**96.0**	120.5
Non-current lease liabilities	**(57.9)**	(34.3)
Current lease liabilities	**(16.0)**	(14.6)
Net debt	**(418.2)**	(113.0)

The amount borrowed under the sustainability-linked loan facility matured in April 2024 and was rolled for another month. The expectation is that the amounts rolled will be gradually reduced until they will be fully repaid during 2027/28.

Movements in net debt were:

	Borrowings £m	Lease liabilities £m	Total liabilities from financing activities £m	Interest rate swaps £m	Cash and cash equivalents £m	Net debt £m
At 1 April 2022	(151.7)	(48.7)	(200.4)	(0.1)	158.4	(42.1)
Cash flows	(25.1)	18.8	(6.3)	–	(43.6)	(49.9)
Acquired with businesses	–	(9.8)	(9.8)	–	–	(9.8)
New leases	–	(6.3)	(6.3)	–	–	(6.3)
Lease modifications	–	(2.4)	(2.4)	–	–	(2.4)
Disposal of leases	–	0.3	0.3	–	–	0.3
(Loss) / gain in fair value in year	(0.1)	–	(0.1)	0.1	–	–
Translation differences	(7.7)	(0.8)	(8.5)	–	5.7	(2.8)
At 31 March 2023	(184.6)	(48.9)	(233.5)	–	120.5	(113.0)
Cash flows	(259.4)	18.5	(240.9)	–	(20.2)	(261.1)
Acquired with businesses	–	(28.5)	(28.5)	–	–	(28.5)
New leases	–	(8.4)	(8.4)	–	–	(8.4)
Lease modifications	–	(7.3)	(7.3)	–	–	(7.3)
Disposal of leases	–	0.5	0.5	–	–	0.5
Translation differences	3.7	0.2	3.9	–	(4.3)	(0.4)
At 31 March 2024	**(440.3)**	**(73.9)**	**(514.2)**	**–**	**96.0**	**(418.2)**

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

23 Financial risk management

The principal financial risks to which the Group is exposed are those of credit, liquidity and market. Market risk includes foreign currency transaction risk and interest rate risk. Each of these is managed in accordance with Board-approved policies.

Credit risk

The Group is exposed to credit risk on financial assets such as cash deposits, derivative instruments and trade and other receivables.

The amounts in the balance sheet represent the maximum credit risk exposure at the balance sheet date. There were no significant concentrations of credit risk at the balance sheet date, as exposure is spread over a large number of counterparties, customers and geographic locations. The Group has reviewed its credit risk again carefully this year due to the current global economic and geopolitical uncertainties and the Group does not believe it has materially altered during the year.

For cash deposits and derivative instruments, the Group identifies counterparties of suitable creditworthiness based on ratings assigned by international credit-rating agencies and has procedures to ensure that only these parties are used, that exposure limits are set based on the external credit ratings and that these limits are not exceeded. The impairment losses on these are immaterial.

For trade and other receivables, all operating companies have credit policies and monitor their credit exposure on an ongoing basis. Each operating company performs credit evaluations on all customers seeking credit over a certain amount. For countries with no local operating company presence, export credit limits are set and monitored on a country basis monthly by the Treasury Committee. The impairment losses on contract assets, amounts owed by joint venture and other receivables are immaterial.

The impairment allowance for trade receivables is measured at an amount equal to lifetime expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics and the number of days from date of invoice. The expected loss rates are based on the payment profile of sales over a 36-month period from 1 April 2020 and the corresponding historical credit losses experienced within this period calculated as the trade receivables from this period that have not been paid by the year end. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the impairment allowance for trade receivables was determined as follows:

	2024			2023		
	Expected loss rate %	Gross carrying amount £m	Loss allowance £m	Expected loss rate %	Gross carrying amount £m	Loss allowance £m
0 – 30 days from date of invoice	1.0%	339.4	3.5	0.9%	366.0	3.4
31 – 60 days from date of invoice	1.2%	174.0	2.1	1.3%	162.4	2.1
61 – 90 days from date of invoice	1.8%	51.1	0.9	2.1%	42.6	0.9
91 – 120 days from date of invoice	3.0%	16.6	0.5	2.9%	17.5	0.5
Over 120 days from date of invoice	9.6%	42.9	4.1	17.5%	32.5	5.7
Total		**624.0**	**11.1**		621.0	12.6

The ageing of net trade receivables at the reporting date was:

	2024 £m	2023 £m
Not past due	487.2	483.7
Past due 0 – 30 days	71.8	73.5
Past due 31 – 60 days	18.6	17.4
Past due 61 – 120 days	10.1	13.0
Past due over 120 days	25.2	20.8
Total	**612.9**	608.4

The movement in the impairment allowance for trade receivables was as follows:

	2024 £m	2023 £m
At 1 April	(12.6)	(9.1)
Acquisitions	(0.8)	(2.1)
Trade receivables written off	5.6	4.5
Increase in impairment allowance recognised in profit or loss	(3.4)	(5.5)
Translation differences	0.1	(0.4)
At 31 March	**(11.1)**	(12.6)

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

23 Financial risk management continued

Trade receivables are written off when there is no reasonable expectation of recovery, for example when a customer enters liquidation or the Group agrees with the customer to write off an outstanding invoice. The Group continues to limit its exposure through tight credit policies, proactive monitoring and collections. Historically, the Group has generally experienced very low levels of trade receivables not being recovered, including those significantly past due, and this was also the case during 2023/24. However, with the continued global economic and geopolitical uncertainties, the Group remains cautious about its exposure and so has reviewed carefully, and maintained at a higher level, its expected loss rates for those markets and industries that are most affected.

At 31 March 2024, the largest trade receivable balance was £13.5 million (2022/23: £12.0 million), of which £11.0 million has been received since the year end. The maximum exposure with a single bank for deposits was £12.6 million (2022/23: £26.0 million) and the largest mark to market exposure for derivative financial instruments to a single bank was £0.6 million (2022/23: £0.7 million). The Group also occasionally uses money market funds to invest surplus cash thereby diversifying credit risk and at 31 March 2024 its exposure to these funds was £nil (2022/23: £nil).

Liquidity risk

The Group's key priority is to ensure that it can meet its liabilities as they fall due. The Group ensures this by having sufficient committed debt facilities in place to meet its anticipated funding requirements. The Group's forecast funding requirements and its committed debt facilities are reported to and monitored by the Treasury Committee monthly.

During the year, the Group's request to take up one of the one-year term extensions to the sustainability-linked loan facility was approved by the lenders and therefore, as at 31 March 2024, the Group had the following committed debt finance in place:

- Private placement loan notes of €18 million with a maturity of October 2026, US$80 million with a maturity of December 2026, €13 million with a maturity of October 2029, US$35 million with a maturity of March 2030 and US$50 million with a maturity of October 2031.
- A £400 million sustainability-linked loan facility, with a lender option accordion of up to a further £100 million, which has a maturity of October 2028 with an option for the Group to extend for a further one year subject to individual lender approval. It is linked to the Group's most material ESG actions of the reduction of direct Scope 1 and 2 CO_2e emissions, packaging intensity and percentage of management that are women. Meeting these annual ESG actions means a margin benefit of up to 2.5 basis points, while missing these ESG actions would mean paying a margin premium of up to 2.5 basis points. Amounts borrowed under this facility are borrowed for fixed amounts of time after which they can be repaid or rolled up to a maximum of the facility maturity.
- A €150 million term loan repayable by 27 April 2026.

As at 31 March 2024, the Group had £245.0 million (2022/23: £375.8 million) of available undrawn committed debt facilities in respect of which all conditions precedent had been met.

The Group also uses bank overdrafts, uncommitted short-term money market loans, cash and short-term investments. The main purpose of these financial instruments is to manage the Group's day-to-day funding and liquidity requirements.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

23 Financial risk management continued

The contractual maturities of financial liabilities, including contractual future interest payments were:

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1 – 2 years £m	2 – 3 years £m	3 – 4 years £m	After 4 years £m
Derivative financial liabilities							
Inflows for forward foreign exchange contracts	**150.6**	**150.5**	**150.5**	**–**	**–**	**–**	**–**
Outflows for forward foreign exchange contracts	**(151.7)**	**(151.7)**	**(151.7)**	**–**	**–**	**–**	**–**
Forward foreign exchange contracts	**(1.1)**	**(1.2)**	**(1.2)**	**–**	**–**	**–**	**–**
Non-derivative financial liabilities							
Sustainability-linked loan	**(155.0)**	**(163.5)**	**(77.8)**	**(74.3)**	**(11.4)**	**–**	**–**
Term loan	**(128.2)**	**(142.0)**	**(6.6)**	**(6.6)**	**(128.8)**	**–**	**–**
Private placement loan notes	**(157.1)**	**(182.4)**	**(4.9)**	**(4.9)**	**(83.6)**	**(2.6)**	**(86.4)**
Lease liabilities	**(73.9)**	**(89.6)**	**(19.0)**	**(15.8)**	**(12.8)**	**(7.4)**	**(34.6)**
Bank overdrafts	**(162.7)**	**(162.7)**	**(162.7)**	**–**	**–**	**–**	**–**
Trade payables, other payables and accruals	**(519.1)**	**(519.1)**	**(507.7)**	**(3.0)**	**(8.4)**	**–**	**–**
At 31 March 2024	**(1,197.1)**	**(1,260.5)**	**(779.9)**	**(104.6)**	**(245.0)**	**(10.0)**	**(121.0)**

	Carrying amounts £m	Contractual cash flows £m	Within 1 year £m	1 – 2 years £m	2 – 3 years £m	3 – 4 years £m	After 4 years £m
Derivative financial liabilities							
Inflows for forward foreign exchange contracts	86.1	87.0	87.0	–	–	–	–
Outflows for forward foreign exchange contracts	(87.8)	(87.8)	(87.8)	–	–	–	–
Forward foreign exchange contracts	(1.7)	(0.8)	(0.8)	–	–	–	–
Non-derivative financial liabilities							
Sustainability-linked loan	(24.2)	(24.3)	(24.3)	–	–	–	–
Private placement loan notes	(160.4)	(191.3)	(5.0)	(5.0)	(5.0)	(85.4)	(90.9)
Lease liabilities	(48.9)	(57.4)	(16.1)	(11.7)	(8.7)	(6.6)	(14.3)
Bank overdrafts	(139.8)	(139.8)	(139.8)	–	–	–	–
Trade payables, other payables and accruals	(533.0)	(533.0)	(532.3)	(0.7)	–	–	–
At 31 March 2023	(908.0)	(946.6)	(718.3)	(17.4)	(13.7)	(92.0)	(105.2)

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

23 Financial risk management continued

Market risk – foreign currency transaction risk

The Group is exposed to foreign currency transaction risk as it has operating companies with payables and receivables in currencies other than their functional currency. The Group also has foreign currency translation risk resulting from investment in foreign subsidiaries and foreign currency debt which is mainly in US dollars and euros.

Hedging of currency exposures during periods when operating companies cannot easily change their selling prices is implemented in order to shelter the forecast gross profit during those periods. In this way the impacts of currency fluctuations can be smoothed until selling prices can be changed in the light of movements in exchange rates. The hedges are enacted through forward foreign exchange contracts entered into by Group Treasury in appropriate currencies based on trading projections provided by the operating companies with fixed terms mainly of between three and seven months and occasionally out to 11 months for some more certain US dollar trading projections. The Group's largest exposures relate to euros and US dollars.

In addition, specific cash flows relating to material transactions in currencies other than the functional currency of the local business are hedged when the commitment is made.

The Group classifies forward foreign exchange contracts as hedging instruments against forecast cash receipts and payments for sales and purchases and designates the forward element of these contracts as cash flow hedges for accounting purposes on a 1:1 basis which means the fair value movement in the hedged item is equal and opposite to the fair value movement in the hedging instrument. The forecast cash flows are expected to occur evenly throughout the forecast period from the year end, which is between three and 11 months, and will affect the income statement in the period in which they occur or the inventories are sold. The average forward prices of the outstanding forward foreign exchange contracts are €1.17:£1 and US$1.26:£1 (2022/23: €1.13:£1 and US$1.21:£1).

Foreign currency transaction exposures, and the hedges in place to mitigate them, are monitored monthly by the Treasury Committee. The Group does not believe its foreign currency transaction risk has altered materially during the year. Ineffectiveness may arise if actual foreign currency transactions are lower than the trading projections.

The Group has designated the US$165 million private placement loan notes (2022/23: US$165 million), with a carrying amount of £130.5 million (2022/23: £133.2 million), as hedges of US$165 million (2022/23: US$165 million) of net investments in its US dollar functional currency subsidiaries. The Group has designated the €181 million of private placement loan notes and term loan (2022/23: €nil), with a carrying amount of £154.8 million (2022/23: £nil), as hedges of €181 million (2022/23: €nil) of net investments in its euro functional currency subsidiaries. These hedges are expected to remain highly effective as the change in the value of the net assets of the subsidiaries hedged is always exactly offset by the related change in the fair value of the private placement loan notes and term loan.

No other foreign currency translation exposures are explicitly hedged although local currency debt is used where economically and fiscally efficient in the financing of subsidiaries and this provides a degree of natural hedging. Guidelines are in place to manage the currency mix of the Group's net debt. The Group does not believe its foreign currency translation risk has altered materially during the year. The balance in the cumulative translation reserve relating to the US$165.0 million and €181.0 million net investment hedges is a gain of £7.1 million with a further loss of £36.7 million relating to previous net investment hedging relationships.

Borrowings are analysed by currency as:

At 31 March 2024	Bank overdrafts £m	Term loan £m	Sustainability-linked loan £m	Private placement loan notes £m	Total £m
Sterling	**(94.1)**	**–**	**(155.0)**	**–**	**(249.1)**
US dollar	**(26.4)**	**–**	**–**	**(130.5)**	**(156.9)**
Euro	**(28.5)**	**(128.2)**	**–**	**(26.6)**	**(183.3)**
Canadian dollar	**(8.3)**	**–**	**–**	**–**	**(8.3)**
Other	**(5.4)**	**–**	**–**	**–**	**(5.4)**
Total borrowings	**(162.7)**	**(128.2)**	**(155.0)**	**(157.1)**	**(603.0)**

At 31 March 2023					
Sterling	(125.0)	–	–	–	(125.0)
US dollar	(3.4)	–	(24.2)	(133.2)	(160.8)
Euro	–	–	–	(27.2)	(27.2)
Canadian dollar	(9.7)	–	–	–	(9.7)
Other	(1.7)	–	–	–	(1.7)
Total borrowings	(139.8)	–	(24.2)	(160.4)	(324.4)

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

23 Financial risk management continued

Market risk – interest rate risk

The Group has relatively high interest cover. The Group's policy dictates regular monitoring of interest rate exposure with a view to taking suitable actions should exposure reach certain levels. Following the Group's acquisition of Distrelec B.V. and its subsidiaries, the Group's borrowings at variable rates, and hence its exposure to interest rate risk, increased.

As at 31 March 2024 (and 31 March 2023), the Group had US$165 million and €31 million of private placement loan notes at fixed interest rates. All other borrowings were at variable rates. At 31 March 2024, 26% (2022/23: 49%) of the Group's gross borrowings excluding lease liabilities (total borrowings plus bank overdrafts) was at fixed rates, with surplus cash deposited at variable rates.

Sensitivity analysis of exposure to interest rates and foreign exchange rates

The sensitivity analysis is based on the following:

- Change of one percentage point in market interest rates affecting all variable rate elements of financial instruments.
- Change of 5% in euro and US dollar exchange rates affecting the fair value of derivative financial instruments designated as hedging instruments and other financial assets and liabilities. The transactional foreign exchange effect in equity due to net investment hedges included below would be offset in full by the translation of the US and European subsidiaries.

	2024		2023	
	Impact on income statement gain / (loss) £m	**Impact on equity gain / (loss) £m**	Impact on income statement gain / (loss) £m	Impact on equity gain / (loss) £m
One percentage point increase in interest rates	**(1.9)**	**–**	1.0	–
5% weakening of the euro	**1.1**	**5.4**	1.6	0.5
5% weakening of the US dollar	**(2.1)**	**10.0**	(6.3)	4.3

A corresponding decrease in interest rates or strengthening of exchange rates would result in an equal and opposite effect to the amounts above.

Capital management

The Board's policy is to maintain a strong capital base always, with an appropriate debt to equity mix, to ensure investor, creditor and market confidence and to support the future development of the business. The Board monitors ROCE (Note 3), and the level of dividends to ordinary shareholders.

The Group seeks to raise debt from a variety of sources and with a variety of maturities. As at 31 March 2024, the Group had a £400 million sustainability-linked loan facility, with an accordion of up to a further £100 million, which has a maturity of October 2028 with an option for the Group to extend for a further one year subject to individual lender approval; private placement loan notes of €18 million with a maturity of October 2026, US$80 million with a maturity of December 2026, €13 million with a maturity of October 2029, US$35 million with a maturity of March 2030 and US$50 million with a maturity of October 2031; and a €150 million term loan maturing in April 2026.

The Group's debt covenants are net debt to adjusted EBITDA to be less than 3.25 times and EBITA to interest to be greater than 3 times, which are measured on a rolling 12-month basis at half year and year end. At the year end the Group comfortably met these covenants with net debt to adjusted EBITDA of 1.1x (2022/23: 0.2x) and EBITA to interest of 10.5x (2022/23: 34.2x).

There were no significant changes in the Group's approach to capital management during the year.

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

24 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event and a reasonable estimate can be made of a probable adverse outcome. Otherwise, material contingent liabilities are disclosed unless the transfer of economic benefits is remote.

	Reorganisation provision £m	Penalties and interest on uncertain income tax provision £m	Dilapidation provision £m	Total £m
At 1 April 2023	2.1	4.0	0.4	6.5
Acquisitions (Note 29)	–	0.1	1.4	1.5
Additions	7.6	0.1	0.8	8.5
Utilised	(5.5)	–	–	(5.5)
Released	(0.6)	(1.2)	–	(1.8)
At 31 March 2024	**3.6**	**3.0**	**2.6**	**9.2**

Analysed in the balance sheet as:

	2024 £m	2023 £m
Current	**5.0**	1.8
Non-current	**4.2**	4.7
	9.2	6.5

The reorganisation provision is expected to be fully spent by March 2027 and the dilapidation provision is expected to be fully utilised by March 2028.

At 31 March 2024, there were no material contingent liabilities (2022/23: none).

25 Capital commitments

As at 31 March 2024, the Group is contractually committed to, but has not provided for, future capital expenditure of £8.0 million (2022/23: £3.5 million) for property, plant and equipment and £4.6 million (2022/23: £2.1 million) for intangible assets.

26 Share capital and share premium

	Number of shares	Share capital £m	Share premium £m	Total £m
Issued and fully paid ordinary shares of 10p each:				
At 1 April 2022	471,022,022	47.1	231.4	278.5
Issues to settle employee share awards	1,762,387	0.2	4.6	4.8
At 31 March 2023	472,784,409	47.3	236.0	283.3
Issues to settle employee share awards	1,227,903	0.1	3.5	3.6
At 31 March 2024	**474,012,312**	**47.4**	**239.5**	**286.9**

The EBT buys shares on the open market and holds them in trust for employees participating in the Group's share-based payment schemes. At 31 March 2024, the EBT held 343,147 shares (2022/23: 336,084 shares) which had not yet vested unconditionally with employees.

27 Other reserves

	Hedging reserve £m	Cumulative translation reserve £m	Total £m
At 1 April 2022	(0.7)	60.9	60.2
Foreign exchange translation differences	–	43.0	43.0
Fair value gain on net investment hedges (Note 23)	–	5.4	5.4
Cash flow hedging gains taken to equity	3.9	–	3.9
Tax on other comprehensive income (Note 11)	(0.7)	–	(0.7)
Total comprehensive income	3.2	48.4	51.6
Cash flow hedging gains transferred to inventories	(3.7)	–	(3.7)
Tax on cash flow hedging transferred to inventories	0.7	–	0.7
At 31 March 2023	(0.5)	109.3	108.8
Foreign exchange translation differences	–	(4.0)	(4.0)
Fair value gain on net investment hedges (Note 23)	–	3.4	3.4
Cash flow hedging gains taken to equity	1.3	–	1.3
Cash flow hedging gains transferred to cost of sales	(1.4)	–	(1.4)
Total comprehensive expense	(0.1)	(0.6)	(0.7)
Cash flow hedging gains transferred to inventories	(1.6)	–	(1.6)
Tax on cash flow hedging transferred to inventories	0.4	–	0.4
Cash flow hedging losses transferred to acquisition purchase price	1.8	–	1.8
Tax on cash flow hedging transferred to acquisition purchase price	(0.4)	–	(0.4)
At 31 March 2024	**(0.4)**	**108.7**	**108.3**

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

28 Related parties

The Group's joint venture (Note 17) is a related party and during the year, the Group made sales of £4.0 million (2022/23: £4.5 million) to the joint venture, and a balance of £1.5 million (2022/23: £2.8 million) was outstanding at the year end.

The Group's pension schemes are related parties and the Group's transactions with them are disclosed in Note 10. Transactions and balances between the Company and its subsidiaries have been eliminated on consolidation.

The key management personnel of the Group are the Directors and the Senior Management Team / Executive Committee, whose compensation was:

	2024 £m	2023 £m
Short-term employee benefits	**6.1**	12.0
Post-employment benefits	**0.1**	0.2
Termination benefits	**0.6**	1.8
Share-based payments	**1.1**	8.1
	7.9	22.1

29 Acquisitions

On 30 June 2023 the Group acquired 100% of the issued share capital of Distrelec B.V. and its subsidiaries (Distrelec), a high-service, digital-led distributor of industrial and maintenance, repair and operations (MRO) products in Europe. Distrelec significantly expands the Group's presence in continental Europe and will leverage the Group's existing operations to drive value-accretive growth. The goodwill is attributable to cost synergies in procurement, logistics and warehousing, and marketing and administration, in addition to revenue synergies from cross-selling opportunities of RS's own brand and solutions offer. Distrelec is included in EMEA.

The fair value of the net assets acquired, consideration paid and goodwill arising, plus transaction costs and contribution to the Group's results since acquisition were:

	£m
Intangible assets – customer relationships	**73.5**
Intangible assets – brands	**22.1**
Intangible assets – software	**10.6**
Property, plant and equipment	**0.6**
Right-of-use assets	**29.8**
Inventories	**51.6**
Current trade and other receivables	**27.1**
Cash and cash equivalents – cash and short-term deposits	**9.0**
Current trade and other payables	**(36.2)**
Current lease liabilities	**(2.4)**
Current provisions	**(0.2)**
Non-current lease liabilities	**(26.1)**
Non-current other payables	**(11.1)**
Non-current other provisions	**(1.3)**
Current income tax liabilities	**(4.9)**
Deferred tax liabilities	**(14.1)**
Net assets acquired	**128.0**
Indemnification assets (included in non-current other receivables)	**2.8**
Goodwill	**182.3**
Consideration paid – cash	**313.1**
Acquisition-related costs charged to operating costs:	
In 2023/24	**4.7**
In 2022/23	**2.8**
Revenue since acquisition	**134.6**
Loss after tax since acquisition	**1.1**
Trade and other receivables:	
Gross contractual amounts receivable	**27.9**
Estimate of amounts not expected to be collected	**0.8**

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

29 Acquisitions continued

The goodwill will not be deductible for tax purposes. The indemnification assets relate to:

- £1.9 million for full indemnification from the sellers of costs under the lease of the regional distribution centre in the Netherlands from 1 January 2027 to the end of the lease in November 2036, or when the lease is exited if earlier, measured as the difference between the right-of-use asset and the lease liability for that lease over that time frame, with a range of outcomes from £nil to an amount equal to the aggregate of any such costs (capped at the consideration for the acquisition); and
- £0.9 million for contractual indemnifications relating to uncertain tax provisions measured on the same basis as the provisions, with a range of outcomes from £nil to £0.9 million.

If the acquisition had occurred on 1 April 2023, the Group's revenue and profit for the year ended 31 March 2024 would have been £2,992.0 million and £178.5 million respectively, including the additional amortisation of acquired intangibles that would have been charged and the consequential tax effects.

Included in acquisition-related items for the year ended 31 March 2024 was the release of the £0.4 million contingent consideration payable on acquisition of domnick hunter-RL (Thailand) Co., Ltd. given the conditions for payment were not met.

On 2 April 2024 the Group acquired Trident Australia Pty Ltd (Trident), a specialist MRO distribution and rental, calibration and mechanical services partner for the energy and natural resource industry in Australia, for an estimated £8.0 million on a debt-free, cash-free, tax-free basis. The completion accounts are being prepared and once agreed the consideration will be finalised and the fair value of the net assets acquired assessed.

30 Related undertakings

A full list of related undertakings (comprising subsidiaries and a joint venture) is set out below. All subsidiaries are wholly owned except where indicated below and operate within their countries of incorporation. Those companies marked with an asterisk (*) are indirectly held by the Company.

Name and registered address of undertaking	Country of incorporation	Class of share held
Distributor of product and service solutions		
RS Components Pty Limited* 25, Pavesi Street, Smithfield, Sydney NSW 2164, Australia	Australia	Ordinary
Distrelec Gesellschaft m.b.H.* Jagdgasse 25, 1100 Wien, Austria	Austria	Ordinary
RS Components Handelsgesellschaft m.b.H* Albrechtser Straße 11, 3950, Gmünd, Austria	Austria	Share of equity
RS Integrated Supply Belgium* Louizalaan 65/11, 1050 Elsene, Belgium	Belgium	Ordinary
RS Americas (Canada), Inc.* 1155 Lola Street, Unit 6, Ottawa, ON, K1K 4C1, Canada	Canada	Common
RS Integrated Supply Canada Corp.* 600-1741 Lower Waters Street, Halifax NS B3J 0J2, Canada	Canada	Common
RS Group Limitada (DBA – RS Limitada)* Av. Eduardo Frei Montalva, 6001-71 Conchali, Santiago, Chile	Chile	Ordinary
RS Components Limited* Suite 1608, Level 16, Tower 1, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, Hong Kong	China	Ordinary
RS Components (Shanghai) Company Limited* Unit 501, Floor 5, Building C, The New Bund World Trade Center Phase II, No.3, Lane 227, Dong Yu Road, Pudong Shanghai, China	China	Ordinary
Elfa Distrelec A/S* Haslegårdsvej 8-12, 8210 Aarhus V , Denmark	Denmark	Ordinary
RS Components A/S* Nattergalevej 6, 2400, København NV, Denmark	Denmark	Ordinary
Risoul Dominicana S.R.L* Autopista Duarte KM 17, Calle Los Almejos, Palma Enana No 13, Nave 1, Villa Linda, Palmarejito, Santo Domingo Oeste, Dominican Republic	Dominican Republic	Ordinary
Elfa Distrelec OÜ* Hobujaama 4, Tallinn 10151 Estonia	Estonia	Ordinary
Elfa Distrelec Oy* Bertel Jungin Aukio 5, FI-02600, Finland	Finland	Ordinary
RS Components SAS* Rue Norman King, 60000, Beauvais, France	France	Ordinary
RS Integrated Supply France* Rue Norman King BF 453, F-60031 Beauvais Cedex, France	France	Ordinary
Distrelec Deutschland GmbH* Lise-Meitner-Str. 4, DE-28359 Bremen, Germany	Germany	Ordinary
RS Components GmbH* Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
RS Integrated Supply Deutschland GmbH* Bleibtreustr. 21, 10623, Berlin, Germany	Germany	Ordinary

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

30 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
RS Integrated Supply Hungary Korlátolt Felelősségű Társaság* 1062, 1-3. Tower A, 6th floor, Budapest, Hungary	Hungary	Ordinary
RS Components & Controls (India) Limited*† 222 Okhla Industrial Estate, New Delhi, India	India	Ordinary
Distrelec Italia S.r.l.* Via Ramazzotti 12, 20045 Lainate, Italy	Italy	Ordinary
RS Components S.r.l.* Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
RS Integrated Supply Italy S.r.l.* Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	Ordinary
RS Components KK* West Tower 12F, Yokohama Business Park, 134 Godocho, Hodogaya, Yokohama, Kanagawa, 240-0005, Japan	Japan	Ordinary
Elfa Distrelec SIA* Krišjāņa Valdemāra iela 62, Rīga LV 1013, Latvia	Latvia	Ordinary
Elfa Distrelec, UAB* Visorių g. 2-309, LT-08300 Vilnius, Lithuania	Lithuania	Ordinary
RS Components Sdn. Bhd.* Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, Johor Bahru, 80000, Johor, Malaysia	Malaysia	Ordinary
Allied Electronics & Automation S. de R.L. de C.V.* Avenida Circunvalación Agustin Yalez N° 2613 Int. 1A 105, Colonia Arcos Vallarta Sur, Guadalajara Jalisco, 44500 Mexico	Mexico	Ordinary
Risoul y Cia, S.A. de C.V.* Avenida Sendero Divisorio 400, Residencia Casa Bella, San Nicolas de los Garza, Nuevo Leon, 66428, Mexico	Mexico	Ordinary
Storeroom Solutions Mexico, S. de R.L. de C.V.* Florencia 57 P, 3 Juarez Distritio Federal, 06600, Mexico	Mexico	Ordinary
Distrelec B.V.* De Tweeling 28, 5215 MC 's Hertogenbosch, Netherlands	Netherlands	Ordinary
Liscombe B.V.* Jarmuiden 56 a, 1046 AE, Amsterdam, Netherlands	Netherlands	Ordinary
RS Components B.V.* Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
RS Integrated Supply Netherlands B.V.* Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	Ordinary
RS Components Limited* KPMG, 18 Viaduct Harbour Avenue, Auckland, 1010, New Zealand	New Zealand	Ordinary
Elfa Distrelec AS* Apotekergata 10B, 0180 Oslo Norway	Norway	Ordinary
RS Components AS* 10. etg., Fredrik Selmers vei 6, Oslo, 0663, Norway	Norway	Ordinary
RS Components Corporation* 21st Floor Multinational Bancorporation Centre, 6805 Ayala Avenue, Makati City, Philippines	Philippines	Common and preference
Elfa Distrelec Sp. z.o.o* Al. Jerozolimskie 136, PL-02-305, Warszawa, Poland	Poland	Ordinary
RS Components sp. z.o.o.* Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
RS Integrated Supply Poland Sp. z.o.o.* Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	Ordinary
Radionics Limited* Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
RS Integrated Supply Ireland Limited* Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	Ordinary
Synovos Ireland Limited* 70 Sir John Rogerson's Quay, Dublin 2, Ireland	Republic of Ireland	Ordinary
RS Components Pte Ltd* 112 Robinson Road, #05-01, 068902, Singapore	Singapore	Ordinary
RS Integrated Supply Singapore Pte. Ltd.* 10 Ubi Crescent, #06-18 Ubi Techpark, 408564, Singapore	Singapore	Ordinary
Synovos Singapore Pte. Ltd.* 1 Marina Boulevard, #28-00, One Marina Boulevard, 018989, Singapore	Singapore	Ordinary
RS Integrated Supply Slovakia s.r.o.* Landererova 12, Bratislava- mestská časť Staré Mesto, 81109, Slovakia	Slovakia	Ordinary
Amidata S.A.U.* Avenida de Bruselas 6, Alcobendas, 28108, Madrid, Spain	Spain	Ordinary
Risoul Iberica SA* 08402 – Granollers, calle Girona, numero 85, Barcelona, Spain	Spain	Ordinary

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

30 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
Elfa Distrelec AB* Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary
RS Components AB* Kronborgsgränd 1, 164 46 Kista, Sweden	Sweden	Ordinary
RS Integrated Supply Sweden AB* Drottninggatan 96, 113 60, Stockholm, Sweden	Sweden	Ordinary
Distrelec Schweiz AG* Grabenstrasse 6, 8606 Nänikon, Switzerland	Switzerland	Ordinary
Domnick (Thailand) Co., Ltd.* (86.74%) No. 99/1-3, Naradhiwas Rajanagarindra Road, Chong Nonsi, Yan Nawa, Bangkok, 10120, Thailand	Thailand	Ordinary
RS Components Co., Ltd* GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
Distrelec Ltd* 7th floor, 2 St Peter's Square, Manchester, M2 3AA, UK	UK	Ordinary
IESA A & D Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
John Liscombe Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
Needlers Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
OKdo Technology Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
RS Components Limited Birchington Road, Weldon, Corby, Northamptonshire, NN17 9RS, UK	UK	Ordinary
RS Integrated Supply UK Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
MRO Distribution, Inc.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
New DEAM, LLC* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
RS Americas, Inc* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
RS Integrated Supply Puerto Rico LLC* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
RS Integrated Supply US Inc.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
Holding, Financing and Management Companies		
Electrocomponents Limited Suite 1608, Level 16, Tower 1, Kowloon Commerce Centre, 51 Kwai Cheong Road, Kwai Chung, Hong Kong	China	Ordinary
RS Components Business Services (Foshan) Limited* 22nd Floor, Glory International Financial Center, No.25, Ronghe Road, Guicheng, Nanhai District, Foshan, Guangdong, 528200, China	China	Ordinary
Electrocomponents France SARL* Rue Norman King, 60000, Beauvais, France	France	Ordinary
Bodenfeld Immobilien GmbH* Mainzer Landstraße 180, 60327, Frankfurt, Germany	Germany	Ordinary
Electrocomponents Jersey Finance Unlimited* 44 Esplanade, St Helier, JE4 9WG Jersey	Jersey	Common
Synovos Netherlands C.V.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	Netherlands	Partnership
Electrocomponents Holdings (Thailand) Limited* (49.00%) GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
Electrocomponents Newco (Thailand) Limited* (86.73%) GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
Electrocomponents (Thailand) Limited* (73.99%) GMM Grammy Place, Room No. 1901-1904, Floor 19, No. 50, Sukhumvit 21 (Asoke), Klongtoey Nua, Wattana, Bangkok, 10110, Thailand	Thailand	Ordinary
Electrocomponents Overseas Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
Electrocomponents US Finance Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
IESA A & D Holdings Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary

NOTES TO THE GROUP ACCOUNTS CONTINUED

For the year ended 31 March 2024

30 Related undertakings continued

Name and registered address of undertaking	Country of incorporation	Class of share held
IESA Holdings Limited* IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	Ordinary
Needlers Holdings Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary and preference
RS Components Holdings Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
RS Group International Holdings Limited Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
RS Group Pension Trustees Limited Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
Electrocomponents, Inc* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common and preference
Electrocomponents North America, Inc.* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
Electrocomponents North America LLC* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
Electrocomponents (US), Inc.* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
Electrocomponents US LLC* 7151 Jack Newell Blvd S., Fort Worth, TX 76118, United States	United States of America	Common
Synovos International, Inc.* Two Radnor Corporate Center, Suite 400, Radnor, PA 19087, United States	United States of America	Common
Not currently trading		
RS Components (Proprietary) Limited* 20 Indianapolis Street, Kyalami Business Park, Kyalami Midrand, Gauteng, 1684, South Africa	South Africa	Ordinary
Risoul (Trinidad and Tobago) Limited* Nunez & Co, Level 2, Invaders Bay Tower, Invaders Bay, Off Audrey Jeffers Highway, Port of Spain, Trinidad and Tobago	Trinidad and Tobago	Ordinary
Electro Lighting Group Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary
IESA Limited Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary

Name and registered address of undertaking	Country of incorporation	Class of share held
RS Limited* Fifth Floor, Two Pancras Square, London N1C 4AG, UK	UK	Ordinary

† Note 17 provides details about the Company's interest in the joint venture.

RS Components Limited (UK), RS Components B.V. (Netherlands) and RS Components GmbH (Germany) operate branch offices in South Africa, the Philippines, China (Taiwan), Belgium and Switzerland.

COMPANY BALANCE SHEET

As at 31 March 2024

	Notes	2024 £m	2023 £m
Fixed assets			
Tangible assets	7	**15.1**	15.7
Investments in subsidiaries	8	**648.6**	491.2
Total fixed assets		**663.7**	506.9
Current assets			
Debtors: amounts falling due after more than one year	10	**0.7**	2.2
Debtors: amounts falling due within one year	10	**1,242.6**	995.7
Cash at bank and in hand		**104.6**	171.3
Total current assets		**1,347.9**	1,169.2
Creditors: amounts falling due within one year	11	**(531.2)**	(512.0)
Net current assets		**816.7**	657.2
Total assets less current liabilities		**1,480.4**	1,164.1
Creditors: amounts falling due after more than one year	12	**(440.9)**	(185.6)
Net assets		**1,039.5**	978.5
Capital and reserves			
Share capital	16	**47.4**	47.3
Share premium account	16	**239.5**	236.0
Own shares held by Employee Benefit Trust (EBT)	16	**(1.8)**	(2.2)
Profit and loss account (including profit for the year of £155.6 million (2022/23: £142.5 million))	16	**754.4**	697.4
Total equity		**1,039.5**	978.5

The Company accounts on pages 173 to 177 were approved by the Board of Directors on 22 May 2024 and were signed on its behalf by:

Kate Ringrose
Chief Financial Officer

RS Group plc
Company number: 647788

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Share capital £m	Share premium account £m	Own shares held by EBT £m	Profit and loss account £m	Total £m
At 1 April 2022	47.1	231.4	(3.0)	632.1	907.6
Profit and total comprehensive income for the year	–	–	–	142.5	142.5
Dividends (Note 16)	–	–	–	(88.6)	(88.6)
Equity-settled share-based payments (Note 5)	–	–	–	14.2	14.2
Settlement of share awards (Note 16)	0.2	4.6	2.9	(2.9)	4.8
Purchase of own shares by EBT (Note 16)	–	–	(2.1)	–	(2.1)
Tax on equity-settled share-based payments	–	–	–	0.1	0.1
At 31 March 2023	47.3	236.0	(2.2)	697.4	978.5
Profit and total comprehensive income for the year	–	–	–	155.6	155.6
Dividends (Note 16)	–	–	–	(104.1)	(104.1)
Equity-settled share-based payments (Note 5)	–	–	–	7.8	7.8
Settlement of share awards (Note 16)	0.1	3.5	1.9	(1.9)	3.6
Purchase of own shares by EBT (Note 16)	–	–	(1.5)	–	(1.5)
Tax on equity-settled share-based payments	–	–	–	(0.4)	(0.4)
At 31 March 2024	**47.4**	**239.5**	**(1.8)**	**754.4**	**1,039.5**

NOTES TO THE COMPANY ACCOUNTS
For the year ended 31 March 2024

1 General information
RS Group plc (the Company) is the parent company of the RS Group and is included in the consolidated accounts of RS Group plc (the Group accounts). The Company is a public limited company and is incorporated, registered and domiciled in England and Wales. The address of its registered office is Fifth Floor, Two Pancras Square, London N1C 4AG, UK.

2 Statement of compliance
The individual accounts of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

3 Basis of preparation
These are the Company's separate accounts and have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit and loss. They are presented in sterling and rounded to the nearest £0.1 million. The principal accounting policies have been applied consistently unless otherwise stated.

The preparation of accounts under FRS 102 requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant that are included in these accounts.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The Company has taken advantage of the following disclosure exemptions available under FRS 102:
i. preparation of a cash flow statement
ii. financial instrument disclosures
iii. share-based payment disclosures
iv. key management personnel compensation disclosure

Transactions in foreign currencies are recorded using the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rate ruling at that date and the gains and losses on translation are recognised in profit or loss.

4 Employees

Average number of employees	2024	2023
Management and administration	**69**	63

Aggregate employment costs	2024 £m	2023 £m
Wages and salaries	**6.9**	8.0
Social security costs	**0.9**	1.9
Share-based payments – equity-settled (Note 5)	**(0.2)**	3.8
Share-based payments – cash-settled	**(0.4)**	(0.2)
Defined contribution retirement benefit costs (Note 6)	**0.4**	0.3
	7.6	13.8
Termination benefits	**0.6**	1.4
Total	**8.2**	15.2

Information on the Directors' remuneration is in the Directors' Remuneration Report on pages 99 to 115.

The numbers and costs above are for employees who work for the Company. There are a number of Group employees whose contracts of employment are with the Company but who actually work in its subsidiaries and perform no services directly for the Company. These employees are not included above.

5 Share-based payments
The Company operates a number of share-based payment schemes for employees of the Group, details of which are in Note 9 of the Group accounts. Certain of the Company's employees participate in the equity-settled LTIPs, DSBP and equity-settled SAYE which grant rights to the Company's own equity instruments and hence are accounted for as equity-settled share-based payments.

NOTES TO THE COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2024

6 Post-employment benefits

Employees of the Company may be members of the Group's UK pension schemes.

Defined benefit scheme

There is no agreement or stated policy for charging the net defined benefit cost for the scheme to the individual Group entities. Both the Company and RS Components Limited, the main UK trading subsidiary of the Company, are the sponsoring employers. The majority of the scheme members work for RS Components Limited and so it accounts for the UK scheme as a defined benefit scheme in its accounts. The Company recognises a cost equal to its contributions.

Details of the UK defined benefit scheme is in Note 10 of the Group accounts.

Defined contribution scheme

Contributions to the defined contribution scheme are expensed as they fall due.

7 Tangible assets

Tangible assets are stated at cost (or deemed cost for the freehold warehouse facility which is occupied by a wholly owned subsidiary) less accumulated depreciation and any provisions for impairment. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and any dismantling and restoration costs.

No depreciation has been charged on land. Other assets are depreciated to residual value on a straight-line basis over the following useful lives: investment property (freehold warehouse facility occupied by a wholly owned subsidiary) 50 years; leasehold improvements 10 years; plant and machinery 10 years; and computer equipment 5 years.

	Investment property £m	Leasehold improvements £m	Plant and machinery £m	Computer equipment £m	Total £m
Cost					
At 1 April 2023 and 31 March 2024	**18.2**	**1.2**	**9.2**	**0.8**	**29.4**
Depreciation					
At 1 April 2023	3.0	0.7	9.2	0.8	13.7
Charged in the year	0.5	0.1	–	–	0.6
At 31 March 2024	**3.5**	**0.8**	**9.2**	**0.8**	**14.3**
Net book value					
At 31 March 2024	**14.7**	**0.4**	**–**	**–**	**15.1**
At 31 March 2023	15.2	0.5	–	–	15.7

8 Investments in subsidiaries

Investments in subsidiaries, including loans that are expected to be repaid after more than one year although there is an option for the Company to require repayment on demand, are carried at the lower of cost and expected recoverable amount. Impairments are recognised in the profit and loss account.

The expense relating to share-based payments that grant rights to the Company's equity instruments to employees of other Group companies is treated as an increase in investments with the corresponding credit taken directly to reserves. In the year ended 31 March 2024, this amounted to £8.0 million (2022/23: £10.4 million).

	Shares £m	Loans £m	Total £m
Cost			
At 1 April 2023	227.9	279.1	507.0
Additions	8.0	155.5	163.5
Written off on strike off of subsidiary	(0.5)	(0.3)	(0.8)
Translation differences	–	(6.0)	(6.0)
At 31 March 2024	**235.4**	**428.3**	**663.7**
Impairments			
At 1 April 2023	0.4	15.4	15.8
Written off on strike off of company	(0.4)	(0.3)	(0.7)
At 31 March 2024	**–**	**15.1**	**15.1**
Net book value			
At 31 March 2024	**235.4**	**413.2**	**648.6**
At 31 March 2023	227.5	263.7	491.2

A number of non-trading subsidiaries were struck off during the year.

A list of the Company's related undertakings is in Note 30 to the Group accounts.

NOTES TO THE COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2024

9 Financial instruments

Basic financial instruments

Basic financial assets, including cash and bank balances and amounts owed by subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

Basic financial liabilities, including accruals, other creditors, bank overdrafts and loans, private placement loan notes and amounts owed to subsidiary undertakings, are initially recognised at transaction price and then subsequently at amortised cost.

Derivative financial instruments and hedging activities

The Company has elected to adopt the recognition and measurement provisions of IAS 39 (as adopted in the UK) and the disclosure provisions of FRS 102 in respect of financial instruments.

The Company uses derivative financial instruments to cover its exposure to foreign exchange risks arising from operational and financing activities. It principally employs forward foreign exchange contracts to hedge against changes in exchange rates on behalf of its operating subsidiaries using back-to-back external and intra-group forward foreign exchange contracts and these subsidiaries apply cash flow hedging where appropriate. In accordance with its treasury policies, the Company does not hold or issue derivative financial instruments for trading purposes.

All the Company's derivatives are measured at fair value with changes in the fair values recognised in profit or loss.

10 Debtors

	2024 £m	2023 £m
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	**1,233.8**	988.1
Other derivative assets	**3.8**	3.4
Prepayments	**5.0**	4.2
Debtors: amounts falling due within one year	**1,242.6**	995.7
Amounts falling due after more than one year:		
Deferred tax asset (Note 13)	**0.7**	2.2
Debtors: amounts falling due after more than one year	**0.7**	2.2

Amounts owed by subsidiary undertakings are unsecured, bear interest at market rates and are repayable on demand.

11 Creditors: amounts falling due within one year

	2024 £m	2023 £m
Amounts owed to subsidiary undertakings	**353.7**	363.8
Bank overdrafts	**157.6**	134.0
Other derivative liabilities	**3.8**	3.4
Accruals	**7.9**	10.3
Other creditors	**8.1**	0.2
Cash-settled share-based payment liability	**0.1**	0.3
	531.2	512.0

Amounts owed to subsidiary undertakings are unsecured, bear interest at market rates and are repayable on demand.

NOTES TO THE COMPANY ACCOUNTS CONTINUED

For the year ended 31 March 2024

12 Creditors: amounts falling due after more than one year

	2024 £m	2023 £m
Unsecured private placement loan notes repayable after more than five years	**78.4**	80.0
Unsecured private placement loan notes repayable from three to four years	**–**	80.4
Unsecured private placement loan notes repayable from two to three years	**78.7**	–
Unsecured sustainability-linked loan repayable from four to five years	**155.0**	24.2
Unsecured term loan repayable from two to three years	**128.2**	–
Other creditors	**0.4**	0.7
Cash-settled share-based payment liability	**0.2**	0.3
	440.9	185.6

Details of the private placement loan notes, sustainability-linked loan are in Notes 21 to 23 of the Group accounts.

13 Deferred tax

The charge or credit for taxation is based on the taxable profit or loss for the year and takes into account taxation deferred because of timing differences. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are attributable to the following:

	2024 £m	2023 £m
Equity-settled share-based payments	**0.7**	2.1
Other	**–**	0.1
Deferred tax asset (Note 10)	**0.7**	2.2

There are no unused tax losses or unused tax credits.

14 Operating lease commitments

Future minimum amounts payable under non-cancellable operating leases are:

	2024 £m	2023 £m
Within one year	**1.2**	1.2
From one to five years	**2.8**	4.0
	4.0	5.2

15 Contingent liabilities

The Company enters into financial guarantee contracts to guarantee the indebtedness of certain other companies within the Group. The Company treats the guarantee contracts as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Guarantees exist in respect of bank facilities available to certain subsidiaries, up to a maximum of £86.7 million (2022/23: £81.4 million), of which £8.8 million (2022/23: £9.3 million) had been drawn down at the end of the year.

16 Capital and reserves and dividends

Details of the Company's share capital, share premium account, EBT and dividends paid to shareholders are in Notes 13 and 26 of the Group accounts.

The Company has sufficient distributable reserves to pay dividends for a number of years and is also able to increase its distributable reserves further by receiving distributions from its subsidiaries.

FIVE YEAR RECORD

Year ended 31 March

Summary income statements and related metrics

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Revenue	**2,942.4**	2,982.3	2,553.7	2,002.7	1,953.8
Operating profit	**280.1**	383.0	308.8	167.2	205.3
Add back: amortisation and impairment of acquired intangibles	**26.6**	16.6	11.6	7.0	5.4
Add back: acquisition-related items	**5.1**	2.6	–	2.9	–
Add back: substantial reorganisation costs and substantial asset write-downs	**–**	–	–	11.2	10.0
Adjusted operating profit	**311.8**	402.2	320.4	188.3	220.7
Net finance costs	**(31.9)**	(12.2)	(7.1)	(6.8)	(5.9)
Share of profit of joint venture	**0.6**	0.7	0.5	0.2	0.2
Adjusted profit before tax	**280.5**	390.7	313.8	181.7	215.0
Amortisation and impairment of acquired intangibles	**(26.6)**	(16.6)	(11.6)	(7.0)	(5.4)
Acquisition-related items	**(5.1)**	(2.6)	–	(2.9)	–
Substantial reorganisation costs and substantial asset write-downs	**–**	–	–	(11.2)	(10.0)
Profit before tax	**248.8**	371.5	302.2	160.6	199.6
Income tax expense	**(65.1)**	(86.7)	(72.2)	(35.1)	(44.9)
Profit for the year attributable to owners of the Company	**183.7**	284.8	230.0	125.5	154.7
Earnings per share	**38.8p**	60.4p	48.9p	27.7p	34.7p
Adjusted earnings per share	**43.8p**	63.6p	51.3p	31.3p	37.7p
Dividend per share[1]	**22.0p**	20.9p	18.0p	15.9p	15.4p

Summary balance sheets and other metrics

	2024 £m	2023 £m	2022 £m	2021 restated[3] £m	2020 £m
Non-current assets	**1,257.0**	953.7	706.1	711.0	573.4
Current assets	**1,641.4**	1,590.3	1,395.1	1,134.8	1,044.3
Current liabilities	**(815.3)**	(838.9)	(726.2)	(631.8)	(570.4)
Non-current liabilities	**(650.2)**	(360.2)	(266.5)	(314.6)	(327.4)
Net assets	**1,432.9**	1,344.9	1,108.5	899.4	719.9
Add back: net debt	**418.2**	113.0	42.1	122.0	189.8
Add back: retirement benefit net assets / obligations	**25.7**	36.4	12.4	55.7	55.8
Capital employed	**1,876.8**	1,494.3	1,163.0	1,077.1	965.5
Return on capital employed (ROCE)[2]	**17.4%**	30.8%	28.7%	19.4%	24.0%
Adjusted free cash flow	**151.2**	263.6	162.9	145.4	80.9
Average number of employees	**8,964**	7,818	7,383	6,806	7,044
Share price at 31 March	**726.8p**	914.0p	1,084.0p	993.0p	516.2p

1 An additional interim dividend for the year ended 31 March 2020 of 9.5p, to replace the deferred final dividend, was paid on 18 December 2020. This is included in the 2019/20 dividend per share amount.

2 ROCE for the year ended 31 March 2020 was updated in 2020/21 to be based on monthly average capital employed.

3 Restated in 2021/22 for measurement period adjustments for prior year acquisitions.