Zenith
Intelligent Vehicle Solutions

Annual report and accounts FY26

Zenith Automotive Holdings Ltd

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Our Head Office at Kirkstall Forge

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Group overview

Zenith is the UK's largest independent leasing, fleet management and vehicle outsourcing provider, offering end-to-end vehicle solutions across three divisions: Corporate, Commercial and Consumer, supported by proprietary digital platforms and diversified vehicle fleets.

FY26 key performance highlights[1]

Revenue[2]
£758.7m
+3.4% YoY

Normalised adjusted EBITDA
£67.1m
+31.9% YoY

Colleague engagement score
80%
November 2025

Corporate CSAT score
83.1%
+0.6ppts

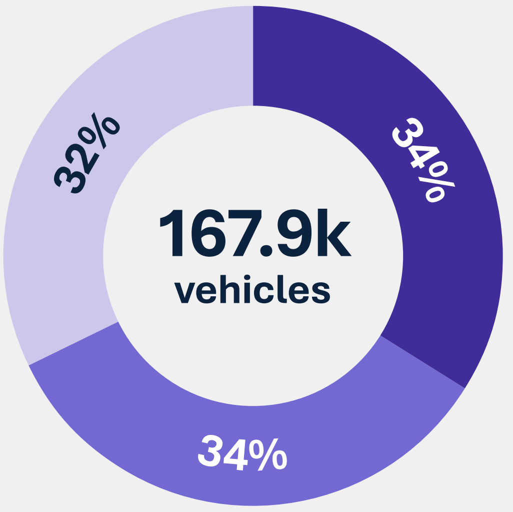
Gross profit
£104.4m
(2.2%) YoY

Adjusted EBITDA excl. RV losses
£37.0m
+39.9% YoY

Operating loss
(£61.3m)
(57.4%) YoY

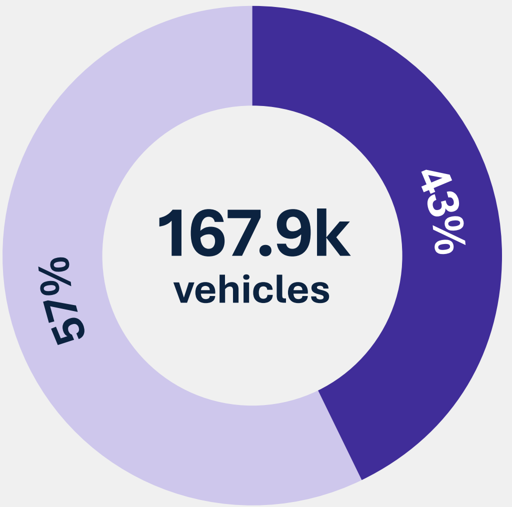
FY26 fleet highlights

Total fleet split by division



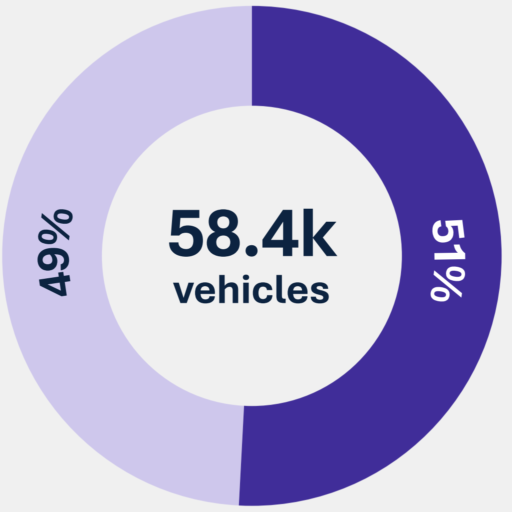
- Corporate **57,950**
- Commercial **56,442**
- Consumer **53,480**

Total fleet split by funded/managed



- Funded **72,194**
- Managed **95,678**

Total funded fleet split by fuel type[3]



- BEV **29,678**
- ICE **28,683**

1. Continuing operations only. A comprehensive set of statutory and alternative performance measures are described in the Glossary from page 107 of this report.
2. FY25 revenue has been restated. See note 28 for further details.
3. Corporate and Consumer funded fleets only.

Group strategy

In FY26, we refreshed our strategy, providing a clear framework for decision-making and aligning our priorities around long-term value creation.

Shaped through extensive engagement with colleagues and leaders across the business, at its core, is a clear, focused vision: to be the UK's most customer-focused fleet partner.

The strategy provides a stronger shared understanding of how individual activities contribute to overall performance, with clear business priorities aligned to each pillar. This new approach ensures the organisation remains aligned, accountable and firmly focused on delivering for customers, suppliers, colleagues and wider stakeholders.

Our strategic narrative

Our purpose

To keep our customers moving, sustainably

At Zenith, we're committed to providing the best service.

Whether our customers need urgent roadside support, help picking the right vehicle or guidance on future-proofing their fleets, we've got it covered.

Our vision

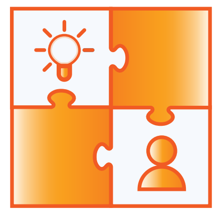
To be the UK's most customer-focused fleet partner

We put our customers first. Through effective collaboration, we're proud to be the trusted partner for many of the biggest names on the road.

Our strategic pillars

Powered by people

Customer-led propositions



Engineer for tomorrow

Our values

Innovative | Passionate | Agile | Proud | Driven | Honest

Our people set us apart and make Zenith, Zenith.

We build a culture that is focused on standards, support, inclusion and wellbeing so that we all bring the best version of ourselves – every day.

We continually invest in upskilling our people, to enable them to deliver the best service to the customers and communities we serve.

To find out more about our people progress, visit page 19.

The world of fleet is constantly evolving, and so are we. By expanding our range of services and solutions, we're proving that by putting customers first, great things follow.

With strong long-term partnerships, we collaborate to drive innovation and ensure the best results, every time.

Our independent ownership and financing means we can be agnostic across vehicle make, powertrain and funder – we are not distracted from what's best for our customers. We provide the right solutions, when and where they are needed.

To find out more about our strategic progress, visit our Corporate, Commercial and Consumer divisional pages.

We've embarked on a journey to a stronger, smarter, sustainable Zenith.

With intuitive platforms and clear, simple communication, we are a people-centred and relationship-driven business that is enabled through technology.

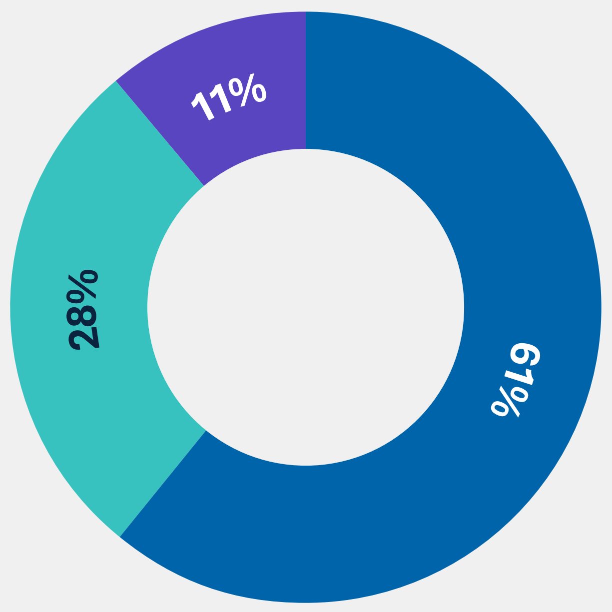
By investing in technology that enhances relationships, empowers our people and creates brilliant seamless experiences for our customers, we're building a business ready for the future.

To find out more about our technological and sustainability progress, visit pages 21 to 24.

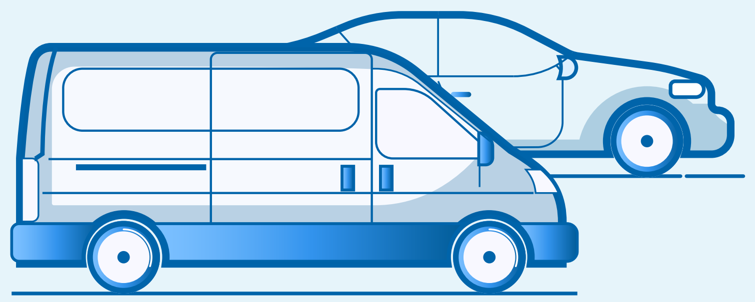
Divisional overview

Our operating divisions address a diversified set of markets across a range of channels.

Normalised adjusted gross profit by division[1]

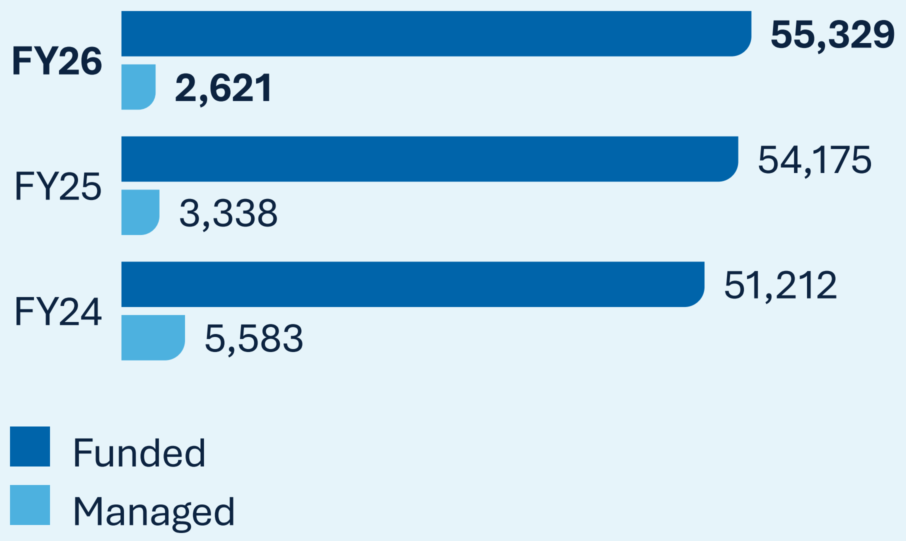


Corporate division

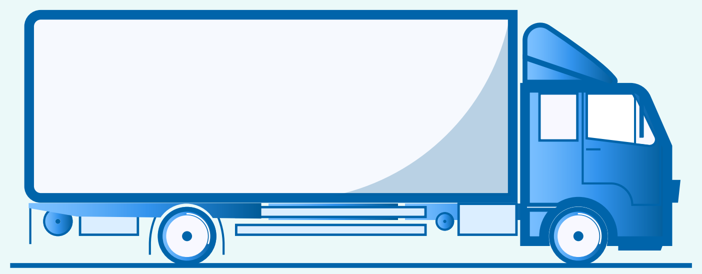


We provide fully outsourced company car and salary sacrifice schemes, together with fleet management and rental services for a broad range of businesses in the UK, often operating as the sole supplier for many of our customers. Our services include vehicle procurement, in-life fleet management, accident management and LCV operations.

Corporate fleet size



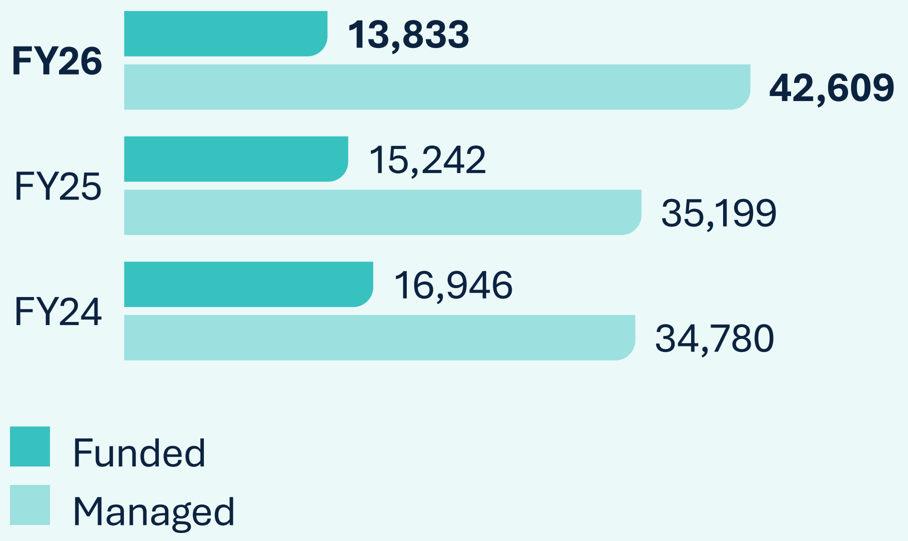
Commercial division



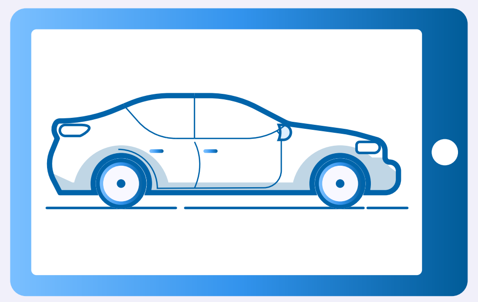
We provide integrated fleet services for light and heavy commercial goods vehicles and trailers, supporting operations across sectors such as retail and wider logistics. Our services span fleet management, maintenance, leasing, rental and trailer hire, delivered through a nationwide repair network and expanding mobile servicing capabilities.

We also manage a large and diverse trailer fleet, supporting a wide range of operating requirements.

Commercial fleet size



Consumer division

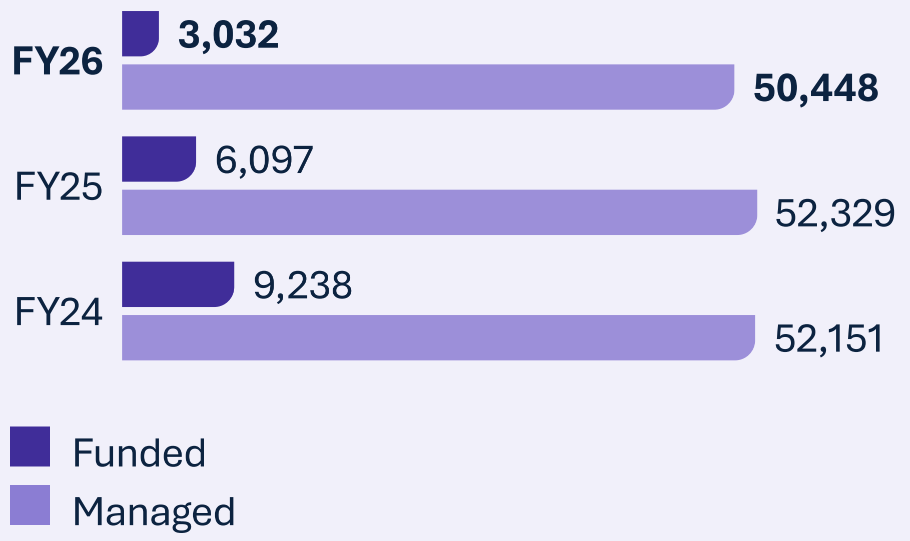


The Consumer division comprises the White Label Solutions and ZenAuto businesses.

Our White Label Solutions business delivers outsourced leasing and fleet management services through partnerships.

ZenAuto is our direct-to-consumer, end-to-end leasing business, offering personal contract and business contract hire. ZenAuto closed to new business in January 2026.

Consumer fleet size



1. Continuing operations only. A comprehensive set of statutory and alternative performance measures are described in the Glossary from page 107 of this report.

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Chair’s foreword

The past year has seen uncertainty and disruption in both the global and domestic economy. The UK economy has been particularly impacted by a range of issues including tariffs, disrupted trade flows and escalating geopolitical conflicts. Despite these challenges, we remain confident that the Group is well-positioned to deliver on its priorities.

Stuart Rose

Lord Stuart Rose
Chair

Against this backdrop, Zenith continues to hold a leading position in the UK vehicle leasing market – a sector that remains structurally important to the automotive industry and central to the way vehicles are funded. The market continues to benefit from the broader economic shift from ownership to usership, with subscription-based models becoming increasingly embedded in both consumer and business behaviour. Leasing also plays a critical role in supporting decarbonisation, particularly given the significance of vehicle emissions in the transition to a lower carbon economy. In an environment where businesses and households remain focused on managing costs and maximising value, Zenith is well placed to capitalise on these long-term structural trends through its compelling value proposition and high levels of customer service, helping customers maximise fleet availability and efficiency.

Strategic response

Following a refresh of our strategy, Zenith has reinforced its commitment to delivering for customers – already a key strength and differentiator of the business – ensuring we continue to attract new customers and maintain high customer retention rates.

The evolving transition to electric vehicles

Levels of battery electric vehicle (BEV) adoption in the UK continued to increase over the year, with BEV car registrations growing by 17% over the 12 months to March 2026[1]. The market share of BEVs was 23.9% for the same period[1], reflecting a market that is steadily maturing. While the pace of transition across all segments has yet to meet the targets set under the government’s ZEV mandate, the overall direction of travel remains encouraging.

The used BEV market has faced ongoing challenges, driven by fluctuations in used car supply and demand, and government policy action delivering mixed messaging for car buyers, such as the proposed pay per mile taxation on BEV and hybrid vehicles from 2028.

More government support is needed to help BEV markets mature – particularly for used BEV cars but also for LCV and HGVs. We remain closely engaged with industry bodies and government, sharing our insights (e.g. through our EVXperience report) and contributing to discussions aimed at providing support for the used BEV market. A healthy and continued growth in new BEV adoption relies on growing demand for these vehicles in the used market.

Encouragingly, there are signs that prices of used BEV cars are becoming less volatile as the market matures and volumes grow. Zenith has proactively adapted, by increasing the routes to market it has for its returning vehicle fleet. However, electric LCV and HGV adoption are both significantly lagging the car market due to more demanding vehicle requirements, limited charging infrastructure specific for this sector, and a lack of government incentives relative to the scale of the transition required.

Strengthening financial resilience for the long term

The persistence of these industry-wide challenges reinforces the importance of a resilient financial platform. Shortly after the end of the year, Zenith completed a significant recapitalisation. This was a necessary step, taken to ensure that the business remains well capitalised, resilient and positioned with the financial resources to invest and grow over the longer term.

The strong backing shown by the Group’s majority shareholder, Bridgepoint, our Senior Secured Note investors, our RCF lenders and our asset-backed lenders throughout this process reflects their confidence in Zenith’s strategy, management team and long-term prospects.

Looking ahead

While we expect the near-term outlook to remain uncertain, with geopolitical developments influencing UK economic conditions and ongoing regulatory change shaping the industry, we are confident that we are well-placed to meet all challenges.

I would like to thank our customers and suppliers for their continued support over the past year, and for the trust they place in us to deliver on their business-critical requirements. Despite challenges in the used BEV market, I remain confident that the disciplined approach, clear strategic direction and strong management team position the Group well to deliver on its priorities and long-term objectives.

Through a strong focus on driving change, instilling greater operating rigour and strengthening the leadership team, we have set a firm foundation for the next phase of development. These actions, combined with a disciplined approach to execution, have underpinned a year of strong underlying business and financial performance. While there remains more to do, the momentum achieved in the last year gives the Board confidence that the business is well-positioned to deliver sustainable growth and value for all our stakeholders in the years ahead.

1. Source: SMMT.

CEO's statement

FY26 has been a year of transition – simplifying our vision and strategy, strengthening our leadership and recapitalising our balance sheet. We have put the key foundations in place to underpin the future success of Zenith.

Richard Jones

Richard Jones
CEO

In my first full financial year as CEO, my focus has been on assessing the business and ensuring that we have the right strategy, leadership and capital structure to set the Group up for long-term success.

Refreshing our vision and strategy for the next chapter

In 2025, we refreshed our vision and strategy. The vision embodies our aspiration to be the UK's most customer-focused fleet partner. The strategy is simplified into three clear strategic pillars. Developed through extensive engagement with colleagues, it guides our priorities, key decisions and contributions at individual, team and business levels. It allows us to navigate the future in an unpredictable environment.

Strengthening our leadership to deliver our vision

I have strengthened the executive and broader leadership team through the year. Our new hires bring expertise, fresh perspectives and complementary skillsets that enhance the breadth and capability of the existing team. Two of the executive appointments were internal promotions, underscoring the strength of our talent pipeline and our commitment to progressing our people. I am also delighted to welcome two new external executives with the appointment of our new Chief Information Officer, Tara Walker, and our new CEO for the Commercial division, Craig Taylor.

To improve our execution focus, we have created a Group Products and Transformation directorate, setting the roadmaps for our propositions and ensuring we deliver change efficiently and effectively.

Executing our strategy

Despite a challenging market backdrop, we made strong progress across our strategic priorities in FY26:

- Launched our secondary leasing product, enabling salary sacrifice customers to lease high-quality used vehicles at affordable price points. This has opened up a new customer segment for us and helps us to manage residual values across multiple lease cycles.
- Project Volt, our programme to extend lease contracts for BEVs, continued to support customers to manage their monthly lease costs during periods of BEV price volatility.
- We continued to win new business adding to our high-quality client portfolio. This includes a new strategic partnership with Amazon within our Commercial division, and a number of new Corporate clients including the UK division of a global household name in the food and drinks industry.
- Our fleet of MSUs grew by 40% year-on-year to support the growth in the Commercial managed fleet, which grew more than 20% year-on-year.
- We successfully migrated our salary sacrifice customers onto our 'Miles' asset management platform, enabling stronger service and improved new order intake.

These achievements reflect the innovation and customer focus that is central to our long-term success.

A stronger financial platform for growth

In April 2026, we completed a significant recapitalisation transaction to support the delivery of our long-term strategy. This reflects a strong commitment to Zenith from our financial stakeholders, including a shareholder contribution of c.£100 million of equity and extension of our key debt maturities. This provides a robust foundation for the years ahead.

In January 2026, we stopped writing new business in ZenAuto. The ZenAuto team has consistently delivered excellent customer service and will continue to do so throughout the remaining term of our existing customers' contracts. The proposition struggled to gain a significant foothold in the broker dominated personal contract hire market and this decision allows us to prioritise our resources on areas of the Group where they can generate the greatest value.

Looking ahead

We have clarity on how we will deliver our refreshed strategy through three pillars:

- 'Powered by people' will provide continued investment in people capability, leadership and nurturing our unique, inclusive culture;
- 'Customer-led propositions' will focus on building market-leading core propositions, through deeper customer insight and consistent, high-quality experiences for clients and drivers across all lines of business;
- 'Engineer for tomorrow' will simplify platforms, enhance automation and deploy leading digital solutions across the Group.

I continue to be impressed by the strength and resilience of this business, the capabilities of our people and their commitment to delivering value to those we serve. I am excited about what we can achieve together going forward, and our ability to create long-term value for all our stakeholders.

Finally, I would like to sincerely thank all of our colleagues for their hard work and dedication which has enabled us to achieve so much progress this year. I would also like to extend my appreciation to our customers for their continued trust, and to our suppliers for their ongoing partnerships and support.

CFO strategic review

Mark Phillips, CFO

Summary of strategic and financial highlights[1]

- FY26 normalised adjusted EBITDA: £67.1m, +31.9% YoY
- FY26 adjusted EBITDA excl. RV losses: £37.0m, +39.9% YoY
- FY26 liquidity: £69.5m
- Pro forma liquidity: £107.4m
- Pro forma leverage: 6.4x
- Vehicle funding facilities: £1.4bn
- Headroom on vehicle funding facilities: £261m
- **Comprehensive recapitalisation completed after the year end, in April 2026,** strengthening the balance sheet and extending key debt maturities to 2031

Financial performance and context

The year to FY26 marked an important period for Zenith. Overall earnings continued to be impacted by residual value (RV) pressure from legacy positions on cohorts originated during an exceptional post-Covid market environment, leading to an overall loss-making position on RVs. Further weakness in used vehicle prices during the year, particularly in the first half, led to an impairment on vehicle assets of £38.8 million for FY26. However, the Group continued to post strong underlying performance, with growth in normalised adjusted EBITDA of 31.9% year-on-year. Customer demand was robust, orders continued to grow and the business continued to benefit from diversified, long-term contractual and recurring income streams. Approximately 40% of FY26 normalised adjusted gross profit was derived from contracted income, with recurring income representing a similar amount. This earnings mix provides a high degree of visibility and underpins the Group's overall profitability trajectory.

Recapitalisation and balance sheet strengthening

We utilise a range of corporate and vehicle funding solutions to finance the Group's operations and business growth. Our Group financing and fleet funding comprises the investment of our institutional equity investor, Bridgepoint, through the Bridgepoint Europe V Fund, our £475 million Green Senior Secured Notes and our range of wholesale asset funding programmes for the vehicle fleet, principally our £1 billion EFP securitisation facility. Our liquidity is maintained through the operational cash generation of the business, supported by our £65 million Revolving Credit Facility.

With the maturity dates of our EFP securitisation facility, RCF and Senior Secured Notes approaching (November 2026, April 2027 and June 2027 respectively), shortly after the year end we completed a recapitalisation transaction, with the following key highlights:

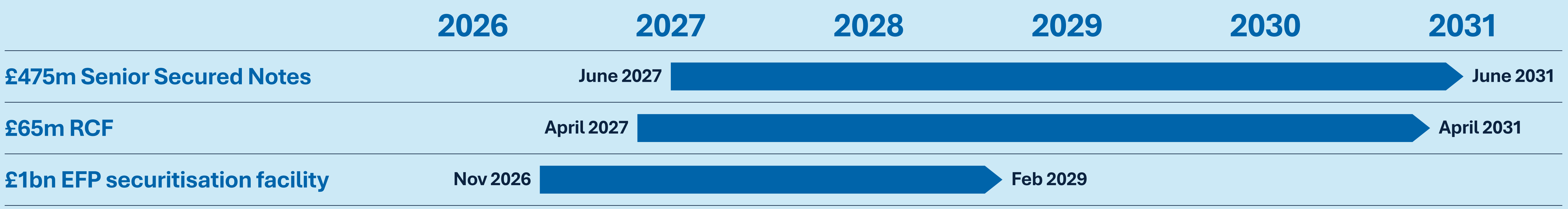
- A c.£100 million equity contribution from Bridgepoint and co-investors, which was primarily used to recollateralise the EFP securitisation facility, repay the outstanding Junior Mezzanine Note (c.£46 million) and pay transaction costs.
- Extension of the revolving period end date of the EFP securitisation facility to February 2029, with recollateralisation of the loss-making BEVs and PHEVs, resetting the RV realisation ratio test, resulting in a reset of RV advance rates to their maximum level.
- Extension of the £65 million Revolving Credit Facility maturity date to April 2031, with full repayment at closing.
- Extension at par of the Senior Secured Notes to June 2031, at a coupon of 10.5% all-in, comprising a 6.5% cash and 4% 'pay if you can' PIK coupon, subject to certain excess liquidity levels.
- Liquidity increased to £107.4 million and leverage reduced to 6.4x on a pro forma basis.

This important development delivers the funding, liquidity and capital strength to put us on a stable and sustainable financial position, enabling us to execute on our newly refreshed strategy.

With a significantly strengthened capital structure, extended debt maturities and improving operating fundamentals, Zenith is well-positioned to navigate the residual impacts of legacy residual value positions and deliver a sustainable recovery in profitability.

For further details, see the Facilities funding our fleet section of the CFO's statement and note 27.

Debt maturity profile



1. A comprehensive set of statutory and alternative performance measures are described in the Glossary from page 107 of this report.

Our business model

We have a well-diversified business model addressing a wide variety of end markets, providing resilience and a variety of growth opportunities. Our strong customer service proposition is recognised and valued by our customers through our high retention rates.

We provide end-to-end vehicle outsourcing and fleet management solutions...

Procurement
Support customers with specification and selection throughout the procurement process, including provision of an interim vehicle to cover order lead time.

Fleet management and in-life services
Offer a wide range of in-life services across the length of a contract.

End of contract
When a contract ends, the vehicle is either:

Disposed of – sold through auctions, retail channels or direct to the driver.

Extended – either on a formal or informal basis.

Retained – leased under a further secondary leasing contract (new for FY26).

Customer renews contract with procurement of new vehicle.

...to Corporate, Commercial and Consumer customers...

Corporate
- Vehicle procurement
- Short-term rentals
- Consultancy
- Fleet management
- Vehicle compliance
- Driver services
- Ancillary management and services
- Accident management
- Fleet leasing
- Lease extension
- Remarketing

Commercial
- Fleet management
- Vehicle procurement
- Consultancy
- Service, maintenance and repairs
- Ancillary services
- Vehicle compliance
- Trailer rentals
- Fleet leasing
- Lease extension
- Remarketing

Consumer
- Vehicle procurement
- Fleet management
- Vehicle compliance
- Driver services
- Fleet leasing
- Remarketing
- Lease extension

...enabling us to create value for our stakeholders.

Customers
End-to-end offering underpinned by proprietary digital platforms supports the entire customer journey, meeting tailored requirements.

People
We deliver an award-winning culture focused on high standards, high support, inclusion and wellbeing, all delivered through our People Promise.

Supplier partners
Long-term, strategic partnerships with suppliers.

Investors
Delivering sustainable underlying growth underpinned by a robust, long-term strategy.

Communities
Engaging with local communities to create value through sustainable growth by providing employment and support opportunities.

Government regulators and industry bodies
Collaborating with industry bodies and regularly engaging with regulators and the government.

The planet
Through delivering our vision, we are committed to reducing our impact on the planet.

Key performance indicators

We use a range of financial and non-financial KPIs to measure our progress against our strategic priorities.

Non-financial KPIs

Total fleet

167,872units

FY26	167,872
FY25	166,380
FY24	169,910

Direct emissions – tonnes CO_2 equivalent to £1 million revenue[1]

2.4tCO_2e/£1m

FY26	2.4 tCO_2e/£1m
FY25	2.9 tCO_2e/£1m
FY24	3.7 tCO_2e/£1m

BEV as % of Corporate and Consumer division funded fleet

50.9%

FY26	50.9%
FY25	47.5%
FY24	41.0%

Corporate division CSAT score

83.1%

FY26	83.1%
FY25	82.5%
FY24	80.3%

Colleague turnover

12.1%

FY26	12.1%
FY25	13.5%
FY24	16.3%

Colleague engagement score[2]

80%

November 2025	80%
June 2025	80%

Financial KPIs

Revenue[3]

£758.7m

FY26	£758.7m
FY25	£733.7m
FY24	£692.2m

Cash conversion[4]

50.0%

FY26	50.0%
FY25	58.7%

Gross profit

£104.4m

FY26	£104.4m
FY25	£106.8m
FY24	£138.5m

Normalised adjusted gross profit[4]

£140.8m

FY26	£140.8m
FY25	£126.2m

Operating loss

(£61.3m)

FY26	(£61.3m)
FY25	(£38.9m)
FY24	(£47.8m)

Normalised adjusted EBITDA[4]

£67.1m

FY26	£67.1m
FY25	£50.8m

Liquidity

£69.5m

FY26	£69.5m
FY25	£129.0m
FY24	£119.0m

Adjusted EBITDA excl. RV losses

£37.0m

FY26	£37.0m
FY25	£26.5m
FY24	£25.4m

1. Includes Scope 1 and Scope 2 emissions. The KPI was revised in FY26 to reflect market-based emissions for Scope 2, with FY25 and FY24 comparatives restated on a consistent basis.
2. New survey introduced in 2025.
3. FY25 and FY24 revenue figures have been restated. See note 28 for further details.
4. Figures not available for FY24.

Market trends

Structural growth drivers continue to support long-term leasing and fleet management

	01	02	03	04	05
Market factors	**Growing new car registrations in a resilient market** • The UK represents a large, well-established and expanding market for new cars and commercial vehicles. • The market in the UK remains relatively insulated from neighbouring markets due to the predominance of right-hand drive vehicles, helping to mitigate fluctuations in supply and demand dynamics.	**Macroeconomic trend in ownership to usership** • Vehicle purchases are significant expenditures for consumers and businesses, making them well-suited to subscription-style solutions such as leasing. • The shift from ownership to usership seen across the economy supports consumer adoption of leasing models.	**Increasing BEV adoption and decarbonisation** • Consumer preferences, regulatory requirements and ESG focus are accelerating electrification within the car fleet.	**Supply and demand impact on the price of used cars** • The used car market is driven by the balance between vehicle supply and consumer demand, which influences residual values and pricing levels. • Supply is primarily supported by lease returns, fleet disposals and trade-ins, while demand is underpinned by consumer affordability, economic conditions and vehicle availability.	**Continued growth in e-commerce and online purchasing increasing importance of fleet uptime** • Increasing customer expectations around delivery speed and reliability are placing greater operational demands on high-utilisation fleets, requiring higher fleet availability, compliance, cost-efficiency and sustainability.
Key market trends	• Volumes of new car registrations reached 2.1m vehicles in the 12 months to March 2026; a growth rate of 3.4% year-on-year.[1] • Volumes are expected to continue to grow, driven by affordability of leasing models compared to outright purchase, increased demand for flexible mobility and a recent shortfall in new cars registered over the last 10 years.	• Leasing has grown over the last few years, with fleet registrations now accounting for around 60% of new car registrations.[1] • The attractive total cost of ownership offered by leased vehicles, together with evolving consumer attitudes towards asset ownership, is driving increased adoption of leasing.	• Rates of BEV adoption by car drivers is steadily increasing, due to the government's attractive Benefit-in-Kind tax rates, general consumer awareness and additional supply driven by government initiatives such as the ZEV mandate. • BEV cars accounted for 23.9% of all new car registrations in the 12 months to March 2026, and grew at 17.5% compared to the previous 12-month period.[1]	• Used car prices have moderated since the exceptional post-Covid peak. • As the BEV market has matured and supply constraints have eased, prices of BEVs have fallen, in many cases to levels at or below equivalent ICE models. • The price of used ICE cars has continued to remain resilient, driven by lower levels of supply, combined with buoyant demand.	• Delivery volumes continue to rise as online shopping becomes increasingly embedded in consumer behaviour, driving higher levels of logistics and parcel delivery activity.

1. Source: SMMT.

Corporate division

Our Corporate division provides comprehensive, fully outsourced vehicle leasing and fleet management solutions including traditional company car and van fleets, and salary sacrifice schemes, short-term rentals, accident management, service and consultancy. We support many of the UK's leading blue-chip businesses, primarily on a sole-supply basis.

FY26 headlines

- Growth in the funded fleet, +2.1% YoY to 55,329 vehicles.
- Growth in lease margins driven by strong margins on new lease contracts and continued unwind of lower margin cohort.
- 14 new business wins in FY26 (FY25: 23).
- Maintained excellent customer service offering with high CSAT score (83.1%) driving high levels of customer retention.
- Secondary leasing product launched.
- New retail remarketing channel launched.
- Deployment of the customer insight portal to enable customer analysis, drive decision-making and enhance the customer journey.
- Won 2026 Fleet News Leasing Company of the Year.

Divisional overview

Company car and van

Our company car and van solutions include leases for both perk vehicles, offered as part of an employee's benefit package, or job-need vehicles. As we are OEM agnostic, we provide a full range of vehicle makes and marques, often built to incorporate the customers' specific requirements, alongside the option of our fleet management service to nearly all of our customers.

Salary sacrifice

We have operated salary sacrifice schemes for over 25 years and run a number of the largest private sector salary sacrifice schemes across the UK. Our solutions are fully outsourced, including insurance and maintenance, and are built around our customers' employee benefit requirements. Our proprietary salary sacrifice portal enables our drivers to self-serve, and this year, we also launched our fully digitalised used salary sacrifice scheme in order to extend the market segments in which we operate.

Rental

We operate one of the UK's largest third-party rental networks, delivering over one million rental days per annum and managing a supply chain of more than 300,000 vehicles across 1,600 UK locations. Our rental solutions provide interim vehicles while drivers await new company cars, replacement vehicles during maintenance, servicing and repair periods, and flexible fleet solutions to respond to changing demand, supported by a fully harmonised SLA and consistently high service levels and vehicle availability.

Consultancy

Our specialist Consultancy team advises on asset optimisation, legislative change, vehicle procurement and electrification planning, whilst considering efficiency, cost, decarbonisation goals and risk management. The team also represents the voice of our customer and advocates for the sector in its engagement with government.

Accident management and service

We provide fleet management services to over 90% of our customers, incorporating accident management and service. We manage the entire process for an accident; using our in-house accident management team and established repair network with real-time information to customers. Our service network leverages over 4,000 garages and suppliers, reducing vehicle downtime. We provide real-time fleet status information including downtime and maintenance reporting through our customer insights portal.

FY26 highlights

FY26 revenue
£560.2m
+7.8% YoY

Orders
13,586
(1.3%) YoY

FY26 normalised adjusted gross profit
£86.0m
+13.2% YoY

Order bank
5,747
+5.2% YoY

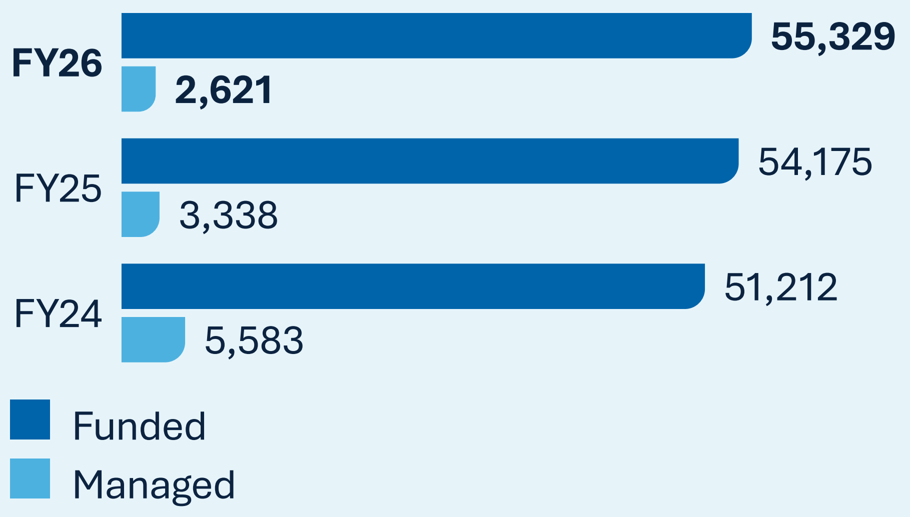
FY26 gross profit
£53.0m
(7.3%) YoY

Deliveries
13,078
(8.8%) YoY

Corporate BEV as % of funded fleet
52.2%
+2.3ppts YoY

Corporate funded fleet
55,329
+2.1% YoY

Corporate fleet size



KPIs

Corporate CSAT score	Rental CSAT score
83.1%	**81.9%**
+0.6ppts YoY	+1.2ppts YoY

Customer retention rate	FY26 new business wins
97%	**14**
+1ppt YoY	FY25: 23

FY26 update

Fleet growth

The Corporate funded fleet, comprised of our company car and salary sacrifice schemes, continued to grow in FY26, and was 2.1% higher year-on-year, driven primarily by our salary sacrifice schemes, which grew 3.3% year-on-year.

Lease margins

Throughout FY26 we achieved higher lease margins through: i) growth in the funded fleet; ii) strong margins on new lease contracts; and iii) lower margin cohorts which were written in 2022 and 2023, rolling off the fleet. These cohorts reflect the period of extended order lead times and rising interest rates, and are now being replaced by higher margin contracts.

Customer service and retention

Throughout FY26, we continued to put our customers at the heart of our decision-making, delivering exceptional customer service across all our propositions, reflected in the maintenance of our Corporate CSAT score of 83.1%, which in turn enabled us to maintain a customer retention rate of 97%. Alongside our long-standing relationships with customers, reflected in our average tenure of customers of nine years, we achieved 14 new business wins and cross-selling opportunities, further demonstrating the strength of our customer base and ability to extend our partnerships by diversifying the services we can offer.

We completed the migration of our salary sacrifice schemes onto Miles during the year, enabling us to deliver enhanced service to customers and insights, building on the leading customer portals deployed in FY25.

Secondary leasing

In FY26, we launched a new product within the Corporate division – our secondary leasing programme – as part of our increased focus on new products and channels. This is currently offered to participating salary sacrifice customers, and involves leasing a returned vehicle to a new driver for a new lease period. All vehicles returning from a lease are reviewed for their suitability for a second or further lease term, and those eligible are refurbished and advertised on our salary sacrifice portal. This product enables us to address a new market segment and the opportunity to capture greater economic value from vehicles in their second cycle, whilst also deferring the sale of the vehicle, mitigating the RV risk positions. Our solution also enables our customers' employees with access to high-quality vehicles at a lower cost with guarantees in place such as our seven-day promise.

Further details are contained in the RV Risk management section.

Project Volt

Our BEV extension programme, Project Volt, continues to deliver financial benefits and good customer outcomes, and in FY26, we mitigated a further £8.4 million of RV losses, taking the project's total to £19.2 million. Further details are contained in the RV Risk management section.

Retail remarketing

In early FY26, we extended our range of sales channels for disposal of vehicles at the end of their contract, by entering into a partnership which provided access to the retail market. This provides a higher selling price and greater economic value from the sale of the vehicle. Through FY26, our sales through this channel reached 10% of all cars sold, and accounted for 25% of all cars sold in the final month of the financial year.

Award winning

In March 2026, for the second time in four years, we were named Leasing Company of the Year (more than 20,000 vehicles) at the Fleet News Awards, one of the most respected and competitive award programmes in the automotive and fleet sector. The judges commented on our commitment to customer focus, innovation and strong industry partnerships.

Future focus

- Continue to maintain our excellent service standards and to win new customers.
- Continue roll-out of secondary leasing product.
- Continue to grow our retail remarketing channel.
- Enhance our customer experience by reviewing and enhancing our customer journeys.

Commercial division

Our Commercial division is a market leader in delivering fleet management, maintenance and mobile services to high intensity and operationally critical fleets. Our comprehensive end-to-end proposition ensures availability and compliance of fleets, whilst controlling costs.

We operate across all commercial vehicle types: light and heavy goods vehicles, trailers and specialist equipment, covering a range of sectors including retail, parcel delivery and logistics.

FY26 headlines

- Launched new, innovative fleet management services, facilitated by Amazon for Last Mile and Middle Mile.
- Pricing and in-life operational initiatives driving financial performance higher.
- Mobile Service Unit (MSU) fleet reached 191 units, up 40.4% YoY.
- Supported customers to optimise their fleet efficiency and maintain activity with fewer vehicles.
- Maintained strong customer retention levels.

Divisional overview

Fleet management

Our end-to-end service encompasses safety and compliance, defect management, cost control and fleet availability, delivered on either a partially or fully outsourced basis through specialist teams and self-service digital solutions, via our CVConnect proprietary software. Our systems are compliant with the Driver and Vehicle Standards Agency (DVSA) earned recognition scheme, providing customers with real-time digital access to compliance documentation.

Service, maintenance and repairs

We deliver our service, maintenance and repair solutions through our mobile service unit fleet, supported by the largest service network in the UK, spanning over 3,000 repair agents. This approach allows us to maximise vehicle uptime through onsite service, reducing fuel, collection and delivery costs, controlling labour rates and the cost of parts and reducing emissions. All our suppliers are connected digitally through our CVLink proprietary software, providing real-time visibility of parts and audited trail of repair costs.

Vehicle procurement and funding

Customers can specify, select and source commercial vehicles, funded through a range of flexible financing options, enabling us to provide a whole-of-market offering across all manufacturers on favourable terms and at competitive lease rates.

Trailer rentals

We offer spot and long-term trailer rentals, enabling our customers to manage seasonal peaks in demand through one of the largest and most diverse trailer fleets in the UK, with nearly 6,400 trailers and around 70 configurations, serving over 200 fleet operators nationwide.

FY26 update

Enabling efficiencies in customer fleets

Our fleet management and SMR solutions deliver optimal vehicle availability, and combined with the ongoing economic uncertainty, we have continued to see customers de-fleeting or deferring investment in their fleets. This has resulted in an increase in the average age of fleets and higher defect volumes, providing us with a tailwind for our service, maintenance and repair offering to support customers to maximise vehicle availability.

Operational initiatives

This year, we continued to pursue our pricing and operational initiatives to reflect current market conditions and the value our customers place in our services. Growth in our maintenance operations have been driven by the efficiency and sustainability benefits of our mobile service provision, with maintenance hours nearly 20% higher reaching 421,000 hours for FY26, with a fleet availability of 97.5%.

New-customer wins with Amazon's delivery service partner fleet

In FY26, we began delivering innovative fleet management services, facilitated by Amazon, with Zenith deploying mobile service technicians and our third-party repair network to support Last Mile Delivery Service Partners operating from Amazon Delivery Stations nationwide. We also commenced a tailored service offering for the Middle Mile fleet. This contributed to a 21.1% year-on-year increase in the managed fleet size, alongside continued investment in our MSU fleet to support the higher anticipated activity levels.

FY26 highlights

FY26 revenue
£124.8m
(3.8%) YoY

Total fleet size
56,442
+11.9% YoY

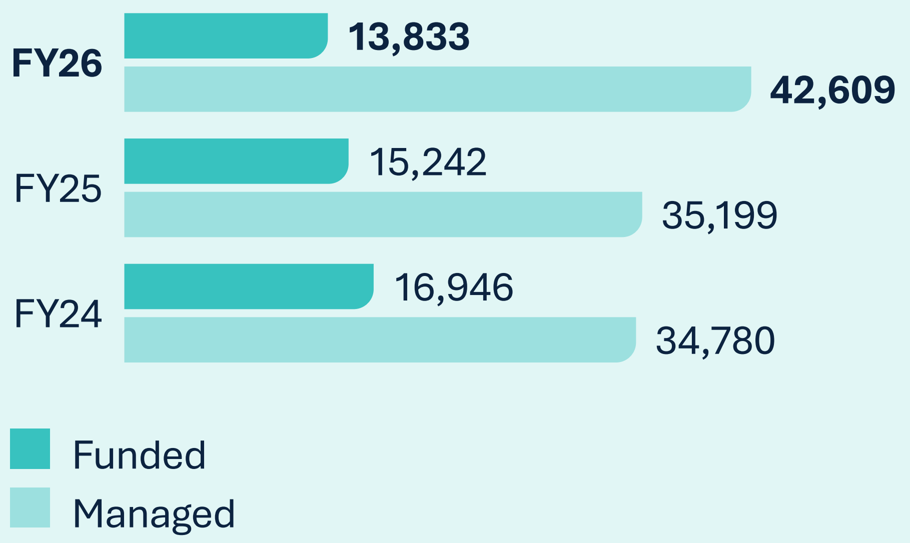
FY26 normalised adjusted gross profit
£39.6m
+18.8% YoY

Number of MSUs
191
+40.4% YoY

FY26 gross profit
£39.6m
+18.8% YoY

Number of trailers
6,386
(5.8%) YoY

Commercial fleet size



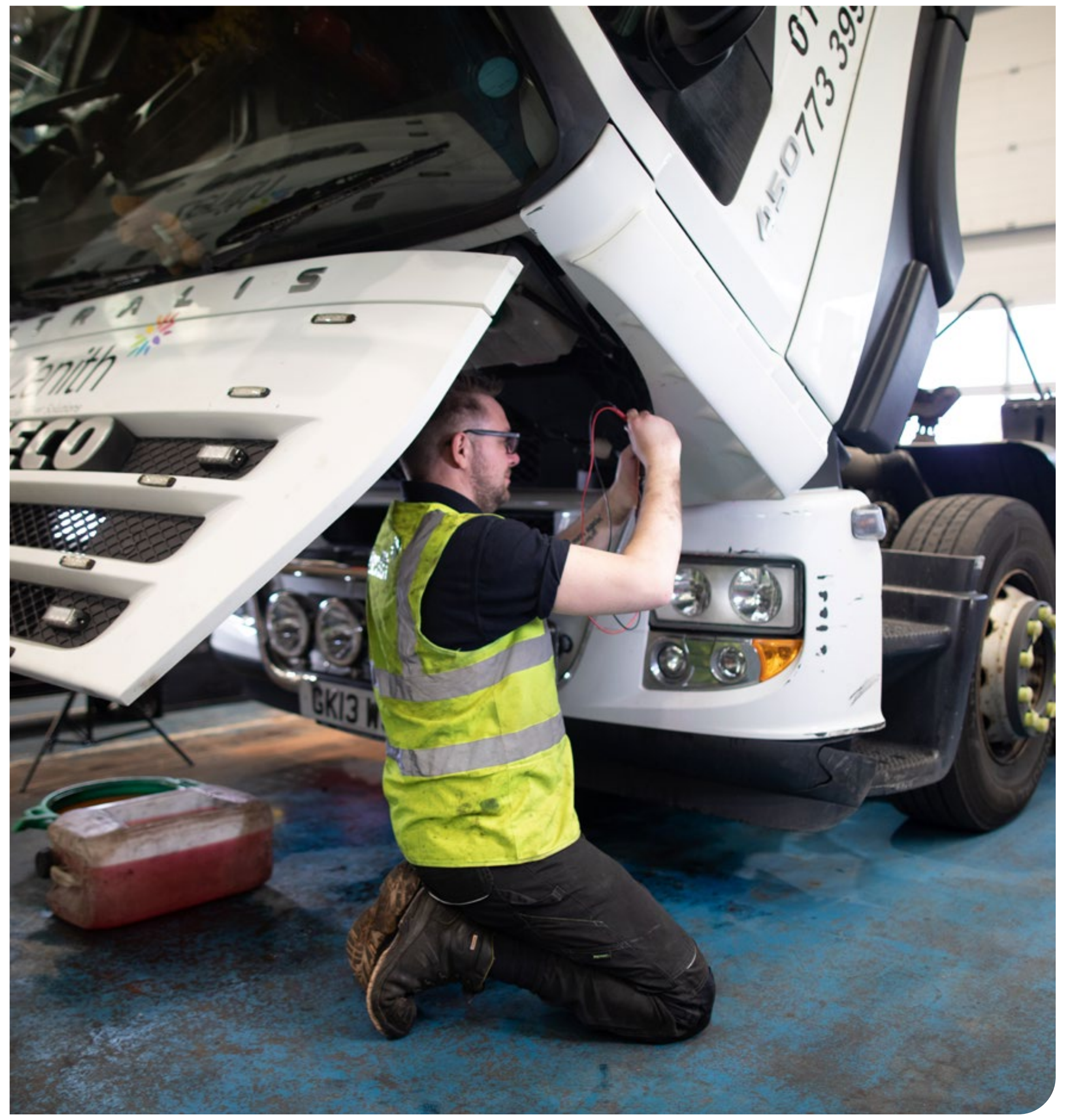
KPIs

Average fleet availability
97.5%
+0.3ppts YoY

MSU maintenance hours
421k
+18.7% YoY

Average trailer utilisation rate
82.8%
+1.9ppts YoY

Defects managed
501k
+5.1% YoY

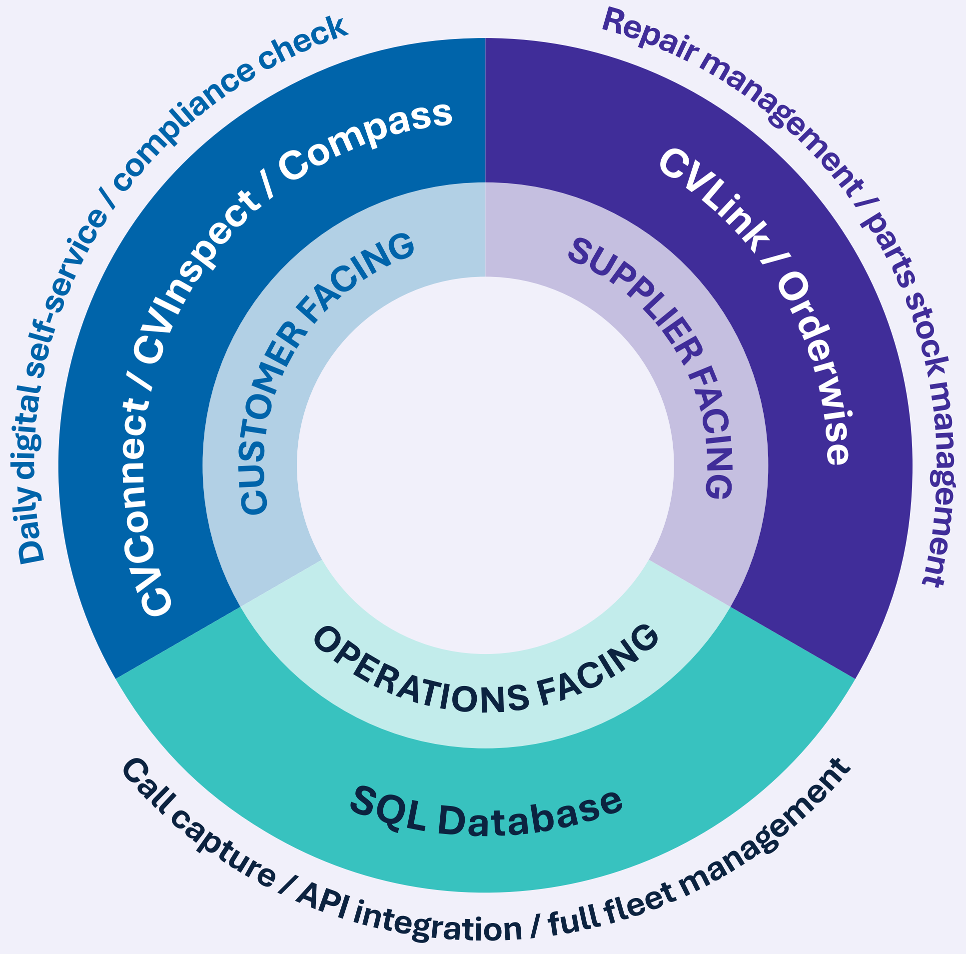


CVConnect/CVLink ecosystem

Our technology solution directly connects to customers and suppliers through intuitive user interfaces.

CVLink is our web-based supplier management system that enables suppliers to view maintenance jobs, track jobs and manage documentation including quotations and approvals.

CVConnect provides dashboards and real-time data for our customers to oversee their fleet status, breakdown updates and progress, connecting with other systems through API links.



Customer facing

CVInspect/Compass

- Single user-friendly platform
- Dashboards providing fleet oversight
- Live breakdowns and Vehicle On Road progress
- Daily vehicle walkaround checks completed by driver via app
- Digital authorisation of repairs and other compliance documents
- Updates on all fleet events, updates and timelines
- Data tailored to customer's specific KPIs

Supplier facing

CVLink/Orderwise

- Supplier portal enabling repair cost management
- Full audited trail of parts and labour pricing
- Images of undertaken work and authorisation
- Warehouse management system
- Manage part stock for workshops, mobile technicians and third-party sales

Operations facing

SQL Database

- API integrations with driver app, DVSA MOT data and fleet telematics
- Unique insights enabling management of compliance, breakdowns, VOR, defects and fines
- Real-time data collection and usage
- Digital capture of breakdown and defect information
- Quick and efficient information gathering and processing

Future focus

- Roll out our partnership with Amazon and continue exploring future potential opportunities.
- Continue to deliver pricing and in-life income improvements through operational initiatives.
- Leverage in-sourcing to outsourcing trend.

Consumer division

Our Consumer division comprises two businesses: White Label Solutions, delivering outsourced leasing solutions and ZenAuto, our consumer leasing business[1].

FY26 headlines

- Advanced the digital integration of OEM partners into our technology platform within White Label Solutions.
- Strong growth momentum in the final months of FY26 within White Label Solutions with a growing order take from a broader set of joint venture partners and OEMs.
- ZenAuto closed to new business in January 2026. Excellent customer service continues to be delivered to existing customers.

Divisional overview

White Label Solutions

B2B2C service that delivers fully branded outsourced leasing and fleet management services to financial institutions and vehicle manufacturers through partnerships, enabling separation of capital, asset risk and operational activities. We provide the operating engine, with our partners retaining the lending and balance sheet exposure, enabling them to leverage their cost of capital without operational build-out. Our service provides complete digital connectivity via integrated APIs or direct access, and is supported by our customer service teams covering the full customer journey. We hold FCA permissions for credit brokering, debt administration and collection in order to deliver these services.

ZenAuto

Direct to consumer, end-to-end leasing business offering personal contract hire and business contract hire.[1]

FY26 update

White Label Solutions

In FY26, we continued to deliver fleet management and in-life services through our White Label Solutions business across a fleet size of just over 50,000 vehicles, underpinned by high levels of customer service. We have improved customer service performance, with a strong focus on 'right first time' outcomes, enhanced colleague capability and introduced specialist support for vulnerable customers. These changes have resulted in meaningfully higher quality scores, faster complaint resolution, and improved governance and oversight. We also continue to explore new partnership opportunities that will enable us to develop the White Label Solutions business further.

ZenAuto

In January 2026, the decision was made to stop writing new business within ZenAuto with the Group prioritising its core, higher-margin business areas. Current customers will continue to be serviced throughout their existing contracts and ZenAuto will maintain its commitment to these customers.

Future focus

- Continue to explore new partnership opportunities that will enable us to develop the White Label Solutions business further.

FY26 highlights

FY26 revenue
£73.7m
(12.6%) YoY

White Label Solutions (managed) fleet
50,448
(3.6%) YoY

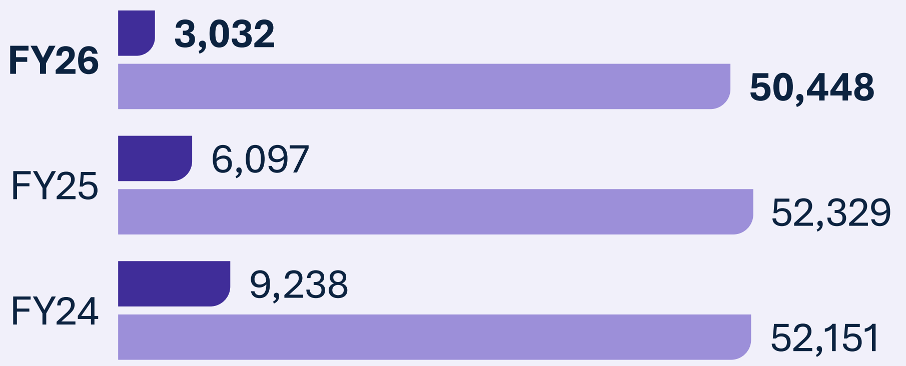
FY26 normalised adjusted gross profit
£15.2m
(10.1%) YoY

ZenAuto (funded) fleet
3,032
(50.3%) YoY

FY26 gross profit
£11.8m
(27.4%) YoY

BEV as % of funded fleet
26.5%
+0.2ppts YoY

Consumer fleet size



1. ZenAuto was closed to new business in January 2026.

People

At Zenith, we're committed to building a resilient, high-performing organisation. Now in its fifth year, our 'People Promise' not only supports the successful implementation of the policies and practices that govern and guide our employees, it sets out how we build the skills, capability and engagement required to meet evolving customer and market demand.

By investing in development, wellbeing and inclusion, we improve retention performance, productivity and organisational stability.

Future focus

- Digitisation of MyGPS, our performance and development programme.
- Performance objectives aligned to new Group strategy.
- Flexible working – shift patterns that organise our teams around the customer.
- Provide ongoing learning opportunities though our Inspiring Leaders programme.

Our People Promise

Designed for earnings growth

Design roles that are aligned to our purpose, and with our customers in mind, while building systems, structures and processes that are ready to scale as the business grows.

FY26 progress
- Supported delivery of £3 million in efficiency savings through organisational changes.
- Continued to build our MSU capability and service new customers.

Brilliant teams

Investment in development to unlock potential so everyone can be their best selves. Develop inspiring leaders to drive performance and the future growth of the business.

FY26 progress
- New appointments with key skills in technology, product, transformation, commercial operations and risk management.
- Refreshed internal progression recruitment process, aligning with MyGPS and providing business-wide opportunities.
- Multiverse Apprenticeship/developing skills and capability in data, invested in change leadership.

Thriving culture

Represent the customers and communities we serve by shaping a culture with inclusion everywhere, while supporting the wellbeing of our people.

FY26 progress
- New engagement survey: 84% participation/ 80% engagement (above market benchmark).
- Relaunched approach to inclusion with new networks and leadership sponsors.
- Four award wins for wellbeing and inclusion.
- Increased representation in all diversity areas and 93% completion of Zenith Census.

Fair deal for all

Deliver a consistent, transparent and competitive pay offer which reflects the market, along with benefits that bring real value to our people.

FY26 progress
- Introduced new pay and benefits framework to align to market and continued investment in base pay.
- Labour Employment Reforms – implemented new legislative changes.

Exceptional colleague experience

From having efficient onboarding processes so new starters are set up for success from the get-go, to supporting our colleagues with flexible working to fit around their life commitments, it's about providing the best colleague experience so our colleagues can thrive.

FY26 progress
- Digitised the colleague journey – Recruitment, Onboarding, Core HR & Benefits systems.
- Refreshed our recognition framework, with more opportunities (via a digital platform) to celebrate colleagues.
- Implemented new communication framework bringing leadership closer to our people.

Developing our people

Our people are at the heart of what we do, and the Group's success reflects a strong commitment to ongoing training and development.

Alongside role-specific learning, all new starters complete our Group Essential Training (GET) within their first two weeks, delivered through our online academy. This covers a range of important topics, including financial crime, data protection, and health and safety. To keep knowledge fresh and relevant, colleagues revisit these modules each year and completion of GET also forms part of the criteria for bonus eligibility. Colleagues also answer two daily questions through our learning system to help reinforce key topics and maintain awareness. Directors receive regular updates on team completion to support oversight and engagement. Further detail on regulatory training can be found in the Governance Report on page 52.

FY26 highlights

% of our senior managers who are female
40.3%
+8.3ppts YoY

Roles filled through internal promotions
50%
+6ppts YoY

People turnover
12.1%
(1.4ppts) YoY

Employee engagement
80%
(WeThrive score in June and November 2025)

Since the launch of MyGPS, our performance and development approach in 2024, we've continued to invest in the way our teams deliver for customers, bringing standards and care to everything they do. This year we've seen 50% of new roles filled by internal applications, including two Executive Committee appointments.

Colleague engagement

We place real value on listening to and involving our people. We keep employees regularly informed about what's happening in the business, and the factors that affect both their roles and the Group's performance, through internal communications, Town Hall briefings, team meetings and Director-led forums such as the monthly manager and senior leadership meetings.

We also make sure employees have a voice, through our bi-annual WeThrive engagement survey, and through our Colleague Forum and Inclusion Networks. Here, colleagues are consulted on a wide range of topics that affect both their day-to-day experience and the future of the Company.

We also offer opportunities for employees to share in the success of the business with an annual bonus for eligible employees linked to Group performance. You can find more detail in the Stakeholder engagement section.

External recognition

Gender diversity
as at 31 March 2026

	Men	Women	Total
Holding Board	5	0	5
Executive Committee	7	2	9
Senior managers	40	27	67
All others	829	561	1,390
Total	881	590	1,471

Definitions

The 'Holding Board' refers to the Board of Directors of the Group's parent Company, Zenith Automotive Holdings Limited, and directs the affairs of the Group taking into consideration Zenith's various stakeholders and interests. It provides strategic governance and challenge as appropriate.

The 'Executive Committee' is tasked with executing strategy and policy, whilst also dealing with operational matters and direction.

We define 'senior managers' as colleagues in People Framework levels 4 and 5 at the level of seniority of Directors (non statutory) and Head of Departments.

For details on our gender pay gap, please visit: www.zenith.co.uk/company-documents/gender-pay-report-2025/.

Zenith diversity census

Focus group	FY26	FY25	% in UK census
Race, religion and ethnicity	12.9%	12.9%	18.3%
Gender	40.1%	40.3%	51.0%
LGBTQIA+	8.7%	7.7%	3.2%
Neurodiversity	4.7%	3.2%	17.8% (combined in UK census)
Zenability*	14.4%	13.2%	

* Zenability is our disability focus group.

Group technology and transformation

We are transforming Zenith into an agile, cost-efficient, modern digital business engineered for tomorrow. We have reset our technology pillars into four strategic areas to achieve a differentiated customer experience, speed to market, data-led decision-making and cost efficiency. We made good progress against these priorities in FY26.

Technology pillars

Digital customer experience

Enhancing engagement through driving a seamless experience, with customer touch points including portals for self service and automation.

Data & intelligence

A unified data foundation powering client insight, decision-making and future AI-enabled capabilities.

Modern platforms & cloud

Enabling scalable, secure and cost-efficient operations through a simplified, cloud-based architecture.

Operational efficiency & automation

Streamlining processes and reducing cost through automation and simplified systems.

FY26 highlights

Digital customer experience

- Secondary leasing proposition delivered.
- Rolled out Customer Insights Portal (Corporate) and CVConnect (Commercial).
- Modernised customer- and colleague-facing platforms, including CVLink – phase 1.
- Replatforming our front-end workflow system ('Accelerate').

Data & intelligence

- Implemented first phase of data lake and Power BI capabilities.
- Enabled market-leading client and supplier reporting via Customer Insights Portal.
- Established foundation for AI and advanced analytics.

Modern platforms & cloud

- Completed migration of salary sacrifice schemes to Miles, our single asset management platform.
- Continued to modernise the technology estate.

Operational efficiency & automation

- Undertaken review of estate and identified areas for optimisation and automation where it makes sense.
- Ongoing process redesign to improve efficiency and customer outcomes.
- Established new partnerships to enable automation across core processes.
- AI proof of concepts implemented.

Future focus

Digital customer experience

- Evolving our portals to optimise our customers' experience.
- Complete replatforming of Accelerate.

Data & intelligence

- Leveraging core capabilities to deliver automation and AI-powered solutions.
- Design and implementation of Finance EPM system for enhanced forecasting and reporting.

Modern platforms & cloud

- Design and deploy company car product on Miles, completing our transition to single asset management platform.
- Harness future capabilities of our partners, including AI-native capabilities.
- Decommissioning of legacy systems.

Operational efficiency & automation

- Embed automation and process redesign throughout core processes.
- Further exploration of AI opportunities.
- Deliver phase 2 of CVLink enhancements.

Our sustainability agenda

Delivering a positive impact on society while strengthening the resilience and performance of our business.

Sustainability underpins our approach to long-term value creation. Our agenda focuses on delivering positive societal impact while strengthening the resilience and performance of our business. It is shaped by the environmental, social and governance issues we influence, and those that affect the markets in which we operate, ensuring sustainability is embedded within our strategy and decision-making.

We operate within the UK's highest carbon-emitting sector, with domestic transport accounting for around 31% of total emissions in 2025. This creates both opportunities and responsibilities. Government initiatives such as the ZEV mandate and Benefit-in-Kind incentives are accelerating the transition to zero-emission vehicles. We are committed to supporting this transition by providing customers with the right vehicles for their needs, while progressing our decarbonisation strategy at a sustainable pace aligned to market and regulatory conditions.

Non-financial and sustainability information statement (NFSIS)

Sustainability topic	Location	Policies and key reports
Environmental and social matters	• Our sustainability agenda – page 22 • People – page 19 • Stakeholder engagement – page 57 • Section 172 statement – page 60 • Risk management overview – page 36 • TCFD – page 42	• Climate risk framework • Carbon reduction plan • ESG policy • Supplier charter
Our people	• Our sustainability agenda – page 22 • People – page 19 • Stakeholder engagement – page 57 • Corporate governance – page 48	• Agile policy • Gender pay gap report • Health and safety policies • Modern slavery statement • Sexual harassment policy • Diversity and inclusion policy
Human rights	• Corporate governance – page 48	• Equality policy • Modern slavery statement • Supplier Charter
Anti-bribery and corruption	• Corporate governance – page 48	• Anti-bribery and corruption policy • Anti-money laundering policy • Conflicts of interest policy • Fraud policy
Risk management	• Risk management overview – page 36 • Residual value risk management – page 40 • Corporate governance – page 48	• Risk management framework
Business model	• page 11	N/A
Non-financial KPIs	• page 12	N/A

Our People Powered Impact plan focus areas

Find out more about our People Powered Impact plan here

Planet

Vision

To operate as a net zero business – a better Zenith where we work together to help rebuild, strengthen and preserve the planet.

Highlights

- Our Scope 1 and 2 emissions have reduced by 14% YoY.
- We have delivered carbon literacy training to over 300 colleagues and 40 suppliers.

Culture

Vision

To create and promote a healthy work culture where difference is valued, inclusion is standard and everybody is empowered to be their true authentic self.

Highlights

- Refreshed our inclusion approach, launching seven new colleague networks.
- Our annual Zenith Census achieved a 93% completion rate (+1ppt YoY).

Community

Vision

To cultivate long-term partnerships with our stakeholders – driving regular People Powered Impact in our local communities, in all our partnerships.

Highlights

- Launched our Giving Something Back Fund, providing colleagues with a bi-annual chance to support causes close to their heart.
- Hosting 40 female Year 10 and 11 students for a STEM careers day.

Reporting methodology

The methodology used to calculate our emissions is based on the 'Environmental Reporting Guidelines: including mandatory GHG emissions reporting guidance' issued by the Department for Business, Energy & Industrial Strategy (BEIS), and the Department for Energy Security and Net Zero.

Our calculations have been made in accordance with the GHG Reporting Protocol – Corporate Standard, GHG Protocol – Corporate Value Chain (Scope 3) standard, using UK government conversion factors and industry averages where supplier-specific data was not available.

Our FY26 emissions cover all Group entities and have been verified by Carbon Footprint Ltd in line with the International Standard ISO 14064–3: 2019 'Greenhouse gases: Specification with guidance for the verification and validation of greenhouse gas statement' to a limited assurance level. Scope 3 emissions include all categories that sit within our operational boundary value chain; purchased goods and services, capital goods, fuel and energy-related activities (not included in Scope 1 or 2), waste generated in operations, business travel, employee commuting, downstream transportation and distribution, use of sold products, end-of-life treatment of sold products and downstream leased assets.

FY26 emissions progress

Our Scope 1 and 2 emissions reduced further in FY26 with a full year of closure of our commercial vehicle workshops based in England. This operational change resulted in lower annual mileage for our HGVs in Scope 1, leading to a reduction in these emissions in FY26 YoY.

We continued to support customers to transition to lower emission vehicles as the core measure to reduce our Scope 3 emissions. Over 50% of our corporate and consumer funded fleet is now BEV, reducing our downstream leased asset emissions by 8.7% YoY. This reduction was offset by an increase in our use of sold products emissions by 10.2% due to higher remaining lifecycle mileage from the vehicles we sold in FY26 compared to FY25. Moving forwards, we expect a continued emphasis on lower-carbon technology and corresponding impact on our Scope 3 downstream emissions.

Emissions table

100% of emissions relate to emissions and energy consumed in the UK and offshore area.

Category*	FY26	FY25**	% change
Scope 1 (tCO_2e)	**1,486.6**	1,711.6	(13.1%)
Scope 2 (tCO_2e)			
Market-based	**354.9**	421.4	(15.8%)
Location-based	**492.0**	617.2	(20.3%)
Scope 3 total (tCO_2e)	**1,138,480.2**	1,135,330.3	0.3%
Upstream total	**259,940.5**	276,978.0	(6.2%)
Downstream total	**878,539.7**	858,352.3	2.4%
Total GHG emissions	**1,140,321.7**	1,137,463.3	0.3%
Direct GHG emissions (Scope 1 and 2) tCO_2e per £1 million of revenue	**2.4**	2.9	(16.5%)
Total GHG emissions (Scope 1, 2 and 3) tCO_2e per £1 million of revenue	**1,503.0**	1,550.2	(3.0%)
SECR – Scope 1 and 2 energy consumption and Scope 3 business car travel (tCO_2e)	**1,950.5**	2,198.3	(11.3%)
SECR – Scope 1 and 2 energy consumption and Scope 3 business car travel (kWh)	**8,114,358.7**	9,542,731.4	(15.0%)

* See the Glossary for definitions.

** FY25 figures are restated due to improvements in data accuracy for our Scope 1 emissions, and Scope 3: category 5 (waste generated in operations) and Scope 3: category 12 (end-of-life treatment of sold products). This has changed our total Scope 1, 2 and 3 emissions disclosure by 0.01% versus what was reported in our FY25 annual report.

Scope	Timeframe	Target[1]	FY26 progress vs baseline year	Looking ahead
1 and 2	Near term	To reduce our absolute Scope 1 and 2 GHG emissions 47.5% by FY30 from a FY22 base year.	53.0% reduction	• Deliver Carbon Literacy training to all colleagues. • Regular energy audits at our Head Office and Zenith-controlled transport. • Identify and deliver energy reduction initiatives such as colleague and operational behavioural change across our property estate.
1 and 2	Long term	To reduce our absolute Scope 1 and Scope 2 emissions by 90% by FY50 from a FY22 base year.		
2	Near term	To increase active annual sourcing of renewable electricity from 21.2% in FY22 to 100% in FY30.	77.8% of electricity from renewable sources	
3	Near term	To reduce Scope 3 GHG emissions by 51.6% per funded vehicle by FY30 from an FY23 base year.	9.2% increase	• Continue campaigning for policies that support the decarbonisation of the automotive industry. • Support customers to transition to BEV and reduce emissions from their fleets. • Identify opportunities to introduce alternative fuel vehicles and BEV within the HGV fleets of our Commercial customers. • Public relations and lobbying activity to raise awareness and instigate change.
3	Long term	To reduce our total Scope 3 emissions 90% by FY50 from a FY23 base year.	2.6% increase	

1. Targets validated by SBTi in FY25.

Net zero roadmap

Our near- and long-term carbon reduction targets align with the UK's interim and net zero goals, as well as the Paris Agreement to limit global warming to 1.5°C. We have set ambitious targets to act as an inspiration for stakeholders to take action. Delivery of these targets is dependent on broader industry changes, such as the decarbonisation of vehicle production, the implementation of zero-emission HGV technology and progress towards a decarbonised energy grid to eliminate BEV charging emissions. These technological changes must be underpinned by a supportive policy environment that helps to accelerate road transport decarbonisation.

	Short term (2025–2030)	Medium term (2030–2040)	Long term (2040–2050)
Automotive regulation timeline	**2027** • EU rules of origin currently planned to take effect requiring at least 55% of vehicle parts to have originated from either the UK or EU, or face a 10% tariff. **2030** • ZEV mandate target of 80% of cars and 70% of vans sold by manufacturers must be zero emission, with phased percentage increases year-on-year.	**2035** • UK government ban on sales of new non-zero emission vehicles up to and including 26t.	**2040** • UK government ban on sales of all new non-zero emission HGVs above 26t.
UK carbon reduction targets	**2030** • UK target to reduce emissions by 68% compared to 1990 levels.	**2035** • UK target to reduce emissions by 81% compared to 1990 levels.	**2050** • UK government committed to achieve net zero emissions compared to 1990 levels.
Zenith carbon reduction targets	**2030** • To reduce our absolute Scope 1 and 2 GHG emissions 47.5% by FY30 from a FY22 base year. • To increase active annual sourcing of renewable electricity from 21.2% in FY22 to 100% in FY30. • To reduce Scope 3 GHG emissions by 51.6% per funded vehicle by FY30 from a FY23 base year.	**2030s** • Interim targets will be set and agreed following completion of our existing near-term carbon reduction targets.	**2050** • To reduce our absolute Scope 1 and Scope 2 emissions 90% by FY50 from a FY22 base year. • To reduce our total Scope 3 emissions 90% by FY50 from a FY23 base year.

Finance and risk

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CFO's statement

Our underlying business continued to grow in FY26, although overall financial performance was impacted by the ongoing challenges in used vehicle pricing, particularly for BEVs.

Mark Phillips

Mark Phillips
CFO

Key performance indicators

We use a range of commercial, financial and other KPIs to monitor our business, including the size and growth of the fleet (comprising the managed and funded fleet) and financial metrics such as revenue, normalised adjusted gross profit, normalised adjusted EBITDA, cash conversion and liquidity. We introduced normalised adjusted EBITDA (reconciled to our statutory measures below and in the Glossary) as a significant KPI this year as it provides a clear view of the underlying cash-generating performance of our operations, taking into account the benefit of the reset of RV positions within the EFP securitisation facility.

FY26 highlights

Revenue growth
+3.4%
FY26: £758.7m

Adjusted EBITDA excl. RV losses
£37.0m
FY25: £26.5m

Statutory gross profit
£104.4m
FY25: £106.8m

Normalised adjusted EBITDA
£67.1m
FY25: £50.8m

Statutory operating loss
(£61.3m)
FY25: (£38.9m)

Cash conversion
50.0%
FY25: 58.7%

Post year-end recapitalisation, with £100m equity contribution and extension of debt maturities*

* See CFO strategic review for further details.

Financial KPIs[1, 2]

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000	% change
Revenue[3]	**758,749**	733,740	3.4%
Normalised adjusted EBITDA[4]	**67,083**	50,849	31.9%
Adjusted EBITDA excl. RV losses	**37,029**	26,477	39.9%
Liquidity	**69,471**	128,980	(46.1%)
Pro forma liquidity	**107,353**	N/A	N/A
Adjusted operating cash flow[5]	**33,542**	29,851	12.4%
Cash conversion[6]	**50.0%**	58.7%	(8.7ppts)

Gross profit
£104.4m

Adjusted EBITDA excl. RV losses
£37.0m

Normalised adjusted gross profit
£140.8m

Normalised adjusted EBITDA
£67.1m

1. For a description of statutory and alternative performance measures, see the Glossary from page 107 of this report.
2. In June 2024, within the Commercial division, we closed our three workshops in England, and have classified the profit and loss results relating to these workshops as discontinued for the results for the year to 31 March 2025. There was no impact to the fleet numbers. The profit and loss analysis and commentary represents the continuing operations, excluding the results of the workshops that were closed, and including the results of the Glasgow workshop, which we have retained. There were no discontinued operations in the period to 31 March 2026.
3. FY25 revenue figure has been restated from £837,431k to £733,740k. See note 28 for details.
4. Normalised adjusted EBITDA is described in the Glossary and calculated on page 30.
5. Adjusted operating cash flow and cash conversion has been adjusted to take account of the net inflow from the issuance of the EFP securitisation facility's Junior Mezzanine Note to Bridgepoint. If this was not adjusted, the cash conversion figure for FY26 would be 44% and for FY25 would be 97%. See Glossary for further details.
6. Cash conversion is based on normalised adjusted EBITDA.

Fleet size

As at 31 March 2026, the total fleet increased modestly by 0.9% to 167,872 vehicles, reflecting broadly stable overall fleet levels year-on-year.

The funded fleet decreased by 4.4% to 72,194 vehicles, with continued growth in the Corporate funded fleet being offset primarily by a reduction in the Consumer funded fleet, which fell by 50.3% due to the decision taken in Q4 FY26 to prioritise higher margin businesses, and to stop writing new lease contracts within the ZenAuto business. The Commercial funded fleet also declined, due to a reduction in fleet sizes by some of our customers.

Within the managed fleet, the total managed fleet increased by 5.3% to 95,678. Growth was led by the Commercial managed fleet, which increased by 21.1%, primarily due to new contracts won in Q3 FY26 including those relating to Amazon's Middle Mile and Last Mile fleets. This was partially offset by reductions in both the Corporate managed fleet, which was down 21.5% as we prioritise full-cycle contracts, and the Consumer managed fleet, which was down 3.6% mainly due to weakness in the first half of FY26.

Revenue[1]

Group consolidated

Group revenue for FY26 increased by 3.4%, or £25.0 million year-on-year to £758.7 million, compared with £733.7 million in FY25.

During the year, the Group reassessed its accounting treatment in respect of vehicles subject to repurchase arrangements, and in order to more accurately reflect the commercial substance of these arrangements, revised its treatment to present these transactions on a net basis. As such, revenue and cost of sales have both decreased by £107.3 million in FY25. Vehicles subject to repurchase arrangements are also no longer shown as a creditor and corresponding debtor in the balance sheet. See note 28 to the accounts for further details.

Revenue was higher principally due to higher lease revenue in the Corporate division, combined with higher SMR revenue in the Commercial division, as a result of the growth in the managed fleet and higher maintenance hours. Proceeds from vehicle sales also increased year-on-year as a result of higher vehicle sales volumes. Revenue in the Corporate short-term rental division was lower year-on-year driven by the lower number of rental days.

Corporate division

Revenue in the Corporate division increased by 7.8%, or £40.5 million to £560.2 million for FY26, compared with £519.7 million in FY25.

The growth in revenue was driven by higher lease revenue, which grew by 10%, due to a higher funded fleet size, which was 2.1% higher year-on-year, combined with higher monthly lease rentals as a result of higher interest rates.

Vehicle sales proceeds were also higher; up 6% year-on-year as a result of higher vehicle sales volumes, which were up 13%, offset by lower average selling price of vehicles year-on-year. Revenue from short-term rentals was 9% lower due to a decline in the lower number of rental days.

Commercial division

Revenue in the Commercial division decreased by 3.8%, or £4.9 million to £124.8 million for FY26, compared with £129.7 million in FY25.

Revenue was lower principally due to lower lease revenue, which declined as a result of the lower funded fleet size (which was down 9.2% year-on-year), which in turn was lower due to a reduction in fleet sizes by some of our customers, in particular in the supermarket and construction sectors.

Offsetting this decline, revenues from SMR increased by 25%, as a result of higher maintenance hours, which were up nearly 20% year-on-year, driven by the higher managed fleet and roll-out of new customers won. Vehicle sales proceeds were higher year-on-year mainly as a result of positive mix, with a higher proportion of higher value vehicles being sold this year compared to last year.

Consumer division

Revenue in the Consumer division decreased by 12.6%, or £10.7 million to £73.7 million for FY26, compared with £84.4 million in FY25.

Revenue was lower principally due to lower lease revenue, which declined as a result of the lower funded fleet size. Vehicle sales proceeds were also lower as a result of lower volumes of vehicles sold, which were down 8.1% year-on-year.

In January 2026, we announced our decision to stop writing new business within the ZenAuto business, effective immediately; with the existing book being placed in run-off. Current customers will continue to be serviced throughout their existing contracts, and ZenAuto will maintain its commitment to providing excellent customer service to these customers.

Fleet size and growth

	As of 31 March 2026	As of 31 March 2025	% change
Corporate funded fleet	**55,329**	54,175	2.1%
Commercial funded fleet	**13,833**	15,242	(9.2%)
Consumer funded fleet	**3,032**	6,097	(50.3%)
Total funded fleet	**72,194**	75,514	(4.4%)
Corporate managed fleet	**2,621**	3,338	(21.5%)
Commercial managed fleet	**42,609**	35,199	21.1%
Consumer managed fleet	**50,448**	52,329	(3.6%)
Total managed fleet	**95,678**	90,866	5.3%
Total fleet	**167,872**	166,380	0.9%

Revenue[1, 2]

	For the year ended 31 March 2026 £'000	Restated For the year ended 31 March 2025 £'000	% change
Corporate	**560,226**	519,685	7.8%
Commercial	**124,788**	129,651	(3.8%)
Consumer	**73,735**	84,404	(12.6%)
Group	**758,749**	733,740	3.4%

1. Continuing operations only.
2. FY25 revenue figures have been restated. See note 28 for details.

Normalised adjusted gross profit[1]

Group consolidated

Group normalised adjusted gross profit for FY26 increased by 11.5%, or £14.6 million, year-on-year to £140.8 million, compared with £126.2 million in FY25.

Group normalised adjusted gross profit grew principally as a result of higher lease margins within the Corporate division, combined with growth in in-life income across all divisions, but in particular within the Commercial division, which was driven by a higher managed fleet size and higher maintenance hours which also drove SMR income higher. Margins on trailer rentals increased, with lower revenue driven by lower number of trailers on hire being offset by an increase in the average margin, partially as a result of a lower fleet size.

Total RV losses on a statutory basis declined from a profit of £15.7 million in FY25 to a marginal loss in FY26, however, after normalisation (to account for the benefit of resetting the RV positions lower in the EFP securitisation facility), the impact of the sale of vehicles was £5.6 million higher year-on-year; from £17.9 million in FY25 to £23.5 million in FY26.

Corporate division

Normalised adjusted gross profit in the Corporate division increased by 13.2%, or £10.0 million to £86.0 million for FY26, compared with £76.0 million in FY25.

The growth in profit was primarily due to higher lease margins, which grew as a result of: i) the higher funded fleet, which increased 2.1% year-on-year; ii) higher lease margins as a result of higher interest rates and higher cost of vehicles; and iii) negative or low margin cohorts that were written over 2022 and 2023 (when order lead times were extended and interest rates rising), continuing to roll off the fleet and being replaced by higher margin contracts. Lease margin also benefitted from lower interest costs from the lower funded amount in the EFP securitisation throughout the year. This was a result of the EFP securitisation facility refinancing in late FY25, which resulted in a lower drawn amount from the reset of BEV residual values lower, and amounts in the facility that were undrawn from the EFP securitisation facility. Income on short-term rentals was down slightly, with the lower revenue being partially offset by an improvement in income per vehicle.

RV losses declined from a profit of £10.2 million in FY25 to a loss of £8.0 million in FY26, however, after normalisation (to account for the benefit of resetting the RV positions lower in the EFP securitisation facility), the impact of the sale of vehicles was positive and contributed to an overall increase in normalised adjusted gross profit of £10.0 million.

Commercial division

Normalised adjusted gross profit in the Commercial division increased by 18.8%, or £6.3 million to £39.6 million for FY26, compared with £33.3 million in FY25.

Profit was higher year-on-year driven by higher in-life income and higher SMR income from a higher managed fleet size and higher maintenance hours. Margins on trailer rentals increased, with lower revenue driven by lower number of trailers on hire being offset by an increase in the average rate. Lease margins were broadly flat.

RV profits increased from a profit of £3.2 million in FY25 to a profit of £3.7 million in FY26. There was no normalisation impact.

Consumer division

Normalised adjusted gross profit in the Consumer division decreased by 10.1%, or £1.7 million to £15.2 million for FY26, compared with £16.9 million in FY25.

Profit declined due to lower lease margins, as a result of the lower funded fleet size and the decision to stop writing new lease contracts for the ZenAuto business, combined with the impact of the ageing book profile which does not benefit from newly written leases. This was partially offset by higher incomes from the White Label Solutions business and in-life income.

RV profits declined from a profit of £2.9 million in FY25 to a loss of £2.1 million in FY26, however, after normalisation (to account for the benefit of resetting the RV positions lower in the EFP securitisation facility), the impact of the sale of vehicles was marginally positive and reduced the decline in normalised adjusted gross profit to 10.1% year-on-year.

Normalised adjusted gross profit[1]

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000	% change
Corporate	**85,966**	75,964	13.2%
Commercial	**39,607**	33,344	18.8%
Consumer	**15,216**	16,929	(10.1%)
Normalised adjusted gross profit	**140,788**	126,237	11.5%
Add back: consolidated adjusted depreciation expense[2]	**(1,314)**	(5,740)	(77.1%)
Remove: collateral amounts released from maturing EV perimeter vehicle[3]	**(23,552)**	(2,225)	958.5%
Add back: change to accounting estimates of RVs of fleet fixed assets	**(11,492)**	(11,457)	0.3%
Gross profit – statutory	**104,431**	106,814	(2.2%)

1. Continuing operations only. Please see Glossary for further information.
2. Consolidated adjusted depreciation expense reflects the impact on gross profits of depreciating assets on a straight-line basis, as required in the statutory accounts, compared to the management accounts methodology which includes depreciation on an annuity basis. The majority of the decrease from FY25 to FY26 relates to a change in methodology for the calculation of depreciation on rescheduled contracts.
3. Calculated as the difference between the Original Residual Value and the Adjusted Residual Value for vehicles that are within the EV Perimeter and that have a contract maturity date during the period. Original Residual Value reflects the RV in effect prior to its reset at the point of refinancing of the EFP facility in March 2025. The Adjusted Residual Value reflects the RV value after the RV was rebased and haircut to 90% of market value. The resulting reduction in the borrowing base from haircutting the RVs was supported by the introduction of the £50 million Junior Mezzanine Note at the point of refinancing of the EFP facility in March 2025. This adjustment enables the EBITDA metric to reflect that as contracts with adjusted RVs reach their maturity and new contracts are originated, the borrowing base resets and as a result the net cash available is higher than the net profit reported in the P&L, which is based on the original RV.

RV profits/(losses)

The table below shows the number and profits and losses of vehicles sold in the year by fuel type for the Corporate and Consumer funded fleets only.

Corporate and Consumer RV profits/(losses) by fuel type[1]

Number of vehicles sold	For the year ended 31 March 2026	For the year ended 31 March 2025	YoY %
BEV	**6,082**	4,095	48.5%
ICE	**8,384**	10,499	(20.1%)
Total	**14,466**	14,594	(0.9%)
% of vehicles sold that are BEV	**42.0%**	28.1%	13.9ppts

Average profit/(loss)	For the year ended 31 March 2026 £ per vehicle	For the year ended 31 March 2025 £ per vehicle	YoY £
BEV	**(4,235)**	(3,650)	(585)
ICE	**1,869**	2,683	(814)
Total	**(697)**	906	(1,603)

Total RV profit/(loss)	For the year ended 31 March 2026 £m	For the year ended 31 March 2025 £m	YoY £m
BEV	**(25.8)**	(14.9)	(10.9)
ICE	**15.7**	28.0	(12.3)
Total RV profit/(loss)	**(10.1)**	13.1	(23.2)

1. Figures based on management accounts. ICE includes PHEVs and hybrids. Figures shown exclude customer profit share and disposal costs but include end of contract income (excess mileage, damage and early termination charges) across all contract types.

RV profits/(losses) by division

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000	YoY £m
Corporate[1]	**(8,002)**	10,183	(178.6%)
Consumer[1]	**(2,084)**	2,914	(171.5%)
Subtotal	**(10,087)**	13,097	(177.0%)
Commercial[1]	**3,666**	3,181	15.2%
Group	**(6,421)**	**16,278**	**(139.5%)**
Consolidated adjusted depreciation expense on vehicles sold[2]	**6,450**	2,204	192.6%
Customer profit share and disposal costs	**(70)**	(2,786)	(97.5%)
RV profits/(losses) contained within statutory gross profit	**(41)**	15,696	(100.3%)

1. Figures based on management accounts. ICE includes PHEVs and hybrids. Figures shown include end of contract income (excess mileage, damage and early termination charges) across all contract types.
2. Consolidated adjusted depreciation expense on vehicles sold reflects the impact on RV profits/(losses) when a vehicle is sold of depreciating assets on a straight-line basis, as required in the statutory accounts, compared to the management accounts methodology which includes depreciation on an annuity basis. The majority of the increase from FY25 to FY26 relates to a change in methodology for the calculation of depreciation on rescheduled contracts.

In total for the Corporate and Consumer divisions, the number of vehicles sold was broadly flat year-on-year, with the number of BEV vehicles sold increasing by nearly 50% year-on-year, offsetting a decline in the number of ICE vehicles sold, which were down 20.1% year-on-year. The proportion of vehicles sold that were BEV increased by 13.9 percentage points to 42.0%.

Average profits on vehicles sold worsened year-on-year, with losses on the sale of BEVs increasing by £585 on average year-on-year to £4,235, primarily as a result of average sales proceeds declining across the year, but primarily in the first half, with the average cost of the vehicles sold remaining relatively flat. This was combined with a decline in average profits on ICE vehicles, which was driven by the cost of vehicles sold increasing by more than the average selling price of those vehicles, which grew year-on-year but at a slower rate. Overall, average losses on vehicles sold were £697, compared to a profit in FY25 of £906.

In total, RV profits/(losses) for the Corporate and Consumer divisions declined to losses of £10.1 million for FY26, compared to £13.1 million of profit for FY25, driven by a shift in mix towards loss-making BEVs, combined with a worsening in average profits across both fuel types.

Normalised adjusted EBITDA and adjusted EBITDA excl. RV losses

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000	Change %
Normalised adjusted gross profit	**140,788**	126,237	11.5%
Adjusted operating expenses	**(78,935)**	(76,100)	3.7%
Remove: ZenAuto EBITDA losses	**5,230**	711	635.6%
Normalised adjusted EBITDA	**67,083**	50,849	31.9%
Add back: consolidated adjusted depreciation expense[1]	**(1,314)**	(5,740)	(77.1%)
Remove: collateral amounts released from maturing EV perimeter vehicle[2]	**(23,552)**	(2,225)	958.5%
Add back: ZenAuto EBITDA losses	**(5,230)**	(711)	635.6%
Remove: RV (profits)/losses	**41**	(15,696)	(100.3%)
Adjusted EBITDA excl. RV losses	**37,029**	26,477	39.9%

1. Consolidated adjusted depreciation expense reflects the impact on gross profits of depreciating assets on a straight-line basis, as required in the statutory accounts, compared to the management accounts methodology which includes depreciation on an annuity basis. The majority of the decrease from FY25 to FY26 relates to a change in methodology for the calculation of depreciation on rescheduled contracts.
2. Calculated as the difference between the Original Residual Value and the Adjusted Residual Value for vehicles that are within the EV Perimeter and that have a contract maturity date during the period. Original Residual Value reflects the RV in effect prior to its reset at the point of refinancing of the EFP facility in March 2025. The Adjusted Residual Value reflects the RV value after the RV was rebased and haircut to 90% of market value. The resulting reduction in the borrowing base from haircutting the RVs was supported by the introduction of the £50 million Junior Mezzanine Note at the point of refinancing of the EFP facility in March 2025. This adjustment enables the EBITDA metric to reflect that as contracts with adjusted RVs reach their maturity and new contracts are originated, the borrowing base resets and as a result the net cash available to the Group is higher than the net profit reported in the P&L, which is based on the original RV.

Adjusted EBITDA excl. RV losses

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000	Change %
Adjusted EBITDA	**36,988**	42,172	(12.3%)
RV profits/(losses)	**(41)**	15,696	(100.3%)
Adjusted EBITDA excl. RV losses	**37,029**	26,477	39.9%

Normalised adjusted EBITDA

Adjusted operating expenses

Adjusted operating expenses increased by 3.7% or £2.8 million, to £78.9 million for FY26, compared to £76.1 million for FY25.

Adjusted operating expenses were higher mainly due to increased people costs and costs associated with our IT operations, services and infrastructure, reflecting inflationary rises and additional investment into the business to support its future growth. This increase was partially offset by reduced overhead spending principally due to the benefit of efficiency initiatives.

Normalised adjusted EBITDA

Normalised adjusted EBITDA increased by 31.9% year-on-year as a result of underlying growth from higher lease margins, in-life income and the benefit of resetting the RV positions lower in the EFP securitisation facility.

Adjusted EBITDA excl. RV losses

Adjusted EBITDA excluding RV losses increased by 39.9% or £10.6 million to £37.0 million, with the underlying increase due to higher lease margin, in-life and SMR incomes.

Retained profit[1]

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000	Change %
Adjusted EBITDA	**36,988**	42,172	(12.3%)
Depreciation of owned tangible fixed assets	**(4,899)**	(4,482)	9.3%
Amortisation of goodwill & intangible assets	**(57,090)**	(58,393)	(2.2%)
Operating exceptional items[2]	**(4,089)**	(10,923)	(62.6%)
Movement in vehicle impairment provision[3]	**(20,188)**	10,413	(293.9%)
Impairment of intangible assets[4]	**(574)**	(6,297)	(90.9%)
Change to accounting estimates of RVs of fleet fixed assets[5]	**(11,492)**	(11,457)	0.3%
Operating loss	**(61,343)**	(38,968)	57.4%
Finance costs (on other items)[6]	**(52,977)**	(40,239)	31.7%
Loss before shareholder instruments and taxation	**(114,320)**	(79,207)	44.3%
Finance costs (on shareholder instruments)[7]	**(102,462)**	(92,712)	10.5%
Loss before taxation	**(216,782)**	(171,919)	26.1%
Tax credit	**21,471**	10,042	113.8%
Retained profit	**(195,311)**	(161,877)	20.7%

1. Continuing operations only.
2. Operating exceptional items are costs that do not relate to the Group's normal business operations and which in management's judgement are considered material individually or in aggregate (if of a similar type) due to their size or frequency. The exceptional items in the period to 31 March 2026 relate to transformation, project and restructuring costs.
3. The £20,188k movement in vehicle impairment provision consists of additional impairment to vehicles during the year to 31 March 2026 of £38,846k and a release of impairment from the prior year on vehicles sold during the year of £18,658k.
4. Impairment of intangible assets in FY26 relates to a legacy system that has been replaced and in FY25, capitalised computer software intangibles within the ZenAuto business. See note 2 for further details.
5. Residual values are periodically reviewed for appropriateness and if a significant change is identified in the residual value for a vehicle tangible fixed asset, then the asset's depreciation curve is amended accordingly. Change to accounting estimates of RVs of fleet fixed assets represents the amount of additional or reduced depreciation on a vehicle fixed asset compared to the originally priced depreciation curve.
6. Finance costs (on other items) include charges under the current £475 million Senior Secured Notes and £65 million Revolving Credit Facility and costs incurred in operating the day-to-day banking of the business.
7. Finance costs (on shareholder instruments) include non-cash shareholder Loan Note and Preference Share interest payable under the terms of those instruments. Interest on these balances is rolled on an annual basis. The other cost in this line is historic payments made to set up finance facilities which are amortised over the life of the facilities, and the Bridgepoint monitoring fee described in note 25.

Operating exceptional items

Operating exceptional items relate to costs or income that we judge to fall outside the ordinary activities of the business and are material.
In FY26, operating exceptional items decreased by £6.8 million, or 62.6% to £4.1 million from £10.9 million in FY25, due to lower ongoing spend on transformation, project and reorganisation costs.

Changes in vehicle net book value due to a change in accounting estimates

RV reassessment

In FY26, we reduced depreciation on vehicle assets we continued to hold by £7.4 million (FY25: £13.7 million) and reversed adjustments on sold vehicles that had previously reduced depreciation to the amount of £18.9 million (FY25: £25.2 million). This resulted in a net amount of £11.5 million (FY25: £11.5 million) additional depreciation recognised in the profit and loss during the year.

As at 31 March 2026 we had observed a cumulative reduction in depreciation of £10.8 million from previous re-assessments of RVs (31 March 2025: £22.3 million), which is expected to reverse over future quarters and, to the extent that RVs are now lower than originally priced RVs, accelerate depreciation further.

Impairment

If there is an impairment indicator identified in relation to a balance sheet asset, such that it is possible that the recoverable amount of the asset is less than the carrying value, the asset is tested for impairment. An impairment provision in respect of vehicle assets (both against vehicle fixed assets on balance sheet and as an onerous contract provision with respect to future off-balance sheet vehicle repurchase agreements) was recognised as at 31 March 2026 and also in previous periods due to a reduction in used car prices, particularly in BEVs.

In FY26 the movement in the impairment provision was an increase of £20.2 million (FY25: decrease of £10.4 million), being the net of additional impairment to fleet vehicles of £38.8 million and release of existing impairment on vehicles sold during the year of £18.7 million. (FY25: additional impairment to fleet vehicles of £8.3 million and release of existing impairment on vehicles sold during the year of £18.7 million.)

The remaining provision in the balance sheet at 31 March 2026 was £60.7 million (31 March 2025: £40.5 million).

Finance costs

Finance costs on other items increased by 31.7% or £12.8 million, to £53.0 million for FY26, from £40.2 million for FY25. This increase principally comprised the higher amortisation of financing costs associated with the refinancings of our securitisation facilities during FY26, combined with a higher amount of interest on the drawn amount of the RCF in the current financial year (the RCF was initially drawn towards the end of the FY25 financial year and was fully drawn by the end of Q1 FY26).

Finance costs on shareholder instruments increased by 10.5% or £9.8 million, to £102.5 million for FY26, from £92.7 million for FY25. The increase was due to the compounding of non-cash interest costs on the shareholder loan notes and preference shares.

Tax credit

The Group recognised a tax credit of £18.6 million for the year ended FY26 (FY25: £10.0 million credit). The credit is primarily driven by losses incurred in the period and the recognition of deferred tax assets on those losses. Further details are set out below and in note 9.

Historical cash flows

The following table sets forth cash flow information for the periods presented. A non-statutory cash flow presentation is presented in the 'Glossary' at the end of this report, to assist the understanding of our cash flow.

Historical cash flows

Total operations	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000
Net cash flow from operating activities[1]	**133,779**	53,505
Tax refunded/(paid)	**4,940**	2,695
Net cash flows used in investing activities[1]	**(32,379)**	(33,612)
Net cash flows used in financing activities[1]	**(103,309)**	(18,131)
Net increase in cash and cash equivalents	**3,031**	4,456
Cash and cash equivalents at start of period	**89,432**	84,975
Cash and cash equivalents at end of period	**92,464**	89,432

1. As a result of restatements made to the consolidated cash flow statement for the year ended 31 March 2025, cash flows from operating activities have decreased by £220,342k, cash flows used in investing activities have decreased by £237,611k and cash flows used in financing activities have increased by £17,269k. For further information regarding the adjustments, see note 28.

Net cash flow from operating activities

Net cash inflow from operating activities for FY26 increased by £80.2 million, to an inflow of £133.8 million, from an inflow of £53.5 million for FY25. This increase was principally due to higher operating cash flow before movement in working capital, combined with lower purchases of vehicle assets under operating leases, net of sale proceeds.

Tax refunded

For FY26, tax refunded was £4.9 million, compared to a refund of £2.7 million for FY25.

Net cash flow used in investing activities

Net cash flows used in investing activities was broadly flat year-on-year, and decreased by £1.2 million, to a cash outflow of £32.4 million for FY26, from a cash outflow of £33.6 million for FY25.

Net cash flow used in financing activities

Net cash flows used in financing activities increased by £85.2 million, to an outflow of £103.3 million for FY26, from an outflow of £18.1 million for FY25.

This was driven by the £45 million drawdown of the RCF during the first quarter of FY26, combined with higher repayments of borrowing and a lower drawdown of funding compared with the comparative period.

Interest rate exposures

The Group has limited exposures to fluctuations in interest rates. The lease contracts to customers are priced on a fixed rate, at the date of the vehicle order. The securitisation facilities are based on a floating rate of SONIA + margin, and swapped to fixed rates through the use of interest rate swaps and caps. These are entered into on a monthly basis to ensure that the interest on the borrowings under the fixed rate matches the interest earned on the lease receivables. For our other forms of wholesale funding, such as back-to-back, the interest is fixed at the time the lease receivables are funded. Therefore, the interest rate exposure is principally limited to the impact of the timing difference between the pricing of the lease contract, at the point of order, to the date of delivery. During FY23 and FY24, the impact became unusually large, due to a simultaneous combination of: i) the long order lead times, due to the supply chain challenges post-Covid; and ii) the rapid rise in interest rates, which affected a cohort of vehicle contracts. Since FY25, order lead times have shortened to a normal level and interest rates have been more stable, and so margins on new vehicle deliveries have not been impacted by this gap. However, lease margins on vehicle contracts that were priced during the affected period will continue to be impacted until those contracts run off. The coupon on the £475 million Senior Secured Notes is at a fixed rate. See the CFO strategic review for further details.

Liquidity and capital resources

Liquidity is a key financial KPI and comprises of:

- Freely available cash (which excludes cash held within our securitisation structures) and was £69.5 million as at 31 March 2026 (£66.9 million as at 31 March 2025);
- Undrawn amounts on our £65 million RCF, which were nil as at 31 March 2026 (£45.0 million as at 31 March 2025); and
- Undrawn amounts in respect of assets within the EFP securitisation facility that are encumbered but drawings have not been utilised in full were nil at 31 March 2026 (£17.1 million as at 31 March 2025).

This resulted in total liquidity of £69.5 million as at 31 March 2026 (31 March 2025: £129.0 million).

Our principal source of liquidity on an ongoing basis, including for the purposes of funding credit enhancement costs in respect of our securitisation facilities, is expected to be our operating cash flows.

Subsequent to the year end, the RCF was fully repaid as part of the recapitalisation transaction completed on 30 April 2026, with pro forma liquidity of £107.4 million. Further details on this are included in the CFO strategic review and note 27.

Group financing and net leverage

The Group's corporate funding needs are satisfied through our £475 million Senior Secured Notes and our £65 million RCF. For FY26, the RCF contained a financial covenant that is tested when the facilities are substantially drawn. Should this financial covenant not be met, the drawings on that same facility would be stopped.

Following the amendments made through the April 2026 recapitalisation transaction, going forward the Group's £65 million RCF contains a springing net leverage covenant: the ratio of net debt to normalised adjusted EBITDA, which is tested if the facility is more than 30% drawn. The covenant levels are set at 12.5x from September 2026 to June 2027, and 10.0x thereafter, with breach of this level resulting in an Event of Default being triggered.

The facility also contains a covenant that, to the extent that secured net leverage remains above 10.0x, a clean down is required every six months.

Leverage was 12.7x at the end of FY26, an increase of 2.5x over the prior year, driven by higher net debt and lower EBITDA. As part of the recapitalisation, the leverage definition in both the SSN indenture and the RCF financial covenant was amended to be calculated as net debt over normalised adjusted EBITDA. On this revised basis, the recapitalisation led to a modest reduction in leverage: leverage at the end of FY26 was 7.0x, based on normalised adjusted EBITDA of £67.1 million, compared with pro forma leverage of 6.4x including the effect of the recapitalisation. There was substantial headroom to the covenant threshold.

Liquidity

	Pro forma as of 31 March 2026[1] £'000	As of 31 March 2026 £'000	As of 31 March 2025 £'000
Cash	65,345	92,464	89,432
Less: cash not freely available	(22,992)	(22,992)	(22,574)
Freely available cash	42,353	69,471	66,858
Undrawn amounts within the EFP securitisation facility[2]	–	–	17,122
Undrawn Revolving Credit Facility	65,000	–	45,000
Available liquidity	107,353	69,471	128,980

Historical net debt and net leverage

	As of 31 March 2026 £'000	As of 31 March 2025 £'000
Adjusted EBITDA	**36,988**	42,172
Senior Secured Notes	**475,000**	475,000
RCF drawings	**65,000**	20,000
Less: freely available cash	**(69,471)**	(66,858)
Net debt	**470,529**	428,142
Leverage (x)	**12.7**	10.2

Pro forma net debt and net leverage[1]

	Pro forma as of 31 March 2026[1] £'000	As of 31 March 2026
Normalised adjusted EBITDA	67,083	67,083
Senior Secured Notes	475,000	475,000
RCF drawings	–	65,000
Less: freely available cash	(42,353)	(69,471)
Net debt	432,647	470,529
Leverage (x)	6.4	7.0

1. Including the impact of the recapitalisation transaction completed at the end of April 2026.
2. Undrawn amounts within the EFP securitisation facility that are encumbered but drawings have not been utilised.

Facilities funding our fleet

Fleet leasing is capital intensive and requires continuous access to a range of funding sources at competitive terms in order to maintain attractive lease margins.

We fund our receivables and residual values either on a principal or agency basis, depending on a range of factors, such as the characteristics of the asset, customer preference, available liquidity and attitude to risk and reward. We seek to fund most of our requirements through our securitisation facilities and the remainder with wholesale asset finance arrangements, such as secured back-to-back or hire purchase contracts, RV financing and agency funding.

The undrawn capacity and depth of maturity of our committed securitisation facilities enables us to grow the size of our funded fleet, and is augmented by our range of wholesale funding options. We also maintain a pipeline of new funders, to ensure depth and diversification exists within our funding facilities to deliver the growth and flexibility in the funded fleet and our strategic initiatives.

There was no material change in the nature of our RV, back-to-back and agency facilities during the year ended 31 March 2026.

Our securitisation facilities

Our securitisation facilities account for around three quarters of our vehicle funding, and have been in place for over 15 years, having established our first securitisation facility in 2011. These comprise of:

- 'EFP', our non-bifurcated facility with a £1,000 million commitment, into which we sell lease receivables and our commitment to pay the residual value (which is set at the start of the lease contract) into the structure at the end of the lease contract under a sales agency agreement. This provides funding for both lease rentals and the RVs of vehicles; and
- 'FFL', our bifurcated facility, where we sell only the lease receivables into the structure, with the RVs being funded by separate bilateral facilities. The commitment on this facility was £75 million at the start of the year, and this was reduced over the course of the year to a commitment of £50 million as we prioritise use of our non-bifurcated facility to enable residual values to be funded alongside the lease receivables. The revolving period end date was also reached by the end of March 2026 and the facility is now amortising.

On 31 March 2026, we had drawn £862.6 million on our securitisation facilities (31 March 2025: £886.8 million) compared to an aggregate available facility size of £1,046.4 million. We had also drawn £72.6 million on our bifurcated RV facilities (31 March 2025: £99.0 million) with a further uncommitted amount of £29.7 million being available within these facilities. Undrawn amounts relating to assets within the EFP securitisation facility that are encumbered but drawings have not been utilised amounted to nil at 31 March 2026 (31 March 2025: £17.1 million).

Credit enhancement and advance rates

'Credit enhancement' within the securitisation facilities comprises: i) the mandatory risk retention amount under the securitisation regulation, equating to 5% of the purchase base and ii) any additional cash collateral requirements under the terms of the facilities. The advance rates – the amount that the funders will advance against the purchase base – are stepped, according to: i) the default rate on lease receivables; and ii) for the EFP facility only, the RV Realisation Proceeds Ratio test on the sale of the vehicles at the end of the lease contract. This RV Realisation Proceeds Ratio test is measured by aggregating the sale proceeds of the vehicles sold and other end of contract receipts (including end of contract damage and excess mileage charges), and this is compared to the RVs that were set at the start of the contracts. This ratio is averaged over a three-month period, with steps in the advance rates according to the result.

The advance rates apply to the whole drawings under the facility, so that should either of these two criteria result in a reduced advance rate, this would be applied to the total drawn amounts. The facilities are not subject to residual value mark-to-market testing or adjustments.

Advance rates remained at maximum levels through the majority of the year, however, reduced in the fourth quarter, as the RV Realisation Ratio test reduced below the maximum of 105%, resulting in a step down in advance rate on residual values from the maximum of 91% to 86%. This caused a reduction in liquidity of £18.3 million.

Realised resale proceeds on a portion of our leased fleet, particularly on BEV vehicles, could be lower than residual values in the future. Under the terms of our EFP securitisation facility, this trend could result, over time, in a reduction in the RV Realisation Proceeds Ratio and contraction of advance rates with a corresponding increase in our funding requirements. Should this occur, advance rates would only step back up once the relationship between resale proceeds and booked residual values normalises.

The value of total residual values and BEV residual values within the EFP facility rose by £7.4 million and £14.9 million in the year; to £509.2 million and £297.6 million respectively as at 31 March 2026.

Recapitalisation transaction

As at 31 March 2026, the revolving period end date of the EFP securitisation facility was November 2026, however, in April 2026, we extended the revolving period end date of the facility to November 2029, as part of our recapitalisation transaction. This included the rebasing of RV positions for certain BEVs and PHEVs that were anticipated to be loss-making, restoring the headroom in the RV Realisation Proceeds Ratio test. Cash of £35.2 million, made available by the £100 million equity injection by Bridgepoint, was injected into the EFP facility to fund the collateral gap, moving advance rates back to their maximum level. The existing Junior Mezzanine Note, which arose from the previous refinancing of the EFP securitisation facility in February 2025, was repaid through subordination of the debt as equity. Further details are contained in the CFO strategic review and note 27.

Facilities funding our fleet[1]

	As of 31 March 2026		
	Available facility size £m	Drawings £m	Headroom £m
EFP	1,000	816	184
FFL	46	46	–
Total securitisation facilities	**1,046**	**863**	**184**
Bilateral RV	102	73	30
Back-to-back	91	80	11
Agency RV	174	137	37
Total vehicle financing facilities	**1,413**	**1,152**	**261**

1. The FFL facility was in amortisation as at 31 March 2026; therefore, the available facility size reflects the drawn balance with no remaining headroom.

Other wholesale funding sources

Our other wholesale funding sources, which are all uncommitted, account for around a quarter of our funding, and comprise hire purchase and agency funding. Neither type of funding method is subject to residual value mark-to-market or changes to advance rates.

Back-to-back funding

Back-to-back hire purchase funding is an arrangement whereby we buy a vehicle through a hire purchase contract funded by a financier and lease it on contract hire to customers on corresponding terms. As of 31 March 2026, we had drawn £80.2 million of funding pursuant to back-to-back hire purchase agreements (31 March 2025: £82.7 million).

Agency funding

Agency funding is an arrangement whereby we contract as disclosed or undisclosed agent for a third party which finances the vehicle purchase and, in most instances, holds legal title to the vehicle. As such, we do not take balance sheet risk on the customer, and so we choose this funding method to fund surplus customer concentrations from the securitisation facilities or if the contract does not fit within our risk appetite. This funding is arranged on a customer-by-customer basis, and therefore the headroom available is specific to that customer.

During the year the Group revised its accounting treatment in respect of vehicles subject to repurchase agreements, with both the commitment to repurchase the vehicle at the end of the lease and the corresponding debtor no longer being recognised on the balance sheet. See note 28 to the financial statements for further details.

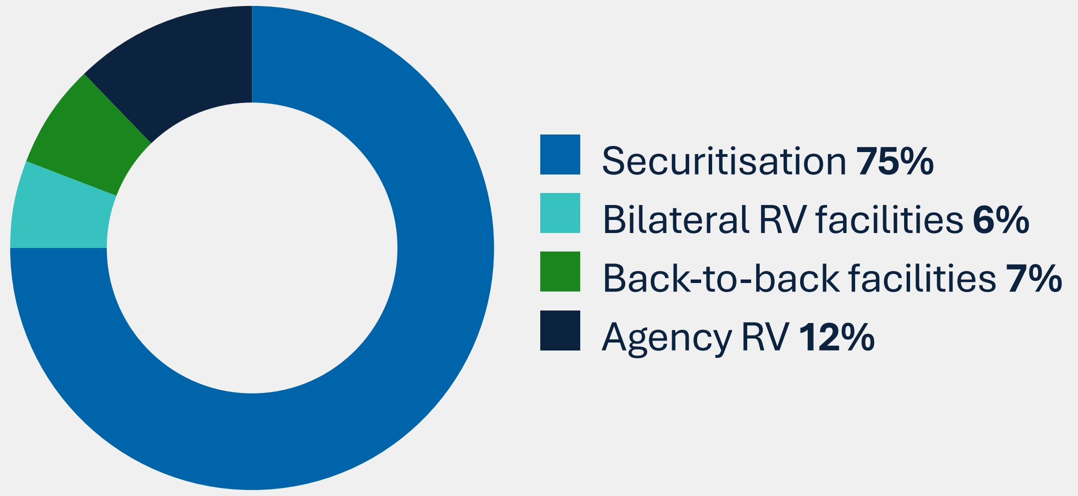
Bond purchases

We may, from time to time, purchase our notes for cash in open-market purchases and/or privately negotiated transactions upon such terms and at such prices as we may determine. We will evaluate any such transactions in light of then-existing market conditions, taking into account our current liquidity and prospects for future access to capital. The amounts involved in any such transactions, individually or in the aggregate, may be material.

Off-balance sheet arrangements

At 31 March 2026, our only material off-balance sheet item relates to vehicles funded through agency agreements, which was £136.5 million as at 31 March 2026 (31 March 2025: £149.8 million).

Asset funding sources (by drawings)



Risk management overview

Our well-developed risk management process outlines clear responsibilities for monitoring and managing risks that may impact our business.

Risk management process

The Enterprise Risk Committee (ERC) consists of all members of the Executive Committee and is responsible for the review and oversight of matters associated with the risk of harm to the business, including the consideration of enterprise risks and any subsequent recommendation on behalf of the Holding Board.

The ERC assesses risks escalated to the ERC through other Committees or an individual of the Group where the performance of a risk is outside of risk appetite, or, if a new risk emerges that is yet to be formally acknowledged or considered.

Risk management framework

Risks are managed on an ongoing basis and are captured in a risk register, identifying the risk area, the likelihood of the risk occurring, the impact if it does occur, the controls in place to mitigate the risk and any actions being taken to bring the risk back within risk appetite.

The ERC's role is to consider whether – given the risk appetite of the Group – the level of risk is acceptable and make recommendations or actions.

Risk management responsibilities

The Holding Board, various Committees and the divisional and functional teams all work together to promote a culture of risk management.

The Holding Board

- Oversight of appropriate and robust systems of risk management and internal controls are in place to identify, manage and mitigate risks to the Holding Board and the Audit & Risk Committee.

The Executive Committee

- The ExCo and its members, together with the ERC, share overall responsibility for overseeing the Group's risk management and internal control processes.
- Assess risks escalated through the supporting Committees and wider business teams.
- Assess the scope and effectiveness of the Group's internal controls and risk management procedures.
- Agree the scope of the external audit functions (and any ad-hoc work commissioned that covers risk management) and review their work.
- Escalate risks outside of tolerance, and any emerging risks, to the Holding Board and ERC.

The Enterprise Risk Committee

- Consideration of enterprise risks and any subsequent recommendations or actions.
- Assess risks escalated through the Executive Committee, other Committees or by an individual.
- Approval of any risk management framework used within the business.
- Identify the impact of key risks on business and group strategy.
- Provide an appropriate response to any evolving risks.
- Provide a response to key risks that are evolving beyond risk appetite or that require further mitigating consideration.

Divisional and functional teams including supporting committees (first line of defence)

- Identify, assess, monitor, manage and mitigate risks and exploit opportunities safely.
- Ensure corrective actions to mitigate risks and address control deficiencies.
- Embed risk management and internal controls in business as usual.
- Promote a culture of risk management.
- Escalate any out-of-tolerance or emerging risks to the ERC.
- Ensure that policies and processes required by the various committees are enacted.

Risk and compliance teams (second line of defence)

- Independent of the first line of defence.
- Provide independent assurance on the effectiveness of operational controls and risk management processes.
- Establish appropriate policies, and provide guidance, advice and direction on implementation for all our employees and any relevant stakeholders.

First line of defence

- Operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.
- Dedicated resource assists with ensuring these control frameworks are embedded and fit for purpose.
- Operational controls are designed to maintain an appropriate control environment, prevent customer harm and deliver great customer outcomes.

Second line of defence

- Comprised of compliance and other functions that provide specialist support, guidance and assistance in creation and implementation of policies.
- The Compliance team oversees regulated checks via Compliance Monitoring Plans and assurance testing per second line activities.
- Complete monitoring to assess effectiveness of first line control frameworks to confirm positive customer outcomes are being delivered in compliance with regulatory requirements. Results of oversight activity are reported to relevant committees.

Third line of defence

- The Group applies the three lines of defence principles wherever possible via assurance on the effectiveness of governance, risk management and internal controls, including first and second line defence activities.
- The Group utilises additional reviews and audits from external parties and partners over key areas such as: IT controls and InfoSec, funding, and health and safety.

Principal risks and uncertainties

Risk	Why is it a risk to Zenith?	Potential impact of risk	Risk appetite	Controls	Governance	Notable events in the year
RV risk	Our principal leasing product is contract hire, whereby the vehicle ownership remains with Zenith at the end of the contract; we take the risk/reward of selling that vehicle for more than the carrying value in our books and the cost of repurchasing the vehicle from our funders.	Volatility in price of used vehicles impacts profit and cash flows. Advance rates on vehicle funding is linked to the residual value (RV) at the end of the contract.	Medium	Residual Value Committee determines policy, approach and decision-making. Separation of RV Risk team, RV decision-making and reporting lines from customer-facing roles (including the Sales, CRM and New Business teams), ensuring independence and eliminating any possible conflict of interest. RV Risk team comprises experienced individuals in various fields (e.g. data science), not just in the automotive field.	Residual Value Committee sits quarterly and is chaired by the Group CFO.	Used car prices remained weak through the first half of the year, however, they stabilised during the second half of the year. RV profits in FY25 turned to losses in FY26 as a result of weaker used car prices, combined with higher RVs on those vehicles sold.
Information security risks, including cyber security risk	We are a technology-led business, with operational reliance on technology to deliver our products and services, manage compliance and deliver activities across our supporting functions.	A breach or failure in digital systems, including downstream systems that are provided and managed by external suppliers, could expose us to financial loss, operational disruption or reputational damage.	Low	Cyber security and IT controls are implemented in accordance with recognised industry standards, including certification to ISO/IEC 27001:2022, which is independently audited by an accredited certification body, and alignment to the UK Cyber Essentials scheme, which is assessed via an assurance partner. These controls are subject to regular independent and internal review to ensure ongoing effectiveness.	Policy and approach governed at Board level, with oversight and review of ongoing compliance delegated to the Technology and Data Risk Committee.	External cyber threats continue to increase; no material incidents identified within our operations during the period.
Liquidity and funding risk	We rely on available cash, operational cash generated and our Revolving Credit Facility to manage our finances on a day-to-day basis, but also to act as a backstop to any funding need in respect of growth or refinancing of the vehicle fleet. We also rely on our funding providers to deliver operational liquidity.	Ability to deliver profitable growth. Ability to service debt on vehicle funding or other forms of debt. Ability to fund strategic initiatives.	Low	Customary treasury and cash controls, such as planning and forecasting cash, liquidity and vehicle funding needs. Close monitoring of vehicle funding facilities to mitigate risks of non-compliance and any risk of shortfalls in funding availability against asset classes or customer categories. Monthly monitoring of position relative to risk appetite within ALCO Committee.	Holding Board governs policy, approach and approves any material changes to funding capacity. ALCO monitors current and forecasted limits, headroom and availability of funding.	During the year the Group fully drew down on its Revolving Credit Facility. Shortly after the end of the financial year, the Group completed a recapitalisation transaction with increased liquidity, extended maturities and reduced funding risk. See the CFO strategic review and note 27 for further details.
Supplier risk	We rely on a network of third-party suppliers for key operational services, technology platforms and specialist expertise. Concentration in certain suppliers and exposure to global supply chains increases vulnerability to disruption.	Interruption to customer service delivery, increased costs (including inflationary pressures), delays in delivery and potential reputational impact if service levels are not maintained.	Low/Medium	Active monitoring of supplier performance and financial resilience; business continuity and contingency planning; diversification of supplier base where feasible; contractual protections and service level agreements.	Oversight of supplier risk framework at Holding Board level, with delegated review through relevant committees (including Enterprise Risk Committee and Pricing Committee).	Continued geopolitical instability, including supply chain disruption and commodity price inflation, has led to enhanced monitoring and oversight of key suppliers.

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Principal risks and uncertainties (continued)

Risk	Why is it a risk to Zenith?	Potential impact of risk	Risk appetite	Controls	Governance	Notable events in the year
Credit risk	We provide financing to customers that is, in most cases, effectively back-to-back with funding arranged with third parties; if customers cannot meet their obligations to Zenith, the business must nonetheless meet its obligations to the funder, in essence taking a credit risk on the customer. For fleet management and short-term daily rental customers, our exposure is limited to the un-invoiced and invoiced outstanding debt.	If a customer delays payment or defaults on its payment obligations, Zenith may incur losses and adverse cash flows in respect of this customer.	Low	Credit Committee implements policy, approach and decision-making. Separation of Credit Risk team, credit decision-making and reporting lines from customer-facing roles (including the Sales, CRM and New Business teams), ensures independence and eliminates any possible conflict of interest. Credit Risk team is comprised of experienced individuals in financial analysis and credit risk management.	Policy and approach governed at Board level. Policy and practice that all new business is, first, subject to credit risk assessment by the Credit Risk team before accepting a new customer. Regular reviews of all Corporate and Commercial customers above a de-minimis level each financial year.	No notable events during the year.
Regulatory and compliance risk	We include entities that are authorised and regulated by the Financial Conduct Authority. They provide regulated products and services in our Corporate and Consumer divisions.	Reputational risk and regulatory enforcement.	Low	Systems, processes and controls are described in the Governance section of this report. In addition, the general control environment described in this Risk management section applies particularly to this risk. We operate a 'three lines of defence' model.	Policy and approach governed at Board level. Board-level oversight and review of ongoing compliance and any proposed, material changes to regulated products and services. Operational governance from Consumer Governance & Oversight Committee and supporting working parties.	Continued to develop and mature our approach to Consumer Duty, including enhancing Voice of the Customer and vulnerable customer programmes.
Health and safety risk	Within our Commercial division a number of our colleagues operate within our locations, at customer locations or in public spaces conducting vehicle maintenance activities. The dynamic nature of these locations and the tasks undertaken expose our employees to elevated risk both in terms of environmental factors and physical hazards inherent to the services delivered. Elsewhere within the Group, our employees tend to be office or home-based and such risks are not relevant or reduced to insignificant levels.	Ability to deliver profitable growth and positive cash generation. Ability to retain and care for our employees. Reputational and compliance risks.	Low	Risks are assessed, monitored and controlled in line with our ISO 45001 safety management system. This is a top to bottom approach involving staff at all levels in the ongoing monitoring and management of a proactive safety approach supported by a dedicated team of health & safety experts. Safety focused policies, whistleblowing hotlines, employee committees and digital tools enable communication, surveillance and continual improvement around the various aspects of risk.	Policy and approach governed at Board level. Weekly Safety Committee meetings at operational employee level. Monthly Senior Health & Safety Committee meeting.	Roll-out of new lone worker safety systems and enhanced occupational health screening programmes. ISO 45001 accreditation held and audited for each individual legal entity or major operating unit within the Commercial division.
Interest rate risk	The majority of our lease contracts are based on fixed rates, and financed at fixed rates, or converted to fixed rates through the use of swaps. Additionally, we price contracts at the point of order, based on the prevailing market interest rates. Interest rates may change between the order date and the date the vehicle is purchased and funded so there may be a small difference between the rate in the lease contract and the rate on which we fund the vehicle.	Ability to deliver profitable growth. Ability to service debt on vehicle funding or other forms of debt.	Low	We implement a combination of interest rate swaps and other derivatives to reduce exposure to within our risk appetite level. We regularly monitor our exposure to interest rates and perform sensitivity analysis periodically to assess ongoing risk level. Term debt is based on fixed rate.	Policy and approach governed at Board level. New contractual obligations subject to delegated authority and directorial involvement in review process.	SONIA declined steadily through 2025, and remained relatively flat in early 2026.

Principal risks and uncertainties (continued)

Risk	Why is it a risk to Zenith?	Potential impact of risk	Risk appetite	Controls	Governance	Notable events in the year
Macroeconomic and political risk	Due to the geographical concentration of our business, direct exposures are limited primarily to the UK economy and political environment. The automotive industry is a significant contributor to the UK, and therefore attracts various interventions and policies by the UK government.	Wide-ranging impacts to supply, costs, customer demand levels and taxation.	N/A	N/A	Macroeconomic trends and outlooks are monitored across the Group's Committees.	The environment remained challenging in FY26, with businesses facing higher costs from higher taxation levels and greater political instability in many key countries across the world.
Maintenance risk	We provide at-risk maintenance products to customers, i.e. Zenith takes the reward of a monthly payment, in return for assuming maintenance risk on behalf of customers. Higher inflation increases the associated costs of delivering the service, whilst the revenue remains fixed.	Volatility in costs impacts profit and cash flows.	Medium	As per RV risk above. In addition, we mitigate risk via contractual positions with customers, e.g. commitments regarding mileage or vehicle use/ condition. Including inflationary clauses in contracts and resetting inflationary assumptions when renewing contracts.	As per residual value risk above.	We are closely monitoring the emerging geopolitical developments and assessing the possible impact on economic factors such as inflation.

Residual value risk management

The majority of our leases are provided through contract hire, which means that we retain the risk and reward of selling the vehicle at the end of the lease contract. At the inception of the lease, the expected RV of the vehicle at the end of the lease contract is set, and this forms a component of the lease pricing.

We fund the cost of the vehicles through our fleet financing programme and retain the RV risk and reward on all forms of funding, as we commit to repay the residual value back to the funder at the end of the lease contract.

This risk/reward outcome is reflected in the 'RV profits/(losses)' line (see the CFO's Statement for further details), and is measured by the proceeds on sale of the vehicle (sales price and end of contract income) less costs to sell, which includes the RV of the vehicle set at the start of the lease contract.

Our Pricing and Risk team, with the support of our Remarketing team, manage this risk on a day-to-day basis, using a suite of internal and external resources to estimate the expected RV at the end of the contract. RV risk, including the setting of residual values, is governed by an RV Committee (see Governance section). Both the Pricing and Risk team and Remarketing team are independent of the Sales and Marketing teams within the business, which reduces the risk of competing interests influencing RV positions.

Strategy and approach

Fundamental to Zenith's RV position are:

- an established track record and consistent approach to RV setting from the start of the business;
- a diversified portfolio of assets (i.e. all drivetrains, makes, marques and models);
- an expectation from our customers that we manage risk appropriately and provide consistency in pricing, without undue fluctuations from used vehicle market movements;
- an acknowledgement that our vehicle funders (who fund against vehicle RVs) expect consistency of approach to RV setting that is within the agreed facility terms and historical parameters, and that the process has suitable governance;
- the utilisation of a wealth of in-house empirical data on RV performance (by make, marque, model and drivetrain) and on remarketing performance (our disposal performance versus market benchmarks);
- the careful selection and application of third-party data, to benchmark our own positions and performance, and (separately) to forecast RV equity positions based on our book; and
- the consistency of our approach and policy, in setting RVs and in managing remarketing of vehicles.

Key risks

The key risks associated with RVs are as follows:

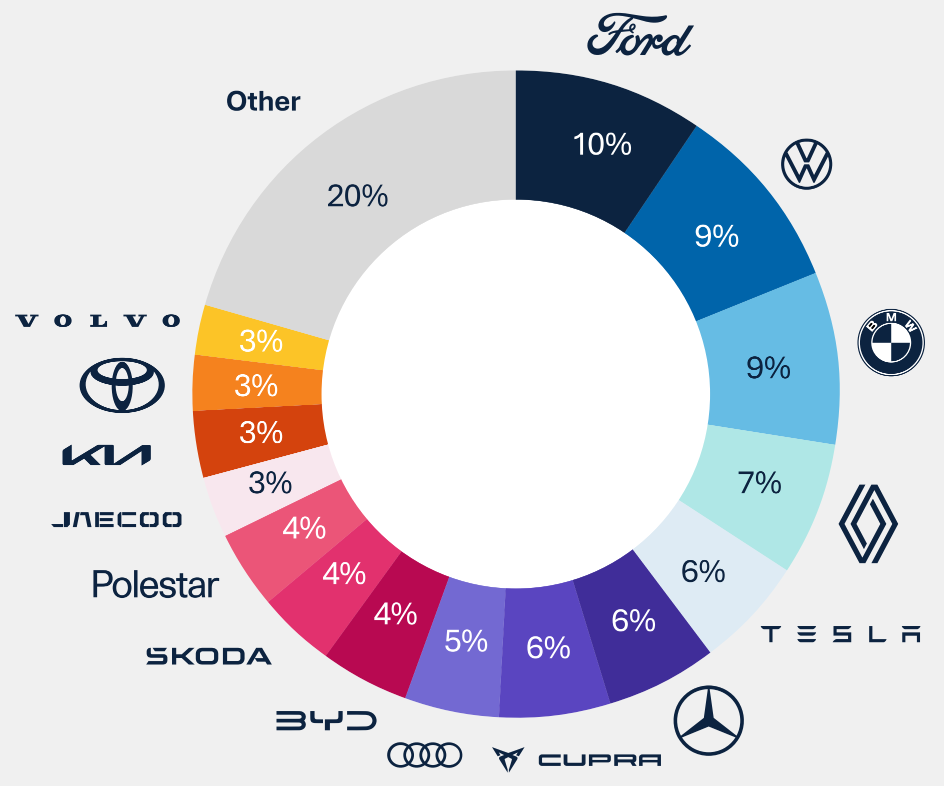
- Used vehicle prices – profitability of the sale of the vehicle depends directly on external market prices, influenced by supply and demand factors.
- Forecasting – the process of setting RVs involves estimating the future price of the vehicle, often into the medium term. This can be difficult, especially with changing drivers including supply, demand and government legislation.
- Concentration risk of make or marque – should the fleet become overly weighted towards any one make or marque.
- Further volatility in the supply and pricing of new and used vehicles as the market transitions from petrol and diesel powertrains to BEVs, and new entrants enter the market.

RV management actions

We manage our risks associated with residual values through:

- active engagement across the industry with dealers, OEMs and industry forecasters who inform our understanding of price evolution;
- monitoring the composition of the fleet and adjusting our risk appetite accordingly – make, marque, age profile and other key characteristics;
- assessment of the optimal journey for the vehicle beyond its initial lease contract term; depending on a variety of factors, the lease contract may be extended, the vehicle leased to a new customer or sold through a variety of remarketing channels; and
- active remarketing of each vehicle to be disposed, utilising auction, retail channels and sales to existing drivers; ensuring the optimal price is achieved for the condition of the vehicle.

Funded fleet by manufacturer (Corporate & Consumer)



RV management initiatives

1. Project Volt

Project Volt was initiated in early 2024, as a response to declining used BEV prices, and involves extending lease contracts for BEVs with RVs that are expected to be loss-making at the end of the contract.

There are multiple benefits to extending the lease contracts. For the driver, it keeps the lease cost lower. We benefit by deferring the sale of the vehicle, and capturing an additional stream of cash flows through a period where most of the depreciation has already been recognised. We recognise that some assets may still be loss-making at the end of the extended period; the amount of losses we ultimately incur will depend on the performance of the market over that period of extension.

We benefit from both: i) formal extensions – where a lease contract is extended for a set period – usually 12 months, where we capture the benefit for the full period; and ii) informal extensions, where a lease contract is allowed to run on beyond the initial contract end date. Each month that a vehicle remains leased defers the sale of the vehicle and generates additional cash flow. On average, informal extensions through this programme last for six months, providing half the benefit of a formal extension. From the inception of Project Volt to the end of FY26, there were 14,400 contracts in scope, and we had formally extended 28%, or c.4,000 of those, with a further 36% of contracts having benefitted from being in informal extension.

Losses mitigated are calculated as the expected loss avoided by not selling the vehicle, less the anticipated profits or reduced losses from selling the vehicle at the end of the extended period. As a result, £19.2 million of losses had been mitigated on all contracts extended up to the end of FY26 across formal and informal extensions. We will continue this project whilst loss-making cohorts remain.

Project Volt benefits

- Lower monthly lease cost for drivers.
- Mitigates our RV risk positions.
- Enabled through our strong driver service proposition.

2. Secondary leasing

In October 2025, we launched a new product: secondary leasing of BEV cars for salary sacrifice customers. This involves leasing a returned vehicle to a new customer and/or driver for a new lease period. All BEV cars returning from a lease are reviewed for their suitability for a second or further lease term, and those eligible are refurbished and advertised on our salary sacrifice portal.

Secondary leasing allows us to capture an additional stream of cash flows through a period where most of the depreciation has already been recognised and where we are funding a lower amount. It also provides a cheaper option to drivers, and opens up a new market segment for us.

Secondary leasing benefits

- Provides lower-priced alternatives for customers.
- Shorter lease contract length available – from 12 months.
- Addresses additional market segment.
- Mitigates our RV risk positions.
- Enabled through our strong driver service proposition.

3. Retail remarketing

We adopt an active and comprehensive approach to remarketing vehicles at the end of the lease period, and this year we expanded our remarketing options by adding a new retail channel: selling vehicles direct to retail customers through various retail channels. Our proactive Remarketing team attends all auctions; setting individual vehicle reserve prices and negotiating prices as needed. We also sell vehicles directly to drivers at the end of their lease contract, in some cases.

We evaluate the preferred path for our vehicles at each stage of their life, with vehicles not sold directly to the driver collected by one of our selected remarketing partners and taken to a secure site. Each vehicle is assessed for damage and the cost and benefit of repair. This tailored approach ensures we achieve higher selling prices and high first-time conversions, resulting in higher profitability, lower holding costs and better working capital.

1. For vehicles within the scope of Project Volt.

Task Force on Climate-Related Financial Disclosures (TCFD)

We recognise the material impacts of climate change on our business, stakeholders and the wider economy. Acknowledging the potential consequences of unmanaged climate-related risks, we began aligning our approach with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in FY23. This enables a structured and consistent approach to identifying, assessing and managing climate-related risks and opportunities, supporting informed decision-making and long-term value creation.

Compliance with TCFD requirements

Our disclosures on pages 42–46 are compliant with the Companies (Strategic Report) (Climate-Related Financial Disclosure) Regulations 2022 and under s414C, s414CA and s414CB of the Companies Act 2006 (the Act). However, we have voluntarily aligned our disclosures to the structure envisioned under the TCFD regime, allowing for better comparability to many other businesses already reporting under this framework.

Governance

Our Chief Executive Officer (CEO), who sits on our Holding Board, is updated at least every 12 months on Zenith's approach and management of climate change. Since FY24, part of our Executive Committee's remuneration is linked to long-term sustainability metrics.

Our Sustainability Manager leads the design, delivery and reporting arms of our management of climate-related risks and opportunities, and our wider sustainability strategy.

Our Sustainability Manager chairs the Environmental, Social and Governance (ESG) Committee, who have devolved responsibilities from our Executive Committee to raise awareness of sustainability matters. They assess performance against our sustainability plan: People Powered Impact. Data is provided by several sub-forums and groups, including colleagues responsible for specific focus areas.

The Climate Risk Working Group is responsible for managing climate-related risks and opportunities and maintains the Group's climate risk register. They are also responsible for completing climate scenario analysis.

Read more about our ESG Committee on page 49.

Risk management

As disclosed in previous Annual Reports, the Climate Risk Working Group is responsible for identifying, assessing and managing our climate-related risks and opportunities. Membership of the group is cross-functional.

The Group completed an initial assessment by taking a bottom-up approach of identifying the related policy, legal, market and technological issues that may affect Zenith and then assessing the potential impact of these.

This approach is complemented by subsequent horizon scanning to identify external trends, such as legal and regulatory developments, emerging science and expert opinion.

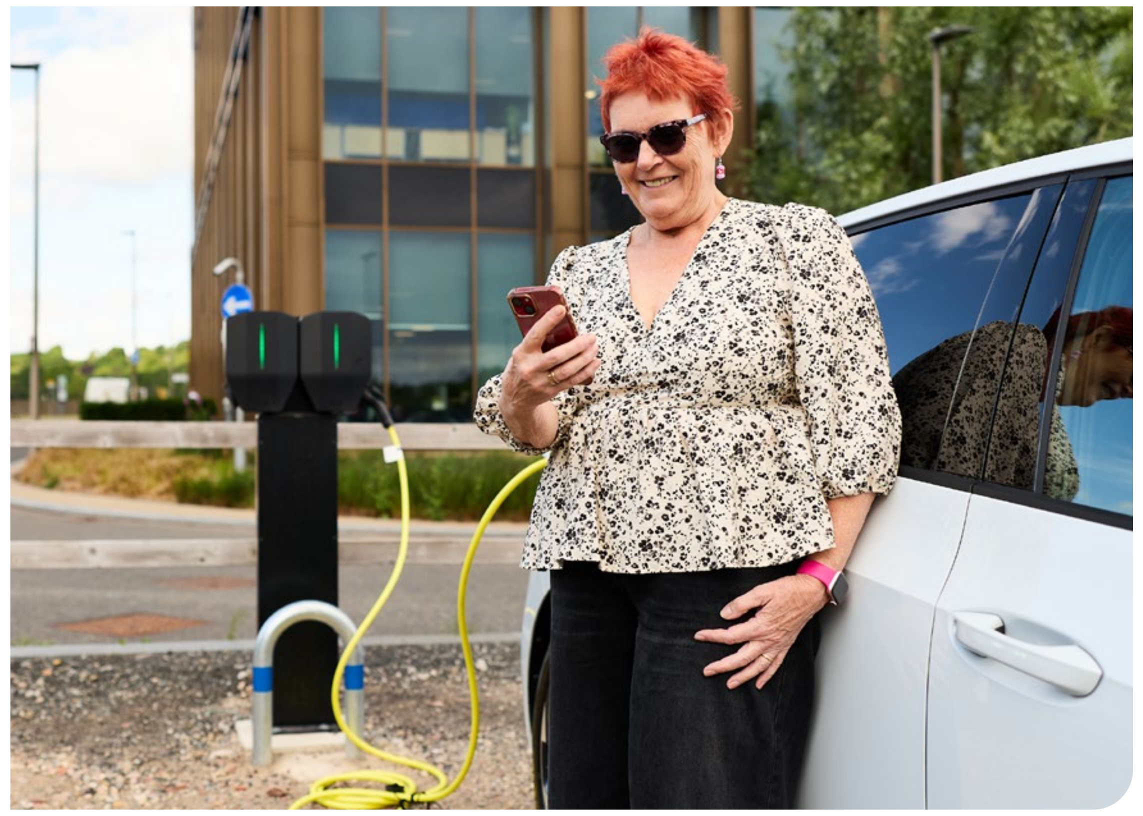
All risks are assessed to understand the likelihood of an event occurring and the potential impact to our business; the result of the assessment is then used to determine an appropriate response in line with our risk appetite. Each risk has documented controls with appropriate owners assigned.

In FY26 we created an Enterprise Risk Committee. During FY27, we will ensure that climate risk is appropriately integrated into this new risk management governance framework.

Strategy

In FY24, we conducted climate-scenario analysis on selected potentially material climate risks and opportunities to assess how likely they are to occur and the scale of their potential impact on Zenith. This assessment considered potential effects on our financial, operational, strategic, supply chain and reputational performance where risks are not effectively managed. Further details are available in our FY24 Annual Report, and we will refresh this assessment in FY27.

The following risks and opportunities, including the climate-scenario analysis and the mitigation strategies, should be interpreted as hypothetical; they are not forecasts or guaranteed future situations.



Climate-related risks and opportunities

Transition risks
R1 UK automotive-sector legislation
R2 Used car market volatility
R3 Carbon tax

Physical risks
R4 Extreme weather events

Opportunities
O1 Growth of BEV market
O2 Product and service innovation
O3 Growth of green financing options
O4 Circular economy within the supply chain

Risk materiality

We determine the materiality of a risk through a qualitative assessment of the risk or opportunities' potential impact upon:

- Financial planning
- Strategy
- Our operations
- Our supply chain
- Regulatory or stakeholder expectation

Risk time horizon key

Time horizons consider when the risk could likely cause an impact. These were selected to align with the Group's financial planning process and have also been determined based upon the typical life cycle of our leased vehicles being 3–5 years.

Furthermore, Zenith's more material climate risks are transition-related, therefore shorter timeframes are more appropriate currently due to the rapid pace of policy, legal, technology and market changes occurring within the automotive and transport industry.

The Climate Risk Working Group reviews the time horizons annually and these may change as our framework develops.

- Short term (1–3 years)
- Medium term (3–5 years)
- Long term (5 years plus)

Warming trajectory by 2100	Transition scenarios (IEA[1])	Physical scenarios (IPCC[2])
<2 degrees Celsius	Net zero emissions (NZE)	SSP1–2.6 (low challenges to mitigation and adaptation)
2–3 degrees Celsius	Announced pledges scenario (APS)	SSP2–4.5 (medium challenges to mitigation and adaptation)
>3 degrees Celsius	Stated policies scenario (STEPS)	SSP5–8.5 (high challenges to mitigation, low challenges to adaptation)

1. International Energy Agency (IEA) has produced a number of climate transition pathways to support their analysis. We have used the assumptions outlined within their reports and analysis.
2. The Intergovernmental Panel on Climate Change (IPCC) has produced various scenario analyses including Representative Concentration Pathways (RCPs) and Shared Socio-Economic Pathways. These are widely accepted reference points on both the physical and transition climate risks.

S Short term M Medium term L Long term

1 Minimal 2 Minor 3 Moderate 4 Important 5 Major

Transition risks

Description of risks	Potential impact to the business	Adaptation or mitigation strategies	Timeframe and risk to Zenith
Risk that changes to UK legislation relating to the automotive and leasing industry result in BEVs becoming less attractive to customers.	• This risk increases in the STEPS scenario with limited government support for manufacturers and/or consumers for the transition to BEVs. • Through internal analysis, we determined that our business strategy is resilient under all three scenarios.	• We operate a manufacturer and technology-agnostic approach that puts customers' needs at the heart of our decision-making. This enables us to adapt our approach in response to government policy. • Working directly with government and through industry bodies to understand and influence policy relating to the decarbonisation of road transport.	S→M 3
Risk that consumers and the used car market move away from electric vehicles caused by a change in consumer behaviour due to energy price increases, the price of the vehicles and apprehension around battery health.	• This is an ongoing risk under all three scenarios. In the existing situation where government policy is supportive of the transition to BEVs via corporate company cars, without appropriate support for the used market. • In addition, scenarios with a higher warming trajectory would result in a slower transition to BEVs. • In all scenarios, the risk to Zenith is financial due to lower residual values for BEVs. For this reason, we are maintaining a balanced fleet of BEVs and ICE vehicles.	• Due to BEVs being relatively new in the car market (compared with ICE vehicles), combined with there still being an alternative fuel type available, consumer behaviour is difficult to forecast and still susceptible to big changes. • Therefore, we have developed a range of options to maximise revenue at the end of the vehicles' lease. • We have mature governance frameworks to monitor and respond to this risk.	S→M 4
Risk that a carbon tax is implemented to help ensure that the UK achieves net zero by 2050 caused by government policy changes.	• This would result in increased energy, fuel and associated operating costs as indirect carbon taxes are passed to us through our supply chain. • Increased government policy intervention such as this is more likely under lower warming scenarios. • Over 99% of our emissions are due to third parties and sit within our Scope 3. They specifically relate to the production and life cycle usage of the vehicles. UK government policy to decarbonise the automotive industry will naturally mean that our Scope 3 emissions relating to vehicle usage will reduce.	• Working towards our SBTi net zero targets through energy efficiency measures at our sites and supporting customers to decarbonise their fleets. • Supplier engagement practices to encourage decarbonisation policies and enable circular economy practices. • Working directly with government and through industry bodies to understand and influence future climate-related policies.	L 3

Physical risks

Description of risks	Potential impact to the business	Adaptation or mitigation strategies	Timeframe and risk to Zenith
Risk that increased extreme weather events such as flooding or extreme heat become more frequent globally caused by climate change.	• This risk is expected to increase under all three scenarios. The severity and frequency of extreme weather events will be most pronounced in higher warming scenarios. • The impact is more relevant for our non-UK-based supplier partners compared to our direct operations, which are entirely UK-based.	• A geographically and strategically diverse supply chain that provides alternative sources of supply. • Our agile working policy and technology estate allow us to easily flex to working from home for office colleagues, if circumstances require.	S→M 4

S Short term M Medium term L Long term
1 Minimal 2 Minor 3 Moderate 4 Important 5 Major

Opportunities

Description of opportunity	Potential impact to the business	Adaptation or promotion strategies	Timeframe and risk to Zenith
Opportunity to reduce our emissions through increasing the number of BEVs compared to traditional internal combustion engines on our fleet due to government policy, consumer preference and market changes.	• The growth of the BEV market is most likely under the NZE and STEPS scenarios. This would significantly reduce our Scope 3 emissions and support achievement of our SBTi carbon reduction targets.	• Our mission is to keep our customers moving, sustainably. We work with industry bodies and the government directly to promote policies that enable the transition to BEV. • Our dedicated Fleet Consultancy team supports customers to identify opportunities to transition their vehicles to BEV.	S→M 4
Opportunity to offer additional products that could be caused by a change in consumer behaviours and supply chain innovation driven by climate change.	• The automotive and leasing industry is going through a period of change under the current APS. • These changes will be more pronounced under both the NZE and the STEPS scenarios. • However, the changes would be expected in the short term under the NZE scenario, whereas it is likely to be long term under the STEPS scenario.	• Our vision is to be the UK's most customer-focused fleet partner. To deliver on this vision, we provide products and services that our customers, and the markets in which we operate, desire. • In addition to the range of products and services outlined within this report, we created a dedicated product team in FY26. Their objective is to ensure that our products are fit for our customers, now and in the future.	M 4
Opportunity to access green finance markets caused by our transition plan, net zero targets and delivery of our wider ESG strategy.	• The growth of the green finance market is most likely under the NZE scenario. The growth of this market would provide us with increased opportunities to access financing, or to reduce our costs of borrowing. • Under the APS and STEPS scenarios, the growth of this market is more likely in the medium and long term.	• We have previously accessed the green finance market through the issuance of our £475 million Senior Secured Note/Green Bond in January 2022, and its maturity has recently been extended to 2031. Further information on Sustainalytics' review of the allocation and impact of our Green Bond can be found here. • We continue to provide more sustainable road transport via our other funding facilities, as evidenced by BEVs comprising 51% of our funded fleet and totalling 63% of our order bank in March 2026.	M 3
Opportunity to repair vehicles using green parts caused by supplier partners transitioning to a circular economy.	• This opportunity is likely under all three scenarios. The use of green parts creates climate co-benefits for Zenith, our customers and the supply chain. • These include vehicle up-time being as high as possible, reduced costs due to not purchasing new parts and more resilient supply chains.	• Continued engagement with SYNETIQ, our green parts supplier. • Customer communications campaigns to encourage green parts take-up.	M 3

Metrics and targets

We have a range of metrics and targets to manage our climate-related risks and to realise climate-related opportunities. The key metric is our greenhouse gas (GHG) emissions and our most material target is our SBTi-validated carbon reduction and net zero targets.

Information on these can be found within our Sustainability section on pages 22–24

Other key metrics focusing on product range and supply chain can be seen below. We regularly review and refine our approach to ensure that our metrics and targets remain robust, relevant and effective in monitoring and managing climate-related risks and opportunities.

Metrics

Metric	Unit of measure	Linked to identified climate risks and opportunities	Commentary	Progress
Our Corporate and Consumer division funded fleet that are BEV.	%	• UK automotive-sector legislation • Introduction of a carbon tax • Used car market pricing volatility • Growth of BEV market	Through our support and expertise, we collaborate with our customers to configure fleet policies appropriate to their needs. In many cases, this is a BEV.	FY26 50.9% FY25 47.5%
Average g/km of non-BEV cars and vans.	Mean average	• Introduction of a carbon tax • Growth of BEV market	40% of our Corporate and Consumer divisions' funded fleet non-BEV cars are now PHEVs, which have a lower g/km and are leading to a reduction in the overall average of g/km for our non-BEV cars.	Cars FY26 64g/km FY25 80g/km Vans FY26 179g/km FY25 178g/km
Annual sourcing of renewable electricity.	%	• Introduction of a carbon tax	The main source of our electricity usage is at our Kirkstall Forge Head Office. Through our landlords, we ensure that we utilise renewable energy tariffs.	FY26 77% FY25 62%
Recycled or second-life parts used to maintain and repair vehicles.	%	• Circular economy	We intend to regularly engage both our customers and supplier partners regarding the benefits of utilising green parts. We foresee this engagement to drive change further.	FY26 <1% FY25 1%

Governance report

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Corporate governance

As an ethical and responsible business, we pride ourselves on transparently communicating with all our stakeholders and driving good outcomes and engagement across the board.

Holding Board

The Holding Board is ultimately responsible for ensuring the success of Zenith. It does this by collectively directing the affairs of the business, balancing its interests against those of shareholders and stakeholders where appropriate. The Holding Board provides strategic direction, purpose and governance within a framework that enables risk to be assessed and managed, and commercial opportunities to be realised.

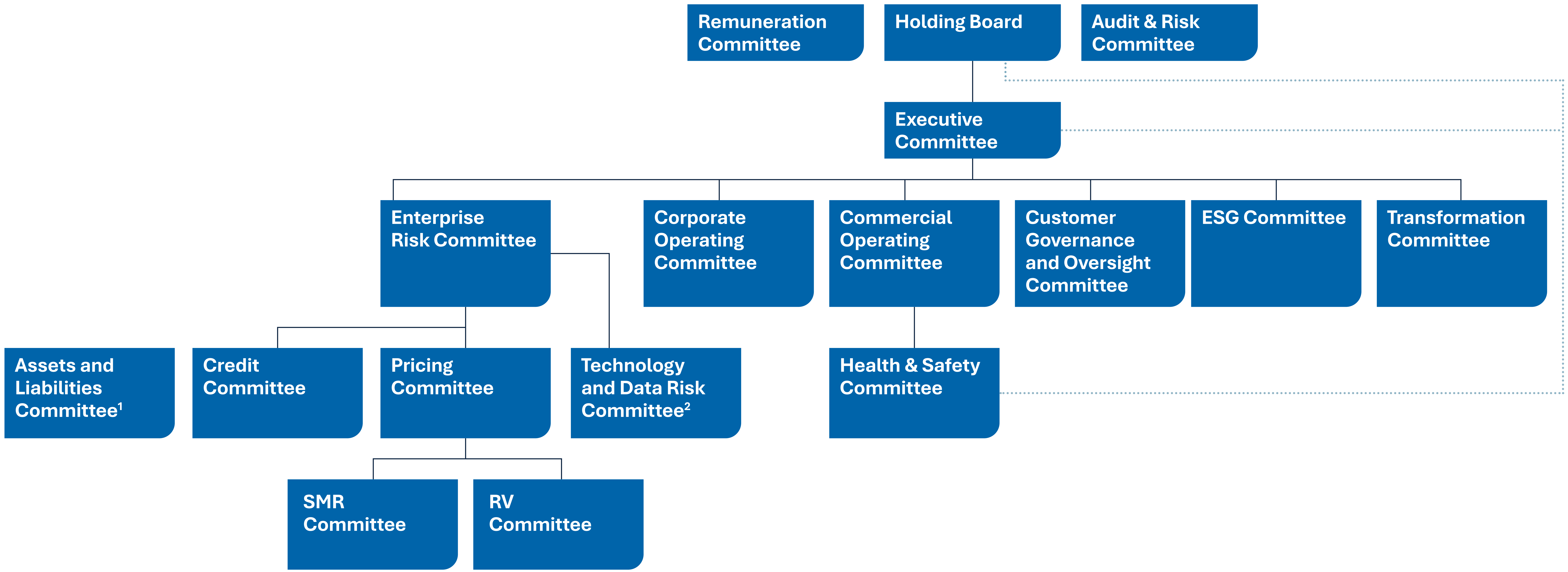
Committee outputs are formally escalated to the Holding Board where matters exceed delegated authority, risk appetite or have strategic or regulatory significance.

Executive Committee

With authority delegated from the Holding Board, the Executive Committee implements the policy and strategy adopted by the Holding Board and deals with operational matters affecting the Zenith Group. It reviews detailed management information, including performance metrics and risk, sets behavioural standards and ensures the necessary financial and human resources are in place for the business to meet its strategy and objectives.

Divisions

Each of Zenith's three divisions also has its own Divisional committee. These committees review performance topics that underpin the ongoing effectiveness of existing controls, process and behaviours within the three divisions, and cover operational, commercial and regulatory matters. The committees provide close review and oversight of each function, and report matters arising to the Executive Committee.



1. ALCO reports directly to the CEO and CFO.
2. For FY26, the Technology and Data Risk Committee reported to the Executive Committee; following the year end, its reporting line was changed to the Enterprise Risk Committee.

Board/committee name	Ref	Scope
Holding Board	**HB**	The Board directs the affairs of the Group taking into consideration Zenith's various stakeholders and interests. It provides strategic governance and challenge as appropriate.
Audit & Risk Committee	**AC**	The Audit & Risk Committee oversees overall financial reporting, related internal controls and risks, ethics and compliance, and the Group's audit processes.
Remuneration Committee	**RC**	The Remuneration Committee sets remuneration policy, determines Directors' and senior managers' total individual remuneration packages and sets targets for performance-related pay.
Executive Committee	**ExCo**	The Executive Committee is tasked with executing strategy and policy, while also dealing with operational matters. Setting the tone from the top in relation to delivering good customer outcomes and managing stakeholders and delivering the plan.
Enterprise Risk Committee	**ERC**	The Enterprise Risk Committee (ERC) is responsible for the review and oversight of matters associated with the risk of harm to the business including, where appropriate, the consideration of enterprise risks and any subsequent recommendation on behalf of the Holding Board (HB). The ERC will assess risks escalated to the ERC through other committees or an individual of the firm where the performance of a risk is outside of risk appetite, or if a new risk emerges that is yet to be formally acknowledged by the business.
Corporate Operating Committee	**CorpE**	The three Operating Committees are responsible for the review and oversight of matters associated with the performance and operation of each division and execution of the strategy. They discuss and act on risks in need of further escalation and examine key performance topics and management information to ensure effectiveness of processes and controls. Additionally, the Consumer Governance and Oversight Committee oversees the delivery of good customer outcomes, ensuring we're compliant with the FCA requirements.
Commercial Operating Committee	**ComE**	
Consumer Governance & Oversight Committee	**ConE**	
Technology and Data Risk Committee	**TDRC**	The Technology and Data Risk Committee assists Zenith's Executive Committee by defining, monitoring and supporting the Group's related strategy and purposes in relation to Digital Governance. This includes InfoSec, Data Protection, AI governance and Operational Resilience risk and assurance.
ESG Committee	**ESG**	The Environmental, Social and Governance (ESG) Committee is responsible for developing and delivering our sustainability strategy: People Powered Impact. It ensures appropriate oversight and reporting procedures are in place to evaluate progress against our commitments to deliver a positive impact for the environment, people and society.

Board/committee name	Ref	Scope
Transformation Committee	**TC**	The Transformation Committee is responsible for overseeing programme progress against our Transformation Roadmap. This sponsor-led review includes overall programme health, scope changes, timelines, new risks and issues, expenditure and delivery against outcome objectives. It also oversees Steerco decisions and new programmatic demand. The Committee has decision rights for escalated decisions that cannot be made in a Steering Committee. This includes proposed investment, scope or outcome commitment changes and cross-programme contention/resource allocation decisions.
Pricing Committee	**PC**	The Pricing Committee is responsible for the review and oversight of all customer pricing for the Commercial and Corporate divisions, and includes balance sheet provisioning and oversight of its sub-Committees (SMR and RV).
SMR Committee	**SMR**	The Service, Maintenance and Repair (SMR) Committee reviews and evaluates the Group's service, maintenance and repair underwriting controls and benchmarks, to ensure that the Group is taking an appropriate level of risk in these areas across all channels. The Committee covers all operating divisions.
Residual Value Committee	**RVC**	The Residual Value Committee (RVC) reviews and evaluates the Group's residual value controls and benchmarks to ensure that the Group is taking an appropriate level of associated risk across all channels. The Committee covers all operating divisions.
Credit Committee	**CC**	This Committee reviews and evaluates areas of credit risk taken by the Group, mainly via customer credit that is funded via securitisation and back-to-back funding, in order to ensure that the Group is taking appropriate risks according to risk appetite. The Committee also takes decisions about how to mitigate such risks where appropriate and is independent of the divisions. The Committee covers all operating divisions.
Assets and Liabilities Committee	**ALCO**	The Assets and Liabilities Committee is responsible for overseeing and managing liquidity, funding, interest rate and market risks. It oversees compliance with contractual obligations under the funding agreements and associated regulatory requirements.
Health & Safety Committee – Commercial division	**HS**	The Health & Safety Committee – Commercial division's purpose is to provide, with the support of its advisers, the strategic leadership and governance of health and safety within the Commercial division. It sets policies, identifies improvement opportunities, agrees and prioritises the plan of action, and ensures those with management responsibility are accountable for health and safety.

Governance in detail

Zenith is committed to conducting business with integrity, fairness and transparency. The business operates frameworks and embeds policies and procedures with the principal aim of achieving best practice, delivering good outcomes and compliance with applicable laws and regulations. The Holding Board oversees the governance framework through which risks are identified, assessed and managed, supporting the delivery of good outcomes and compliance with applicable legal and regulatory requirements.

Risk management and assurance model

Enterprise risk oversight

The Holding Board sets and reviews the Group's risk appetite, with performance against appetite monitored through the Enterprise Risk Committee (ERC).

The Enterprise Risk Committee is responsible for the review and oversight of matters associated with the risk of harm to the business including, where appropriate, the consideration of enterprise risks and any subsequent recommendation on behalf of the Holding Board. The ERC will assess risks escalated through other committees or individuals where a risk is outside risk appetite or where a new risk emerges.

The Group operates a three lines of defence model, incorporating operational controls, compliance monitoring and assurance.

To find out more about risk management, please go to page 36.

Regulatory and compliance governance

Legal and regulatory environment

Zenith is subject to various legal and regulatory regimes, including:

- Information Commissioner's Office (ICO)
- Financial Conduct Authority (FCA)
- UK sanctions law
- Money laundering regulations
- Environmental and health and safety regulations

Zenith's Legal, Group Compliance, Data Protection and Information Security teams provide divisional representatives with subject matter expertise and support to ensure appropriate regulatory and control frameworks are developed, maintained and operated effectively.

Senior Managers and Certification Regime

The Group operates under the FCA's Senior Managers and Certification Regime, which is designed to promote clear individual accountability, effective governance and appropriate standards of conduct. Senior Management Functions are allocated to clearly identified individuals with prescribed responsibilities, supported by Statements of Responsibilities and a Management Responsibilities Map.

Framework oversight

For each framework, Zenith allocates accountability to a colleague/committee, followed by subject matter experts and an Executive Committee member who are responsible for carrying out the relevant and timely compliance reporting and detailed management information, and reviewing detailed risk and customer outcomes.

Data protection and information security frameworks

ISMS (ISO/IEC 27001:13)

- Leadership
- Planning
- Support
- Operations
- Performance evaluation
- Improvement

Cyber essentials

- Firewalls
- Secure configuration
- Security update management
- User access control
- Malware protection

Privacy management framework

- Accountability
- Policies and procedures
- Risk management and data protection impact assessments
- Data subject rights
- Transparency
- Records management
- Contracts and data sharing
- Third-party management
- Data retention
- Incident management
- Compliance monitoring and assurance
- Fair and lawful processing (incl. consent)
- Records of processing
- Data minimisation
- Training and awareness

Conduct, customer and Consumer Duty oversight

FCA-authorised entities

The Group comprises three FCA-authorised and regulated entities: Zenith Vehicle Contracts Limited, ZenAuto Limited and Leasedrive Limited.

Products, services, policies and procedures are designed to comply with applicable legislation and regulation, and to support the delivery of good customer outcomes. Compliance monitoring is undertaken in line with the Group's monitoring plan, supported by ongoing assessment of conduct risk and customer outcome management information, and regulatory developments are monitored to ensure continued compliance.

Consumer Duty

The FCA's Consumer Duty is fully integrated into the Group's business practices, decision-making and day-to-day operations. Our focus remains on ensuring good customer outcomes, and that our customers have access to appropriate support when they need it, receive clear, timely and understandable communications, and are offered products and services that meet customer needs and provide fair value. Oversight of the Duty includes ongoing monitoring of customer outcomes and regular assessment of colleagues' understanding of their responsibilities, supported by targeted training and review activity where required. The principles underpinning the Consumer Duty have also been applied more broadly across non-regulated activities, including the salary sacrifice proposition, to promote consistent standards of customer care and outcomes. During the year, the Holding Board reviewed and approved the annual Consumer Duty outcomes assessment, considering whether the Group is delivering good outcomes for customers across the four outcomes areas. The Board concluded that the Group is meeting its Consumer Duty obligations.

Vulnerable customers

The Board oversees the Group's approach to the fair treatment of vulnerable customers across its regulated entities, including the effectiveness of governance arrangements, policies, training and monitoring.

Information security, data protection and operational resilience

Information security and data protection

The Group operates in a data-driven environment in which information security and data protection are critical to operational resilience, regulatory compliance and stakeholder trust.

The Group's information security and data protection arrangements are underpinned by recognised frameworks, policies and assurance processes designed to protect the confidentiality, integrity and availability of data, and to comply with applicable legal and regulatory requirements.

The Group's Information Security Management System is certificated to ISO/IEC 27001 (covering the four domains: Organisational, People, Physical and Technological) and its privacy management framework is supported by an assurance model developed by an external professional services and audit firm. Appropriate technical and organisational measures are in place to safeguard personal data throughout its life cycle, ensuring that personal data is managed securely and lawfully, supported by recognised security tooling, monitoring capabilities and incident response arrangements.

The Data Protection Officer ensures that the Group complies with the Data Protection Act 2018, UK GDPR, the Data Use and Access Act 2025 and the Privacy and Electronic Communications (EC Directive) Regulations 2003. Governance and accountability for information risk are clearly defined in line with the FCA's SM&CR regime, with Directors accountable for information risk within their respective areas and supported by designated operational roles responsible for implementing risk-based information security and data protection activities. These arrangements are overseen through established governance forums, with regular reporting on risks, controls, incidents and emerging trends, supported by specialist input from the Information Security function and the Data Protection Officer.

Business governance, ethics and non-financial information

Zenith is a business that operates ethically and transparently in all its activities and expects the same of its supply chain.

The Board oversees and supports a culture that supports the fair treatment of customers and partners, responsible environmental stewardship and high standards of service delivery, consistent with the Group's values. Further detail on how these matters are reflected in decision-making and stakeholder engagement is set out in the Stakeholder engagement and Section 172 disclosures on pages 57–60.

Business continuity

The continued success of Zenith depends on its ability to deliver continuous, high-quality service. The purpose of the business continuity management programme is to maintain robust and proven plans and procedures, enabling a fast and effective response in the event of any unforeseen disruption that threatens its people and/or continued operations.

In line with FCA operational resilience requirements, the Group has identified its important business services and established impact tolerances for disruptions that could cause intolerable harm to customers or market integrity. These arrangements are supported by mapping of resources, scenario testing and ongoing remediation activity, with oversight provided through established governance forums and reporting to the Board.

Financial crime

Financial crime framework

Our financial crime framework covers the following:

- Anti-bribery and corruption
- Anti-fraud
- Anti-money laundering and counter-terrorist financing
- Trade sanctions
- Tax evasion
- Conflicts of interest
- Whistleblowing

The Board oversees the Group's approach to financial crime prevention, supported by a compliance framework designed to meet applicable legal and regulatory requirements. Responsibility for oversight is held within the Compliance function, including the Money Laundering Reporting Officer, with assurance provided through first- and second-line compliance activities and regular reporting of key financial crime indicators and compliance metrics to the Board.

People, culture and ethical governance

Regulatory training

The Board oversees the Group's approach to mandatory training and awareness, supported by a structured programme covering key regulatory, compliance and conduct topics for all colleagues. Completion and ongoing awareness are monitored through established governance and reporting arrangements, with regular management information provided to senior leadership and Directors to support effective oversight and accountability.

Training and awareness are delivered across the Group through a structured programme that combines digital learning, regular engagement activities and in-person sessions.

Further detail on training and awareness delivery, colleague engagement and development is set out in the People section on page 19.

Whistleblowing

The Group operates a whistleblowing framework designed to enable colleagues and other stakeholders to raise concerns in confidence and without fear of retaliation. Reports can be made through independent reporting channels and are escalated and investigated in accordance with established procedures.

Oversight of whistleblowing arrangements, including reports received and actions taken, is provided to senior management and the Holding Board to support effective governance, ethical conduct and regulatory compliance.

Equality and diversity

The Holding Board oversees the Group's framework for promoting equality of opportunity and preventing discrimination, harassment and victimisation, ensuring that colleagues and stakeholders are treated with dignity and respect. The framework includes our Board-approved mission, principles and commitments for Equity, Diversity and Inclusion and is supported by policies and procedures, including our Diversity & Inclusion policy, designed to foster an inclusive and respectful working environment and to provide support where concerns are raised. It is Group policy that there should be no discrimination, harassment or victimisation of any employee, job applicant, customer service provider or member of the public because of a protected characteristic.

The policy has three main objectives:

- Encouraging employees to take an active role in combatting all forms of unlawful discrimination, harassment and victimisation.
- Deterring employees from participating in any such unlawful behaviour.
- Demonstrating to employees that they can rely on the support of Zenith in cases of unlawful discrimination, harassment or victimisation at work.

Further detail on the Group's people policies, equality and inclusion approach can be found in the People section on page 19.

Responsibility, sustainability and human rights

Human rights, labour standards and modern slavery

The Board oversees the Group's commitment to upholding internationally recognised human rights and labour standards, including alignment with the UN Universal Declaration of Human Rights and International Labour Organisation conventions. This is supported by a framework of policies and governance arrangements covering fair treatment, safe working conditions and ethical business conduct across the Group and its supply chain.

For employees, a suite of policies and procedures supports this commitment to upholding labour standards.

These include:

- Harassment and bullying
- Grievance
- Equality
- Equity, diversity and inclusion
- Health and safety
- Child labour and safeguarding
- Modern slavery and human trafficking

The effectiveness of these policies is demonstrated by the FY26 progress reported against the People Promise pillars on page 19.

In accordance with the Modern Slavery Act, the Group publishes an annual Modern Slavery Transparency Statement, which sets out the steps taken to mitigate the risk of modern slavery and human trafficking within the business and supply chain.

To find out more about employee-related policies, equity, diversity and inclusion, please see the People section on page 19.

To find out more on the Group's approach to responsible business conduct, please see the Sustainability agenda on page 22.

To find out more on Modern Slavery, please go to zenith.co.uk/company-documents where the Modern Slavery Statement is published annually.

Tax governance

Tax planning

Zenith does not engage in contrived or artificial tax planning, and will take advantage of available tax incentives, reliefs and exemptions where consistent with applicable legislation.

Zenith is committed to managing its tax affairs, employing an in-house tax expert and oversight comprises Senior Finance Leadership, including the Group Finance Director who acts as Senior Accounting Officer.

External professional advice is obtained where tax treatment may be uncertain.

Holding Board[1]

Lord Stuart Rose
Chair

Stuart has over 40 years of experience in the consumer and retail sectors, having served as Chief Executive at Argos, Booker, Arcadia Group and Marks & Spencer, and as Chairman of Ocado. Stuart also chairs EG Group. He was knighted in 2008 for services to the retail industry and corporate social responsibility, and appointed to the House of Lords in 2014.

HB / AC / RC

Richard Jones
Chief Executive Officer

As CEO, Richard is responsible for the Group's long-term strategy, leading the Executive team and developing people and leadership capabilities across the Group. With a 30-year career in financial services, he has held managing director positions at Lloyds Banking Group and MotoNovo. Richard was Chair of the Finance & Leasing Association from 2016 to 2021 and is a current member of the BVRLA Board.

HB / AC / RC / ExCo / ERC / ConE / TC / RVC / ALCO

Mark Phillips
Chief Financial Officer

Mark has overall responsibility for the finance functions of the Group and also leads the Group's Risk Management, Treasury and Legal team. Before joining Zenith in 1998, Mark was the Group Financial Controller at Holliday Chemical Holdings plc and an Audit Manager with Andersen. Mark holds a BA (Hons) in Economics from Newcastle University and is an ICAEW chartered accountant.

HB / AC / RC / ExCo / ERC / ConE / TC / PC / SMR / RVC / CC / ALCO

Patrick Fox
Investor Director

Patrick is a Senior Partner at Bridgepoint. He joined in 2002, establishing the Bridgepoint purchasing scheme delivering procurement best practice and savings to investee companies. Working on investments across Europe, Patrick currently sits on the boards of Cambridge Education, EVAC and TuvTurk. Prior to joining Bridgepoint, he worked for JP Morgan and BNP Paribas. Patrick is a graduate of Oxford University.

HB / AC / RC

Guy Weldon
Investor Director

Guy is Group Managing Partner and Head of Investment Activities at Bridgepoint. He is a member of the firm's Executive Committee, Chair of the Bridgepoint Europe Investment Committee and Chair of Bridgepoint Credit. He has worked extensively on private equity transactions across Europe over a 30-year career and served on numerous Boards. He is also Chair of the Campaign Board of Durham University.

HB / RC

Manisha Patel
Assistant General Counsel and Company Secretary

Manisha is the Company Secretary across all Zenith Group legal entities.

AC / ERC / ESG

1. For details of committee roles, see the Corporate governance section.

Executive Committee

In addition to Richard Jones, CEO and Mark Phillips, CFO, the following comprise the Executive Committee:

Andy Wolff
Managing Director – Corporate
(from 2 February 2026)

Andy leads the Corporate division at Zenith, responsible for defining and delivering the divisional growth strategy, overseeing new business growth and strengthening relationships across Zenith's blue-chip customer base. He has held a variety of senior roles, including Sales Director, Group Sales Director and Commercial Director since joining the business as a graduate in 2007. He holds a BA (Hons) in Business Management from Leeds Beckett University.

ExCo / ERC / CorpE / ConE / TDRC / TC / PC / ALCO

Tom Brewer
Managing Director – Consumer, Rental & Corporate Operations
(from 2 February 2026)

Tom leads Zenith's Consumer, Rental, Corporate Operations and Procurement functions, overseeing white-label partnerships, vehicle hire, in-life operations, accident management and Group procurement. He joined Zenith in 2024 as Commercial Director for the Rental division and has over 25 years' experience in the leasing and rental sector, including Sales Director roles at VW Financial Services and LeasePlan. He holds a BA in Marketing from Solent University and an MBA from Bucks University.

ExCo / ERC / CorpE / ConE / TDRC / TC / PC / ALCO

Craig Taylor
CEO – Commercial division
(from 30 April 2026)

Craig is responsible for the strategic leadership of the division's fleet, maintenance and trailer operations. With extensive experience across logistics, transport and operational services, Craig has built a strong reputation for delivering excellence, leading complex change programmes and developing high performing teams within customer centric environments. Prior to joining Zenith, Craig held senior leadership positions with Morrisons, Asda and M&S, where he led operations and large multi-site teams across supply chain, logistics and commercial functions.

ExCo / ERC / ComE / TC / PC / ALCO

Stuart Price
Chief People Officer and Interim Chief Information Officer

Stuart leads the People team and is responsible for delivering the people strategy, and creating a culture that attracts, develops and retains an engaged and high-performing workforce. Before joining Zenith in 2021, he worked in the food, retail and healthcare sectors. Stuart attended the University of Southampton and holds a post-graduate certificate in Business and Executive Coaching and Psychology from Leeds Beckett University.

ExCo / ERC / ESG / TC

Tara Walker
Chief Information Officer
(from 3 November 2025)

Tara leads Technology for the Group and is focused on modernising the technology estate, strengthening operational resilience and aligning digital investment to commercial performance and long-term value creation. She has extensive experience leading complex transformation and prior to joining Zenith, Tara held CIO roles at Atlanta Group (part of The Ardonagh Group) and Motorpoint PLC.

ExCo / ERC / TDRC / TC

Nicola Brown
Group Finance Director

Nicola is responsible for financial reporting and control, financial planning and analysis. Prior to joining Zenith in 2023, Nicola spent ten years at Walgreens Boots Alliance in several roles including Commercial FD for Boots UK and Global IT FD. Nicola has a BSc in Mathematics and Accounting from Newcastle University and is an ACCA fellow.

ExCo / TDRC / TC / ALCO

James Edwards
Group General Counsel

James leads the Group's Legal and Compliance teams and company Secretariat, and provides strategic direction from a legal and regulatory perspective. Before joining Zenith in 2016, he worked at HSBC and at the Kelda Group. He holds an LLB from the University of Hull and has completed a legal practice course at the York College of Law.

ExCo / ERC / TDRC / ESG / TC / HS

Leavers[1]

Martin Jenkins
CEO – Commercial division and Group Strategy Director
(until 30 April 2026)

Martin led the Group's Commercial division and supported the Board on Group strategy. He joined Zenith in 2018 after a 28-year career with Deloitte where he was a Corporate Finance Partner and latterly Practice Senior Partner for the Yorkshire and North East region. He holds a BA in Human Geography and Economics from London University and is a Chartered Accountant and Fellow of the ICAEW.

ExCo / ERC / ComE / TC

Ian Hughes
CEO – Corporate and Consumer division
(until 28 February 2026)

Ian was responsible for both the Group's Corporate and Consumer divisions. He joined as Commercial Director in 2010, and previously held various roles with Budget Rent-a-Car, Honda and Citroen.

ExCo / ERC / CorpE / ConE / TC / PC / ALCO

1. Ian Gibson, Chief Information Officer, and Andrew Kirby, Group Transformation Director, resigned from the Executive Committee on 1 May 2025 and 3 October 2025 respectively.

Directors' Report

Directors during FY26

The following Directors held office during the period and to the date of this report:

Richard Jones
Chief Executive Officer

Mark Phillips
Chief Financial Officer

Lord Stuart Rose
Chairman and Non-Executive Director

Guy Weldon
Non-Executive Director

Patrick Fox
Non-Executive Director

Registered office

The Company's registered office is:

Number One Great Exhibition Way
Kirkstall Forge
Leeds
England
LS5 3BF

The Company is a private limited company registered in England and Wales with Company Number 10574333.

Directors' remuneration under incentive schemes

None of the Directors received remuneration under long-term incentive schemes during the current or previous year. No Directors exercised any share options, and no shares were received in respect of a long-term incentive scheme during the current or previous year.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors during the period and these remain in force at the date of this report. The indemnity provisions are also for the benefit of Directors of subsidiary undertakings.

Results and dividends

No dividends were paid in the year (2025: £nil) and no dividends have been declared during the year or post year end.

For discussion on the Group financial performance for the year please refer to the Strategic report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Charitable and political contributions

During the year the Group made charitable donations of £19,288 (2025: £26,143), principally to local charities serving the communities in which the Group operates. The Group made no political contributions in the year (2025: £nil).

Matters disclosed in the strategic report

Certain information required to be contained in the director's report can be found in the accompanying strategic report, governance report and financial statements, and are incorporated into the directors' report by reference.

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Guidelines for Disclosure and Transparency in Private Equity

The Directors consider the annual report and accounts to comply with the Walker Guidelines for Disclosure and Transparency in Private Equity.

Post-balance-sheet events

In April 2026, Zenith announced a recapitalisation transaction to support long-term growth. To find out more, go to the CFO strategic review.

Directors' responsibility statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

M T Phillips
Director

10 July 2026

Stakeholder engagement

Effective stakeholder engagement is essential to informed decision-making and long-term success. The Holding Board has identified the following groups as Zenith's key stakeholders and helps guide how we engage as outlined below.

Customers
Our people
Supplier partners
Investors
Communities
Government, regulators and industry bodies
The planet

Stakeholder	What's important	Why we engage	How we engage
Customers	• Reliability • Customer service, support and welfare • Product range • Fair treatment, including selling practices and product definition • Solution design and life cycle management • Vehicle decarbonisation • Information security and data privacy • Communication and problem resolution	Understanding our customers' requirements through regular and personalised engagement allows us to provide them with the right products, services, digital journeys and customer support to ensure good customer outcomes.	• Weekly, monthly or quarterly progress meetings with our business customers. • Maintaining dedicated customer relationship and fleet consultancy teams for existing customers. • New business team to support prospective customers. • Customer service teams available 24/7/365. • Dedicated customer service team available by phone and email five days a week. • Monitoring and analysis of customer feedback from Trustpilot and CSAT score. • Established complaints process and root cause analysis. • Industry studies and surveys undertaken by Zenith including our annual EVXperience report. See our Corporate, Commercial and Consumer sections to find out more.
Our people	• Training, development and career progression • Creating roles with purpose • Fair deal – competitive pay and reward • Thriving and inclusive culture • Having inspiring leaders • Wellbeing support, and health and safety • Climate change	We engage with our people to ensure they feel valued, supported and empowered to bring their true self to work. Through this engagement, we're able to create a culture where everybody can thrive – embracing the Zenith values in everything we do – and meeting the needs of all our people.	• Bi-annual independent engagement survey (WeThrive), enabling colleagues to share feedback anonymously and in confidence. Group-level results are shared with the Holding Board. • Internal communications through our intranet, Spark, providing timely updates, leadership insight and recognition of success. • Active equity, diversity and inclusion (ED&I) and wellbeing programmes that support an inclusive and healthy workplace. • Employee forum with representation from across the Group to ensure colleague voices are heard. • Regular business updates, including divisional Town Halls and monthly CEO briefings for managers and team leaders. • Access to learning and development through our Online Academy and MyGPS platform. • Carbon Literacy training available to all colleagues to build awareness and capability. See our People section to find out more.

Stakeholder	What's important	Why we engage	How we engage
Supplier partners	• Supply chain management • Sustainable procurement • Product quality and safety • Climate change	We engage with supplier partners that share our values to develop long-term strategic relationships. These partnerships enable us to provide good customer outcomes and ensure future profitability.	• We have a dedicated Procurement team that governs the tender process and our ongoing supply partner relationships. Departmental business owners are assigned key supply partners. • Monthly supplier governance and risk forum responsible for identifying and managing all third-party risk through the completion of pre-contractual due diligence, in-life monitoring and ongoing risk management. • Procurement Manager with dedicated KPIs to enable the sustainability agenda with our supply chain. See our Sustainability section to find out more.
Investors	• Business model resilience • Systemic risk management • Transparent financial reporting	We engage with our investors to provide updates on our strategy, performance and opportunities, to ensure they have a good understanding of our position and to enable us to access capital.	• Our institutional equity investor, Bridgepoint, has representation on our Holding Board. • Quarterly results presentations and business updates to our bondholders and banking partners. • Regular dialogue and updates to our fleet funders. • Provide regular updates on our website and through our annual report.
Communities	• Quality employment and career opportunities • Giving back to the community • Charitable fundraising • Climate change	We believe that the long-term success of our business is closely tied to the success of the communities in which we operate. Zenith engages with local communities to create value through sustainable growth and provide employment and support.	• Zenith supports local schools and students with mentoring, work experience placements, interview skills and career days. • This year saw us launch our Giving Something Back Fund, with colleagues able to nominate local not-for-profit organisations and charities to receive a donation. • Our Charity of the Year is voted for by colleagues and in FY26 we raised funds for Leeds-based St Gemma's Hospice which specialises in palliative care. Colleagues provided both time and financial donations to show their support. See our Sustainability section to find out more.

Stakeholder	What's important	Why we engage	How we engage
Government, industry bodies and regulators	• Operate in line with legal, financial and regulatory environments • Treating customers fairly • Selling practices and product labelling • Equity, diversity and inclusion commitments, along with employee wellbeing, and health and safety • Information security and data privacy • Business model resilience • Promoting the industry's interests • Decarbonisation of road transport • Product quality and safety	We engage with regulatory consultations and business plans through feedback and comment. This helps to create an open dialogue and ensures that Zenith's voice and interests are heard on the regulatory issues that matter most. We are active members of industry bodies to ensure that we can influence in the areas that matter most to our business and the leasing industry. This in turn helps to strengthen our direct relationships and engagement with the government and deliver value for our customers.	• We actively respond to regulatory consultations, discussion papers and annual business plans (specifically the FCA and Information Commissioner's Office). • Dedicated and independent Group Compliance team who ensure best practice across customer support, services, products and policies. • Periodic regulatory returns and submissions via the FCA Reg Data platform. • Active membership of regulatory and trade body working groups and committees. • Direct engagement with relevant government departments and MPs on critical issues for the leasing industry. Attendance at roundtable events to share knowledge and represent the needs of the industry. • Strong BVRLA partnership demonstrated by: i) our CEO sitting on the Committee of Management, ii) our representation on the Leasing and Fleet Management Committee, and iii) recognition through winning the 2025 Industry Champion award. See our Risk management section to find out more.
The planet	• Climate change • Local air pollution • GHG emissions • Deforestation • Biodiversity and land use	Whether it's supporting our customers with the transition to electric or collaborating with our supply chain partners to reduce their impact, we engage with our stakeholders to help preserve the planet for future generations.	• Our People Powered Impact plan outlines our approach to supporting a healthy planet for future generations to enjoy. • Our ESG Committee is responsible for designing and delivering our sustainability plan. • We maintain a climate risk register with clear processes to identify, manage and control any climate-related risks or opportunities. • We carry out in-depth strategic reviews for our customers to reduce their fleet carbon emissions. See our Sustainability section to find out more.

Section 172

The Holding Board confirms that during the year under review, it has acted to promote the long-term success of the Group for the benefit of our shareholders while having regard to the matters set out in Section 172 of the Companies Act 2006*.

* In particular Section 172 (a) and (f).

The Holding Board recognises that to progress our strategy and deliver on our vision, understanding what matters most to our stakeholders – by seeking their input and engagement – is an essential part of its decision-making process. We have a long history of engaging constructively with our stakeholders and details on how we engaged with different key stakeholders during the year can be found within the Stakeholder engagement section.

How the Holding Board fulfils its duties under Section 172

The Holding Board receives updates from the Executive Committee and key members of senior leadership at monthly Board meetings which detail recent developments and any substantial engagement. Additionally, there are standing agenda items at every meeting to ensure that any relevant updates on key stakeholders are regularly communicated to the Holding Board, via reports from internal subject matter experts, members of the Executive Committee and other senior leaders.

This is supplemented by 'teach-in' sessions from our key heads of function, such as sales and marketing, customer services, legal and compliance, sustainability and supply chain.

The Holding Board is aware that sometimes stakeholders' interests may conflict and that they may need to prioritise interest. Led by the Chair, the Holding Board ensures that Directors assess the impact of the decisions made and their long-term consequences on stakeholders.

The infographic below illustrates the Holding Board's decision-making process and how it ensures that it fulfils its duties under Section 172.

Setting our mission, purpose and values

The Holding Board sets the tone and approach which dictates how we operate and engage with our stakeholders.

Diverse set of skills, knowledge and experience

Diversity of thought, skills and experience across our senior management supports our ability to consider different stakeholder concerns and make informed decisions.

Board information

Our committee structure ensures all of our stakeholder concerns are passed up to the Holding Board.

Board discussion and decision

Prior to making any strategic decision, the Holding Board will provide rigorous evaluation and risk management to ensure that all stakeholder groups are considered and that it supports long-term sustainable success.

Monitoring

The Holding Board receives regular updates, information and KPIs from the committees which ensures that they are aware and conscious of stakeholder concerns.

Financial statements

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Independent auditor's report to the members of Zenith Automotive Holdings Limited

Report on the audit of the financial statements

In our opinion the financial statements of Zenith Automotive Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2026 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statement of changes in equity;
- the consolidated cash flow statement;
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, financial instruments, impairment and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address these are described below:

- Impairment of goodwill – we evaluated relevant controls; assessed the appropriateness and consistency of management's identification of Cash Generating Units; used valuation specialists to assess the reasonableness of discount rates applied; performed sensitivity analysis to identify key assumptions; challenged management's forecasts for future periods through our understanding of the business and economic environment; and tested the accuracy of the impairment model used by management.
- Impairment of residual values – we evaluated relevant controls; assessed management's cohort segmentation analysis used to identify cohorts with impairment indicators; reviewed market data for a sample of vehicles to test the accuracy of the base residual values used; reperformed management's impairment calculations; agreed relevant valuation data to external sources; and assessed and challenged management's methodology and key assumptions applied in the residual value impairment models, including forecast residual values for current assets and lease extensions.
- Valuation of maintenance provision – we evaluated relevant controls; reperformed management's maintenance provision calculation; tested the accuracy and completeness of underlying data; considered the current economic environment in the analysis of the budgeted maintenance costs; and challenged management's assessment of whether commercial arrangements gave rise to an onerous contract provision.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, those charged with governance, and in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing regulatory correspondence.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M. Bainbridge

Matthew Bainbridge FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

10 July 2026

Consolidated statement of profit and loss*

For the year ended 31 March 2026

	Note	Continuing operations: For the year ended 31 March 2026 £'000	Continuing operations: For the year ended 31 March 2025 £'000	Discontinued operations[3]: For the year ended 31 March 2026 £'000	Discontinued operations[3]: For the year ended 31 March 2025 £'000	Total restated*: For the year ended 31 March 2026 £'000	Total restated*: For the year ended 31 March 2025 £'000
Revenue	3	**758,749**	733,740	**–**	176	**758,749**	733,916
Cost of sales		**(654,318)**	(626,925)	**–**	(1,759)	**(654,318)**	(628,684)
Gross profit		**104,431**	106,814	**–**	(1,582)	**104,431**	105,232
Operating expenses		**(165,774)**	(145,782)	**–**	(525)	**(165,774)**	(146,308)
Operating profit before depreciation of owned tangible fixed assets, amortisation of goodwill, intangible assets, exceptional items, impairment and change of accounting estimates		**36,988**	42,172	**–**	(2,108)	**36,988**	40,064
Depreciation of owned fixed assets	4	**(4,899)**	(4,482)	**–**	–	**(4,899)**	(4,482)
Amortisation of goodwill	4	**(24,362)**	(24,362)	**–**	–	**(24,362)**	(24,362)
Amortisation of intangible assets	4	**(32,728)**	(34,031)	**–**	–	**(32,728)**	(34,031)
Operating exceptional items	4	**(4,089)**	(10,923)	**–**	–	**(4,089)**	(10,923)
Movement in vehicle impairment provision[1]	4	**(20,188)**	10,413	**–**	–	**(20,188)**	10,413
Impairment of intangible assets	4	**(574)**	(6,297)	**–**	–	**(574)**	(6,297)
Change of accounting estimates – fleet depreciation[2]	4	**(11,492)**	(11,457)	**–**	–	**(11,492)**	(11,457)
Operating loss	4	**(61,343)**	(38,968)	**–**	(2,108)	**(61,343)**	(41,076)
Finance costs (net)	5	**(155,439)**	(132,951)	**–**	–	**(155,439)**	(132,951)
Loss before taxation		**(216,782)**	(171,919)	**–**	(2,108)	**(216,782)**	(174,027)
Tax credit		**21,471**	10,042	**–**	–	**21,471**	10,042
Loss for the financial period attributable to the shareholders of the Group		**(195,311)**	(161,877)	**–**	(2,108)	**(195,311)**	(163,985)

* Prior year figures have been restated. See note 28 for details.

Condensed consolidated statement of comprehensive income

For the year ended 31 March 2026

	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Loss for the financial period		**(195,311)**	(163,985)
Hedge gains/(losses) arising during period	24	**4,483**	(6,730)
Tax impact of hedge (losses)/gains		**(1,121)**	1,683
Total comprehensive loss attributable to the shareholders of the Group		**(191,949)**	(169,033)

1. The £20,188k movement in vehicle impairment provision consists of additional impairment to vehicles during the year to 31 March 2026 of £38,846k and a release of impairment from the prior year on vehicles sold during the year of £18,658k.
2. Residual values are periodically reviewed for appropriateness and if a significant change is identified in the residual value for a vehicle tangible fixed asset, then the asset's depreciation curve is amended accordingly. Change in accounting estimates – fleet depreciation represents the amount of additional or reduced depreciation on a vehicle fixed asset compared to the originally priced depreciation curve.
3. In June 2024, within the Commercial division, we closed our three workshops in England, and have classified the profit and loss results relating to these workshops as discontinued for the results for the period to 31 March 2025. There were no discontinued operations in the period to 31 March 2026.

Consolidated balance sheet

As at 31 March 2026

	Note	As at 31 March 2026 £'000	Restated* As at 31 March 2025 £'000
Fixed assets			
Goodwill	10	**269,766**	294,125
Intangible assets	11	**311,166**	324,258
Tangible assets	12	**975,115**	1,057,442
		1,556,047	1,675,824
Current assets			
Inventory	14	**20,054**	8,228
Debtors			
– due within one year	15	**190,543**	171,418
– due after one year	15	**31,602**	47,886
Cash at bank and in hand		**92,464**	89,432
		334,663	316,964
Creditors: amounts falling due within one year	16	**(660,314)**	(514,882)
Net current liabilities		**(325,652)**	(197,917)
Total assets less current liabilities		**1,230,395**	1,477,907
Creditors: amounts falling due after more than one year	17	**(2,208,967)**	(2,258,326)
Deferred tax liabilities	18	**(36,855)**	(57,364)
Provisions for liabilities	19	**(52,386)**	(38,086)
Net liabilities		**(1,067,813)**	(875,869)
Capital and reserves			
Called up share capital	20	**28**	28
Share premium account		**2,444**	2,444
Hedging reserve		**1,453**	(1,910)
Capital contribution reserve[1]		**7,216**	7,216
Profit and loss account		**(1,078,953)**	(883,647)
Shareholders' deficit		**(1,067,813)**	(875,869)

* Prior year figures have been restated. See note 28 for details.

The accompanying notes 1 to 28 are an integral part of these financial statements. The financial statements of Zenith Automotive Holdings Limited (registered number 10574333) were approved by the Board of Directors and authorised for issue on 10 July 2026.

M T Phillips

M T Phillips, Director

Company balance sheet

As at 31 March 2026

	Note	As at 31 March 2026 £'000	Restated* As at 31 March 2025 £'000
Fixed assets			
Investments	13	**32,508**	32,508
		32,508	32,508
Current assets			
Debtors – due within one year	15	**423,186**	400,990
Cash at bank and in hand		**19**	19
		423,206	401,009
Creditors: amounts falling due within one year	16	**(4,922)**	(4,720)
Net current assets		**418,284**	396,289
Total assets less current liabilities		**450,792**	428,797
Creditors: amounts falling due after more than one year	17	**(632,267)**	(574,789)
Net assets		**(181,475)**	(145,992)
Capital and reserves			
Called up share capital	19	**28**	28
Share premium account		**2,444**	2,444
Profit and loss account		**(183,947)**	(148,464)
Shareholders' equity		**(181,475)**	(145,992)

* Prior year figures have been restated. See note 28 for details.

The accompanying notes 1 to 28 are an integral part of these financial statements.

The loss for the year ended 31 March 2026 was £35,484k (2025: £30,688k).

The financial statements of Zenith Automotive Holdings Limited (registered number 10574333) were approved by the Board of Directors and authorised for issue on 10 July 2026.

M T Phillips

M T Phillips, Director

1. Capital contribution received relates to the benefit the Group has received from the Junior Mezzanine Loan being interest free.

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Consolidated statement of changes in equity
As at 31 March 2026

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Hedging reserve £'000	Capital contribution reserve	Restated* Total £'000
At 1 April 2024	28	2,444	(719,663)	3,138	–	(714,053)
Loss for the financial period	–	–	(163,985)	–	–	(163,985)
Hedges of variable interest rate risk (note 23)	–	–	–	(6,730)	–	(6,730)
Deferred tax credit (note 18)	–	–	–	1,683	–	1,683
Total comprehensive expense	**–**	**–**	**(163,985)**	**(5,048)**	**–**	**(169,033)**
Capital contribution received[1]	**–**	**–**	**–**	**–**	**7,216**	**7,216**
At 31 March 2025	**28**	**2,444**	**(883,648)**	**(1,910)**	**7,216**	**(875,869)**
Loss for the financial period	–	–	(195,311)	–	–	(195,311)
Hedges of variable interest rate risk (note 23)	–	–	–	4,483	–	4,483
Deferred tax debit (note 18)	–	–	–	(1,121)	–	(1,121)
Total comprehensive expense	**–**	**–**	**(195,311)**	**3,362**	**–**	**(191,949)**
At 31 March 2026	**28**	**2,444**	**(1,078,959)**	**1,453**	**7,216**	**(1,067,813)**

1. Capital contribution received relates to the benefit the Group has received from the Junior Mezzanine Loan being interest free.

The accompanying notes 1 to 28 are an integral part of these financial statements.

* Prior year figures have been restated. See note 28 for details.

Hedging reserve:
Movements in the hedging reserve reflect the change in the fair value of derivative financial instruments designated into hedge accounting relationships in accordance with IFRS 9. The derivatives are originally recognised on the balance sheet at fair value, with fair value gains or losses relating to future periods being recognised in other comprehensive income, and therefore outside of the profit and loss account. These will subsequently be released to the profit and loss account in the period the forecasted cash flow it is hedging occurs.

Company statement of changes in equity
As at 31 March 2026

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 April 2024	28	2,444	(117,775)	(115,303)
Loss for the financial year and total comprehensive expense	–	–	(30,688)	(30,688)
At 31 March 2025	**28**	**2,444**	**(148,464)**	**(145,992)**
	–	–	–	–
Loss for the financial year and total comprehensive expense	–	–	(35,484)	(35,484)
At 31 March 2026	**28**	**2,444**	**(183,947)**	**(181,475)**

The accompanying notes 1 to 28 are an integral part of these financial statements.

Consolidated cash flow statement

For the year ended 31 March 2026

The accompanying notes 1 to 28 are an integral part of these financial statements.

Cash and cash equivalents include amounts in respect of Exhibition Finance plc (formerly Bifurcate Funding Limited), Forge Funding Limited and Vehicle Titleco Limited of a total of £22,992k (2025: £22,574k) that are not freely available for use by the Group.

	Note	Year ended 31 March 2026 £'000	Restated* Year ended 31 March 2025 £'000
Operating loss		**(61,343)**	(41,076)
Adjustment for:			
Depreciation charges	4, 12	**202,165**	194,194
Impairment of intangible assets	4, 11	**574**	6,297
Impairment of fleet vehicles	4, 12	**38,846**	8,251
Amortisation of goodwill and intangibles	10, 11	**57,090**	58,393
Loss on sale of vehicle assets		**13,288**	5,358
Operating cash flow before movement in working capital		**250,620**	231,417
Proceeds from sale of vehicle assets under operating leases		**205,555**	198,141
Purchase of vehicle assets under operating leases		**(360,307)**	(424,096)
Decrease in debtors		**2,374**	17,903
Increase in stock		**(707)**	(701)
Increase in creditors		**25,640**	29,726
Increase in provisions		**10,605**	1,115
Net cash inflow from operating activities		**133,779**	53,505
Income tax refunded		**4,940**	2,695
Cash flows from investing activities			
Capital repayment received from finance lessees		**13,824**	9,856
Purchase of finance leased assets		**(24,832)**	(21,798)
Purchase of intangible assets		**(20,210)**	(21,181)
Purchase of non-fleet fixed assets		**(1,161)**	(489)
Net cash flows used in investing activities		**(32,379)**	(33,612)
Cash flows from financing activities			
Repayments of borrowings		**(584,123)**	(532,450)
Drawdown of funding		**478,943**	535,309
Interest paid		**(43,129)**	(40,990)
Drawdown of Revolving Credit Facility		**45,000**	20,000
Net cash flows used in financing activities		**(103,309)**	(18,131)
Net increase in cash and cash equivalents		**3,032**	4,457
Cash and cash equivalents at start of the year		**89,432**	84,975
Cash and cash equivalents at end of the period		**92,464**	89,432

* Prior year figures have been restated. See note 28 for details.

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

a. General information and basis of accounting

Zenith Automotive Holdings Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 55. The nature of the Group's operations and its principal activities are set out in the Strategic report from page 7.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group has adopted IFRS 9 for classification and measurement of financial instruments and hedge accounting.

The functional currency of Zenith Automotive Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Group operates. The consolidated financial statements are also presented in pounds sterling.

Zenith Automotive Holdings Limited has taken advantage of the Company-only disclosure exemptions available under FRS 102 in relation to presentation of a cash flow statement, remuneration of key management personnel and related party transactions, and FRS 102 sections 11 and 12 relating to basic financial instruments and other financial instruments. Where required, the Company has prepared separate financial statements.

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company, its subsidiary undertakings and other structured entities that are controlled by the Company or its subsidiaries, and are drawn up to 31 March each year. Control is achieved over subsidiaries and structured entities when the Company or a subsidiary: has power over an entity; is exposed, or has rights, to variable returns from its involvement with the entity; and can use its power to affect returns. If facts or circumstances indicate that there are changes to one or more of the three elements of control, the Company reassesses whether it still controls the entity. The Group manages the administration of its securitised assets and is exposed to the risks and rewards of the underlying assets through its continued subordinated investment in the securitisation structures. Where the Group does not retain a direct ownership interest in a securitisation entity, but it has been determined based on the above criteria that the Group controls these entities, they are treated as though subsidiaries and included in the basis of consolidation.

As of the date of these financial statements, our basis of consolidation includes our wholly owned subsidiary undertakings, listed in note 13, and three special purpose vehicles ('Receivables SPVs') created as part of our securitisations. The three Receivables SPVs are (i) Exhibition Finance PLC, related to our non-bifurcated securitisation, (ii) Forge Funding Limited, related to our bifurcated securitisation, and (iii) Vehicle Titleco Limited, which owns title to vehicles in respect of our non-bifurcated securitisations. We consolidate these entities in our financial statements because we are able to exercise control over the operations of the Receivables SPVs.

The results of subsidiaries acquired or sold, and structured entities formed or ceased, are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c. Going concern

The Group has considerable financial resources, a broad customer base across different business sectors and diversified income streams. Furthermore, the Group is able to alter elements of its operations and commercial positions, and tactical decision-making, in an agile way, to counter potential negative impacts that arise from the economic environment and within its numerous markets. This has been illustrated in recent financial years, with robust underlying Group performance despite challenges in the automotive industry, namely semiconductor shortages and market pressures on residual values, and broader macroeconomic headwinds with a sustained period of high inflation and interest rates. The Group's EBITDA excluding residual value profits and losses has increased from £26.5 million in the previous period to £37.0 million in the year to 31 March 2026.

Therefore, the Directors believe that the Group is well placed to manage its business risks successfully despite continuing uncertainty about the economic outlook in the UK.

The Directors of the Group have considered the adoption of the going concern basis in preparing the financial statements given the economic climate and have formed the conclusion that there are no material uncertainties with respect to the Group's ability to continue as a going concern for the foreseeable future. In forming this view, the Directors have considered: the Group's financial position, the Group's budgets and trading forecasts (including stress-testing these forecasts based on the principal risks facing the Group); and the committed debt facilities available to the Group together with forecast headroom against those borrowing facilities (including against covenants), and including the impact of reasonable sensitivities and foreseen uncertainties. This view includes the impact of post-balance-sheet events which are covered in full in note 27, this includes extending of the Senior Secured Notes to June 2031, Revolving

Credit Facility to April 2031 and the extension of the revolving period end date of the EFP securitisation facility to February 2029, together with the £100 million equity injection by Bridgepoint.

The securitisations, by their nature as special purpose vehicles (SPVs), are remote from the Company and the rest of the Group's subsidiaries (i.e. non-recourse, in commercial terms, though we acknowledge that we consolidate the results of these SPVs); the Senior Secured Notes carry no maintenance (e.g. financial) covenants; and the Revolving Credit Facilities include a springing senior secured net leverage covenant tested when utilisation exceeds 30%, of which a breach would constitute an event of default and require a full repayment of any outstanding drawings until the covenant breach is cured. These limitations on the trigger and enforcement of such facilities materially reduce the chances of, and implications of, potential negative consequences, if the financial condition or performance of the Group or Company deteriorated.

Due to the nature of the Group's business model, which mainly relates to leases of between three to five years to large corporate customers, the degree of visibility over our future earnings is high. We believe that we are well positioned to navigate any further periods of disruption, uncertainty or deterioration in our chosen markets, the financial markets or the UK economy as a whole. More details of our strategy and these risks are included in the strategic report.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

d. Vehicle leases

Under FRS 102, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. As an indicator of such distinction, our leases are typically for substantially less than the useful economic life of the asset (vehicle), and the present value of the minimum lease payments from customers is substantially less than 90% of the fair value of the value of the asset (vehicle) at the start of the lease. This is supported, in general, by the level of the residual value payments from residual value funders being more than 10% of the initial value of the vehicle.

The obligations for vehicles acquired under finance leases and hire purchase contracts are categorised as creditors due within or after one year as appropriate. Vehicles leased to customers under finance leases and hire purchase contracts are reported as debtors and are stated at the value of the minimum rentals receivable less the finance charges allocated to future period.

Vehicles leased to customers under operating leases are reported as tangible fixed assets including those funded under securitisation. They are stated at their fair value at acquisition less depreciation.

Lease rentals under finance leases and hire purchase contracts are split between repayments of capital and interest, with interest calculated using an effective interest rate methodology.

Rental income under contract hire operating leases is recognised on a straight-line basis over the period of the contract. Finance income and finance charges on securitised funding are accounted for on an effective interest rate basis. When a lease contract is amended (such as a lease extension or another form of rescheduled lease), the accounting principles remain the same, such as recognising rental income on a (new) straight-line basis over the remaining period of the (amended) contract.

e. Property leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

f. Revenue

Revenue arises entirely from sales to customers in the UK and Ireland, and is generated wholly from the Group's principal business activity. The recognition policies within the single class of business are as follows:

Revenue type	Recognition policies
Interest on finance leases and hire purchase contracts	See vehicle leases
Contract hire rental income	See vehicle leases
Employee car ownership	See vehicle leases
Fleet management and outsourcing fees	On a straight-line basis over the period of contract
Vehicle sales	On despatch
Early termination, excess mileage and servicing charges	Upon termination of the contract
Servicing, maintenance and road fund licence income	On a straight-line basis over the period of contract
Vehicle purchase incentives	On a straight-line basis over the period of lease
Commission on agency arrangements	On a straight-line basis over the period of contract

Vehicle sales are measured as sales proceeds net of any directly attributable costs. Vehicle sales, on this basis, are presented within revenue in the financial statements, with the carrying value of the vehicle at disposal included within cost of sales in the financial statements.

g. Employee benefits

The Group participates in a defined contribution scheme. The amounts charged to the profit and loss account in respect of pension costs are the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

h. Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation, and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value over the useful life or period of lease. Assets leased to customers on operating leases are depreciated over the period on a straight-line basis. These assets are held for lease terms that represent a significant portion of the useful economic life of the asset.

If an indicator of potential impairment is identified over the vehicle fixed assets, they are individually tested for impairment by estimating the recoverable amount of the vehicle fixed asset, and comparing it to the carrying value of the vehicle fixed asset. If the recoverable amount of the asset is less than its carrying amount, an impairment loss is recognised to reduce the carrying value to its recoverable amount. Depreciation is provided on other assets as follows:

Leasehold improvements	Over the term of the lease – straight-line
Equipment, fixtures and fittings	10–25% per annum – reducing balance
Vehicles leased to customers under operating leases	Over the term of the lease – straight-line

i. Agency agreements

Agency agreements are accounted for in line with the substance of the agreement. The Group is identified to be an agent in these relationships, such that in the statement of profit and loss only net commission is recognised within revenue, rather than gross income and expense. During the period of the lease the Group does not recognise the vehicle on its balance sheet. At the end of the lease period the Group has an obligation to repurchase the vehicle from the funder and at that point recognises a liability to reflect this buy-back commitment.

j. Maintenance income and connected costs

For incomes under maintenance contracts, the net transaction price proceeds are allocated as the performance obligations are satisfied over the contractual term of the lease. The allocation is based on historical analysis, as well as other available information to enable the Group to forecast maintenance cost profile over the lease term. The difference between the amounts charged to customers and amounts recognised as income is accounted for as deferred maintenance income, within provisions. Cost profiles are reviewed periodically to ensure they remain a fair representation of historical repair and maintenance expenditures, adjusted for reasonable expectations of changes in cost profiles. Deferred maintenance income represents contract liabilities for unsatisfied or partially satisfied performance obligations in relation to service, maintenance and repair services. Deferred incomes also materially represent the transaction price that is allocated to future performance obligations.

Provision is made for obligations under maintenance contracts so as to provide a rate of return on maintenance contract revenue that is consistent with present expectations of future obligations. The amount recognised as a provision is the best estimate of consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

k. Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and amortised on a straight-line basis over its useful economic life, judged to be 20 years, which is our assessment of the life cycle of continuing trade in our industry, and our experience of customer retention and custody in general.

l. Intangible assets – customer relationships

Customer relationships are fair valued at point of acquisition, this value is capitalised and amortised on a straight-line basis over its useful economic life, which is judged to be 20 years, which is our assessment of the life cycle of continuing trade in our industry, and our experience of customer retention and custody in general.

m. Intangible assets – computer software

Computer software is stated at cost, net of amortisation, and any provision for impairment, this value is capitalised and amortised on a straight-line basis over its useful economic life, which is judged to be five years.

In the case of intangible assets created by us (i.e. relevant and appropriate expenditures that are accounted as intangible assets), we recognise such assets when they meet the following criteria: that the resource is controlled by the Group; that such assets result from past events (not future intentions or obligations); that future economic benefits are expected to flow from the connected expenditure.

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

n. Intangible assets – impairment

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units (CGUs) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis. Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

o. Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities (other than financial asset and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Classification of financial asset

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount, and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in the profit or loss and is included in the 'Finance costs' line item.

Impairment of financial assets

The Group always recognises lifetime expected credit loss for trade receivables and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Intercompany receivables are repayable on demand. Expected credit losses are calculated based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower cannot pay today if demanded, the assessment of impairment will consider the expected manner of recovery and recovery period of the intercompany loan.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, a provision of 100% is made, or in the case of trade receivables, when the amounts are over 90 days a provision is made for 30% of the balance, unless it is already 100% provided for. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset, and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially, all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity, in accordance with the substance of the contractual arrangements, and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of the financial liability.

Hedge accounting

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Group's floating rate borrowings. The fair value movements on the derivatives are expected to occur and are recognised in comprehensive income over the period to maturity of the interest rate swaps.

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group does not use derivative financial instruments for speculative purposes, nor for foreign exchange risks (which are minimal), or residual value risks (which is our election). Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

Where embedded derivatives are identified, an assessment is made as to whether they are closely related to their host contract. If it is determined that the embedded derivative is not closely related to the host contract then they're accounted for separately to the host contract in a similar way to a standalone derivative.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using an estimation technique.

Designation of derivatives

The Group designates certain derivatives as hedging instruments in cash flow hedges. At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge, the Group determines and documents causes for hedge ineffectiveness.

Cash flow hedges

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the period in which the hedged item affects profit or loss or when the hedging relationship ends. Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

p. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

q. Loss attributable to the Company

The loss for the year ended 31 March 2026 was £35.5 million (2025: £30.7 million). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company.

r. Exceptional items

Exceptional items are those costs or income that do not relate to the Group's normal business operations and which in management's judgement are considered material individually or in aggregate (if of a similar type) due to their size or frequency or incidence. Separate disclosure enables a better understanding of the Group's financial performance.

s. Finance costs

Finance costs are provided at the interest rates that have been contracted during the period, adjusted to apply the effective interest rate method.

t. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interest issued by the Group in exchange for control of the acquiree. Expenses incurred as a direct cost of investment are added to the cost of acquisition. Other acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired, and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value, and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

u. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on expenditure incurred in acquiring the inventories and bringing them to their existing location and condition, and based on the first-in, first-out principle. There is no overhead absorbed in the valuation of inventories.

Inventories relates to either consumables and similar low-value, fast-moving items that are used in the direct maintenance operations (i.e. workshops) within our Commercial division or vehicles that have been returned at the end of their lease and are in the process of being sold, rather than vehicle assets currently in lease contracts, which are held as tangible fixed assets.

v. Cash and cash equivalents

Cash on hand in the balance sheet comprises cash at bank and in hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. In the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

w. Provisions

Accounting policies covering maintenance provisions (1j) and onerous contracts (1y) are covered in their respective accounting policies in note 1. There are no other provisions for liabilities within these financial statements.

x. Discontinued operations

A discontinued operation is a component of the business that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area. The results of the discontinued operations are presented in a separate column in the profit and loss account, and prior period comparatives are restated where applicable. In the previous period, we closed our three workshops in England within the Commercial division. The results relating to these workshops have been presented separately from our continued operations within the profit and loss account.

y. Onerous contracts

Contracts are reviewed at each reporting date to identify onerous arrangements, where the unavoidable costs of meeting the contract exceed the expected economic benefits.

Where a contract is onerous, a provision is recognised for the present obligation, measured at the best estimate of the unavoidable cost of fulfilling the contract.

For vehicle purchase commitments at fixed prices, a provision is recognised where the contracted price exceeds the estimated market value at the reporting date.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision, and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Credit loss provisioning

The Group considers the loss given default in its provision over the performing book to be a key judgement within expected credit loss provisioning, given the low level of defaulted customers leading to limited experience of credit losses in previous periods. Despite the particularly low level of credit losses experienced by the Group over many years, the Group does provide for expected credit losses where it deems it appropriate. In most cases, credit losses will be reduced by the existence of a hard asset (the vehicle).

The credit underwriting process on the Group's customers has proven to be robust, assisted by the Group's focus on the prime credit segment of the market. The process involves assessment of a variety of qualitative and quantitative information to assess the risk on Corporate customers to ensure it remains within the Group's risk appetite. Similarly, the Group focuses on the prime and super-prime segment of consumer creditworthiness in the personal contract hire market in the Consumer division.

Control of special purpose vehicles and effect on consolidation and asset recognition

The Group consolidates the special purpose vehicles (SPVs) that are part of its securitisation structures for fleet funding. The grounds for consolidating the SPVs under FRS 102 are: that the activities of the SPVs are being conducted on behalf of the Zenith group of companies according to its specific business needs; that the Zenith group of companies has the ultimate decision-making powers over the activities of the SPV in some respects (for instance: the refinancing of funding facilities that support and determine the scope and scale of the ongoing business of the SPV; the selection of assets that are sold into the funding programmes that provide the business of the SPVs; that the Zenith group of companies has considerable influence on policies and commercial decisions that have a direct and material bearing on the SPVs); and that the Zenith group of companies has rights to obtain the majority of the benefits of the SPV and therefore may be exposed to risks incidental to the activities of the SPV. The effect of this judgement is as follows: assets that are recognised as receivables owed by the securitisation SPVs, and de-recognised as vehicle assets when sold into the programme by the originators, are re-recognised as tangible fixed assets ('Vehicles leased to customers under operating leases') when the SPVs are consolidated into the Zenith Automotive Holdings Limited consolidated accounts (but only on that basis, and only at that 'level' within the statutory reporting of the Group).

Key source of estimation uncertainty

Residual values

When pricing a lease, the estimate of what a vehicle will be worth at the end of the lease is called the residual value. The Group reviews the residual values of its leased assets on an ongoing basis with reference to independent market data and prevailing economic conditions. We use sophisticated methodology and risk management techniques to manage residual value risk, and our risk positions and exposures are constantly reassessed and adjusted accordingly. As such, residual values held in the financial statements of this Group are believed to be redeemable and materially accurate.

In recent periods, the Group saw a sustained fall in the residual value of BEVs and to a lesser extent by certain ICE vehicles, thus recognising an impairment to the extent that the recoverable amount was lower than the carrying value. In some cases, the recoverable amount was lower than the carrying value and in aggregate a brought forward impairment provision at 31 March 2025 of £40.5 million was held against the residual value of the vehicles, with £26.0 million being brought forward against the vehicle fixed assets and £14.5 million as an onerous contract provision related to repurchase agreements.

The Group has considered the movement in residual value prices during the year ended 31 March 2026 to determine whether any further indicators of impairment exist at 31 March 2026. There were some cohorts of vehicles for which the residual value had fallen and therefore the Group assessed the recoverable amount of vehicles in these cohorts on an individual basis, using a discounted cash flow model and compared the output to the carrying value of the asset as at 31 March 2026. The recoverable amount is a key source of estimation uncertainty due to the key assumptions in the modelling:

a) The residual value of the vehicle at the point at which the Group will sell it.

b) The future time period in which the vehicle will be returned to the Group (either through early termination, at the lease contract end date or after a lease extension) and then sold by the Group.

c) The discount rate applied to the future cash flows.

The Group concluded that a further impairment was required, in total £38.8 million. An impairment provision of £27.8 million was recognised against vehicle fixed assets, £8.3 million was recognised as an onerous contract provision related to repurchase agreements and £2.7 million against vehicles within inventory held for sale.

Coupled with the brought-forward impairment provision from the previous period, as at 31 March 2026 the total impairment provision across the Group's vehicles was £60.7 million (March 2025: £40.5 million), split between impairment provision on vehicle fixed assets of £39.9 million (March 2025: £26.0 million), onerous contract provision related to repurchase agreements of £18.2 million (March 2025: £14.5 million) and impairment provision on inventory £2.7 million (March 2025: £nil).

	Fixed assets £m	Onerous contract £m	Inventory £m	Total £m
Provision b/f 1 April 2025	26.0	14.5	–	40.5
Reversal of impairment provision on sold vehicles during FY26	(14.0)	(4.6)	–	(18.6)
Impairment charge in March 2026	27.8	8.3	2.7	38.8
Provision c/f 31 March 2026	39.9	18.2	2.7	60.7

The book value of residual values included in vehicles leased to customers under operating leases, disclosed within tangible fixed assets, as at 31 March 2026 amounts to £646.0 million (2025: £715.2 million) after taking into consideration the impairment provision of £32.0 million (2025: £26.0 million). As at 31 March 2026 the Group has entered into off-balance-sheet agreements to purchase vehicles from agency funders at the end of the customer lease period for £136.5 million (2025: £149.8 million) and recognised an onerous contract provision of £14.5 million (2025: £14.5 million) with respect to these agreements.

Maintenance provision

We use sophisticated methodology and risk management techniques to manage maintenance risk, and our risk positions and exposures are constantly reassessed and adjusted accordingly. As such, provisions in the balance sheet in place to cover expected future expenditure on maintenance contracts are believed to be adequate but not excessive. The provision at 31 March 2026 amounts to £34.2 million (2025: £23.6 million).

Impairment of goodwill and intangible assets

The Group assesses at each reporting date whether there are indicators of impairment; where none are identified, no impairment testing is undertaken. Where such indicators exist, the Group estimates the value in use of the cash-generating units (CGUs) to which goodwill and acquired intangible assets have been allocated. The value in use calculation requires the estimation of future cash flows expected to arise from the CGUs and the application of an appropriate discount rate to determine present value.

As at 31 March 2026, the carrying amount of goodwill was £269.8 million (2025: £294.1 million) and the carrying amount of acquired intangible assets (excluding capitalised software) was £256.3 million (2025: £279.6 million), with no impairment recognised during the year (2025: £nil). Capitalised software and development assets are assessed for impairment separately and are not included within the CGU impairment testing for goodwill.

The Group has identified two CGUs: (i) the Zenith Group, which pre-existed the acquisition of Contract Vehicles Limited in 2017 (comprising the Corporate and Consumer divisions), and (ii) the Commercial division, comprising Contract Vehicles Limited (CVL), acquired in 2017, and Contract Vehicles Fleet Services Limited and Contract Vehicles Rentals Limited (CVFS and CVR), acquired in 2020.

The recoverable amount of the CGUs has been determined on a value-in-use basis using discounted cash flow projections over a five-year period, with a terminal growth rate of 2% (2025: 2%), consistent with long-term UK inflation expectations, and discounted at a weighted average cost of capital ('WACC') rate of 8.25% (2025: 8.57%). Based on this assessment, the recoverable amount of the CGUs exceeds their carrying values by £400 million (2025: £36 million).

Sensitivity analysis has been performed on our CGU to assess the impact of reasonably possible changes in key assumptions, including the WACC rate and the cash flow assumptions. An increase of 1% in the WACC rate would decrease the headroom by £178 million to £222 million and a reduction in the future cash flows of 10% would decrease the headroom by £220 million to £180 million. This analysis indicates that significant headroom remains under downside scenarios, supporting the conclusion that no impairment is required. Accordingly, the Directors are satisfied that the carrying value of goodwill and acquired intangible assets is appropriate.

An indicator of impairment was identified with respect to capitalised computer software intangibles within the Corporate division. The computer software was replaced in the year and as such has been fully impaired. This resulted in the carrying value of the computer software intangibles being fully impaired by £0.6 million (2025: £6.3 million impairment relating to ZenAuto computer software intangibles).

3. Revenue

	Year ended 31 March 2026 £'000	Restated* Year ended 31 March 2025 £'000
An analysis of the Group's revenue by class of business is set out below:		
Long-term leases	**370,311**	357,560
Vehicle sales	**221,403**	213,630
Other[1]	**161,553**	155,828
Finance lease interest income	**5,482**	6,898
	758,749	733,916

* Prior year figures have been restated. See note 28 for details.

1. Other revenue includes fleet management and outsource fees, daily rental and other miscellaneous income.

Vehicle sales revenue includes proceeds on the sale of vehicles (including assets leased under operating leases, contract purchase) and other related end of contract income (such as early termination income and damage charges).

The Group's revenue was all derived from operations within the United Kingdom and Ireland.

4. Operating profit

Operating profit is stated after charging/(crediting)

	Note	Year ended 31 March 2026 £'000	Restated* Year ended 31 March 2025 £'000
Depreciation of tangible fixed assets (note 12)	12		
Owned		**1,193**	1,088
Company cars		**3,705**	3,394
Leased to customers*		**185,775**	178,255
Change of accounting estimates – fleet depreciation[1]		**11,492**	11,457
Operating lease rentals		**3,863**	3,579
Impairment of trade debtors	15	**419**	1,189
Amortisation of goodwill	10	**24,362**	24,362
Amortisation of intangibles	11	**32,728**	34,031
Operating exceptional items	6	**4,089**	10,923
Impairment of intangible assets	11	**574**	6,297
Movement in vehicle impairment provision[2]	12, 14, 19	**20,188**	(10,413)

* Prior year figures have been restated. See note 28 for details.

1. Residual values are periodically reviewed for appropriateness and if a significant change is identified in the residual value for a vehicle tangible fixed asset, then the asset's depreciation curve is amended accordingly. Change in accounting estimates – fleet depreciation represents the amount of additional or reduced depreciation on a vehicle fixed asset compared to the originally priced depreciation curve.
2. The movement in vehicle impairment provision relates to impairment on various fleet vehicles classified within Tangible fixed assets, Inventories & Debtors.

The analysis of the auditor's remuneration is as follows:	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Fees payable to the Company's auditor and its associates for:		
– the audit of the Company's annual accounts	**453**	432
– the audit of the Company's subsidiaries	**494**	470
Total audit fees	**947**	902
Other assurance services	**–**	–
Taxation compliance services	**74**	38
Other taxation advisory services	**194**	191
Corporate finance fees	**–**	18
Other non-audit services	**60**	43
Total non-audit fees	**328**	290
Total fees	**1,275**	1,192

5. Finance costs (net)

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Senior Secured Notes coupons	**30,875**	30,790
Other finance charges	**22,102**	9,449
Finance costs (on other items)	**52,977**	40,239
Loan note interest	**44,372**	39,869
Preference share returns	**57,479**	52,231
Other finance charges	**611**	611
Finance costs (on shareholder instruments)	**102,462**	92,712
Finance costs (net)	**155,439**	132,951

Finance costs (on other items) includes interest expenses relating to the current £475 million Senior Secured Notes and £65 million Revolving Credit Facilities. 'Other finance charges' in this category relate to the amortisation of debt issuance costs that are capitalised when the financing is arranged, bank interest receivable/payable, monitoring fees and other costs incurred in operating the day-to-day banking of the business. Finance costs (on shareholder instruments) include non-cash shareholder loan note and preference share interest payable under the terms of those instruments. Interest on these balances is compounded on an annual basis. The 'other finance charges' in this category relate to the amortisation of debt issuance costs relating to issuing the preference shares and loan notes that are capitalised when the financing is arranged.

6. Exceptional items and changes in accounting estimates

The Group incurred the following exceptional items:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Transformation, project and restructuring costs[1]	**4,089**	10,923
Total exceptional items	**4,089**	10,923

1. These costs relate to relevant expenditure within business and finance transformation projects, including, but not limited to, dual-running costs and restructuring costs.

The gross exceptional costs during the year were £5,041k, of which £4,775k received a deduction at the prevailing rate of corporation tax and the remainder was disallowable for tax purposes. The offsetting credit of £952k is non-taxable.

7. Staff costs

The average monthly employees (including Executive Directors) was:

	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Office, sales and management staff	**1,328**	1,278

The aggregate remuneration comprised of:	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Wages and salaries	**61,810**	58,796
Social security costs	**7,636**	5,820
Other pension costs (see note 22)	**2,984**	2,743
Total staff costs	**72,430**	67,359

There are no employees in Zenith Automotive Holdings Limited.

8. Directors' remuneration and transactions

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Directors' remuneration		
Emoluments	**1,661**	1,537
	1,661	1,537

	Number	Number
The number of Directors who		
Are members of a money purchase pension scheme	**1**	–

None of the Directors received remuneration under long-term incentive schemes during the current or previous year. No Directors exercised any share options and no shares were received in respect of long-term incentive schemes during the current or previous year.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Remuneration of the highest paid Director:		
Emoluments	**939**	571

9. Tax on loss on ordinary activities

The tax (credit)/charge comprises:

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Current tax on loss		
UK corporation tax	**8**	8
Adjustment in respect of previous periods	**150**	(1,450)
Total current tax	**157**	(1,442)
Deferred tax		
Origination and reversal of timing differences	**(22,246)**	(10,141)
Adjustment in respect of previous periods	**616**	1,541
Total deferred tax	**(21,630)**	(8,600)
Total tax credit on loss	**(21,472)**	(10,042)
Other comprehensive expense items:		
Deferred tax current period debit/(credit)	**1,121**	(1,683)

Corporation tax is calculated at 25% (2025: 25%) of the estimated assessable profit/loss for the year. There have been no tax rate changes in the current or prior periods.

Factors affecting the total tax (credit)/charge for the current period

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Loss before tax	**(216,782)**	(174,027)
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	**(54,195)**	(43,507)
Effects of:		
Expenses not deductible for tax purposes	**31,822**	33,373
Income not taxable	**(217)**	–
Adjustments in respect of previous periods	**766**	92
Movement in deferred tax not recognised	**353**	–
Total tax credit	**(21,472)**	(10,042)

10. Goodwill

Group	£'000
Cost	
At March 2025	487,311
At March 2026	487,311
Accumulated amortisation	
At 31 March 2025	193,183
Charge for the year	24,362
At 31 March 2026	217,545
Net book value	
At 31 March 2026	**269,766**
At 31 March 2025	294,128

Company:
As at 31 March 2026 the Company-only financial statements contain goodwill of £nil (2025: £nil).

11. Intangible assets

Group	Customer intangibles £'000	Computer software £'000	Assets under construction £'000	Total £'000
Cost				
At March 2025	465,931	81,626	19,352	566,909
Additions in the year	–	330	19,880	20,210
Reclassification	–	19,551	(19,551)	–
At March 2026	465,931	101,507	19,681	587,119
Accumulated amortisation				
At 31 March 2025	186,373	56,254	24	242,651
Charge for the year	23,296	9,432	–	32,728
Impairment	–	597	(24)	572
At 31 March 2026	209,669	66,283	–	275,952
Net book value				
At 31 March 2026	**256,262**	**35,224**	**19,681**	**311,167**
At 31 March 2025	279,558	25,372	19,327	324,258

Amortisation of intangible assets is charged as an operating expense. The remaining amortisation period of the customer intangibles is 11 years.

Company:
As at 31 March 2026 the Company-only financial statements contain intangible assets of £nil (2025: £nil).

12. Tangible fixed assets

Group	Land and buildings £'000	Equipment, fixtures and fittings £'000	Vehicles leased to customers under operating leases £'000	Restated* Total £'000
Cost				
At March 2025	1,745	20,631	1,483,553	1,505,930
Additions in the period	–	1,161	376,757	377,918
Transfers to stock[1]	–	–	(33,838)	(33,838)
Disposals	–	–	(365,032)	(365,032)
Transfers to other asset classes[1]	–	–	(516)	(516)
At March 2026	1,745	21,792	1,460,924	1,484,462
Accumulated depreciation and impairment				
At 31 March 2025	140	17,808	430,539	448,487
Depreciation charge for the period	35	1,178	200,952	202,165
Movement in vehicle impairment provision[2]	–	–	13,813	13,813
Transfers to stock[1]	–	–	(13,791)	(13,791)
Disposals	–	–	(141,137)	(141,137)
Transfers to other asset classes[1]	–	–	(191)	(191)
At 31 March 2026	175	18,986	490,185	509,346
Net book value				
At 31 March 2026	1,570	2,806	970,739	975,115
At 31 March 2025	1,605	2,823	1,053,014	1,057,442

* Prior year figures have been restated. See note 28 for details.

1. When vehicles are returned to the Group from customers at the end of their lease agreement, the Group will usually sell the vehicle. Once a vehicle has been returned from the customer and before it is sold, the vehicle asset should be classified as inventory. The transfer to stock line reflects the transfer of these assets from tangible fixed assets to inventories at 31 March 2026. During the year to 31 March 2026 there were also non-cash transfers of vehicle fixed assets to debtors, reflecting a change in funding for the vehicle and therefore a different balance sheet classification. These are reflected in the 'transfer to other asset classes' line.
2. Vehicles leased under operating leases have been reviewed for impairment and where necessary an impairment has been recognised. When vehicles are sold, any impairment associated with that vehicle is written off to the statement of profit and loss. The vehicles leased to customers under operating leases figure within the above table at 31 March 2026 is stated net of impairment provision of £39,858k (31 March 2025: £26,044k). The movement in the impairment provision recognised within the income statement is an increase of £13,813k in FY26 (31 March 2025: £10,097k decrease).

Equipment, fixtures and fittings includes computer hardware which has not been split out as the Directors deem them to be not material to the users of the financial statements. Tangible fixed assets of the Group include vehicles leased to customers under finance leases, hire purchase contracts and under the securitisation agreements. All such assets are pledged as security in relation to those borrowings. Land and buildings are held on a freehold basis.

At 31 March 2026 there were vehicles with an aggregate net book value of £4,713k contained within 'Vehicles leased to customers under operating leases' which had been returned from customers at the end of their lease and were being actively marketed as available for secondary leasing (2025: £nil).

Future minimum lease payments receivable under non-cancellable operating leases captured as fixed assets are summarised as below:

	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Within one year	**211,501**	200,943
Between one and five years	**244,769**	251,119
More than five years	**527**	1,162
	456,797	453,224

No contingent rentals have been included as income.

Company:
As at 31 March 2026 the Company-only financial statements contain tangible assets of £nil (2025: £nil).

Changes in accounting estimates

Under FRS 102, we are obliged to reassess residual values of fixed assets, and therefore depreciation, where there has been an indication of change to those residual values, such as changes in market prices.

Starting 1 April 2022 we have re-assessed the residual values on our funded fleet, to the extent those assets are accounted for as fixed assets, as a change in accounting estimate due to a significant and sustained change in vehicle prices. The re-assessments were made as at 1 April 2022 due to a sustained increase in used vehicle prices and in recent years due to a sustained decline in used vehicle prices, especially battery electric vehicles. The cohorts of vehicles that have their residual values re-assessed are then tracked on a quarterly basis with an impact on our profit and loss account for the subsequent quarters.

As at 31 March 2026 we had observed a cumulative reduction in net book value of £10,779k (2025: £22,271k).

In the year to 31 March 2026, we slowed depreciation on vehicle assets we continued to hold by £7,428k (2025: £13,690k) and reversed adjustments on sold vehicles that had previously reduced depreciation to the amount of £18,919k (2025: £25,147k). This resulted in a total of £11,491k (2025: £11,457k) additional depreciation recognised in the profit and loss during the year.

13. Fixed asset investments

Company subsidiary undertakings:	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Cost and net book value	**32,508**	32,508

At 31 March 2026 the Company held, directly and indirectly, 100% of the allotted ordinary share capital of the following[1]:

	Class of shares held	Principal activity	Percentage
Zeus Finco Limited	Ordinary	Holding company	100%
Zeus Midco Limited	Ordinary	Holding company	100%*
Zeus Bidco Limited	Ordinary	Holding company	100%*
Zenith OpCo Limited	Ordinary	Contracting company	100%*
Leasedrive Limited	Ordinary	Vehicle leasing and related activities	100%*
Velo Limited	Ordinary	Vehicle leasing and related activities	100%*
Zenith Vehicle Contracts Limited	Ordinary	Vehicle leasing and related activities	100%*
Zenith EF Limited	Ordinary	Vehicle leasing and related activities	100%*
Provecta Car Plan Limited	Ordinary	Vehicle leasing and related activities	100%*
Zenith Remarketing Limited	Ordinary	Vehicle leasing and related activities	100%*
Contract Vehicles Limited	Ordinary	Vehicle leasing and related activities	100%*
ZenAuto Limited	Ordinary	Vehicle leasing and related activities	100%*
Contract Vehicles Fleet Services Limited	Ordinary	Vehicle leasing and related activities	100%*
Contract Vehicles Rentals Limited	Ordinary	Vehicle leasing and related activities	100%*
Contract Vehicles Properties Limited	Ordinary	Property holding company	100%*
Zenith Finco PLC	Ordinary	Issuer of Senior Secured Notes	100%*

* The shares in the undertakings marked with an asterisk are held indirectly by subsidiary undertakings.

All the companies are incorporated in England and Wales and operate principally in their country of registration. The registered office of all the above subsidiaries is Number One, Great Exhibition Way, Kirkstall Forge, Leeds, England, LS5 3BF.

14. Inventories

	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Raw materials and consumables	**2,687**	1,980
Stock vehicles	**17,367**	6,249
	20,054	8,228

Raw materials and consumables relates to engineering spares, parts, consumables and other similar inventory assets used in the repair and maintenance of trailer units and similar vehicles. Stock vehicles relates to vehicles held for sale.

The amount of inventory assets used in the repair and maintenance of trailer units and similar vehicles recognised as an expense during the period is £10,381k (2025: £8,219k).

The amount of stock vehicles recognised as an expense during the period is £223,895k (2025: £175,336k).

Stock vehicles have been reviewed for impairment and where necessary an impairment has been recognised. The stock vehicles figure within the above table as at 31 March 2026 is stated net of impairment provision of £2,680k (2025: nil). The movement in the impairment provision recognised within the income statement is an increase of £2,680k for the year to 31 March 2026 (2025: £nil).

15. Debtors

	Group as at 31 March 2026 £'000	Company as at 31 March 2026 £'000	Restated* Group as at 31 March 2025 £'000	Company as at 31 March 2025 £'000
Amounts falling due within one year:				
Trade debtors	**90,098**	**–**	77,695	–
Amounts receivable under hire purchase contracts	**24**	**–**	83	–
Amounts receivable under securitised contracts	**40,856**	**–**	25,940	–
Amounts owed by Group undertakings	**–**	**421,553**	–	399,212
Other debtors	**14,005**	**42**	13,637	42
Corporation tax	**–**	**–**	4,940	–
Fair value of hedging instruments	**3,207**	**–**	1,811	–
Prepayments and accrued income	**42,353**	**1,591**	47,313	1,736
	190,542	**423,186**	171,419	400,990
Amounts falling due after more than one year:				
Amounts receivable under hire purchase contracts	**53**	**–**	23	–
Amounts receivable under securitised contracts	**28,553**	**–**	44,134	–
Amounts owed by Group undertakings	**–**	**–**	–	–
Prepayments and accrued income	**2,996**	**–**	3,729	–
	31,602	**–**	47,886	–
	222,145	**423,186**	219,304	400,990

* Prior year figures have been restated. See note 28 for details.

All the Group's trade debtors have been reviewed for impairment and where necessary a provision for impairment provided. The trade debtors figure within the above table is stated net of a provision of £989k (2025: £1,537k). The value of the bad and doubtful debts allowance within the income statement is £419k (2025: £1,189k).

Amounts owed by Group undertakings are unsecured, repayable on demand and accrue a fixed commercial rate of interest.

16. Creditors – amounts falling due within one year

	Group as at 31 March 2026 £'000	Company as at 31 March 2026 £'000	Restated* Group as at 31 March 2025 £'000	Company as at 31 March 2025 £'000
Obligations under finance leases and hire purchase contracts	**93,306**	**–**	24,330	–
Obligations under securitised contracts	**340,138**	**–**	313,242	–
Trade creditors	**65,630**	**–**	61,536	–
VAT	**9,785**	**–**	396	–
Other taxation and social security	**1,665**	**–**	2,028	–
Other creditors	**7,713**	**–**	9,476	–
Accruals and deferred income	**75,622**	**–**	79,696	–
Amounts owed to other Group undertakings	**–**	**4,922**	–	4,720
Fair value of hedging instruments	**1,447**	**–**	4,176	–
Corporation tax	**8**	**–**	–	–
Revolving Credit Facility[1]	**65,000**	**–**	20,000	–
	660,314	**4,922**	514,882	4,720

* Prior year figures have been restated. See note 28 for details.

1. The Revolving Credit Facility was fully repaid on 30 April 2026 as part of the Group's recapitalisation. See note 27 for further details.

Amounts owed to other Group undertakings are unsecured, repayable on demand and charged at a fixed commercial rate of interest. The Group's related party transactions and relationships are described in note 25.

17. Creditors – amounts falling due after more than one year

	Group as at 31 March 2026 £'000	Company as at 31 March 2026 £'000	Restated* Group as at 31 March 2025 £'000	Restated* Company as at 31 March 2025 £'000
Senior Secured Notes[1]	**472,866**	**–**	471,159	–
Obligations under finance leases and hire purchase contracts	**59,602**	**–**	158,070	–
Obligations under securitised contracts	**564,938**	**–**	616,775	–
Loan notes[1]	**479,293**	**–**	437,534	–
Preference shares[1]	**632,267**	**632,267**	574,789	574,789
	2,208,967	**632,267**	2,258,326	574,789

* Prior year figures have been restated. See note 28 for details.

1. On 30 April 2026 the Group completed a recapitalisation transaction that amended the Senior Secured Notes, the loan notes and the preference shares. See note 27 for further details.

As at 31 March 2026, within obligations under securitised contracts, there was £42,803k (2025: £27,005K falling due after more than one year and £16,169k falling due within one year) which related to the Junior Mezzanine Note owed to Bridgepoint. The Group's related party transactions and relationships are described in note 25. The Senior Secured Notes, issued in January 2022, carried a coupon of 6.50% per annum, paid semi-annually in June and December, and no repayment obligations before maturity in June 2027.

The loan notes, issued in March 2017, carried a coupon of 10% per annum which compounds on an annual basis. There are no repayment obligations before maturity in March 2037.

The preference shares were non-redeemable (other than in a return of capital, and then in preference to the ordinary shares), and carried an annual, non-discretionary dividend compounding annually at a rate of 10% per annum.

Obligations under finance leases and hire purchase contracts are repayable as follows:

	Group as at 31 March 2026 £'000	Company as at 31 March 2026 £'000	Group as at 31 March 2025 £'000	Company as at 31 March 2025 £'000
Obligations under finance leases and hire purchase contracts				
Within two to five years	**59,602**	**–**	158,070	–
On demand or within one year	**93,306**	**–**	24,330	–
	152,908	**–**	182,400	–
Obligations under securitised contracts				
More than five years	**481**	**–**	2,180	–
Within two to five years	**564,457**	**–**	614,595	–
On demand or within one year	**340,138**	**–**	313,242	–
	905,077	**–**	930,017	–

18. Deferred tax liability

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000
Group		
1 April	**57,364**	67,647
(Credited)/debited to profit and loss account	**(22,246)**	(10,141)
Credited to other comprehensive income[1]	**1,121**	(1,683)
Adjustment in respect of prior years	**616**	1,541
Utilisation of provision	**–**	–
31 March	**36,855**	57,364

1. Relates to the valuation of derivatives in the statement of changes in equity.

Deferred tax

Deferred tax liabilities/(assets) are provided as follows:

	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Accelerated capital allowances	**(1,380)**	(313)
Short-term timing differences	**(338)**	(661)
Non-trading timing differences	**52,479**	63,910
Tax losses	**(13,906)**	(5,571)
Provision for deferred tax	**36,855**	57,364

Non-trading timing differences

The deferred tax liability directly relates to the customer intangible assets (note 11). This liability will unwind over a 20-year period in line with movements of the customer intangible asset balances. The amount of deferred tax assets not recognised as at 31 March 2026 is £354k (2025: £2k).

Company

As at 31 March 2026 the Company-only financial statements contain provisions of £nil (2025: £nil).

19. Provisions for liabilities

	Onerous contracts £'000	Maintenance costs £'000	Total £'000
Group			
At 1 April 2025	14,469	23,618	38,087
(Credited)/Debited to profit and loss account	3,695	86,770	90,465
Utilisation of provision	–	(76,165)	(76,165)
At 31 March 2026	18,164	34,223	52,386

Maintenance costs

The provision for maintenance costs relates to obligations under maintenance contracts in existence at the balance sheet date. The expenditure will be incurred over the period of these contracts which will be completed over the next one to four years. The provision at the balance sheet date represents the difference between amounts collected on the maintained contracts and the costs incurred to date. The maintenance rentals received are charged to the profit and loss account when received. The provision is utilised for any costs incurred in maintaining the vehicles. See note 2 for further information.

Onerous contracts – vehicle repurchase commitments

The Group enters into arrangements whereby it's obligated to repurchase certain vehicles from funders at the end of the customer contract term at a pre-determined price. If the expected residual value of the vehicle is lower than the repurchase price, the related contracts are assessed as onerous and a provision is recognised.

As at 31 March 2026 the onerous contract provision is £18,164k (2025: £14,469k). The movement in the provision recognised within the income statement is an increase of £3,695k in FY26 (FY25: £741k decrease).

20. Called up share capital[1]

	As at 31 March 2026 £'000	Restated* As at 31 March 2025 £'000
Allotted, called up and fully paid		
1,999,999 A ordinary shares of £0.01 each	**20**	20
424,375 B ordinary shares of £0.01 each	**4**	4
18,345 C ordinary shares of £0.01 each	**–**	–
319,026 D1 ordinary shares of £0.01 each	**3**	3
41,277 deferred shares of £0.01 each	**–**	–
	28	28

* Prior year figures have been restated. See note 28 for details.

1. As part of the Group's recapitalisation on 30 April 2026, preference shares were converted to deferred shares and reclassified as called up share capital. Also, Ordinary shares were re-designated as Deferred shares and continue to be classified as called up share capital. See note 27 for further details.

The A, B and C ordinary shares rank ahead of the D1 ordinary shares for dividends and on a return of assets. In the event of a future sale or listing of the Company, the D1 ordinary shares entitle employees holding those shares to share in any value in excess of a hurdle rate set by the Directors on the shares (set at a premium to the current equity value of the Company). The maximum value that can be delivered to D1 ordinary shareholders is 1.5% of any excess above the hurdle rate.

A reconciliation of share movements to 31 March 2026 is given below:

Type of shares	Ordinary	A ordinary	B ordinary	C ordinary	D1 ordinary	Deferred
20 January 2017	1	–	–	–	–	–
31 March 2017	(1)*	1,999,999	368,750	15,940	–	–
1 October 2017	–	–	18,750	811	–	–
29 November 2017	–	–	–	–	238,043	–
2 January 2018	–	–	36,875	1,594	–	–
26 March 2019	–	–	–	–	54,635	–
31 March 2020	–	–	–	–	67,625	–
31 March 2020	–	–	–	–	(41,277)	41,277
At 31 March 2026	–	1,999,999	424,375	18,345	319,026	41,277

* The existing one ordinary share of £1 in the capital of the Company was re-designated as 100 class A ordinary shares of nominal value of £0.01 each.

21. Notes to the cash flow

An analysis of the Group's net senior debt is set out below:

	As at 1 April 2025 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31 March 2026 £'000
Cash at bank and in hand	**89,432**	**3,032**	**–**	**92,464**
Senior Secured Notes	**475,000**	**–**	**–**	**475,000**
Revolving Credit Facility*	**20,000**	**45,000**		**65,000**
Unamortised loan arrangement costs	**(3,841)**	**–**	**1,707**	**(2,134)**
Net senior debt	**401,727**	**41,968**	**1,707**	**445,402**

	As at 1 April 2024 £'000	Cash flows £'000	Other non-cash charges £'000	As at 31 March 2025 £'000
Cash at bank and in hand	84,975	4,457	–	89,432
Senior Secured Notes	475,000	–	–	475,000
Revolving Credit Facility*	–	20,000	–	20,000
Unamortised loan arrangement costs	(5,548)	–	1,707	(3,841)
Net senior debt	384,477	15,543	1,707	401,727

* The comparative figures as at 31 March 2025 have been corrected to include the Revolving Credit Facility which was drawn £65,000k at 31 March 2026 (31 March 2025: £20,000k).

There were drawings of £45,000k and no repayments of the super senior Revolving Credit Facilities during the year ended 31 March 2026 (2025: £20,000k drawings and no repayments). Net senior debt includes cash and cash equivalents, and bank loans drawn under the Group's senior debt facilities (Senior Secured Notes and Revolving Credit Facilities), but excludes amounts payable to shareholders (loan notes and preference shares), finance leases and vehicle funding (including amounts drawn under the Group's securitisation arrangements).

22. Financial commitments

Group

a. Capital commitments
At the end of the year the Group had contracted capital commitments of £335,353k (2025: £378,709k) relating to the purchase of vehicles for leasing to its customers. This is made up of commitments met within one year of £245,731k (2025: £263,847k), and commitments met after one year of £89,622k (2025: £114,862k). The Group had no other capital commitments.

b. Pension arrangements
The Group makes contributions to various money purchase schemes on behalf of certain employees. The cost charged in the profit and loss account during the year was £2,984k (2025: £2,743k). The amount unpaid as at 31 March 2026 was £nil (2025: £477k).

c. Operating lease commitments – as lessee
The Group has entered into commercial leases on certain properties. These leases have a life of between one and ten years remaining.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Amounts due:		
Within one year	**2,178**	3,119
Within two to five years	**8,211**	9,718
More than five years	**3,119**	5,535
	13,508	18,372

Company:
The Company has no financial commitments for the year ended 31 March 2026 (2025: £nil).

23. Financial instruments

The carrying value of the Group's financial assets and liabilities are summarised below.

At the balance sheet date, the Group had in place hedging arrangements to reduce its exposure to movements in interest rates. The Group has used a combination of interest rate caps and interest rate swaps (whereby it has swapped floating rates for fixed rates) against the amortisation profile of its term loans until their expiry. The net indicative market value of these derivatives as at 31 March 2026 is a liability of £1,759k (2025: £2,365k asset).

	Note	As at 31 March 2026 £'000	Restated* As at 31 March 2025 £'000
Financial assets			
Measured at fair value and designated in an effective hedging relationship			
– Derivative financial assets (see note 24)	24	**3,207**	1,811
Debt instruments measured at amortised cost			
– Loans receivable (see note 15)	15	**69,486**	70,179
Measured at undiscounted amount receivable			
– Trade and other receivables (see note 15)	15	**104,103**	96,271
As at 31 March		**176,796**	168,262

* Prior year figures have been restated. See note 28 for details.

	Note	As at 31 March 2026 £'000	Restated* As at 31 March 2025 £'000
Financial liabilities			
Measured at fair value and designated in an effective hedging relationship			
– Derivative financial liabilities (see note 24)	24	**1,447**	4,176
Measured at amortised cost			
– Loans payable (see notes 16 and 17)	16, 17	**1,649,426**	1,503,482
– Obligations under finance leases (see notes 16 and 17)	16, 17	**1,057,985**	1,112,416
Measured at undiscounted amount payable – Trade and other creditors (see notes 16 and 17)	16, 17	**160,415**	153,132
As at 31 March		**2,869,274**	2,773,207

* Prior year figures have been restated. See note 28 for details.

The Company's financial assets and liabilities are measured at undiscounted amount receivable or payable except for fixed asset investments in subsidiaries (note 13) which are classed as equity instruments and are measured at cost less impairment.

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Fair value gains and (losses)		
On derivative financial assets designated in an effective hedging relationship	**4,483**	(6,730)
	4,483	(6,730)

The fair value losses and gains on financial instruments were recognised (net of tax) in the consolidated statement of comprehensive income. None of the fair value losses or gains in either period were reclassified from equity to profit or loss. There was no amount of hedge ineffectiveness recognised in profit or loss for either period.

24. Derivative financial instruments

	Current as at 31 March 2026 £'000	Current as at 31 March 2025 £'000	Non-current as at 31 March 2026 £'000	Non-current as at 31 March 2025 £'000
Group				
Interest rate swaps and caps				
Derivatives that are designated and effective as hedging instruments are carried at fair value	**6**	–	**1,753**	(2,365)

Interest rate swaps and caps are valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Interest rate risk associated with financial instruments
The Group provides financing to customers at fixed rate returns, which the Group borrows at variable rates initially; this creates a risk of mismatching interest rates on money bought and sold. Such risks are mitigated by entering into swap or cap transactions that eliminate the risk of such a mismatch.

Credit risk connected to financial instruments
The Group provides financing to customers that is, in effect, back-to-back with funding arranged with third parties, and interest rate swaps or caps connected to that same funding (in the case of securitisation); if customers cannot meet their obligations to the Group, the business must nonetheless meet its obligations to the funder (and the swap or cap counterparty), in essence taking a credit risk on the customer. Such risks are mitigated by detailed and considered credit committee decision-making, the segregation of credit decisions from the sales and business development functions, and, in the case of ZenAuto Limited, the use of technology-led approach to credit criteria and decisions.

Interest rate swap and cap contracts
The following table details the notional principal amounts and remaining terms of interest rate swap and cap contracts outstanding as at the reporting date:

	Average contract fixed interest rate		Notional principal value		Fair value asset/(liability)	
Outstanding receive floating pay fixed contracts	As at 31 March 2026 %	As at 31 March 2025 %	As at 31 March 2026 £'000	As at 31 March 2025 £'000	As at 31 March 2026 £'000	As at 31 March 2025 £'000
Less than one year	**4.3**	3.7	**351,898**	332,663	**(254)**	184
One to two years	**4.2**	4.5	**260,956**	282,310	**444**	(1,428)
Two to five years	**3.9**	4.3	**239,001**	266,217	**1,569**	(1,110)
More than five years	**4.2**	4.5	**369**	2,085	**0**	(11)
			852,224	883,275	**1,759**	(2,365)

The interest rate swaps and caps settle on a monthly basis. The floating rate on the interest rate swaps is GBP-SONIA. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap and cap contracts are designated as hedges of variable interest rate risk of the Group's floating rate borrowings. The fair value movements on the derivatives are expected to occur and are recognised in Group comprehensive income over the period to maturity of the interest rate swaps and caps. Gains of £3,362k (2025: £5,047k losses) were recognised in other comprehensive income.

25. Related party transactions

A related party is either an individual with control or significant influence over the Group, or a company that is linked to the Group by investment or a related individual. Our primary related parties are our key management personnel.

Key management personnel are considered to be the Group's Directors, who are members of either or both of the Group Holding Board and Executive Committee.

The remuneration of key management personnel of the Group is set out below in aggregate.

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Salary and short-term benefits	**3,885**	3,938
Group contribution to money purchase pension scheme	**77**	90
Compensation for loss of office	**–**	270
	3,961	4,298

Amounts included in the table above reflect the remuneration of the 12 (2025: 16) key management personnel who are members of the Holding Board and Executive Committee.

On 27 January 2017, funds managed by Bridgepoint, members of senior management, Topco, Zeus Finco Limited, the Third Party Security Provider and the Company entered into an investment agreement (the 'Investment Agreement') relating to Topco. The Investment Agreement has been amended and restated from time to time and most recently on 30 April 2026. Pursuant to the Investment Agreement, the parties entered into put and call agreements, and issued shares and shareholder debt, pursuant to an agreed capital structure schedule to finance the purchase of Contract Vehicles Holdings Limited (and its subsidiaries) and Zenith Group Holdings Limited (and its subsidiaries) and to refinance certain debt related to these acquisitions. The Investment Agreement regulates the corporate governance of the Group, including in respect of strategic matters that include Topco's issuance of additional capital, the incurrence of indebtedness and exit rights, among others. In addition, pursuant to the Investment Agreement, Bridgepoint has appointed two Directors to Topco's Board who provide financial oversight, monitoring services and other advisory services to the Group, for which Bridgepoint is entitled to an annual monitoring fee of £125k per Director plus reasonable expenses. The monitoring fee may be reviewed and increased annually. For the financial year ended we paid a monitoring fee in the amount of £250k (2025: £250k).

26. Ultimate controlling party

As of 31 March 2026, the largest and smallest group in which the results of the Company were consolidated are these Group accounts. According to the register of members maintained by Zenith Automotive Holdings Limited, a number of limited partnerships comprising the Bridgepoint Europe V Fund, which are managed by Bridgepoint Advisers Limited, and hold securities through a nominee company, BEV Nominees Limited, held a significant interest in the ordinary shares of the Company at the balance sheet date and continue to do so at the date of this report. The Directors of Zenith Automotive Holdings Limited deem there not to be an ultimate controlling party as none of the investors in the Bridgepoint Europe V Fund has an effective ownership of more than 20% of the issued share capital of the Company.

27. Post-balance-sheet events

On 30 April 2026 the Group completed a recapitalisation transaction, with the following key items:

1. The maturity date of the Revolving Credit Facility was extended to April 2031 and the outstanding balance of £65 million was repaid in full, with no change to the interest rate.
2. The Group's owners providing £100.7 million into the Group with £99.7 million as loan notes carrying a coupon of 12% per annum which compounds on an annual basis, with no repayment obligations before maturity in 2046 and £1.0 million as an issuance of share capital. The net cash injected was £55 million because in parallel the existing Junior Mezzanine Note with £45.7 million outstanding principal held by the Group's owners was repaid.
3. Transaction fees were paid by the Group and allocated between the financial instruments involved in the transaction. Where appropriate, the fees will be deferred onto the balance sheet and recognised in the Profit and Loss Statement over the contractual life of the instrument.
4. Loss-making BEVs were recollateralised within the EFP securitisation facility, resulting in a reset of RV advance rates to their maximum level and a net drawdown from the securitisation lenders.
5. The entire accrued interest of the existing loan notes was cancelled, the outstanding principal reduced to £58.9 million and the interest rate amended to 0% prospectively. As a result of the off-market interest rate, the carrying value of the existing loan notes was reduced to £20.8 million.
6. All of the outstanding preference shares, including the interest accrued thereon, were re-designated as deferred shares, which resulted in the reclassification from a financial liability to an equity instrument.
7. The Senior Secured Notes were extended to June 2031 at a coupon on 10.5% all-in (6.5% cash and 4.0% 'pay if you can' PIK coupon). The extension was deemed to be a substantial modification and the existing debt instrument was de-recognised and the revised instrument recognised. An embedded derivative was separated from the new debt host contract to reflect an exit fee payable on redemption.

27. Post-balance-sheet events

Recapitalisation pro forma consolidated balance sheet

As at 31 March 2026

	Note	As at 31 March 2026 actual £'000	Repay RCF £'000	Equity contribution £'000	Transaction fees £'000	Securitisation net drawdown £'000	Reduction in loan notes £'000	Re-designation of preference shares £'000	Recognise embedded derivative £'000	Total recapitalisation impact £'000	As at 31 March 2026 pro forma
Fixed assets											
Goodwill	10	**269,766**	–	–	–	–	–	–	–	**–**	**269,766**
Intangible assets	11	**311,166**	–	–	–	–	–	–	–	**–**	**311,166**
Tangible assets	12	**975,115**	–	–	–	–	–	–	–	**–**	**975,115**
		1,556,047	–	–	–	–	–	–	–	**–**	**1,556,047**
Current assets											
Inventory	14	**20,054**	–	–	–	–	–	–	–	**–**	**20,054**
Debtors											
– due within one year	15	**190,543**	–	–	(5,016)	–	–	–	–	**(5,016)**	**185,527**
– due after one year	15	**31,602**	–	–	7,734	–	–	–	–	**7,734**	**39,337**
Cash at bank and in hand		**92,464**	(65,000)	55,000	(17,443)	324	–	–	–	**(27,119)**	**65,345**
		334,663	(65,000)	55,000	(14,724)	324	–	–	–	**(24,400)**	**310,263**
Creditors: amounts falling due within one year	16	**(660,314)**	65,000		10,693	(324)	(1,626)			**73,743**	**(586,572)**
Net current liabilities		**(325,652)**	–	55,000	(4,031)	–	(1,626)	–	–	**49,343**	**(276,309)**
Total assets less current liabilities		**1,230,395**	–	55,000	(4,031)	–	(1,626)	–	–	**49,343**	**1,279,738**
Creditors: amounts falling due after more than one year	17	**(2,208,967)**	–	(56,904)	(1,152)	–	463,604	632,267	–	**1,037,815**	**(1,171,151)**
Deferred tax liabilities		**(36,855)**	–	–	–	–	–	–	–	**–**	**(36,855)**
Provisions for liabilities	19	**(52,386)**	–	–	–	–	–	–	–	**–**	**(52,386)**
Net (liabilities)/assets		**(1,067,813)**	–	(1,904)	(5,183)	–	461,977	632,267	–	**1,087,158**	**19,345**
Capital and reserves											
Called up share capital	20	**28**	–	1,007	–	–	–	632,267	–	**633,275**	**633,303**
Share premium account		**2,444**	–	–	–	–	–	–	–	**–**	**2,444**
Hedging reserve		**1,453**	–	–	–	–	–	–	–	**–**	**1,453**
Capital contribution reserve		**7,216**	–	(2,911)	–	–	461,977	–	–	**459,066**	**466,282**
Profit and loss account		**(1,078,953)**	–	–	(5,183)	–	–	–	–	**(5,183)**	**(1,084,136)**
Shareholders' (deficit)/reserves		**(1,067,813)**	–	(1,904)	(5,183)	–	461,977	632,267	–	**1,087,158**	**19,345**

27. Post-balance-sheet events

Creditors – amounts falling due after more than one year

	Group as at 31 March 2026 £'000	Equity contribution £'000	Transaction fees £'000	Reduction in loan notes £'000	Re-designation of preference shares £'000	Recognise embedded derivative £'000	Total recapitalisation impact £'000	As at 31 March 2026 pro forma £'000
Senior Secured Notes	**472,866**	–	2,134	–	–	(12,720)	**(10,586)**	**462,280**
Obligations under finance leases and hire purchase contracts	**59,602**	–	–	–	–	–	**–**	**59,602**
Obligations under securitised contracts	**564,938**	(42,803)	–	–	–	–	**(42,803)**	**522,135**
Loan notes	**479,293**	99,707	(982)	(463,604)	–	–	**(364,879)**	**114,414**
Preference shares	**632,267**	–	–	–	(632,267)	–	**(632,267)**	**–**
Derivative financial instruments	**–**	–	–	–	–	12,720	**12,720**	**12,720**
	2,208,967	56,904	1,152	(463,604)	(632,267)	–	**(1,037,815)**	**1,171,151**

28. Restatement: Prior period adjustments

28a. Cash flow

During the year, the Group enhanced the methodology used in the preparation of the consolidated cash flow statement to align it more directly to reconciled balance sheet movements and to improve the consistency of classification across operating, investing and financing activities.

As a result, various movements within the consolidated cash flow statement for the year ended 31 March 2025 have been re-allocated between line items, decreasing cash flows from operating activities by £220,342k, decreasing cash flows used in investing activities by £237,611k and increasing cash flows used in financing activities by £17,269k. These changes relate solely to presentation and classification and do not represent changes to the underlying transactions.

There is no impact on the Group's profit, net assets or cash balances:

- Consolidated cash flow statement
- 4 – Operating profit
- 12 – Tangible assets

28b. Reclassification of vehicle assets

A classification error has been identified where certain vehicle assets leased to customers under operating lease arrangements and mobile service unit ('MSU') vans were incorrectly classified within hire purchase debtors. These balances have been re-allocated to tangible fixed assets to reflect the economic substance of the arrangements.

As a result, the balance sheet at 31 March 2025 has been restated, increasing tangible fixed assets by £24,536k and decreasing debtors by £24,536k.

There is no impact to the Group's profit and loss account, net assets or the underlying performance of the business.

These adjustments impact the following tables, which are included below:

- Consolidated balance sheet
- 4 – Operating profit
- 12 – Tangible fixed assets
- 15 – Debtors
- 23 – Financial instruments

28c. Preference share reclassification

During the year, the Group reassessed the debt/equity classification of a previously issued preference shares instrument. It was determined that the characteristics of the instrument reflected a debt instrument and the amount previously held within equity of £271,518k was reclassified from 'Called up share capital' within equity to 'Creditors – amounts falling due after more than one year' as at 31 March 2025.

These adjustments impact the following tables, which are included below:

- Consolidated balance sheet
- Company balance sheet
- Consolidated statement of changes in equity
- Company statement of changes in equity
- 17 – Creditors – amounts falling due after more than one year
- 19 – Called up share capital
- 23 – Financial instruments

28d. Recharge rebate mapping

The Group identified a classification error regarding certain rebate arrangements associated with fully recharged costs. These balances were historically presented within cost of sales. To reflect the commercial substance, these items have been reclassified as revenue.

As a result, the statement of profit and loss for the year ended 31 March 2025 has been restated, increasing revenue by £4,198k and increasing cost of sales by £4,198k.

There is no impact to the Group's gross profit, EBITDA or the underlying performance of the business.

These adjustments impact the following tables, which are included below:

- Consolidated statement of profit and loss
- 3 – Revenue

28e. Customer rental receivable and advance reclassification

During the year, the Group identified a classification error where certain customer rental balances, including both payments made in advance and amounts in arrears, were presented within vehicle asset-related balances. Following a review, it was determined that these balances represent short-term customer receivables and liabilities, and should be presented separately on the balance sheet.

As a result, the balance sheet at 31 March 2025 has been restated to:

- increase trade debtors by £11,371k in respect of rental arrears; and
- increase trade creditors by £5,940k in respect of rental advances,

with a corresponding decrease in tangible fixed assets of £5,431k.

There is no impact to the Group's profit and loss account, net assets or the underlying performance of the business.

These adjustments impact the following tables, which are included below:

- Consolidated balance sheet
- 4 – Operating profit
- 12 – Tangible fixed assets
- 15 – Debtors
- 16 – Creditors
- 23 – Financial instruments

28f. Vehicles subject to repurchase

During the year, the Group reassessed its accounting treatment in respect of vehicles subject to repurchase arrangements. As part of this review, it was identified that the previous assessment of whether the Group acted as principal or agent was incorrect, which previously resulted in the gross presentation of revenue and cost of sales, and the related presentation of debtor and creditor balances.

To reflect the commercial substance of these arrangements, the Group has revised its treatment to present these transactions on a net basis.

As a result, the financial statements for the year ended 31 March 2025 have been restated:

- Revenue decreased by £107,322k
- Cost of sales decreased by £107,322k
- Debtors decreased by £29,539k (amounts falling due within one year) and £105,744k (amounts falling due after more than one year)
- Creditors decreased by £34,890k (amounts falling due within one year) and £114,862k (amounts falling due after more than one year); and
- An onerous contract provision of £14,469k has been recognised

There is no impact to the net profit and loss, net assets or the underlying performance of the business.

These adjustments impact the following tables, which are included below:

- Consolidated statement of profit and loss
- Consolidated balance sheet
- Note 3 – Revenue
- Note 15 – Debtors
- Note 16 – Creditors – amounts falling due within one year
- Note 17 – Creditors – amounts falling due after more than one year
- Note 23 – Financial instruments

28. Prior period adjustments

Consolidated statement of profit and loss

	As reported £'000	Adjustment (28d) £'000	Adjustment (28f) £'000	As restated £'000
Revenue	837,040	4,198	(107,322)	**733,916**
Cost of sales	(731,808)	(4,198)	107,322	**(628,684)**
Gross profit	105,232	–	–	**105,232**
Operating expenses	(146,308)	–	–	**(146,308)**
Operating profit before depreciation of owned tangible fixed assets, amortisation of goodwill and intangible assets, exceptional items, impairment and changes of accounting estimates.	40,064	–	–	**40,064**
Depreciation of owned fixed assets	(4,482)	–	–	**(4,482)**
Amortisation of goodwill	(24,362)	–	–	**(24,362)**
Amortisation of intangible assets	(34,031)	–	–	**(34,031)**
Operating exceptional items	(10,923)	–	–	**(10,923)**
Movement in vehicle impairment provision	10,413	–	–	**10,413**
Impairment of intangible assets	(6,297)	–	–	**(6,297)**
Change of accounting estimates – fleet depreciation	(11,457)	–	–	**(11,457)**
Operating profit	(41,076)	–	–	**(41,076)**
Finance costs(net)	(132,951)	–	–	**(132,951)**
Loss before taxation	(174,027)	–	–	**(174,027)**
Tax charge	10,042	–	–	**10,042**
Loss for the financial period attributable to the shareholders of the Group	(163,985)			**(163,985)**

28. Prior period adjustments

Consolidated balance sheet

	As reported £'000	Adjustment (28b) £'000	Adjustment (28c) £'000	Adjustment (28e) £'000	Adjustment (28f) £'000	As restated £'000
Fixed assets						
Goodwill	294,125	–	–	–	–	**294,125**
Intangible assets	324,258	–	–	–	–	**324,258**
Tangible assets	1,038,337	24,536	–	(5,431)	–	**1,057,442**
	1,656,719	24,536	–	(5,431)	–	**1,675,824**
Current assets						
Inventory	8,228	–	–	–	–	**8,228**
Debtors						
– due within one year	196,223	(6,637)	–	11,371	(29,539)	**171,418**
– due after one year	171,529	(17,899)	–	–	(105,744)	**47,886**
Cash at bank and in hand	89,432	–	–	–	–	**89,432**
	465,412	(24,536)	–	11,371	(135,283)	**316,964**
Creditors: amounts falling due within one year	(543,831)	–	–	(5,940)	34,890	**(514,882)**
Net current liabilities	(78,419)	(24,536)	–	5,431	(100,393)	**(197,917)**
Total assets less current liabilities	1,578,300	–	–	–	(100,393)	**1,477,907**
Creditors: amounts falling due after more than one year	(2,101,670)	–	(271,518)	–	114,862	**(2,258,326)**
Deferred tax	(57,364)	–	–	–	–	**(57,364)**
Provisions for liabilities	(23,617)	–	–	–	(14,469)	**(38,086)**
Net liabilities	(604,351)	–	(271,518)	–	–	**(875,869)**
Capital and reserves						
Called up share capital	271,546	–	(271,518)	–	–	**28**
Share premium account	2,444	–	–	–	–	**2,444**
Hedging reserve	(1,910)	–	–	–	–	**(1,910)**
Capital contribution reserve	7,216	–	–	–	–	**7,216**
Profit and loss account	(883,647)	–	–	–	–	**(883,647)**
Shareholders' deficit	(604,351)	–	(271,518)	–	–	**(875,869)**

28. Prior period adjustments

Consolidated statement of changes in equity

	As reported						Adjustment (28c)	As restated					
	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Hedging reserve £'000	Capital contribution reserve	Total £'000	Called up share capital £'000	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Hedging reserve £'000	Capital contribution reserve	Total £'000
At 1 April 2024	271,546	2,444	(719,663)	3,138		(442,535)	(271,518)	28	2,444	(719,663)	3,138	–	(714,053)
Loss for the financial period	–	–	(163,985)	–	–	(163,985)	–	–	–	(163,985)	–	–	(163,985)
Hedges of variable interest rate risk (note 22)	–	–	–	(6,730)	–	(6,730)	–	–	–	–	(6,730)	–	(6,730)
Deferred tax credit (note 18)	–	–	–	1,683	–	1,683	–	–	–	–	1,683	–	1,683
Total comprehensive expense	–	–	(163,985)	(5,048)	–	(169,032)	–	–	–	(163,985)	(5,048)	–	(169,033)
Capital contribution received	–	–	–	–	7,216	7,216	–	–	–	–	–	7,216	7,216
At 31 March 2025	271,546	2,444	(883,648)	(1,910)	7,216	(604,351)	(271,518)	28	2,444	(883,648)	(1,910)	7,216	(875,869)

28. Prior period adjustments

Consolidated cash flow statement

	As reported £'000	Adjustment methodology change (28a) £'000	As restated £'000
Operating profit/(loss)	(41,076)		**(41,076)**
Adjustment for:			
Depreciation charges	211,107	(16,913)	**194,194**
Movement in vehicle impairment provision	(10,413)	10,413	**–**
Impairment of intangible assets	6,297	–	**6,297**
Impairment of fleet vehicles	–	8,251	**8,251**
Amortisation of goodwill and intangibles	58,393	–	**58,393**
Loss/profit on sale of vehicle assets	(6,472)	11,830	**5,358**
Operating cash flow before movement in working capital	217,836	13,581	**231,417**
Proceeds from sale of vehicle assets under operating leases	–	198,141	**198,141**
Purchase of vehicle assets under operating leases	–	(424,096)	**(424,096)**
Capital repayment received from finance lessees	24,151	(24,151)	**–**
(Increase)/decrease in debtors	18,355	(452)	**17,903**
(Increase)/decrease in stock	(533)	(168)	**(701)**
(Decrease)/increase in creditors	12,923	16,803	**29,726**
(Decrease)/increase in provisions	1,115	–	**1,115**
Net cash inflow from operating activities	273,847	(220,342)	**53,505**
Income tax refunded	2,695	–	**2,695**
Cash flows from investing activities			
Capital repayment received from finance lessees	–	9,856	**9,856**
Purchase of finance leased assets	–	(21,798)	**(21,798)**
Proceeds from sale of operating lease assets	188,326	(188,326)	**–**
Receipt from unfunded operating lease assets	(46,322)	46,322	**–**
Purchase of vehicle fixed assets	(391,556)	391,556	**–**
Purchase of intangible assets	(21,181)	–	**(21,181)**
Purchase of non-fleet fixed assets	(489)	–	**(489)**
Net cash flows used in investing activities	(271,222)	237,611	**(33,612)**
Cash flows from financing activities		–	
Repayments of borrowings	(421,429)	(111,021)	**(532,450)**
Drawdown of funding	441,556	93,753	**535,309**
Interest paid	(40,990)	–	**(40,990)**
Drawdown of Revolving Credit Facility	20,000	–	**20,000**
Net cash flows used in financing activities	(862)	(17,269)	**(18,131)**
Net decrease in cash and cash equivalents	4,457	–	**4,457**
Cash and cash equivalents at start of the year	84,975	–	**84,975**
Cash and cash equivalents at end of the period	89,432	–	**89,432**

28. Prior period adjustments

Note 3 (Revenue)

	As reported £'000	Adjustment (28d) £'000	Adjustment (28f) £'000	As restated £'000
Long-term leases	464,882	–	(107,322)	**357,560**
Vehicle sales	213,630	–	–	**213,630**
Other	151,631	4,198	–	**155,828**
Finance lease interest income	6,898	–	–	**6,898**
	837,040	4,198	(107,322)	**733,916**

28. Prior period adjustments

Note 4 (Operating profit)

	As reported £'000	Adjustment (28a) £'000	Adjustment (28b) £'000	Adjustment (28e) £'000	As restated £'000
Depreciation of tangible fixed assets (note 12)					
Owned	1,088	–	–	–	**1,088**
Company cars	3,394	–	–	–	**3,394**
Leased to customers	195,167	(25,148)	(7,019)	(1,216)	**178,255**
Change of accounting estimates – fleet depreciation	11,457	–	–	–	**11,457**
Operating lease rentals	3,579	–	–	–	**3,579**
Impairment of trade debtors	1,189	–	–	–	**1,189**
Amortisation of goodwill	24,362	–	–	–	**24,362**
Amortisation of intangibles	34,031	–	–	–	**34,031**
Operating exceptional items	10,923	–	–	–	**10,923**
Impairment of intangible assets	6,297	–	–	–	**6,297**
Movement in vehicle impairment provision	(10,413)	–	–	–	**(10,413)**

28. Prior period adjustments

Note 12 (Tangible assets)

	As reported							As restated			
Group	Land & buildings £'000	Equipment, fixtures and fittings £'000	Vehicles leased to customers under operating leases £'000	Total £'000	Adjustment (28a) Vehicles leased to customers under operating leases £'000	Adjustment (28b) Vehicles leased to customers under operating leases £'000	Adjustment (28e) Vehicles leased to customers under operating leases £'000	Land & buildings £'000	Equipment, fixtures and fitting £'000	Vehicles leased to customers under operating leases £'000	Total £'000
Cost											
At March 2024	1,745	20,911	1,407,662	1,430,318	–	40,960	–	**1,745**	**20,911**	**1,448,622**	**1,471,278**
Transfer to other asset classes	–	–	(6,511)	(6,511)	–	–	–	**–**	**–**	**(6,511)**	**(6,511)**
Additions in the year	–	489	396,618	397,107	–	3,664	–	**–**	**489**	**400,282**	**400,771**
Stock transfer	–	–	(8,243)	(8,243)	–	–	–	**–**	**–**	**(8,243)**	**(8,243)**
Disposals	–	(769)	(348,470)	(349,239)	–	(2,127)	–	**–**	**(769)**	**(350,597)**	**(351,366)**
At 31 March 2025	1,745	20,631	1,441,056	1,463,432	–	42,497	–	**1,745**	**20,631**	**1,483,553**	**1,505,929**
Accumulated depreciation and impairment											
At 31 March 2024	105	16,978	382,191	399,274	–	12,309	4,215	**105**	**16,978**	**398,715**	**415,798**
Depreciation charge for the year	35	1,126	209,946	211,107	(25,148)	7,019	1,216	**35**	**1,126**	**193,033**	**194,194**
Impairment charge for the year	–	–	(10,097)	(10,097)	25,148	–	–	**–**	**–**	**15,051**	**15,051**
Stock transfer	–	–	(1,994)	(1,994)	–	–	–	**–**	**–**	**(1,994)**	**(1,994)**
Disposals	–	(296)	(172,898)	(173,194)	–	(1,367)	–	**–**	**(296)**	**(174,265)**	**(174,561)**
At 31 March 2025	140	17,808	407,148	425,096	–	17,962	5,431	**140**	**17,808**	**430,540**	**448,488**
Net book value											
At 31 March 2025	1,605	2,823	1,033,908	1,038,336	–	24,536	(5,431)	**1,605**	**2,823**	**1,053,013**	**1,057,441**
At 31 March 2024	1,640	3,933	1,025,471	1,031,044	–	28,651	(4,215)	**1,640**	**3,933**	**1,049,907**	**1,055,480**

28. Prior period adjustments

Note 15 (Debtors)

	As reported £'000	Adjustment (28b) £'000	Adjustment (28e) £'000	Adjustment (28f) £'000	As restated £'000
Amounts falling due within one year:					
Trade debtors	77,695	–	–	–	**77,695**
Amounts receivable under hire purchase contracts	6,720	(6,637)	–	–	**83**
Amounts receivable under securitised contracts	25,016	–	924	–	**25,940**
Vehicles subject to repurchase agreements	29,539	–	–	(29,539)	**–**
Amounts owed by Group undertakings	–	–	–	–	**–**
Other debtors	13,637	–	–	–	**13,637**
Corporation tax	4,940	–	–	–	**4,940**
Fair value of hedging instruments	1,811	–	–	–	**1,811**
Prepayments and accrued income	36,866	–	10,447	–	**47,313**
VAT	–	–	–	–	**–**
	196,223	(6,637)	11,371	(29,539)	**171,419**
Amounts falling due after more than one year:	–	–	–	–	**–**
Amounts receivable under hire purchase contracts	17,922	(17,899)	–	–	**23**
Amounts receivable under securitised contracts	44,134	–	–	–	**44,134**
Vehicles subject to repurchase agreements	105,744	–	–	(105,744)	**–**
Amounts owed by Group undertakings	–	–	–	–	**–**
Prepayments and accrued income	3,729	–	–	–	**3,729**
	171,529	(17,899)	–	(105,744)	**47,886**
	367,752	(24,536)	11,371	(135,283)	**219,305**

28. Prior period adjustments

Note 16 (Creditors – amounts falling due within one year)

	As reported £'000	Adjustment (28e) £'000	Adjustment (28f) £'000	As restated £'000
Obligations under finance leases and hire purchase contracts	24,330	–	–	**24,330**
Obligations under securitised contracts	313,242	–	–	**313,242**
Vehicles subject to repurchase agreements	34,890	–	(34,890)	**–**
Trade creditors	61,536	–	–	**61,536**
VAT	396	–	–	**396**
Other taxation and social security	2,028	–	–	**2,028**
Other creditors	9,476	–	–	**9,476**
Accruals and deferred income	73,756	5,940	–	**79,696**
Amounts owed to other Group undertakings	–	–	–	**–**
Fair value of hedging instruments	4,176	–	–	**4,176**
Revolving Credit Facility	20,000	–	–	**20,000**
	543,831	5,940	(34,890)	**514,882**

28. Prior period adjustments

Note 17 (Creditors – amounts falling due after more than one year)

	As reported £'000	Adjustment (28c) £'000	Adjustment (28f) £'000	As restated £'000
Senior Secured Notes	471,159	–	–	**471,159**
Obligations under finance leases and hire purchase contracts	158,070	–	–	**158,070**
Obligations under securitised contracts	616,775	–	–	**616,775**
Vehicles subject to repurchase agreements	114,862	–	(114,862)	**–**
Loan notes	437,534	–	–	**437,534**
Preference shares	303,271	271,518	–	**574,789**
	2,101,670	271,518	(114,862)	**2,258,326**

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28. Prior period adjustments
Note 20 (Called up share capital)

	As reported £'000	Adjustment (28c)	As restated £'000
Allotted, called up and fully paid			
1,999,999 A ordinary shares of £0.01 each	20		**20**
424,375 B ordinary shares of £0.01 each	4		**4**
18,345 C ordinary shares of £0.01 each	–		**–**
319,026 D1 ordinary shares of £0.01 each	3		**3**
41,277 deferred shares of £0.01 each	–		**–**
271,517,758 preference shares of £1.00 each	271,518	(271,518)	**–**
	271,546	(271,518)	**28**

28. Prior period adjustments
Note 23 (Financial instruments)

	As reported £'000	Adjustment (28b) £'000	Adjustment (28e) £'000	Adjustment (28f) £'000	As restated £'000
Financial assets					
Measured at fair value and designated in an effective hedging relationship – Derivative financial assets (see note 24)	1,811	–	–	–	**1,811**
Debt instruments measured at amortised cost – Loans receivable (see note 15)	229,074	(24,536)	924	(135,283)	**70,179**
Measured at undiscounted amount receivable – Trade and other receivables (see note 15)	96,271	–	–	–	**96,271**
	327,156	(24,536)	924	(135,283)	**168,261**

	As reported £'000	Adjustment (28c) £'000	Adjustment (28e) £'000	Adjustment (28f) £'000	As restated £'000
Financial liabilities					
Measured at fair value and designated in an effective hedging relationship – Derivative financial liabilities (see note 24)	4,176	–	–	–	**4,176**
Measured at amortised cost	–	–	–	–	**–**
– Loans payable (see notes 16 and 17)	928,693	574,789	–	–	**1,503,482**
– Obligations under finance leases (see notes 16 and 17)	1,262,169	–	–	(149,752)	**1,112,417**
Measured at undiscounted amount payable – Trade and other creditors (see notes 16 and 17)	450,463	(303,271)	5,940	–	**153,132**
	2,645,501	271,518	5,940	(149,752)	**2,773,207**

Glossary

Alternative performance measures (APMs)

Throughout our report and accounts, we use alternative performance measures (APMs) to supplement the assessment and reporting of the performance of the Group. These measures are those that are not defined by statutory reporting frameworks, such as UK GAAP.

The APMs aim to assess performance from the perspective of all stakeholders, providing additional insight into the financial position and performance of the Group, and should be considered in conjunction with the statutory reporting measures such as UK GAAP.

The following table identifies the key APMs used in this report and how each is defined:

APM	What is it?
Adjusted gross profit	Adjusted gross profit, or income is calculated as total income, measured as revenue less cost of sales, which includes the cost of funds on vehicle fleet borrowings and the depreciation cost of vehicles in the funded fleet, shown before impairment, the reassessment of residual values on the funded fleet and exceptional items.
Adjusted operating expenses	Adjusted operating expenses is calculated as operating expenses before depreciation and impairment of owned tangible fixed assets, amortisation of goodwill and intangible assets, and exceptional items. See Glossary for a reconciliation to statutory measures.
Adjusted EBITDA	Adjusted EBITDA is calculated as operating profit before depreciation of owned fixed assets (being depreciation on company cars and other non-fleet fixed assets), amortisation of goodwill and intangible assets, impairment, the reassessment of residual values on the funded fleet and exceptional items (but after deducting finance costs and depreciation relating to vehicles leased to customers under operating leases).
Adjusted EBITDA excluding RV losses*	Adjusted EBITDA as explained above, but before residual value profits and losses. Given the recent volatility in residual value profits, which is expected to be temporary, this measure excludes RV profits and losses from adjusted EBITDA to show the underlying performance of the business.
Normalised adjusted gross profit*	Normalised adjusted gross profit includes the cash benefit of the borrowing base reset within the EFP securitisation facility, as new contracts written replace contracts with haircut RVs within the BEV perimeter. See the 'Facilities funding our fleet' section of the CFO statement for further details and page 28 for a reconciliation to statutory measures.
Normalised adjusted EBITDA*	Nomalised adjusted EBITDA is calculated as normalised adjusted gross profit less adjusted operating expenses and excludes ZenAuto EBITDA losses. This measure is used in the calculation of leverage under the SSN indenture and RCF facility document, following the recapitalisation transaction.
Adjusted operating cash flow	Adjusted operating cash flow is net cash flow prior to interest service costs (on debt other than fleet funding), tax and capital expenditure (on items other than vehicle fleet). See Glossary for a reconciliation to statutory measures.
Cash conversion	Cash conversion is calculated as adjusted operating cash flow (see above definition) as a proportion of normalised adjusted EBITDA. This ratio assesses the Group's efficiency in converting profits into cash.
Liquidity	Liquidity is comprised of freely available cash plus available headroom under the £65 million Revolving Credit Facility plus undrawn amounts relating to assets within the EFP securitisation facility that are encumbered but drawings have not been utilised.
Like-for-like basis	Profits before the impact of the reassessment of residual values on the funded fleet and before exceptional items.
Residual value (RV) profits/(losses)*	Residual value profits or losses are calculated as the income received from selling a vehicle less the written down value of the vehicle. They include end of contract income, customer profit share, vehicle disposal costs, and are shown in aggregate; with profits shown net of losses.

* We have added these APMs to reflect the underlying performance of the business; adjusting for the temporary and unique impact of the volatility in RV profits as a result of significant market transition.

Abbreviation and term definitions

Term	Definition
API	Application process interface
APS	Announced pledges scenario
B2B	Business-to-business
B2B2C	Business-to-business-to-consumer
BEV	Battery electric vehicle
BI	Business intelligence
BiK	Benefit-in-Kind
BVRLA	British Vehicle Rental and Leasing Association
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CRM	Customer relationship manager
CSAT	Customer satisfaction score
D2C	Direct to consumer
DVSA	Driver and Vehicle Standards Agency
DVSA MOT	Driver and Vehicles Standards Ministry of Transport
ED&I	Equity, diversity and inclusion
EFP	Exhibition Finance plc, the entity within the securitisation structure that funds receivables and residual values of vehicles, also referred to as the non-bifurcated facility.
EPM	Enterprise performance management
ERC	Enterprise Risk Committee
ESG	Environmental, social and governance
EV	Electric vehicle
FCA	Financial Conduct Authority
FFL Forge Funding Limited	The entity within the securitisation structure that funds receivables, but not the residual values of vehicles, also referred to as the bifurcated facility.
Funded fleet	The fleet of vehicles that Zenith has funded using external funding sources, and for which Zenith bears residual value risk, i.e. the commitment to pay the residual at the end of the lease. The Group does not take title to the vehicle.

Term	Definition
FY[XX]	Financial year [XX]
GHG	Greenhouse gas
HGV	Heavy goods vehicle
HP	Hire purchase
ICE	Internal combustion engine (includes trailers)
ICO	Information Commissioner's Office
IEA	International Energy Agency
IEC	International Electrotechnical Commission
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel on Climate Change
ISMS	Information security management system
ISO	International Organisation for Standardisation
KPI	Key performance indicator
LCV	Light commercial vehicle
Managed fleet	The fleet of vehicles that Zenith manages under fleet management contracts; the customer holds the title to, and funding of, these vehicles.
MSU	Mobile service unit
NZE	Net zero emissions
OEM	Original equipment manufacturer
Order bank	Vehicles associated with lease contracts that have been ordered but not yet delivered – at which point they will become part of the funded fleet. Does not include any vehicles in the pipeline for managed contracts.
Pa	Per annum
RCF	Revolving Credit Facility
PHEV	Plug-in hybrid electric vehicle
PIK	Payment in kind
RCPs	Representative concentration pathways
RV	Residual value
SBTi	Science Based Targets initiative

Term	Definition
Scope 1 (direct emissions)	Greenhouse gas emissions from sources that are owned or controlled by Zenith. This includes emissions from on-site fuel combustion (e.g. gas boilers) and company-owned and controlled vehicles.
Scope 2 (energy emissions)	Emissions associated with the generation of purchased electricity, heat, steam or cooling consumed by Zenith. Although these emissions occur at the point of generation, they are accounted for by Zenith as they arise from our energy use.
Scope 3 (other indirect emissions)	All other indirect emissions that occur in Zenith's value chain, both upstream and downstream. This includes emissions from purchased goods and services, capital goods, business travel, employee commuting, waste generated in our operations, transportation and distribution, downstream leased assets, and the use and end of life of our funded vehicles after the point of sale.
SECR	Streamlined Energy and Carbon Reporting regulations
SM&CR	Senior Manager and Certification Regime
SMMT	Society of Motor Manufacturers and Traders
SMR	Service, maintenance and repair
SPV	Special purpose vehicle
STEPS	Stated policies scenario
TCFD	Task Force for Climate-Related Financial Disclosures
tCO_2e	Tonnes CO_2
Vehicle Titleco Ltd	The entity within the securitisation structure that holds title to the vehicles.
YOY	Year-on-year
ZEV	Zero emission vehicle

Reconciliation of operating expenses to adjusted operating expenses

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Operating expenses	**(165,774)**	(145,782)
Depreciation of owned fixed assets	**4,899**	4,482
Amortisation of goodwill	**24,362**	24,362
Amortisation of intangible assets	**32,728**	34,031
Operating exceptional items	**4,089**	10,923
Movement in vehicle impairment provision	**20,188**	(10,413)
Impairment of intangible assets	**574**	6,297
Adjusted operating expenses	**(78,935)**	(76,100)

Reconciliation of change in cash and cash equivalents to adjusted operating cash flow

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Net increase in cash and cash equivalents	**3,031**	4,456
Add back/(Deduct):		
Financing – interest paid	**35,742**	33,189
Refinancing costs paid	**7,387**	7,801
Corporation tax (refunded)/paid	**(4,940)**	(2,695)
Purchase of intangible assets	**20,210**	21,181
Purchase of non-fleet fixed assets	**1,161**	489
Net cash received from EFP securitisation facility Junior Mezzanine Note drawdown	**4,286**	(19,413)
Reduction in advance rates as a result of EFP RV realisation ratio test	**4,487**	–
Exceptional items	**7,178**	4,842
Revolving Credit Facility	**(45,000)**	(20,000)
Adjusted operating cash flow	**33,542**	29,851

Profit and loss of vehicles sold

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Change £'000
RV profits/(losses) (recognised in gross profit)	**(41)**	15,696	(15,737)
Release of impairment on vehicles sold	**18,698**	18,665	33
Reassessment of RV on vehicles sold	**(18,919)**	(25,148)	6,229
RV profits/(losses) (recognised in operating loss)	**(262)**	9,212	(9,474)
Other termination-related accounts[1]	**(13,026)**	(14,097)	1,071
Loss on disposal of non-fleet fixed assets	**–**	(473)	473
Loss on sale of vehicle assets and non-fleet fixed assets (recognised in cash flow statement)	**(13,288)**	(5,358)	(7,930)

1. Income not directly associated with the sale of the vehicle (including excess mileage charges and damage charges).

Normalised adjusted EBITDA to adjusted operating cash flow

	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000	Change £'000
Normalised adjusted EBITDA	**67,083**	50,849	16,234
Add back: ZenAuto losses included	**(5,230)**	(711)	(4,519)
Add back: Depreciation on consolidation	**(1,314)**	(5,740)	4,426
Remove: Collateral amounts released from maturing EV perimeter vehicle	**(23,552)**	(2,225)	(21,326)
Discontinued operations	**–**	(2,108)	2,108
Movements in working capital	**(3,446)**	(10,213)	6,767
Adjusted operating cash flow	**33,542**	29,851	3,691

Cash conversion

	For the year ended 31 March 2026 £'000	For the year ended 31 March 2025 £'000
Normalised adjusted EBITDA	**67,083**	50,849
Adjusted operating cash flow	**33,542**	29,851
Cash conversion	**50.0%**	58.7%

Asset value vs debt

Assets	Assets held in	As at 31 March 26 book value £'000	As at 31 March 25 book value £'000
Operating leases	Vehicles leased to customers	**970,739**	1,053,014
Contract purchase	Debtors – Amounts receivable under HP agreements	**69,486**	70,179
Stock	Inventory	**17,367**	6,249
Total		**1,057,593**	1,129,442
Impairment add-back		**30,405**	26,044
Total (excluding impact of the impairment)		**1,087,998**	1,155,486
Debt			
Amounts payable under securitised contracts	Creditors – Obligations under securitised contracts	**905,077**	930,017
Amounts payable under finance leases	Creditors – Obligations under finance leases and HP contracts	**152,908**	182,400
Total		**1,057,985**	1,112,417
Junior Mezzanine Note add-back*		**(42,803)**	(43,174)
Total (excluding Junior Mezzanine Note)		**1,015,182**	1,069,243
Net asset value		**(392)**	17,024
Net asset value (excluding impact of the impairment and the Junior Mezzanine Note)		**72,816**	86,243

* The Junior Mezzanine add-back for 2025 has been corrected to £43,174k.

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