FIRSTGROUP PLC
RESULTS FOR THE 53 WEEKS TO 30 MARCH 2024

Material increase in Group profit driven by continued progress in both First Bus and First Rail further underpinning the Group's strong balance sheet:

- Significant increase in Group adjusted operating profit to £204.3m (FY 2023: £161.0m) includes extra week of trading and receipt of higher than accrued FY 2023 variable fees in First Rail (c.£13m)
- Adjusted EPS of 16.7p (FY 2023: 11.6p) enhanced by repurchases of 80.6m shares during FY 2024
- Final dividend of 4.0p per share recommended; FY 2024 total: 5.5p, a 45% increase vs. FY 2023
- c.£118m returned to shareholders via buyback programmes in FY 2024
- Strong balance sheet position, with adjusted year-end net cash of £64.1m

Successful execution of the Group's refreshed strategy:

- Continued focus on operational delivery and driving modal shift:
  - First Bus on track to achieve 10% adjusted operating profit margin having grown to 9.4% in H2 2024
  - West Coast Partnership awarded National Rail Contract to October 2032 with core three-year term
  - Lumo has now carried more than 2.5m passengers since launch and Hull Trains has added 14% more capacity over the last year, creating growth opportunity
- Enhancing the Group's sustainability credentials and progressing decarbonisation in First Bus:
  - landmark strategic joint venture with Hitachi, Green Hire Purchase Finance Facility and successful applications for £16m of Zero Emission Bus Regional Area (ZEBRA) 2 scheme co-funding
  - c.300 electric buses delivered in FY 2024 and more than 300 charger outlets installed
  - Great Western Railway conducting industry-first fast-charge battery-only train trial
  - joined United Nations Global Compact and First Bus achieved Real Living Wage employer status
- Further growth and diversification of the Group's portfolio:
  - York Pullman acquisition and new Adjacent Services contracts in First Bus
  - formal applications submitted for two new open access operations, the extension of some of Lumo's services to Glasgow, and for additional return services on both Hull Trains and Lumo, to more than double capacity, subject to approval
  - First Rail awarded London Cable Car contract and qualified to bid for Elizabeth Line contract

			FY 2024 (£m)			FY 2023 (£m)
	Cont.	**Disc.**	**Total**	Cont.	Disc.	Total
Revenue	**4,715.1**	**-**	**4,715.1**	4,755.0	4.0	4,759.0
Adjusted[1] operating profit/(loss)	**204.3**	**(1.9)**	**202.4**	161.0	(6.6)	154.4
Adjusted operating profit margin	**4.3%**		**4.3%**	3.4%		3.2%
Adjusted profit/(loss) before tax	**139.0**	**(2.2)**	**136.8**	104.2	(6.3)	97.9
Adjusted EPS [2]	**16.7p**	**(0.3)p**	**16.4p**	11.6p	(0.9)p	10.7p
Dividend per share			**5.5p**			3.8p
Adjusted net cash[3]			**64.1**			109.9

			FY 2024 (£m)			FY 2023 (£m)
Statutory	**Cont.**	**Disc.**	**Total**	Cont.	Disc.	Total
Revenue	**4,715.1**	**–**	**4,715.1**	4,755.0	4.0	4,759.0
LGPS pension settlement and related charges	**(146.9)**	**–**	**(146.9)**	–	–	–
Other operating (costs)/income	**(4,521.7)**	**(5.3)**	**(4,527.0)**	(4,601.1)	27.3	(4,573.8)
Operating profit/(loss)	**46.5**	**(5.3)**	**41.2**	153.9	31.3	185.2
(Loss)/profit before tax			**(24.4)**			128.7
Total comprehensive income/(loss) for the year			**49.0**			(7.4)

EPS[2]	**(2.4)p**	11.8p
Net debt	**1,144.8**	1,269.1
- Bonds, bank and other debt net of (cash)	***(313.7)***	*(479.5)*
- IFRS 16 lease liabilities	***1,458.5***	*1,748.6*

'Cont.' refers to the Continuing operations comprising First Bus, First Rail, and Group items. 'Disc.' refers to discontinued operations, being First Student, First Transit and Greyhound US.

FY 2024 statutory loss before tax of £(24.4)m includes predominantly non-cash charges of £146.9m relating to the Group's termination of its participation in two Local Government Pension Schemes during the year with an offsetting £161.0m gain in the Condensed Consolidated Statement of Comprehensive Income.

Key developments

First Bus:

- 1.14m passenger journeys a day (FY 2023: 1.07m); 167m service miles operated (FY 2023: 168m)
- Passenger volumes (excluding extra week in FY 2024) increased 7% vs. FY 2023 supported by £2 fare cap in England and free travel for under-22s in Scotland
- Total revenue of £1,012.2m (FY 2023: £902.5m):
  - total passenger revenue increased 16.5% to £769.1m (FY 2023: £660.0m)
  - Adjacent Services revenue increased to £219.8m (FY 2023: £175.1m) driven by First Travel Solutions, new contract wins and the contribution of Airporter and Ensignbus acquired in FY 2023
- Adjusted operating profit margin increased to 9.4% in H2 2024 and 8.3% for the full year (FY 2023: 6.5%) with increased passenger volumes, improved driver availability and data-led operational and commercial improvements more than offsetting ongoing inflationary pressures and lower funding
- Acquisition of York Pullman Bus Company, a high-performing business with five well-established coach services brands, completed in February 2024
- Awarded Transport for Greater Manchester (TfGM) Rochdale franchise contracts in July 2023; unsuccessful in other TfGM bids
- Further progress in electrification of fleet and infrastructure:
  - c.300 electric buses delivered in FY 2024 and more than 300 charger outlets installed; we now have c.600 electric buses (c.13% of our fleet), over 600 charging outlets, three fully electric depots in England with six further depots across the UK partially electrified
  - third-party B2B charging underway at four depots and B2C charging recently launched at Cornwall depot
  - solar panels now installed at 24 depots to reduce costs and demands on local grids
  - successfully converted Oldham depot to electric infrastructure on behalf of TfGM, demonstrating our leading capabilities in fleet and infrastructure electrification
  - worked with Local Authorities in four of our regions to secure £16m of ZEBRA 2 co-funding for FY 2025, to support bus and fleet decarbonisation

First Rail:

- 274m passenger journeys in FY 2024 (FY 2023: 263m); DfT-contracted Train Operating Companies (DfT TOCs): 272m and open access 3m
- Open access operations performed ahead of expectations underpinned by strong demand and effective yield management; Lumo has now carried more than 2.5m passengers since its launch in October 2021
- DfT TOCs financial performance was ahead of expectations due to higher than accrued final variable fee awards for FY 2023; focus remains on operational delivery for passengers across all our services
- Nine-year National Rail Contract awarded to West Coast Partnership (incorporating Avanti West Coast) with a minimum core three-year term to 18 October 2026, with a further six years to 17 October 2032 subject to DfT approval; the Avanti team, and everyone connected with the TOC, are all working hard with an emphasis on delivering the service that customers expect
- Open access applications to more than double capacity submitted to Office of Rail and Road for a new Hull Trains service between London King's Cross and Sheffield, a new Lumo Rochdale-London service, for the extension of some of Lumo's services to Glasgow, for an additional London-Hull service on Hull Trains and an additional London-Newcastle Lumo return service, all subject to approval
- First Rail awarded eight-year London Cable Car contract by Transport for London and selected as one of four bidders, alongside partner Keolis SA, to bid for upcoming Elizabeth Line contract
- Great Western Railway successfully commenced innovative fast-charge battery-only train trial

Corporate:
- up to £10m investment committed to landmark £100m strategic joint venture with Hitachi and pioneering £150m Green Hire Purchase Finance Facility signed with syndicate of three banks to support electrification of First Bus fleet
- Remaining First Transit earnout proceeds of £65.3m received
- £75m on-market share buyback programme completed and subsequent £115m programme launched in August 2023; £19.3m outstanding as at 10 June 2024
- £88.0m of the Group's September 2024 6.875% bonds repurchased (£96.2m remain outstanding as at 10 June 2024)
- Gross pension liabilities (excluding contract rail which revert to government at contract end) reduced to £1.4bn, (£2.3bn at the start of the period), reflecting removal of obligations in Local Government Pension Schemes, resulting in cash inflow of c.£17m net of costs, and partial buyout of legacy Greyhound pension obligations in the USA;

FY 2025 outlook
- Current trading and the Group's outlook for FY 2025 remain in line with the Group's expectations
- First Bus: we expect to achieve progressive growth in FY 2025 vs. FY 2024, with steady progression towards a 10% adjusted operating profit margin that we anticipate in H2 2025 driven by:
  - management actions delivering further productivity improvements
  - lower operating costs as a result of smart efficiency initiatives, electrification benefits and the division's newer fleet
  - further Adjacent Services contract wins and extensions
  - government policies and demographics driving demand
- First Rail: the division's financial performance in FY 2025 is anticipated to be in line with our expectations, including growth in open access and a normal level of variable fee awards in the DfT TOCs (c.two thirds of the maximum available)
- Adjusted net cash position expected to be in the range of £40-50m at the end of FY 2025 reflecting strong cash generation, investment in decarbonisation, completion of the current share buyback programme and before any deployment of growth capital
- We continue to evaluate a pipeline of value-accretive inorganic growth opportunities in line with the Group's disciplined capital allocation policy

Commenting, Chief Executive Officer Graham Sutherland said:
"We have made considerable progress in our financial and operational performance in FY 2024 as we continue to transform and grow our leading First Bus and First Rail businesses. This is testament to the resilience and capability of our people across the Group and leaves us well positioned to grow and create further value for all our stakeholders."

"Our focus remains on working with government and all our stakeholders to deliver for our customers and drive modal shift. We will continue to lead in environmental and social sustainability, including building out our adjacent electrification opportunities in First Bus, and investing to grow and diversify our portfolio to ensure our business remains profitable and resilient in the long-term."

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A presentation and webcast for investors and analysts will be held at 09:00 (BST) today in London. To register to join in person or to request the webcast details, please email corporate.comms@firstgroup.co.uk. To access the presentation to be discussed on the webcast, together with a pdf copy of this announcement, go to www.firstgroupplc.com/investors. A playback facility will also be available there in due course.

Notes
[1] 'Adjusted earnings' are shown before net adjusting items and excludes IFRS 16 impacts in First Rail management fee operations. For definitions of alternative performance measures and other key terms, see the definitions section on pages 24-25

[2] *'Adjusted EPS' and EPS based on weighted average number of shares in the period of 662.9m (FY 2023: 739.5m) reflecting the current year and prior year share buybacks.*
[3] *'Adjusted net cash' is bonds, bank and other debt net of free cash (i.e.excludes IFRS 16 lease liabilities and ring-fenced cash).*

Legal Entity Identifier (LEI): 549300DEJZCPWA4HKM93. Classification as per DTR 6 Annex 1R: 1.1.

About FirstGroup
FirstGroup plc (LSE: FGP.L) is a leading private sector provider of public transport services. With £4.7 billion in revenue and around 30,000 employees, we transported almost 2m passengers a day in FY 2024. We create solutions that reduce complexity, making travel smoother and life easier. Our businesses are at the heart of our communities and the essential services we provide are critical to delivering wider economic, social and environmental goals. Each of our divisions is a leader in its field: First Bus is one of the largest regional bus operators in the UK, serving more than 20% of the population in the UK with a fleet of around c.4,800 buses, and carrying more than a million passengers a day. First Rail is one of the UK's largest rail operators, with many years of experience running long-distance, commuter, regional and sleeper rail services. We operate a fleet of c.3,700 locomotives and rail carriages through three DfT contracted train operating companies: WCP (incorporating Avanti West Coast and West Coast Partnership Development), GWR and SWR) and two open access routes (Hull Trains and Lumo). We are formally committed to operating a zero-emission First Bus fleet by 2035, and First Rail will help support the UK Government's goal to remove all diesel-only trains from service by 2040. During FY 2024 FirstGroup was named as one of the world's cleanest 200 public companies for the fifth consecutive year and achieved Industry Top-Rated status for the first time with Sustainalytics. We provide easy and convenient mobility, improving quality of life by connecting people and communities. Visit our website at www.firstgroupplc.com and follow us @firstgroupplc on X.

Chief Executive Officer review

Four Strategic Pillars to drive growth
I am extremely proud of what has been achieved during my first two years as Chief Executive Officer, as we continue to transform our businesses and deliver for our stakeholders. We have maintained our strong balance sheet, and have considerable scope to grow further in First Bus and First Rail open access. To achieve this, we have set out four key strategic pillars that will drive the Group forward. These are:

1) Deliver day in day out
2) Drive modal shift
3) Lead in environmental and social sustainability
4) Grow and diversify our portfolio.

Looking first at delivery, operational excellence is at the heart of our strategy. We must continue to strive to ensure the best possible customer experience, consistently deliver reliability and cost efficiency and implement price strategies to enhance customer value, drive demand and improve yield. This will enable us to continue to win key contracts in both First Bus and First Rail to maintain our positive earnings trajectory and encourage more people to use our services.

To drive a step change from car and air travel to bus and rail we plan to add capacity in First Rail's open access operations, continue to position the First Bus customer proposition to drive demand, with a focus on encouraging people to make the switch from private cars.

Leading in environmental and social sustainability has long been a priority for the Group. We are committed to the safety of our customers, our employees and all third parties in contact with our businesses. We are delivering on our decarbonisation commitments, and we will always seek to support prosperity, growth and green jobs in the communities that we serve. We see this as a key differentiator of FirstGroup's proposition and increasingly a driver of growth going forward.

Finally, the Group's considerable balance sheet capacity provides us with flexibility to take advantage of value accretive opportunities to further grow and diversify our portfolio. In First Bus, we will pursue franchising and partnership opportunities, expand our Adjacent Services businesses and continue to evaluate a pipeline of complementary inorganic growth opportunities. In First Rail, we are actively working to grow our open access businesses, scale our Additional Services businesses, bidding for non-DfT contracts and monitoring opportunities for new open access contracts.

We have a huge wealth of experience and expertise within our divisions, and I believe FirstGroup has a very exciting future.

FY 2024 financial highlights
Looking now at our financial performance, I am pleased to report another excellent set of results for our 2024 financial year despite continued economic and industrial relations challenges.

Our divisions have performed well during the year which together with the positive impact of the extra week of trading in FY 2024 and the receipt of higher than accrued final FY 2023 variable fee awards in the DfT TOCs has resulted in a significant increase in our Adjusted Earnings per share, from 11.6p in FY 2023 to 16.7p in FY 2024.

We have also maintained our strong balance sheet, ending the year with adjusted net cash of £64.1m, having committed investment of over £100m to the electrification of our bus fleet and infrastructure, invested into our landmark strategic decarbonisation joint venture with Hitachi, acquired York Pullman and returned almost £118m to shareholders via our buyback programmes.

First Bus highlights
First Bus has continued to grow its revenues and profit in FY 2024 as a result of further growth in passenger volumes, improvements in our operational and cost performance, lower lost mileage and an increased contribution from our Adjacent Services businesses, leaving us on track to reach our 10% adjusted operating profit margin target in H2 2025. Total revenue for the year was £1,012.2m (FY 2023: £902.5m) reflecting strong growth across the business.

In February 2024 we completed the acquisition of York Pullman, a high-performing operator of coaches and buses. The integration of the York Pullman into First Bus is progressing well and its addition to the First Bus portfolio will enhance our operational footprint in the North Yorkshire region and provide profitable growth opportunities in the contracted and commercial services markets. The adjacent bus services market in the UK is considerable, and we are actively reviewing a pipeline of opportunities to grow the business and win further contracts.

First Bus decarbonisation
Aided by our strong balance sheet we are committing significant investment in decarbonisation as we progress towards our target of a zero emission fleet by 2035. The electrification of our fleet and infrastructure will further transform our business and provide a number of value accretive adjacent revenue streams.

We now have almost 600 electric buses, about 13% of our fleet, three fully electric bus depots in England with six further depots across the UK partially electrified.

We have over 600 charger outlets and are making use of smart charging software to optimise our energy use and increase battery efficiency and potentially extend battery life. We are also making our charging infrastructure available to third parties, with successful arrangements underway with DPD, Openreach and public services providers at four of our depots. We have also recently opened a purpose-built hub at our Summercourt depot in Cornwall, providing direct access for the public to eight rapid chargers.

Whilst electric vehicles result in operational improvements that lower the service delivery costs relative to diesel, the initial capital investment for electrification is still considerable. In addition to working with our local authority partners to secure government co-funding and committing Group capital, we are forming strategic partnerships and securing innovative financing. This is allowing us to purchase electric buses and batteries with increased efficiency and greater visibility of our financial commitment and our strategic joint venture with Hitachi will also allow us to retain much of the residual value in the batteries as they are replaced.

Looking ahead, in March 2024 we announced that we had worked successfully with our local authority partners to secure £16m through the UK Government's ZEBRA 2 co-funding scheme to support bus and fleet decarbonisation across four of our regions.

Following the completion of our latest ongoing electrification projects, we will operate more than 800 zero-emissions vehicles, c.18% of our fleet. We have also bought power connections to another 15 of our depots and construction works are underway. This is a remarkable achievement and is establishing us as leaders in bus fleet and infrastructure decarbonisation.

First Bus - partnerships and franchising
We have decades worth of expertise and knowledge in delivering transport solutions for our customers across the public transport sector and work closely with local authorities across the UK in partnerships that are delivering change for customers quickly and effectively.

We have seen this to full effect in Leicester where, in partnership with Leicester City Council and the city's other bus operators, in under a year we have achieved multi-operator ticketing, streamlined timetabling of services for all operators, improved real time information for passengers, increased reliability, and introduced electric bus fleets and infrastructure.

A number of cities outside London have expressed an interest in franchising, including some where we do not currently have operations. In areas where authorities choose to progress with franchising, we are confident that we will be able to use our extensive experience to support them. Despite not winning any of the larger contracts, we are pleased to be working with Transport for Greater Manchester (TfGM) as the selected operator of their new Bee Network in Rochdale, maintaining our overall position in Manchester. We have also supported TfGM with the electrification of their Oldham depot due to our expertise in this field.

Our landscape is always evolving and getting more people to use the bus is a key part of the modal shift pillar of our strategy. We will continue to adapt our business to deliver great value, shape networks to suit where and when people want to travel, to serve communities and grow local economies in a sustainable way.

Regardless of the model, close partnerships with local government stakeholders are essential for the thriving local bus networks we all want to see, and we are committed to working with our partners locally and nationally to achieve this.

First Rail highlights
In First Rail, we continue to demonstrate our capabilities and deep sector knowledge to bring value to our passengers and to the taxpayer, as we strive to improve customer experience and to reduce the level of rail subsidies.

Despite continued industrial relations challenges during the year, our DfT TOCs have reported an increase in adjusted operating profit, to £105.6m (FY 2023: £93.3m) which included an uplift of c.£13m as a result of the variable fee payments agreed with the DfT for FY 2023 being ahead of the amounts accrued in the Group's FY 2023 financial statements. This achievement demonstrates how hard our teams are working to deliver day in day out, in a challenging environment.

In May 2023 the DfT announced its decision not to exercise its option to extend TPE's National Rail Contract ('NRC'). The loss of the contract was a huge disappointment for our team who all worked extremely hard to improve services and to successfully recruit and train more drivers than ever before. We supported the DfT's Operator of Last Resort in ensuring a smooth transition for passengers, partners and employees. We anticipate that we will receive all remaining amounts due to be paid to the Group in FY 2025, and our First Rail affiliate services also continue to support TPE.

We were very pleased to have been awarded a nine-year National Rail Contract for the West Coast Partnership ('WCP') in September 2023. The NRC has a minimum three-year core term to October 2026.

Our open access operations have outperformed expectations again in FY 2024 and have consistently recorded some of the lowest levels of operator related cancellations in the industry. Lumo continues to offer competitive fares and value to customers and has now carried more than two and a half million customers since its launch, many of whom would otherwise have flown between London and Newcastle or Edinburgh at a far greater environmental cost. Its revenues increased by 42% in FY 2024, driven by effective yield and demand management, and seat capacity utilisation has grown from 71% to 75%.

Hull Trains also had a very strong year, with revenues up 40%, thanks to increased leisure demand and significantly improving business customer volumes. In response to increasing demand, the team has added 14% more capacity since December 2022, running ten-car trains (typically a five-car service) at peak demand times. Seat capacity utilisation improved from 59% in FY 2023 to 69% in FY 2024.

First Rail portfolio diversification and growth
The huge success of our open access operations has provided further evidence that we have the experience and entrepreneurial spirit to resolve challenges and innovate in the rail sector for the future, adding capacity and encouraging passengers back to the railway.

We are actively pursuing opportunities to build on the success of Hull Trains and Lumo through rolling stock efficiency improvements, adding capacity to existing services and identifying new routes, opportunities and markets where there is capacity and demand. We recently submitted applications to the Office of Rail and Road ('ORR') for a new Hull Trains London-Sheffield service, a new Lumo Rochdale-London service, for the extension of a number of Lumo's daily services to and from Glasgow, for an additional, eighth return service on Hull Trains between London and Hull and for an additional, sixth return Lumo service between London and Newcastle. These applications, if successful, will more than double our open access capacity.

We also continue to make use of our in-house expertise to grow our First Rail Additional Services businesses and GWR are conducting an industry-first trial of a fast-charge battery-only train, which included setting a UK distance record for a battery train without recharging earlier this year.

Our Additional Services businesses include First Rail Consultancy, our bespoke contact centre First Customer Contact, Mistral Data and evo-rail. They delivered an 11% increase in gross revenue, to £133.5m in FY 2024, compared to £120.0m in FY 2023.

We are also identifying and participating in other UK opportunities. In March 2024 we announced that we have been awarded the contract to operate the London Cable Car by Transport for London and we have been shortlisted with our bid partner Keolis SA to bid for the Elizabeth Line contract. We look forward to submitting a compelling bid that demonstrates our collective experience and breadth of capabilities.

Corporate activity and dividends
We have now received final First Transit earnout proceeds of £65.3m and have continued to opportunistically repurchase the Group's September 2024 6.875% bonds, of which £96.2m remains outstanding as at 10 June 2024. We have also significantly reduced or insured the Group's gross pension liabilities (excluding contract rail which reverts to government at contract end), from £2.3bn at the start of the year, to £1.4bn.

In light of the Group's financial performance in FY 2024 and in line with our progressive dividend policy, the Board has proposed a final dividend of 4.0p per share. Subject to shareholder approval at the Company's 2024 AGM, a final dividend payment of c.£24.3m, will be paid on 23 August 2024 to shareholders on the register at 19 July 2024. The total dividend for the year paid and proposed is 5.5p per share (FY 2023: 3.8p per share), an increase of 45%.

Leading in environmental and social sustainability
I am pleased to report that we have seen further recognition of the Group's sustainability credentials in FY 2024. In addition to joining the UN Global Compact, we were once again included in the S&P Global Sustainability Yearbook, were one of only eight UK companies to be included in the 2024 Clean200 list of top publicly listed companies worldwide by clean revenue and were included in Sustainalytics' 2024 ESG Top-Rated Companies List.

Our employees and customers remain at the heart of everything we do. In FY 2024 we successfully launched First Connections, a personal development programme aimed at female and ethnically diverse employees and First Bus became the UK's largest national bus operator to become an accredited Real Living Wage employer. In FY 2024, the Group raised c.£200,000 for its charity partners, Samaritans, Railway Children, and Macmillan, while our DfT TOCs supported almost 100 community funding projects, worth over £2 million.

Looking ahead
Current trading and the Group's outlook for FY 2025 is in line with our expectations.

Positive free cash generation after c.£120m of net cash capital expenditure in First Bus is expected to result in a year-end adjusted net cash position in the range of £40-50m. This includes the anticipated capex saving resulting from the Hitachi joint venture, the completion of the current share buyback programme and is before investing in any potential inorganic growth opportunities.

In First Bus, we expect to achieve progressive growth in FY 2025 against FY 2024. We will continue to benefit from the actions we have taken to transform the business and drive further growth in Adjacent Services, making steady progression towards a 10% adjusted operating profit margin, which we anticipate we will achieve in H2 2025.

The transformation of the First Bus business is delivering stronger foundations with a simplified, more efficient operating model. We are set to benefit from electrification efficiencies and adjacent revenue streams, and from potential franchising, partnership and inorganic growth opportunities. This provides scope for sustained earnings growth. Underpinning this, we believe that despite short-term economic challenges, government policy, favourable demographics and environmental and societal trends will support growth in the regional bus sector.

In First Rail, we expect the division's financial performance to be broadly in line with our expectations in FY 2025, including growth in open access and a normal level of variable fee awards in the DfT TOCs (c.two thirds of the maximum available).

Looking beyond FY 2025, despite political uncertainty surrounding National Rail Contracts, we will maintain our focus on delivery and will capitalise on opportunities to make use of our extensive experience and expertise to grow our UK open access business, scale our Additional Services businesses and participate in other UK opportunities.

If approved, the applications we have recently submitted for new and extended open access services could more than double our open access capacity over the next three to five years. If our application for the new Hull Trains service between London King's Cross and Sheffield is successful, we anticipate that services could commence in calendar year 2026, subject to stakeholder agreement, and for the Lumo Rochdale-London service, we currently anticipate a start date in calendar year 2027.

Both Conservative and Labour parties have put forward proposals for the future of the UK rail industry. Although there are significant differences, both parties are promoting the development of a 'guiding mind' industry body, named as Great British Railways in the Government's Plan for Rail. Labour have said that if elected they will "fold existing private passenger rail contracts into the new body as they expire." Looking at the industry as a whole, the huge growth in passengers and significant improvements to stations and rolling stocks that private train companies delivered under franchise agreements before the pandemic, including those under our stewardship, demonstrates that the UK rail industry works best as a public-private partnership. Furthermore, companies such as ours bring private investment and focus on cost control to an industry that needs it; our businesses have saved more than £230m for the DfT in the last two years alone.

We have been one of the largest UK rail operators for more than 25 years, during which we have worked successfully with a wide range of partners under various forms of contract types and delivered a number of significant rail infrastructure and fleet upgrade projects. We know that growth and innovation are key for the future of the railway and are committed to working with our government partners to provide competitive, sustainable and improved services for all passengers and communities.

We will also continue to monitor developments in the European rail market where, as the market opens up for competition, there are opportunities for new open access entrants with similar regulatory models to the UK.

When assessing any opportunity for the Group, we have a disciplined capital allocation policy and a strict set of criteria. We will always seek to ensure that any opportunities we explore are complementary to our existing portfolio and the Group's strategy, thoroughly assessed for risks and opportunities and operated with a familiar contractual, political and regulatory environment with an appropriate balance of risk and reward.

Conclusion
FY 2024 has been another very successful year for the Group, reinforcing our leading positions and deep expertise in bus and rail. Our strong results for the year are also great testament to the dedication, expertise and resilience of our employees at all levels across the Group and I am extremely proud and grateful to all of our colleagues for their continued hard work in support of our customers and communities.

Looking ahead, we have much more to do. We will continue to transform our businesses, build out adjacent electrification efficiencies and revenue streams in First Bus and grow and diversify our portfolio to deliver further sustainable growth and support the UK’s social, economic and environmental ambitions.

The Group’s strong balance sheet and cash generative businesses provide considerable flexibility and optionality for growth and potential further capital returns to shareholders, which will continue to be kept under review by the Board.

Graham Sutherland
Chief Executive Officer
11 June 2024

Business Review

First Bus

	£m		
	FY 2024	FY 2023	Change
Revenue	1,012.2	902.5	109.7
Adjusted operating profit	83.6	58.4	25.2
Adjusted operating margin	8.3%	6.5%	180bps
EBITDA	148.1	120.9	27.2
Adjacent Services revenue	219.8	175.1	44.7
Passenger volumes (m)	424.4	390.0	+9%
Operational mileage (m)	166.5	168.2	(1%)
Revenue per mile (£)	6.08	5.36	+13%
Net operating assets	580.2	511.9	68.3
Net capital expenditure	129.4	121.8	7.6
Return on Capital Employed[1]	11.5%	8.3%	320bps

1 *Return on capital employed is a measure of capital efficiency and is calculated by dividing adjusted operating profit after tax by average year- end assets and liabilities excluding debt items.*

First Bus revenue increased by 12% to £1,012.2m (FY 2023: £902.5m), mainly due to higher passenger volumes, further performance improvements and increased driver numbers resulting in lower lost mileage. This offsets a c.£40m reduction in funding. Total passenger revenue increased to £769.1m (FY 2023: £660.0m), with revenue per mile up by 13%.

Despite ongoing inflationary pressures, adjusted operating profit increased by £25.2m to £83.6m (FY 2023: £58.4m), achieving an adjusted operating profit margin of 9.4% in H2 2024, and 8.3% for the full year (FY 2023: 6.5%). The division’s financial results for FY 2024 include an extra week which added c.£1.4m of adjusted operating profit.

Revenue from Adjacent Services increased to £219.8m in FY 2024 (FY 2023: £175.1m), reflecting a number of contract extensions and the contribution of Airporter and Ensignbus which were acquired by the Group in FY 2023.

Excluding the extra week in FY 2024, passenger volumes increased by 7% compared with the prior period, with total mileage down 2.9%. Volumes in FY 2024 benefited from improvements in service reliability, the free travel for under-22s scheme in Scotland and the £2 fare cap in England which has grown patronage, mostly in markets with longer journey fares that were typically much more expensive previously.

The £2 fare cap in England was extended until 31 December 2024 to provide further support for customers and encourage more people to travel by bus. Under the scheme, operators agree a reimbursement schedule in advance with the DfT based on the projected cost to the operator for charging a flat £2 fare for journeys that would otherwise have cost more. Under the Scottish Government's under-22s scheme, operators are reimbursed a proportion of the cost of a full adult fare.

The return on capital employed increased to 11.5% in the year (FY23: 8.3%). This reflects improvement in adjusted operating profit, partially offset by the accelerated investment in the decarbonisation of the fleet that is anticipated to increase future profitability due to lower operating costs and the benefits of adjacent revenue streams.

Operational delivery
Our focus in FY 2024 has remained on using our industry-leading data tools to deliver better quality mileage by aligning services to demand, implement smarter fares and drive operational and cost efficiencies to offset lower government funding and the high inflationary environment.

During the year we continued our efforts to widen and enhance our recruitment reach and training processes, launching various apprenticeship schemes including our first ever such scheme for bus drivers, and we continue to invest in our workforce to improve working conditions and provide enhanced benefits. We are also making significant investment in upskilling and developing our engineers to maintain our zero emission fleet and infrastructure. We recruited c.600 new drivers during the year (a net increase of just over 6% compared to last year) which contributed to us running an improved 98.6% of our scheduled mileage (FY 2023: 97.4%).

Inflationary pressures continued in FY 2024. Costs increased due to inflation by c.6%, principally in wages where there was an 8% average increase in driver pay awards, but these cost increases were more than offset by fare pricing changes of c.£53m and network and operational efficiencies of c.£21m. We were proud to be the UK's largest national bus operator to become an accredited Real Living Wage employer in April 2024, meaning that more than a thousand employees across the UK will benefit from a rise in wages.

We have fuel and electricity hedging programmes in place to mitigate in-year cost inflation and overall volatility of fuel and energy costs and these programmes continue to evolve as we transition the First Bus fleet to zero emissions.

Using industry-leading data and tools to transform our service delivery and customer offering
Using real-time, granular data, we are now able to better understand our customers and their journeys. As a result, we can make commercial decisions which continuously improve our networks and timetables and to introduce new ticketing options that better match demand and customer preferences. First Bus was also the first nationwide operator to offer contactless, Tap On Tap Off payment on all our buses and c.80% of our ticket transactions are now digital.

We are also using data and software tools to improve our service delivery. During FY 2024 we rolled out Prospective, an AI platform, to all of our local business units. The platform enables automated, data-led timetables, allowing us to accurately predict congestion and journey times and plan reliable timetables based on granular data. Drivers and the control centre teams can also communicate in real time to rectify and address issues as they unfold before implementing contingencies to alleviate pinch points around the network in certain scenarios. We have prioritised routes where improvements would have the greatest effects, and where we have made use of the platform, customers are seeing an immediate increase in punctuality and reliability, with the added benefit of reduced lost mileage with fewer journeys needing to be adjusted.

In addition to Prospective, we are using Optibus to optimise our bus schedules and driver rosters. Alongside our on-bus technology, data feeds into our operational systems, our customer apps and real time screens, informs our drivers and provides tracking information that allows us to analyse and improve performance. In addition, with Optibus, we have developed a module that allows us to optimise our schedules when we have a mixed fleet of diesel and electric vehicles, further reducing diesel mileage.

More people are using the bus than ever before. Our aim is to encourage these new customers to make more trips by bus, whilst also increasing bus use overall, and we will continue to develop our insight-driven customer centric strategy to achieve this.

Growing our share of the Adjacent Services market
Our Adjacent Services business provides services including supported local bus services, workplace shuttles for large infrastructure projects, manufacturers and distribution companies, airport and airline contracts and rail replacement services. Revenue from Adjacent Services grew further in FY 2024, to £219.8m from £175.1m in the prior year.

Our central sales and bidding team is focused on maximising commercial return through longer term, higher value contracts and in FY 2024 we successfully extended a number of our key contracts and won new contracts. The business has also been bolstered by the acquisition of Ensignbus and Airporter in FY 2023 and York Pullman in FY 2024.

The adjacent bus and coach services market in the UK is considerable, and we continue to review a number of opportunities to grow the business and win further contracts leveraging our national footprint and successful track record in managing large customers effectively. We are also increasingly bidding for contracts with businesses focused on lowering carbon emissions where we are very well placed to compete, given our leading capabilities in bus fleet and infrastructure decarbonisation.

Partnerships and franchising
A number of cities outside London where we operate have expressed an interest in franchising, including some where we do not currently have operations. In areas where authorities choose to progress with franchising, we are confident that we will be able to use our extensive experience of delivering high quality bus services to support them.

We are pleased to be working with Transport for Greater Manchester (TfGM) as one of the operators within their new Bee Network. In June 2023 we were awarded two contracts in Rochdale as part of the second tranche of TfGM's franchise programme and were subsequently awarded contracts to operate services for six schools as part of this franchise operation. We have also supported TfGM with the electrification of their Oldham depot due to our expertise in this field.

The majority of the local authorities in the areas in which we operate currently have enhanced partnerships in place, where the local transport authority commits to measures and facilities and all operators are then bound to meet certain standards of service. Under these partnerships, all parties work together to achieve bus reform quickly and effectively.

We have seen this to full effect in Leicester, where in partnership with Leicester City Council and the city's other bus operators, we have achieved multi-operator ticketing, streamlined timetabling of services for all operators, increased reliability and improved real time information for passengers. Alongside this, First Bus has delivered a fully electric bus fleet and operation in the city having worked together with the council to secure ZEBRA co-funding.

Our landscape is always evolving and getting more people to use the bus is a key part of the modal shift pillar of the Group's strategy. We will continue to adapt our business to deliver great value, shape networks to suit where and when people want to travel, to serve communities and grow local economies in a sustainable way.

Regardless of the model, close partnerships with local government stakeholders are essential for the thriving local bus networks we all want to see, and we are committed to working with our partners locally and nationally to achieve this.

Leading in bus fleet and infrastructure decarbonisation
We are rapidly establishing ourselves as a leader in decarbonisation as we progress towards our commitment of a 100% zero emission bus fleet by 2035, underpinned by our strong balance sheet and the ownership of our depots.

We invested over £100m in decarbonisation in FY 2024 and now have almost 600 zero emission buses, c.13% of our fleet, and three fully electric depots in England and six further depots across the UK partially electrified.

We have now installed solar panels at 24 of our depots to power lighting, heating and engineering bays, reducing costs and demands on the local grid. We are also making good progress securing power for our sites and are identifying a number of ways to optimise our overall energy use. These include reducing our energy consumption at certain times to avoid spikes in consumption, scheduling our charging in cheaper hours and depending on the next day's route requirements as well as energy trading / grid support services.

We now have more than 600 charging outlets across our sites and have successful third-party charging arrangements underway with DPD, Openreach and various public services providers at four of our depots. We have also recently opened a purpose-built hub at our Summercourt depot in Cornwall, providing direct access for the public to eight rapid chargers.

In November 2023 we announced our landmark £100m strategic joint venture with Hitachi to finance up to 1,000 electric bus batteries, and in January 2024 we announced that we had signed an innovative £150m Green Hire Purchase Finance Facility with a syndicate of three UK banks to support the purchase of up to 1,000 electric bus bodies. These initiatives allow us to purchase electric buses and batteries targeting increased battery efficiency, potentially extend battery life with the use of smart charging software, and under the terms of the Hitachi joint venture we will retain much of the residual value in the batteries as they are replaced, with material second-life value.

Looking ahead, through our option to participate in a small non-controlling interest in Hitachi ZeroCarbon ('HZC'), we will have the opportunity to create future value, leveraging our experience in significant fleet electrification as HZC delivers market-leading decarbonisation solutions to transport operators worldwide, applying our joint experience.

Through the Hitachi joint venture, to date, c.400 electric bus batteries have been acquired for First Bus and we are working in partnership with HZC to mobilise various depots to make use of their battery and charging and management services. HZC have also recently announced that they have been chosen as a principal partner in Gridserve's Electric Freightway project, which will see at least 140 electric Heavy Goods Vehicles integrated into a charging network across key motorway charging sites and more than ten commercial depot charging locations.

In March 2024 we announced that we had worked successfully with our local authority partners to secure £16m through the UK Government's ZEBRA 2 co-funding scheme to support bus and fleet decarbonisation across four of our regions.

Following the completion of our latest ongoing electrification projects, we will operate more than 800 zero-emissions vehicles, c.18% of our fleet. We have also bought power connections to another 15 of our depots and construction works are underway. In addition, we are working with two of our vehicle manufacturers on diesel re-power projects to convert diesel vehicles to electric at the point of the diesel engine change (generally midway through the life of the bus), which if successful will be an incremental part of our decarbonisation strategy.

We are now seeing the benefits of operating fully electric bus depots and have no doubt that the electrification of our fleet and infrastructure will further transform our business and provide a number of value accretive adjacent revenue streams. It will allow us to standardise and reduce the size of our fleet to drive efficiency and lower engineering costs whilst delivering the same mileage, and by making use of smart charging software we will be able to optimise our energy use, increase battery efficiency and potentially extend battery life.

Looking ahead

In FY 2025 we expect to achieve progressive growth in FY 2025 against FY 2024. We will continue to benefit from the actions we have taken to transform the business and drive further growth in Adjacent Services, making steady progression towards a 10% adjusted operating profit margin, which we anticipate we will achieve in H2 2025.

Looking further ahead, the transformation of the First Bus business is delivering stronger foundations with a simplified, more efficient operating model. We are also set to benefit from electrification efficiencies and adjacent revenue streams, and from potential franchising, partnership and inorganic growth opportunities. This provides scope for revenue and earnings growth. Underpinning this, we believe that despite short-term economic challenges, government policy, favourable demographics and environmental and societal trends will support growth in the regional bus sector.

First Rail

	£m		
	FY 2024	FY 2023	Change
Revenue from DfT TOCs	**3,609.2**	3,805.6	(196.4)
Revenue from open access and additional services	**233.2**	190.8	+42.4
Intra-divisional eliminations	**(104.0)**	(103.2)	(0.8)
First Rail Revenue	**3,738.4**	3,893.2	(154.8)
Adjusted operating profit from DfT TOCs	**105.6**	93.3	+12.3
Adjusted operating profit from open access and additional services	**37.7**	31.5	+6.2
First Rail adjusted operating profit	**143.3**	124.8	+18.5
Passenger journeys (m) – DfT TOCs	**271.6**	261.2	+10.4
Passenger journeys (m) – open access operations	**2.7**	2.2	+0.5
Passenger journeys (m) – Total	**274.3**	263.4	+10.9

The First Rail division reported total revenue of £3,738.4m in FY 2024 (FY 2023: £3,893.2m). The division's open access operations contributed £99.8m in revenue for the period, an increase of 41% against the prior year (FY 2023: £70.8m). The division's Additional Services businesses delivered gross revenue of £133.4m (FY 2023: £120.0m) before intra-divisional eliminations and adjusted operating profit of £7.7m (FY 2023: £11.9m).

During H1 2024 the final variable fee payments due for the FY 2023 fiscal year from the DfT-contracted Train Operating Companies ('DfT TOCs') were agreed with the DfT at a rate ahead of the amounts accrued in the Group's FY 2023 financial statements (c.£13m). As a result, the DfT TOCs reported an increase in adjusted operating profit for the full year, to £105.6m (FY 2023: £93.3m). The division's statutory operating profit for FY 2024 rose to £143.3m (FY 2023: £124.8m).

At the beginning of FY 2024, the variable fees metrics were updated to place a greater weighting on quantified measures, rather than qualitative measures that rely on a subjective assessment of an operator's performance, and these are now assessed on a bi-annual basis by the DfT. The Group does not anticipate a material impact on overall, final variable fee awards and net income as a result of these changes.

Rail attributable net income from the DfT TOCs – being the Group's share of the post-tax management fee income available for distribution from the GWR, SWR and WCP contracts with the DfT – was £39.5m (FY 2023: £38.7m). The Group receives an annual inter-company remittance from the DfT TOCs reflecting the post-tax net management and performance fees from the prior year. These become payable up to the Group in the second half of the financial year following completion of the management fee-based operations' audited accounts for the period to which the fee relates.

As a result of high passenger booking volumes and positive yield management, including inflationary increases in fares that were partially offset by inflationary cost pressures, the division's open access operations - Hull Trains and Lumo - delivered a further increase in adjusted operating profit, to £30.0m (FY 2023: £19.6m).

To address energy cost inflation and mitigate the long-term impact of electricity costs, our train operating companies are members of industry buying groups. For our open access operations, electricity costs represent a material proportion of their total costs, and these have increased by c.71% in FY 2024 to £13.2m. Electricity costs are expected to decrease from these peak levels with recent reductions in energy prices.

Continued focus on delivery in our DfT TOCs
Our three DfT TOCs operate under National Rail Contacts ('NRC's), under which the DfT retains substantially all revenue and cost risk (including for fuel, energy and wage increases). There is a fixed management fee and the opportunity to earn an additional variable fee. The punctuality and other operational targets required to achieve the maximum level of variable fee under the contracts are designed to incentivise service delivery for customers. During FY 2024 the DfT introduced some revenue upside potential for operators, with a Revenue Outturn Mechanism ('ROM') within the quantitative variable fee metrics. The ROM represents an incremental fee opportunity for the Group if we are able to grow the revenues of the NRC contracts within certain thresholds.

In September 2023 we were awarded an NRC for the West Coast Partnership which is a partnership between FirstGroup (70%) and Trenitalia UK Ltd (30%). WCP comprises Avanti West Coast and West Coast Partnership Development (WCPD), the shadow operator for the HS2 programme, which involves the development, mobilisation and eventual operation of high-speed services under Phase 1 of the HS2 programme. The NRC is for nine years, to October 2032, with a minimum three-year core term to 18 October 2026.

Our team at Avanti West Coast, and everyone connected with the train operator, are all working hard with a singular focus on delivering the service that customers expect. We have reached an agreement with trade unions on the incremental use of rest day working, which helps to support operational resilience. We also continue working with government and other stakeholders on our plans to deliver long-term improvements in customer experience and resilience, and a new fleet of trains backed by £350m of private sector investment entered passenger service on 2 June 2024. We are also continuing to undertake unprecedented levels of driver recruitment and training to help sustain good performance.

Continued outperformance in open access

First Rail’s two open access operations, where we bear all revenue and cost risk and opportunity, have continued to outperform expectations in FY 2024 due to strong leisure demand and effective yield management. Hull Trains and Lumo were also two of the best performing operators in England with operator –related cancellations below 1%.

Hull Trains was launched in September 2000 and following three contract extensions, has a track access agreement in place until December 2032. Following a successful targeted marketing campaign, Hull Trains saw an increase in business travellers during the year and increased capacity (by 14% since December 2022) to match demand, running a ten-car operation at peak demand times (typically a five-car service). Seat capacity utilisation has also continued to grow, from 59% in FY 2023, to 69% in FY 2024 and Hull Trains reported a 40% increase in revenue in FY 2024, to £45.1m (FY 2023: £32.1m).

By year end, Lumo has now carried more than two and a half million passengers since its launch in October 2021 and has a track access agreement in place to May 2033. Lumo has contributed to increased demand for all operators on the East Coast Mainline and has continued to see strong demand for its services during FY 2024. Profit growth has been driven predominantly by improving demand and effective yield management, whilst still offering competitive prices. Revenue increased by 42% to £54.7m in FY 2024 (FY 2023: £38.6m) and seat capacity utilisation has risen to 75% from 71% in the prior year.

Our open access businesses are successfully delivering good value, reliable, environmentally friendly services for customers and contributing to their local economies. Travelling by Hull Trains has been shown to reduce carbon emissions by 90% compared to travelling the same distance by car and a recent independent study has forecast that Hull Trains will have delivered £185-380m of economic benefits since its launch. Independent research has shown that a London to Edinburgh journey on Lumo’s fully electric train fleet results in 95% fewer carbon emissions than flying and emits 21 times fewer emissions than a petrol car. Lumo has also been forecast to contribute £470-740m to the UK economy between 2021 and 2033 including £21-43m from direct employment, £130-365m from environmental modal shift benefits and fare savings of c.£185m.

Expanding our open access operations

We are growing our open access business by adding capacity, driving operational efficiencies, enhancing timetables and applying for new and complementary routes where there is proven demand and capacity. As mentioned above, since December 2022 we have added 14% more capacity to our existing Hull Trains service, and we launched an enhanced Sunday service with the launch of the December 2023 timetable.

In January 2024, we submitted an application to the Office of Rail and Road (ORR) for two new Hull Trains London-Sheffield daily return services. This would be a competitively priced service which will stimulate modal shift from road to rail, as almost three-quarters of trips between London and Sheffield are currently made by car. If our application is successful, we anticipate that services could commence in calendar year 2026, subject to stakeholder agreement,

In May 2024 we submitted an application to the ORR for six new Lumo daily return services between Rochdale and London which would restore a direct link from Rochdale to London, via Manchester Victoria which last ran in 2000. It is estimated that this new service would provide 1.6m people in the North West with a convenient and competitively priced direct rail service to London from stations that are more local to them. If the application is approved, it is anticipated that services could begin in calendar year 2027.

In addition, following successful discussions with Network Rail Scotland and Transport Scotland, we have also now submitted a formal application to the ORR for the extension of a number of Lumo's daily services to and from Glasgow. We have also submitted applications for an additional, eighth return service on Hull Trains between London King's Cross and Hull and for an additional, sixth return Lumo service between London King's Cross and Newcastle.

Scaling our Additional Services businesses
During the year we continued to make use of our in-house expertise to develop, market and deploy our affiliate services. These services were initially developed to strengthen our offering to passengers on our large passenger rail operations, but they are now being marketed to, and used by, third party operators.

Our analytics business Mistral Data was launched in 2021 and now has 14 software systems in operation built on native cloud technology, allowing them to be quickly deployed whilst also ensuring security and scalability. Mistral's product focus areas include rail operations, staff communications, customers (single view of customer transactions with personalised marketing and train running messages), revenue management, remote asset management and business intelligence. In FY 2024, product releases have included an email alert service for customers and a personalised messaging service for front-line staff that sends operational messages including the location of passengers who may require assistance whilst the train is moving, and any other relevant information. Mistral also sold a first product to a major train manufacturer.

Our First Customer Contact passenger service centre was established in 2019 as a bespoke contact centre providing efficient and effective customer services for train operators. The shared passenger service centre operates at a lower cost than our previous outsourcing arrangements and provides a single service for customer queries across several rail operations, and like Mistral, offers potential third-party opportunities. During the year, the team continued to support our train operating companies, as well as TransPennine Express, processing delay repay claims and passenger assistance bookings with quick turnaround times.

Our First Rail Consultancy team has experience built up over three decades. In FY 2024 the team continued to support WCPD on HS2 and other key projects in other train operating companies. First Rail Consultancy also recently one of a small number of consultants appointed by the DfT to its £600m STARThree framework to advise on the delivery of key rail, road and aviation projects and we were very pleased to have been selected to support a high-quality consortium bid for the design, build and operation of a new high frequency electrified intercity rail service, a major infrastructure rail project between Quebec City and Toronto.

The installation of our evo-rail track-to-train superfast rail 5G technology on a section of the SWR network between Basingstoke and Earlsfield is near completion. We undertook a strategic review of evo-rail's future earlier this year, and while we are fully committed to installing, commissioning and maintaining evo-rail's current projects, including the SWR installation, we will not be actively developing any further evo-rail projects.

Improving customer experience
Our train companies continue to work collaboratively with industry partners and stakeholders to enhance our service offering.

During FY 2024, Avanti teamed up with tech innovator Signalbox to create a customised live train app for travellers, and their innovative low-cost, flexible Superfare has continued to see strong demand and has recently been extended to more destinations. Lumo have also introduced a new, flexible ticket option, LumoFlex, a digital-only ticket with benefits that include reserved seating and a fee-free change of journey. Both GWR and SWR have also successfully introduced smartcards and digital ticketing in parts of their networks.

Our DfT TOCs also delivered a number of station improvement programmes in partnership with the DfT, Network Rail and local authority partners. GWR is helping to deliver the MetroWest project in Bristol to generate more than a million new rail journeys and give 80,000 more people access to train services in the greater Bristol area, including the new Portway Park & Ride station. GWR have also worked with their partners to deliver new stations in Reading and Exeter as well as a number of accessibility improvements, including a £1m package at Chippenham station. SWR's Island Line fully reopened in 2023 following a £26m investment programme to re-connect the service with ferries.

Fleet upgrades
First Rail has an important role in meeting the challenges of climate change, and we are working with our partners to reduce carbon emissions through initiatives including the introduction of electric trains to replace diesel where possible.

Avanti took delivery of the first of its new train fleet following an investment of £350m in ten electric-only trains and 13 bi-mode trains that can run under both electric and diesel power. These will replace Avanti's diesel-only Voyager trains, leading to a 61% reduction in carbon emissions as well as providing a quieter and roomier service, more reliable Wi-Fi, wireless charging and a real-time customer information system. The programme to refurbish Avanti's electric Pendolino fleet through a £117m investment programme has also continued and is delivering a step change in onboard customer experience. In H1 2024 SWR started its phased introduction of a new fleet of 90 Alstom Class 701 trains and will continue to introduce the trains into service during FY 2025.

Finally, earlier this year GWR began a trial of a fast-charge battery-only train, part of which included setting a UK distance record for a battery train without recharging.

TfL Contracts
As part of our drive to grow and diversify our First Rail portfolio, we are identifying non-DfT contract opportunities. Building on our existing relationship with Transport for London ('TfL'), having operated trams in Croydon for a number of years, in March 2024 we announced that we had been awarded the contract to operate the London Cable Car by TfL. The contract commences on 28 June 2024, and we estimate revenues of c.£60m over the eight-year contract period. We look forward to supporting TfL in its vision to promote the cable car as a leader in London's leisure market and to make use of the opportunity to demonstrate our expertise. First Rail has also been shortlisted with our bid partner Keolis SA to bid for the Elizabeth Line contract and we look forward to submitting a compelling bid that demonstrates our collective experience and breadth of capabilities.

Rail policy
Both Conservative and Labour parties have put forward proposals for the future of the UK rail industry. Although there are significant differences, both parties are promoting the development of a 'guiding mind' industry body, named as Great British Railways in the Government's Plan for Rail document. Labour have said that if elected they will "fold existing private passenger rail contracts into the new body as they expire." Looking at the industry as a whole, the huge growth in passengers and significant improvements to stations and rolling stock that train companies delivered under franchise agreements before the pandemic, including those under our stewardship, demonstrates that the UK rail industry works best as a public-private partnership. Furthermore, companies such as ours bring private investment and focus on cost control to an industry that needs it; our businesses have saved more than £230m for the DfT in the last two years alone.

We have been one of the largest UK rail operators for more than 25 years, during which we have worked successfully with a wide range of partners under various forms of contract types and delivered a number of significant rail infrastructure projects. We know that growth and innovation are key for the future of the railway and are committed to working with our government partners to provide competitive, sustainable and improved services for all passengers and communities.

Looking ahead
In First Rail, we expect the division's financial performance to be broadly in line with our expectations in FY 2025, including growth in open access and a normal level of variable fee awards in the DfT TOCs, (c.two thirds of the maximum available).

Looking beyond FY 2025, despite political uncertainty surrounding National Rail Contracts, we will maintain our focus on delivery and will capitalise on opportunities to make use of our extensive experience and expertise to grow our UK open access business, scale our Additional Services businesses and participate in other UK opportunities. We will also continue to monitor opportunities for new open access entrants in the European rail market where there are similar regulatory frameworks and commercial models to the UK.

If approved, the applications we have recently submitted for new and extended open access services could more than double our open access capacity over the next three to five years. If our application for the new Hull Trains London-Sheffield service is successful, we anticipate that services could commence in calendar 2026, subject to stakeholder agreement, and for the Lumo Rochdale-London service, we currently anticipate a start date in calendar year 2027.

Financial review

Capital allocation guidance

Investment	• Group: interest of £50-55m, includes DfT TOCs interest of c.£40m • First Bus: c.£120m net cash capex for FY 2025, mostly on electrification; includes estimated capex saving of c.£15m from the Hitachi joint venture; we continue to evaluate a pipeline of inorganic growth, franchising and partnership opportunities • First Rail: continues to be cash capital-light, with any capital expenditure required by the management fee-based operations fully funded under the new contracts; business development and open access costs of £5-10m are anticipated in FY 2025
Growth	• Actively reviewing adjacent organic and inorganic opportunities where this creates value for shareholders and exceeds the Group's cost of capital
Returns for shareholders	• Progressive dividend policy c.3x cover of Group adjusted earnings; paid c.1/3 interim and 2/3 final dividend • Final dividend of 4.0p per share proposed, subject to shareholder approval • Subject to growth investment, balance sheet flexibility may allow for additional shareholder returns
Balance sheet	• Less than 2.0x Adjusted Net Debt: rail management fee-adjusted EBITDA target in the medium term • FY 2025 year-end adjusted net cash of £40-50m before any inorganic growth capital deployment

	53 weeks to 30 March 2024			52 weeks to 25 March 2023		
	Revenue £m	**Adjusted operating profit[1] £m**	**Adjusted operating margin[1] %**	Revenue £m	Adjusted operating profit[1] £m	Adjusted operating margin[1] %
First Bus	**1,012.2**	**83.6**	**8.3**	902.5	58.4	6.5
First Rail	**3,738.4**	**143.3**	**3.8**	3,893.2	124.8	3.2
Group items/eliminations[2]	**(35.5)**	**(22.6)**		(40.7)	(22.2)	
Continuing operations	**4,715.1**	**204.3**	**4.3**	4,755.0	161.0	3.4
Discontinued operations[3]	**–**	**(1.9)**	**n/a**	4.0	(6.6)	n/a
Total	**4,715.1**	**202.4**	**4.3**	4,759.0	154.4	3.2

1. 'Adjusted' figures throughout this document are before adjusting items as set out in note 4 to the financial statements. The statutory operating profit including discontinued operations for the year was £41.2m (FY 2023: £185.2m) as set out in note 5.
2. Includes elimination of intra-group trading between Bus and Rail divisions, central management and other items.
3. Discontinued operations relates to the Group's residual Greyhound US activities.

Revenue

Revenue from continuing operations decreased marginally to £4,715.1m (FY 2023: £4,755.0m). The Group saw strong performance in First Bus and the open access Rail business, as well as growth in the DfT TOCs although this was offset by the impact of the non-renewal of the TransPennine Express NRC at the end of May 2023. The Group also benefited from an extra week of trading in FY 2024 at First Bus.

Adjusted operating performance

Adjusted operating profit from continuing operations was £204.3m (FY 2023: £161.0m). First Bus benefited from increased passenger volumes, improved driver availability and data-led operational and commercial improvements, which more than offset ongoing inflationary pressures and lower funding levels. In First Rail, open access operations performed strongly underpinned by strong demand and effective yield management more than offsetting inflationary pressures. The DfT TOC business was ahead of expectations owing to higher than accrued final variable fee awards for FY 2023.

Central costs were in line with the prior year at £(22.6)m. The net impact to operating profit of IFRS 16 in the year was £47.7m (FY 2023: £41.9m), with the increase driven mainly by the award of the GWR NRC and the related rolling stock leases.

Adjusted earnings from continuing operations were £110.7m (FY 2023: £85.6m), driven by stronger adjusted operating profit performance across the business, partly offset by a higher taxation charge as a result of the increase in the corporation tax rate.

	53 weeks to 30 March 2024 Adjusted earnings £m	52 weeks to 25 March 2023 Adjusted earnings £m
First Bus adjusted operating profit	**83.6**	58.4
First Rail adjusted operating profit	**143.3**	124.8
Group central costs (operating profit basis)	**(22.6)**	(22.2)
Group adjusted operating profit	**204.3**	161.0
Interest	**(65.3)**	(56.8)
Profit before tax	**139.0**	104.2
IFRS 16 DfT contracted TOCs adjustment[1]	**10.2**	6.9
Taxation	**(32.0)**	(20.4)
Non-controlling interest	**(6.5)**	(5.1)
Group adjusted earnings[1]	**110.7**	85.6

1. The Group has revised its definition of adjusted earnings, to also exclude the impact of IFRS 16 depreciation and interest charges in relation to its First Rail – DfT contracted TOC operations, given the Group takes no cost risk on these rolling stock leases. The prior year comparatives have also been updated for the revised definition. There has been no other change to the calculation, or to the Group's policy regarding adjusting items.

The Group's EBITDA adjusted for First Rail management fees performance measure also increased materially year-on-year and is calculated as follows:

	53 weeks to 30 March 2024 £m	52 weeks to 25 March 2023 £m
First Bus EBITDA[1]	**132.5**	105.0
Attributable net income from First Rail DfT contracted TOCs[2]	**39.5**	38.7
First Rail – Open Access and Additional Services EBITDA[1]	**37.6**	32.5
Group central costs (EBITDA basis[1])	**(21.8)**	(21.2)
Group EBITDA adjusted for First Rail DfT contracted TOCs' management fees	**187.8**	155.0

1. IAS 17 basis.
2. A reconciliation to the segmental disclosures is set out in note 4.

Reconciliation to non-GAAP measures and performance

Note 4 to the financial statements sets out the reconciliations of operating profit/(loss) and profit/(loss) before tax to their adjusted equivalents.

The principal adjusting items in the year are as follows:

First Bus pension settlement charge and related items

In September 2023, First Bus concluded a period of consultation with regards to its two Local Government Pension Schemes and subsequently terminated its participation in these funds on 31 October 2023, with affected employees enrolled into the First Bus Retirement Savings Plan. Adjusting charges of £146.9m were recognised in the period for the settlement charge and related termination costs. A gain of £161.0m was recognised in Other comprehensive income in relation to the restricted accounting surplus.

Legal claims in North America and the UK

The Group has recognised legal provisions relating to claims in North America and the UK, for cases with marginal probability.

Adjusting items – discontinued operations

First Transit earnout

The final valuation of the First Transit earnout contingent consideration receivable was agreed and settled during the year, with the Group receiving cash of $83.8m (£65.3m). The Group incurred an adjusting charge of £2.3m, reflecting the hedging of the cash receipt, translation of the US dollar asset into pounds sterling before settlement, partially offsetting the write-off of the residual asset on settlement.

In the prior year, the principal adjusting items in relation to the continuing business were as follows:

First Bus restructuring
As part of the restructuring of the First Bus division to exit loss-making markets and to align networks with post-pandemic demand, the Group completed the sale of its First Scotland East business in September 2022, realising a loss on disposal of £(3.7)m, and closed the Southampton depot resulting in closure costs and a release of prior impairment for a net credit of £2.3m. In line with this transition plan, the Group also incurred costs of £(5.6)m relating to surplus vehicle write-downs and other reorganisation charges in the division.

Strategic items
A final net credit of £1.4m was recognised, being costs incurred in relation to the Group's central functions as part of its ongoing cost efficiency initiatives following the exit from North America, offset by the release of accruals following the disposal of North America and the execution of the strategy.

Greyhound Canada
Net restructuring and closure costs of £(1.5)m relating to the continued winding down of Greyhound Canada operations were incurred during the prior year.

Adjusting items – discontinued operations
First Transit earnout
Following the announcement on 26 October 2022 of EQT Infrastructure's agreement to sell First Transit to Transdev North America, Inc., in the prior year the Group estimated its earnout consideration to be around $88.5m (£72.3m) based on the information received on the sale by EQT. This gave rise to a non-cash, adjusting charge of £33.8m relative to the carrying value of the earnout of £106.1m as at 26 March 2022.

Gain on disposal of properties
A gain of £71.4m arose on the completion of the sale of the majority of the remaining Greyhound US properties in December 2022.

Group statutory operating profit
Statutory operating profit from continuing operations was £46.5m (FY 2023: £153.9m) with the positive underlying business performance being offset by the £146.9m charge recognised as a result of the termination of participation of the Local Government Pension Schemes at First Bus with an offsetting £161.0m gain in the Condensed Consolidated Statement of Comprehensive Income.

Finance costs and investment income
Net finance costs from continuing operations were £65.3m (FY 2023: £56.8m) with the increase principally due to IFRS 16 interest costs which were £62.1m (FY 2023: £50.6m), mainly arising in First Rail.

Profit before tax
Statutory loss before tax was £(18.8)m (FY 2023: profit before tax of £97.1m), after the Local Government Pension Scheme (LGPS) pension settlement and related charges. Adjusted profit before tax as set out in note 4 to the financial statements was £136.8m (FY 2023: £97.9m) including discontinued operations.

Tax
The tax charge, on adjusted profit before tax on continuing operations for the year was £32.0m (FY 2023: £20.4m), representing an effective tax rate of 23.0% (FY 2023: 19.6%). The rate has increased in the current year because of an increase in the underlying corporation tax rate in the UK. There was a tax credit of £47.1m on adjusting items and remeasurement of tax losses. The total tax credit, including tax on discontinued operations, was £15.0m (FY 2023: charge of £33.4m). The actual tax paid during the year was £2.2m (FY 2023: £1.0m).

The ongoing Group's effective tax rate is expected to be broadly in line with UK corporation tax levels being 25%.

Adjusted cash flow

The Group's adjusted cash flow of £(167.7)m (FY 2023: £28.0m) in the year reflects positive cash flow from operations of £626.6m (FY 2023: £644.8m) including the net receipt from terminating participation in the Local Government Pension Schemes in First Bus, First Transit earnout proceeds and proceeds from the disposal of property, plant and equipment. This is offset by net capital invested in the business, mainly in decarbonisation in First Bus and acquisitions, as well as the repayment of lease liabilities, dividends paid and purchases of shares under the share buyback programme. The adjusted cash flow is set out below:

	53 weeks to 30 March 2024 £m	52 weeks to 25 March 2023 £m
EBITDA	**585.6**	755.8
Other non-cash income statement charges	**13.7**	10.9
Working capital	**(106.1)**	(101.3)
Movement in other provisions	**(27.9)**	(33.0)
Increase in financial assets/contingent consideration receivable	**23.7**	–
Settlement of foreign exchange hedge	**(1.1)**	(1.2)
Pension inflow in excess of income statement charge/LGPS refund	**138.7**	13.6
Cash generated by operations	**626.6**	644.8
Capital expenditure and acquisitions	**(236.0)**	(208.5)
Proceeds from disposal of property, plant and equipment	**42.8**	147.8
Proceeds from capital grant funding	**94.8**	144.2
Proceeds from contingent consideration	**65.3**	–
Net proceeds from disposal of businesses	**-**	2.0
Interest and tax	**(67.6)**	(64.6)
Shares purchased for Employee Benefit Trust	**(16.5)**	(15.3)
Share repurchases from buyback programme including costs	**(117.6)**	(31.6)
External dividends paid	**(29.5)**	(14.7)
Dividends paid to non-controlling shareholders	**(6.5)**	(6.1)
Settlement of foreign exchange hedge	**4.1**	(12.5)
Lease payments now in debt	**(526.2)**	(557.5)
Fees for finance facilities	**(1.4)**	-
Adjusted cash flow	**(167.7)**	28.0
Foreign exchange movements	**3.4**	(4.0)
Net (inception)/termination of leases	**(237.5)**	(1,231.8)
Lease payments now in debt	**526.2**	557.5
Other non-cash movements	**(0.1)**	0.2
Movement in net debt in the period	**124.3**	(650.1)

EPS
Total adjusted EPS from continuing operations was 16.7p (FY 2023: 11.6p). Basic EPS was (2.4)p (FY 2023: 11.8p).

Shares in issue
As at 30 March 2024, there were 625.4m shares in issue (FY 2023: 707.8m), excluding treasury shares and own shares held in trust for employees of 125.3m (FY 2023: 42.8m). The weighted average number of shares in issue for the purpose of basic EPS calculations (excluding treasury shares and own shares held in trust for employees) in the year was 662.9m (FY 2023: 739.5m).

Dividend
The Board is proposing that a final dividend of 4.0p per share, resulting in a total dividend payment of c.£24.3m, be paid on 23 August 2024 to shareholders on the register at 19 July 2024, subject to approval of shareholders at the 2024 AGM.

Capital expenditure
Non-First Rail capital expenditure was £201.1m (FY 2023: £151.2m), comprising First Bus £200.8m and Group items £0.3m (FY 2023: First Bus £120.3m and Group items £1.0m). In the year, the First Bus average fleet age was 9.0 years (FY 2023: 9.1 years) reflecting continued investment in the fleet, mainly on electric vehicles and related infrastructure. First Rail capital expenditure was £45.5m (FY 2023: £56.7m) and is typically matched by receipts from the DfT under current contractual arrangements or other funding.

During the year asset-backed financial liabilities were entered into leases in First Bus of £22.1m (FY 2023: £19.3m). Through the investment in the strategic joint venture with Hitachi Zero Carbon, £13.2m of battery leases have been recognised through the sale and leaseback arrangements for 257 batteries.

In addition, during the year the Group entered into leases with a right of use value of £222.5m comprising First Rail £192.6m, First Bus £27.2m and Group items £2.7m (FY 2023: £1,219.0m, comprising First Rail £1,213.8m, First Bus £4.2m and Group items £1.0m)).

Gross capital investment (fixed asset and software additions plus right of use asset additions) was £443.5m (FY 2023: £1,426.9m) and comprised First Bus £208.2m, First Rail £232.6m and Group items £2.7m (FY 2023: First Bus £154.3m, First Rail £1,270.5m and Group items £2.1m). The balance between cash capital expenditure and gross capital investment represents new leases, creditor movements and the recognition of additional right of use assets in the year.

Net cash/(debt)

The Group's adjusted net cash as at 30 March 2024, which excludes IFRS 16 lease liabilities and ring-fenced cash was £64.1m (FY 2023: adjusted net cash of £109.9m). Reported net debt was £(1,144.8)m (FY 2023: reported net debt of £(1,269.1)m) after IFRS 16 and including ring-fenced cash of £249.6m (FY 2023: £369.6m), as follows:

Analysis of net (cash)/debt	**30 March 2024 Total Group £m**	25 March 2023 Total Group £m
Sterling bond (2024)	**96.2**	184.2
Bank loans and overdrafts	**27.8**	82.9
Lease liabilities	**1,458.5**	1,748.6
Asset backed financial liabilities	**45.6**	44.2
NextGen (Hitachi JV) facility	**13.2**	–
Loan notes	**–**	0.6
Gross debt excluding accrued interest	**1,641.3**	2,060.5
Cash	**(246.9)**	(421.8)
First Rail ring-fenced cash and deposits	**(245.6)**	(364.2)
Other ring-fenced cash and deposits	**(4.0)**	(5.4)
Net debt excluding accrued interest	**1,144.8**	1,269.1
IFRS 16 lease liabilities – rail	**1,408.9**	1,711.2
IFRS 16 lease liabilities – non-rail	**49.6**	37.4
IFRS 16 lease liabilities – total	**1,458.5**	1,748.6
Net cash excluding accrued interest (pre-IFRS 16)	**(313.7)**	(479.5)
Adjusted net cash (pre-IFRS 16 and excluding ring-fenced cash)	**(64.1)**	(109.9)

Funding

As at the year end, the Group had £300.0m of undrawn committed borrowing available under its Revolving Credit Facility ('RCF'). In addition, there was £129.8m (FY 2023: £nil) of committed headroom available under the Green Hire Purchase Finance Facility and £54.9m available under the NextGen Battery (Hitachi JV) facility. Total undrawn bank borrowing facilities at year end stood at £501.0m (FY 2023: £316.5m) of which £484.7m (FY 2023: £300.0m) was committed and £16.3m (FY 2023: £16.5m) was uncommitted over and above the £246.9m of cash balances.

Under the terms of the First Rail contractual agreements with the DfT, cash can only be distributed by the TOCs either up to the lower amount of their retained profits or the amount determined by prescribed liquidity ratios. £38.2m has been paid in dividends from the TOCs after finalisation of their FY 2023 statutory accounts to the Group during the year. The ring-fenced cash represents that which is not available for distribution, or the amount required to satisfy the liquidity ratio at the balance sheet date.

Interest rate risk

Exposure to floating interest rates is managed to ensure that at least 50% (but at no time more than 100%) of the Group's pre-IFRS 16 gross debt is fixed rate for the medium term.

Based on the current adjusted net debt profile, the variable rate RCF is undrawn with only finance leases and the 2024 6.875% £96.2m fixed rate bond outstanding.

Fuel and electricity price risk
We use a progressive forward hedging programme to manage commodity risk. As at June 2024, 76% of our ‘at risk’ UK crude requirement for FY 2025 (73.3m litres, which is all in First Bus) was hedged at an average rate of 51p per litre, and 41% of our requirements for the year to the end of March 2026 at 50p per litre. We also have an electricity hedge programme in place, with 78% of our consumption (based on current consumption forecasts) hedged for FY 2025 at £129/MWh and 55% for FY 2026 at £91/MWh.

Foreign currency risk
‘Certain’ and ‘highly probable’ foreign currency transaction exposures (including fuel purchases for the UK divisions) may be hedged at the time the exposure arises for up to two years at specified levels, or longer if there is a very high degree of certainty. The Group does not hedge the translation of earnings into the Group reporting currency (pounds Sterling) but accepts that reported Group earnings will fluctuate as exchange rates against pounds Sterling fluctuate for the currencies in which the Group does business, although this exposure is materially reduced following the sales of the North American divisions. During the year, the net cash generated in each currency may be converted by Group Treasury into pounds Sterling by way of spot transactions in order to keep the currency composition of net debt broadly constant.

Foreign exchange
The most significant exchange rates to pounds Sterling for the Group are as follows:

	30 March 2024		25 March 2023	
	Closing rate	**Effective rate**	Closing rate	Effective rate
US Dollar	**1.26**	**1.26**	1.22	1.11
Canadian Dollar	**1.71**	**1.77**	1.68	1.76

Pensions
We have updated our pension assumptions as at 30 March 2024 for the defined benefit schemes in the UK and North America. The net pension surplus of £27.8m at the beginning of the year moved to a net deficit of £25.3m at the end of the year.

At the beginning of the year, the balance sheet included an asset of £21.7m relating to the payment expected from the LGPS in Scotland. That payment, which in practice amounted to £23.1m, was duly received over the financial year. The remaining movement arose from asset performance that was insufficient to offset an increase in the value of liabilities due to a reduction in the discount rate. The main factors that influence the balance sheet liabilities for pensions (and the principal sensitivities to their movement (excluding rail contracts and insured liabilities) at 30 March 2024 are set out below:

	Movement	Impact
Discount rate	+1.0%	Decrease liabilities by £150m
Inflation	+0.5%	Increase liabilities by £59m
Life expectancy	+1 year	Increase liabilities by £38m

On 31 October 2023, following a consultation with affected employees, the Group terminated the participation of the relevant First Bus subsidiaries in the two Local Government Pension Schemes in which they were admitted bodies.

An expense of £146.9m was recognised in the year as an adjusting income statement item for the settlement charges and other related costs, with gains of £5.0m recognised in income for curtailment gains and £161.0m recognised in Other comprehensive income in relation to the restricted accounting surplus. Terminating the LGPS participation has resulted in an annualised saving of c.£2m included within the First Bus adjusted operating profit going forwards.

During the year, the Limited Partnership created following the sale of the North American divisions returned £23.7m to the Bus Pension Scheme, linked to the £500m capital return in December 2021. The amounts held by the Limited Partnerships generated interest income of £5.7m during the period which partially offset the reduction in the value of the related financial asset on the Group’s balance sheet, to £99.6m (FY23: £117.6m).

At legacy Greyhound, the Group bought out and settled c.$75m (c.£62m) of Greyhound US pension liabilities, and in addition £153m of pension liabilities in Canada have been secured with an annuity buy-in.

The merger of the First Bus and First Group pension schemes was completed after year end to drive further efficiencies. The Group Scheme triennial funding valuation as at 5 April 2024 (now comprising legacy Group and Bus pension obligations) has commenced and will be finalised in FY 2026. The valuation outcome will determine how the £77m currently held in the Bus Scheme Limited Partnership will be distributed, with the balance of £23m relating to the Group scheme to be determined based on the 2030 triennial valuation.

Balance sheet
Net assets have decreased by £109.1m since 25 March 2023. The principal reasons are the impact of the profit for the year, which is more than offset by the reduction in the pension surplus, as well as the share buyback programme.

Balance sheets – Net assets/(liabilities)	As at 30 March 2024 £m	As at 25 March 2023 £m
First Bus	**580.2**	511.9
First Rail	**1,169.2**	1,368.3
Greyhound	**(24.7)**	(21.8)
Divisional net assets	**1,724.7**	1,858.4
Group items	**60.7**	162.1
Net debt	**(1,148.3)**	(1,275.6)
Taxation	**4.0**	5.3
Greyhound – Held for sale	**0.6**	0.6
Total	**641.7**	750.8

Post-balance sheet events

The merger of the First Bus and First Group pension schemes was completed on 31 May 2024.

Going concern
The Board carried out a review of the Group's financial projections for the 18 months to 30 September 2025 and evaluated whether it was appropriate to prepare the full year results on a going concern basis. In doing so the Board considered whether any material uncertainties exist that cast doubt on the Group's and the Company's ability to continue as a going concern over the going concern period.

Consistent with prior years, the Board's going concern assessment is based on a review of future trading projections, including whether banking covenants are likely to be met and whether there is sufficient committed facility headroom to accommodate future cash flows for the going concern period.

Divisional management teams prepared detailed, bottom-up projections for their businesses, including assumptions on passenger volumes and government support arrangements, and having regard to the risks and uncertainties to which the Group is exposed.

Following these reviews the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the 12-month period from the date on which the financial statements were approved. Accordingly, they continue to adopt a going concern basis of accounting in preparing the consolidated financial statements in this full year report.

Definitions
Unless otherwise stated, all financial figures for the 53 weeks ending 30 March 2024 (the 'year' or 'FY 2024') include the results and financial position of the First Rail business for the year ended 31 March 2024 and the results of all other businesses for the 53 weeks ending 30 March 2024. The figures for the 52 weeks to 25 March 2023 (the 'prior year' or 'FY 2023') include the results and financial position of the First Rail business for the year ended 31 March 2023 and the results and financial position of all other businesses for the 52 weeks to 25 March 2023. Results for the 52 weeks to 29 March 2025 ('FY 2025') will include the results and financial position for First Rail for the year ending 31 March 2025 and the results and financial position of all the other businesses for the 52 weeks ending 29 March 2025.

'Cont.' or the 'Continuing operations' refer to First Bus, First Rail and Group items.

'Disc.' or the 'Discontinued operations' refer to First Student, First Transit and Greyhound US.

References to 'adjusted operating profit', 'adjusted profit before tax', 'adjusted earnings' and 'adjusted EPS' throughout this document are before the adjusting items as set out in note 4 to the financial statements, and in the case of ‘adjusted earnings’ and ‘adjusted EPS’, exclude the impact of IFRS 16 for the Group’s management fee-based Rail operations.

'EBITDA’ is adjusted operating profit less capital grant amortisation plus depreciation.

The Group's 'EBITDA adjusted for First Rail management fees' is First Bus and First Rail EBITDA from open access and additional services on a pre-IFRS 16 basis, plus First Rail attributable net income from management fee-based operations, minus central costs.

‘Adjusted earnings' is the Group’s statutory profit for the year attributable to equity holders of the parent, excluding adjusting items as detailed in note 4, and also excluding the impact of IFRS 16 for the Group’s management fee-based Rail operations.

'Net debt/(cash)' is the value of Group external borrowings, excluding accrued interest, less cash balances.

'Adjusted net debt/(cash)' excludes ring-fenced cash and IFRS 16 lease liabilities from net debt/(cash).

Forward-looking statements
Certain statements included or incorporated by reference within this document may constitute ‘forward-looking statements’ with respect to the business, strategy and plans of the Group and our current goals, assumptions and expectations relating to our future financial condition, performance and results. By their nature, forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors that cause actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No statement in this document should be construed as a profit forecast for any period. Shareholders are cautioned not to place undue reliance on the forward-looking statements.

Except as required by the UK Listing Rules and applicable law, the Group does not undertake any obligation to update or change any forward-looking statements to reflect events occurring after the date of this document.

Principal risks and uncertainties
The Board has conducted a thorough assessment of the principal risks and uncertainties facing the Group, including those that would threaten the successful and timely delivery of its strategic priorities, future financial performance, solvency and liquidity.

In addition to the risk and uncertainties facing the Group as detailed in the Business and Financial Reviews, the underlying principal risks and uncertainties in our operating businesses will be set out in detail in the Group’s 2024 Annual Report and Accounts. A number of these risks remain elevated given the wider political uncertainty and related impact on Government transport policies including industrial action. The principal risks facing the Group are:

- Economic conditions
- Geopolitical
- Climate
- Contracted business
- Growth within the sector
- Financial resources
- Safety
- Pension scheme funding
- Legal & Regulatory compliance
- Information security including cyber
- Human resources

Whilst a number of risks facing the business have reduced during the year including an improved inflationary outlook and progress in the First Rail business, industrial relations challenges still persist. Furthermore, a change of UK Government could lead to policy changes resulting in the renationalisation of the National Rail

Contracts within the First Rail division as the expiry dates of our various agreements with the DfT are reached.

For a full summary of the Principal Risks and Uncertainties facing the Group, please refer to the Annual Report and Accounts 2024 which will be published on 26 June 2024 on the Group's website: https://www.firstgroupplc.com/investors/reports-and-presentations.aspx.

Graham Sutherland
Chief Executive Officer
11 June 2024

Ryan Mangold
Chief Financial Officer
11 June 2024

Consolidated income statement

For the 53 weeks ended 30 March 2024 / 52 weeks ended 25 March 2023

Continuing Operations	Notes	2024 £m	2023 £m
Revenue	2	**4,715.1**	4,755.0
Operating costs before LGPS pension settlement and related charges		**(4,521.7)**	(4,601.1)
LGPS pension settlement and related charges		**(146.9)**	-
Total operating costs		**(4,668.6)**	(4,601.1)
Operating profit		**46.5**	153.9
Investment income	5	**16.7**	12.3
Finance costs	5	**(82.0)**	(69.1)
(Loss)/profit before tax		**(18.8)**	97.1
Tax	6	**15.1**	(10.4)
(Loss)/profit from continuing operations		**(3.7)**	86.7
(Loss)/profit from discontinued operations	13	**(5.7)**	8.6
(Loss)/profit for the year		**(9.4)**	95.3
Attributable to:			
Equity holders of the parent		**(15.9)**	87.1
Non-controlling interests		**6.5**	8.2
		(9.4)	95.3

Earnings per share			
Earnings per share for (loss)/profit from continuing operations attributable to the ordinary equity holders of the Company			
Basic earnings per share		**(1.5)p**	10.6p
Diluted earnings per share		**(1.5)p**	10.3p
Earnings per share for (loss)/profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	7	**(2.4)p**	11.8p
Diluted earnings per share	7	**(2.4)p**	11.4p
Adjusted results (from continuing operations)[1]			
Adjusted operating profit	3	**204.3**	161.0
Adjusted profit before tax		**139.0**	104.2
Adjusted EPS	7	**16.7p**	11.6p
Adjusted diluted EPS		**16.1p**	11.2p

1 Adjusted for certain items as set out in note 4. The Group has revised its definition of adjusted earnings/EPS during the year, to exclude also the impact of IFRS 16 depreciation and interest charges in relation to its rail management fee-based operations, given the Group takes no cost risk on these rolling stock leases. The prior year comparatives have also been updated for the revised definition. There has been no other change to the calculation, or to the Group's policy regarding adjusting items.

The accompanying notes form an integral part of this consolidated income statement.

Consolidated statement of comprehensive income

For the 53 weeks ended 30 March 2024 / 52 weeks ended 25 March 2023

	2024 £m	2023 £m
(Loss)/profit for the year	**(9.4)**	95.3
Items that will not be reclassified subsequently to profit or loss		
Actuarial losses on defined benefit pension schemes	**(77.7)**	(150.9)
Gain on termination of LGPS participation from restricted accounting surplus	**161.0**	-
Deferred tax on actuarial losses/(gains) on defined benefit pension schemes	**(20.2)**	37.2
	63.1	(113.7)
Items that may be reclassified subsequently to profit or loss		
Hedging instrument movements	**5.1**	(6.3)
Deferred tax on hedging instrument movements	**(0.5)**	(1.3)
Cumulative (loss)/gain on hedging instruments reclassified to the income statement	**(2.7)**	10.9
Exchange differences on translation of foreign operations – continuing operations	–	0.9
Exchange differences on translation of foreign operations – discontinued operations	**(6.6)**	6.8
	(4.7)	11.0
Other comprehensive income/(loss) for the year	**58.4**	(102.7)
Total comprehensive income/(loss) for the year	**49.0**	(7.4)
Attributable to:		
Equity holders of the parent	**42.5**	(15.6)
Non-controlling interests	**6.5**	8.2
	49.0	(7.4)

Total comprehensive income/(loss) for the year attributable to owners of FirstGroup plc arises from:

Attributable to:		
Continuing operations	**62.1**	(22.6)
Discontinued operations	**(13.1)**	15.2
	49.0	(7.4)

The accompanying notes form an integral part of this consolidated statement of comprehensive income.

11 June 2024

Consolidated balance sheet

As at 30 March 2024 / 25 March 2023

	Notes	**2024 £m**	2023 £m
Non-current assets			
Goodwill	8	**111.0**	99.6
Other intangible assets	9	**10.4**	10.8
Property, plant and equipment	10	**2,155.4**	2,329.7
Deferred tax assets	17	**39.6**	47.0
Retirement benefit assets		**6.4**	44.6
Derivative financial instruments	16	**0.4**	0.1
Financial asset	16	**99.6**	117.6
Investments		**2.6**	2.5
		2,425.4	2,651.9
Current assets			
Inventories		**25.9**	26.0
Trade and other receivables	11	**852.6**	848.3
Contingent consideration receivable	11	–	72.3
Current tax assets		**4.4**	–
Cash and cash equivalents		**496.5**	791.4
Derivative financial instruments	16	**2.0**	7.4
		1,381.4	1,745.4
Assets held for sale		**0.6**	8.9
Total assets		**3,807.4**	4,406.2
Current liabilities			
Trade and other payables	12	**1,258.6**	1,314.4
Tax liabilities – Current tax liabilities		**0.4**	0.3
– Other tax and social security		**39.6**	41.4
Borrowings	14	**626.5**	554.7
Derivative financial instruments	16	**3.4**	2.6
Provisions	18	**74.6**	85.9
Current liabilities		**2,003.1**	1,999.3
Net current liabilities		**(621.7)**	(253.9)
Non-current liabilities			
Borrowings	14	**1,018.3**	1,512.3
Derivative financial instruments	16	**1.3**	1.9
Retirement benefit liabilities		**31.7**	16.7
Provisions	18	**111.3**	125.2
		1,162.6	1,656.1
Total liabilities		**3,165.7**	3,655.4
Net assets		**641.7**	750.8
Equity			
Share capital	19	**37.5**	37.5
Share premium		**693.3**	693.2
Hedging reserve		**(1.8)**	(0.7)
Other reserves		**22.4**	22.4
Own shares		**(20.4)**	(15.4)
Translation reserve		**(22.9)**	(16.3)
Retained earnings		**(74.8)**	19.5
Equity attributable to equity holders of the parent		**633.3**	740.2
Non-controlling interests		**8.4**	10.6
Total equity		**641.7**	750.8

The accompanying notes form an integral part of this consolidated balance sheet.

Ryan Mangold
11 June 2024

Consolidated statement of changes in equity

For the 53 weeks ended 30 March 2024 / 52 weeks ended 25 March 2023

	Share capital £m	Share premium £m	Hedging reserve £m	Other reserves £m	Own shares £m	Translation reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance at 27 March 2022	37.5	692.8	19.3	22.4	(9.0)	(24.0)	137.6	876.6	8.5	885.1
Profit for the period	–	–	–	–	–	–	87.1	87.1	8.2	95.3
Other comprehensive income/(loss) for the period	–	–	3.3	–	–	7.7	(113.7)	(102.7)		(102.7)
Total comprehensive income/(loss) for the period	–	–	3.3	–	–	7.7	(26.6)	(15.6)	8.2	(7.4)
Hedging instrument movements transferred to balance sheet (net of tax)	–	–	(23.3)	–	–	–	–	(23.3)	–	(23.3)
Transactions with owners in their capacity as owners										
Shares issued	0.0	0.4	–	–	–	–	–	0.4	–	0.4
Shares bought back but not yet cancelled	–	–	–	–	–	–	(31.6)	(31.6)	–	(31.6)
Liability for shares not yet bought back	–	–	–	–	–	–	(43.9)	(43.9)	–	(43.9)
Dividends paid	–	–	–	–	–	–	(14.7)	(14.7)	(6.1)	(20.8)
Movement in EBT and treasury shares	–	–	–	–	(6.4)	–	(8.6)	(15.0)	–	(15.0)
Share-based payments	–	–	–	–	–	–	6.4	6.4	–	6.4
Deferred tax on share-based payments	–	–	–	–	–	–	0.9	0.9	–	0.9
Balance at 25 March 2023	37.5	693.2	(0.7)	22.4	(15.4)	(16.3)	19.5	740.2	10.6	750.8
Balance at 26 March 2023	**37.5**	**693.2**	**(0.7)**	**22.4**	**(15.4)**	**(16.3)**	**19.5**	**740.2**	**10.6**	**750.8**
(Loss)/profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**(15.9)**	**(15.9)**	**6.5**	**(9.4)**
Other comprehensive income/(loss) for the period	**–**	**–**	**1.9**	**–**	**–**	**(6.6)**	**63.1**	**58.4**		**58.4**
Total comprehensive income/(loss) for the period	**–**	**–**	**1.9**	**–**	**–**	**(6.6)**	**47.2**	**42.5**	**6.5**	**49.0**
Hedging instrument movements transferred to balance sheet (net of tax)	**–**	**–**	**(3.0)**	**–**	**–**	**–**	**–**	**(3.0)**	**–**	**(3.0)**
Transactions with owners in their capacity as owners										
Shares issued	**–**	**0.1**	**–**	**–**	**–**	**–**	**–**	**0.1**	**–**	**0.1**
Shares bought back but not yet cancelled	**–**	**–**	**–**	**–**	**–**	**–**	**(74.7)**	**(74.7)**	**–**	**(74.7)**
Liability for shares not yet bought back	**–**	**–**	**–**	**–**	**–**	**–**	**(41.1)**	**(41.1)**	**–**	**(41.1)**
Non-controlling interest buy-out	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2.2)**	**(2.2)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(29.5)**	**(29.5)**	**(6.5)**	**(36.0)**
Movement in EBT and treasury shares	**–**	**–**	**–**	**–**	**(5.0)**	**–**	**(11.5)**	**(16.5)**	**–**	**(16.5)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**15.6**	**15.6**	**–**	**15.6**
Deferred tax on share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**(0.3)**	**(0.3)**	**–**	**(0.3)**
Balance at 30 March 2024	**37.5**	**693.3**	**(1.8)**	**22.4**	**(20.4)**	**(22.9)**	**(74.8)**	**633.3**	**8.4**	**641.7**

The accompanying notes form an integral part of this consolidated statement of changes in equity.

Consolidated cash flow statement

For the 53 weeks ended 30 March 2024 / 52 weeks ended 25 March 2023

	Notes	2024 £m	2023 £m
Cash generated by operations	21	**626.6**	644.8
Tax paid		**(2.2)**	(1.0)
Interest paid		**(81.1)**	(70.0)
Net cash from operating activities	21	**543.3**	573.8
Investing activities			
Interest received		**15.7**	6.4
Proceeds from disposal of property, plant and equipment		**42.8**	147.8
Purchases of property, plant and equipment		**(216.9)**	(173.7)
Purchases of software		**(2.4)**	(4.2)
Proceeds from capital grant funding		**94.8**	144.2
Proceeds from contingent consideration		**65.3**	–
Net proceeds from disposal of subsidiaries (net of cash disposed)		**–**	2.0
Settlement of foreign exchange hedge		**4.1**	(12.5)
Acquisition of businesses (net of cash acquired)	20	**(13.6)**	(30.6)
Net cash (used in)/generated from investing activities		**(10.2)**	79.4
Financing activities			
Shares purchased by Employee Benefit Trust		**(16.5)**	(15.3)
Treasury shares purchased via share buyback scheme and directly associated costs		**(117.6)**	(31.6)
External dividends paid		**(29.5)**	(14.7)
Dividends paid to non-controlling shareholders		**(6.5)**	(6.1)
Buy-out of non-controlling interest		**(3.1)**	–
Shares issued		**–**	–
Repayment of bond issues		**(88.0)**	(15.7)
Repayment of lease liabilities		**(506.9)**	(546.9)
Repayment of asset backed financial liabilities		**(19.3)**	(10.6)
Repayment of loan notes		**(0.6)**	–
NextGen facility drawdown		**13.1**	–
Fees for finance facilities		**(1.4)**	–
Net cash flow used in financing activities		**(776.3)**	(640.9)
Net (decrease)/increase in cash and cash equivalents before foreign exchange movements		**(243.2)**	12.3
Cash and cash equivalents at beginning of year		**708.5**	700.2
Foreign exchange movements		**3.4**	(4.0)
Cash and cash equivalents at end of year		**468.7**	708.5

Cash flows of discontinued operations are shown in note 13.

	2024 £m	2023 £m
Reconciliation to cash flow statement		
Cash and cash equivalents – balance sheet	**496.5**	791.4
Bank overdraft	**(27.8)**	(82.9)
Cash and cash equivalents at end of year per consolidated balance sheet	**468.7**	708.5

Note to the consolidated cash flow statement – reconciliation of net cash flow to movement in net debt

	2024 £m	2023 £m
Net (decrease)/increase in cash and cash equivalents in year	**(243.2)**	12.3
Decrease in debt excluding leases	**75.5**	15.7
Adjusted cash flow	**(167.7)**	28.0
Repayment of lease liabilities and asset backed financial liabilities	**526.2**	557.5
(Inception)/termination of leases and asset backed financial liabilities	**(237.5)**	(1,231.8)
Foreign exchange movements	**3.4**	(4.0)
Other non-cash movements	**(0.1)**	0.2
Movement in net debt in year	**124.3**	(650.1)
Net debt at beginning of year	**(1,269.1)**	(619.0)
Net debt at end of year	**(1,144.8)**	(1,269.1)

Management considers that adjusted cash flow is an appropriate measure for assessing the Group cash flow as it is the measure that is used to assess both Group and divisional cash performance against budgets and forecasts. Adjusted cash flow is stated prior to cash flows in relation to debt excluding leases.

The accompanying notes form an integral part of this consolidated cash flow statement.

Notes to the consolidated financial statements

1 General information

The financial information set out above does not constitute the Company's Statutory Accounts for the 53 weeks ended 30 March 2024 or 25 March 2023, but is derived from those accounts. Statutory Accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The auditors have reported on both sets of account; their reports were unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRSs), this announcement does not in itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in June 2024. Copies of the Statutory Accounts for the 53 weeks ended 30 March 2024 will be available to all shareholders in June and will also be available thereafter at the Registered Office of the Company at 395 King Street, Aberdeen, AB24 5RP.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006 (IFRS) and the applicable legal requirements of the Companies Act 2006, in addition to complying with international accounting standards in conformity with requirements of the Companies Act 2006.

The consolidated financial statements of FirstGroup plc comply with UK-adopted international accounting standards and with the requirements of the Companies Act 2006. These financial statements are also prepared in accordance with IFRSs as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences from IFRSs as issued by the IASB for the periods presented. There were no unendorsed standards effective for the period ended 30 March 2024 affecting these consolidated and separate financial statements.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments, and on a going concern basis.

The Group has undertaken detailed reviews of a range of severe but plausible financial and operational scenarios using financial outlook modelling. Based on their review of the financial forecasts and having regard to the risks and uncertainties to which the Group is exposed, the Directors believe that the Company and the Group have adequate resources to continue in operational existence for at least a 12-month period from the date on which the financial statements were approved. Accordingly, the financial statements have been prepared on a going concern basis.

The financial statements for the 53 weeks ended 30 March 2024 include the results and financial position of the First Rail businesses for the year ended 31 March 2024 and the results and financial position of all the other businesses for the 53 weeks ended 30 March 2024. The financial statements for the 52 weeks ended 25 March 2023 include the results and financial position of the First Rail businesses for the year ended 31 March 2023 and the results and financial position of all the other businesses for the 52 weeks ended 25 March 2023.

Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except for the changes arising from new standards and amendments to existing standards which have been adopted in the current year.

The following amended standards and interpretations were adopted by the Group during the year:

- IFRS 17 Insurance contracts
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8
- Amendment to IAS 12 – deferred tax relating to assets and liabilities arising from a single transaction
- Amendment to IAS 12 – international tax reform, which grants a temporary exemption from applying IAS 12 to the International Tax Reform: Pillar Two Model Rules

There has been no material change as a result of applying these amendments and no significant impact is expected from any of the future standards and amendments that are visible.

2 Revenue

	2024 £m	2023 £m
Services rendered	**3,952.1**	3,483.0
First Rail – contract subsidy receipts	**456.8**	893.0
Other revenues	**306.2**	379.0
Revenue from continuing operations	**4,715.1**	4,755.0
Discontinued operations	–	4.0
Revenue	**4,715.1**	4,759.0

3 Business segments and geographical information

For management purposes, the Group is organised into four operating divisions – First Bus, First Rail and Greyhound.

The divisions are managed separately in line with the differing services that they provide and the geographical markets in which they operate. There is a clear distinction between each division and no judgement is required to identify each reportable segment. With regard to prior year comparative data, the properties related to the retained Greyhound US business were classified as held for sale and treated as discontinued up to their disposal in December 2022. Greyhound Canada was retained and was categorised as a Continuing Operation, although trading operations have ceased.

The segment results for the 53 weeks ended 30 March 2024 are as follows:

	Continuing Operations					Discontinued Operations		
	First Bus £m	First Rail £m	Greyhound £m	Group Items/ eliminations[1] £m	Continuing Operations £m	Greyhound £m	Group items[1] £m	Total £m
Passenger revenue	769.1	3,030.1	–	–	3,799.2	–	–	3,799.2
Contract revenue	188.4	–	–	(35.5)	152.9	–	–	152.9
Rail contract subsidy receipts	–	456.8	–	–	456.8	–	–	456.8
Other revenues	54.7	251.5	–	–	306.2	–	–	306.2
Revenue	1,012.2	3,738.4	–	(35.5)	4,715.1	–	–	4,715.1
EBITDA[2]	148.1	620.5	–	(20.0)	748.6	(1.8)	–	746.8
Depreciation	(73.9)	(513.8)	–	(2.0)	(589.7)	(0.1)	–	(589.8)
Software amortisation	(1.0)	(1.7)	–	(0.6)	(3.3)	–	–	(3.3)
Capital grant amortisation	10.4	38.3	–	–	48.7	–	–	48.7
Segment results	83.6	143.3	–	(22.6)	204.3	(1.9)	–	202.4
Other adjustments (note 4)	(146.9)	–	(0.4)	(10.5)	(157.8)	(1.1)	(2.3)	(161.2)
Operating profit/(loss)[3]	(63.3)	143.3	(0.4)	(33.1)	46.5	(3.0)	(2.3)	41.2
Investment income	1.7	1.6	–	13.4	16.7	0.1	–	16.8
Finance costs	(4.2)	(61.5)	–	(16.3)	(82.0)	(0.4)	–	(82.4)
Profit/(loss) before tax	(65.8)	83.4	(0.4)	(36.0)	(18.8)	(3.3)	(2.3)	(24.4)
Tax								15.0
Loss after tax								(9.4)

1. Group items comprise central management and other items.
2. EBITDA is adjusted operating profit less capital grant amortisation plus depreciation plus software amortisation.
3. Although the segment results are used by management to measure performance, statutory operating profit by operating division is also disclosed for completeness.

The segment results for the 52 weeks ended 25 March 2023 were as follows:

	Continuing Operations					Discontinued Operations		
	First Bus £m	First Rail £m	Greyhound £m	Group items/ eliminations[1] £m	Continuing Operations £m	Greyhound £m	Group items[1] £m	Total £m
Passenger revenue	660.0	2,713.8	–	–	3,373.8	–	–	3,373.8
Contract revenue	149.9	–	–	(40.7)	109.2	–	–	109.2
Rail contract subsidy receipts	–	893.0	–	–	893.0	–	–	893.0
Other revenues	92.6	286.4	–	–	379.0	4.0	–	383.0
Revenue	902.5	3,893.2	–	(40.7)	4,755.0	4.0	–	4,759.0
EBITDA[2]	120.9	661.0	–	(19.5)	762.4	(6.6)	–	755.8
Depreciation	(68.6)	(651.2)	–	(2.1)	(721.9)	–	–	(721.9)
Software amortisation	(1.7)	(6.3)	–	(0.6)	(8.6)	–	–	(8.6)
Capital grant amortisation	7.8	121.3	–	–	129.1	–	–	129.1
Segment results	58.4	124.8	–	(22.2)	161.0	(6.6)	–	154.4
Other adjustments (note 4)	(7.0)	–	(1.5)	1.4	(7.1)	71.7	(33.8)	30.8
Operating profit/(loss)[3]	51.4	124.8	(1.5)	(20.8)	153.9	65.1	(33.8)	185.2
Investment income	–	2.0	–	10.3	12.3	0.5	–	12.8
Finance costs	(2.5)	(49.4)	–	(17.2)	(69.1)	(0.2)	–	(69.3)
Profit before tax	48.9	77.4	(1.5)	(27.7)	97.1	65.4	(33.8)	128.7
Tax								(33.4)
Profit after tax								95.3

1. Group items comprise central management and other items.
2. EBITDA is adjusted operating profit less capital grant amortisation plus depreciation plus software amortisation.
3. Although the segment results are used by management to measure performance, statutory operating profit by operating division is also disclosed for completeness.

4 Reconciliation to non-GAAP measures and performance

In measuring the Group and divisional adjusted operating performance, additional financial measures derived from the reported results have been used by management in order to eliminate factors which distort year-on-year comparisons, and to enable the like-for-like monitoring of the Group's recurring operations over time. The Group's adjusted performance is used to explain year-on-year changes when the effect of certain items is significant, including strategic items (including material M&A and group restructuring projects), costs of acquisitions including aborted acquisitions, and impairment of assets. Other items below £5.0m would not normally be considered as adjusting items unless part of a larger strategic project, but items which distort year-on-year comparisons that exceed this amount could potentially be classified as an adjusting item and are assessed on a case-by-case basis. Such potential adjusting other items may include: restructuring and reorganisation costs; property gains or losses; aged legal and self-insurance claims; movements on insurance discount rates; onerous contract provisions; pension settlement gains or losses; and other items which management has determined as not being relevant to an understanding of the Group's underlying business performance. Subsequent remeasurements of adjusting items are also recognised as an adjusting item in the future period in which the remeasurement occurs.

Reconciliation of operating profit to adjusted operating profit on a continuing basis	**2024 £m**	2023 £m
Operating profit on a continuing basis	**46.5**	153.9
Adjustments for:		
LGPS pension settlement and related charges	**146.9**	–
Legal claims in North America and the UK	**10.5**	–
First Bus divisional restructuring costs	–	7.0
Strategic items	–	(1.4)
Greyhound Canada	**0.4**	1.5
Total operating profit adjustments on a continuing basis	**157.8**	7.1
Adjusted operating profit on a continuing basis (note 3)	**204.3**	161.0

Reconciliation of operating profit/(loss) to adjusted operating profit on a discontinued basis	**2024 £m**	2023 £m
Operating (loss)/profit from discontinued operations	**(5.3)**	31.3
Adjustments for:		
Transit earnout charge	**2.3**	33.8
Pension settlement and related charges	**1.1**	–
Gain on disposal of Greyhound properties	–	(71.4)
Strategy costs	–	(0.3)
Total operating profit adjustments from discontinued operations	**3.4**	(37.9)
Adjusted operating loss from discontinued operations	**(1.9)**	(6.6)

Reconciliation of profit/(loss) before tax to adjusted profit before tax and adjusted earnings	**2024 £m**	2023 £m
(Loss)/profit before tax (including discontinued operations)	**(24.4)**	128.7
Adjusting operating profit items – continuing operations	**157.8**	7.1
Adjusting operating profit items – discontinued operations	**3.4**	(37.9)
Adjusted operating profit items – total operations	**161.2**	(30.8)
Adjusted profit before tax including discontinued operations	**136.8**	97.9
Rail management fee-based operations – IFRS 16 adjustment	**10.2**	6.9
Adjusted tax charge	**(32.1)**	(20.7)
Non-controlling interests[1]	**(6.5)**	(5.1)
Adjusted earnings including discontinued operations	**108.4**	79.0

1. Statutory non-controlling interests in 2024 and 2023 principally reflect Avanti West Coast and South Western Railway.

Reconciliation of tax charge to adjusted tax charge	**2024 £m**	2023 £m
Tax (credit)/charge (note 6)	**(15.0)**	33.4
Tax effect of adjusting items (note 7)	**42.5**	(12.7)
Adjustments attributable to changes in tax rates and laws	**–**	1.4
Write-back of previously unrecognised deferred tax assets (note 7)	**5.3**	–
Write-down of previously recognised deferred tax assets (note 7)	**(0.7)**	(1.4)
Adjusted tax charge (including discontinued)	**32.1**	20.7

Adjusted tax charge – continuing operations	**32.0**	20.4
Adjusted tax charge – discontinued operations	**0.1**	0.3

4 Reconciliation to non-GAAP measures and performance continued

The Group has revised its definition of adjusted earnings during the year, to exclude also the impact of IFRS 16 depreciation and interest charges in relation to its rail management fee-based operations, given the Group takes no cost risk on these rolling stock leases. The prior year comparatives have also been updated for the revised definition. There has been no other change to the calculation, or to the Group's policy regarding adjusting items.

Adjusting items – 2024
The principal adjusting items in the year for the continuing business are as follows:

First Bus pension settlement charge and related items
In September 2023, First Bus concluded a period of consultation with regards to its two Local Government Pension Schemes and subsequently terminated its participation in these funds on 31 October 2023, with affected employees enrolled into the First Bus Retirement Savings Plan. Adjusting charges of £146.9m relating to the settlement charge and other costs relating to the termination were recognised during the period. A gain of £161.0m was recognised in Other comprehensive income in relation to the restricted accounting surplus.

Legal claims in North America and the UK
The Group has recognised legal provisions relating to claims in North America and the UK.

Adjusting items – discontinued operations
First Transit earnout
The final valuation of the First Transit earnout contingent consideration receivable was agreed and settled during the year, with the Group receiving cash of $83.8m (£65.3m). The Group incurred an adjusting charge of £2.3m, reflecting the hedging of the cash receipt, translation of the US dollar asset into pounds sterling before settlement, offsetting the small write-off of the residual asset on settlement.

Adjusting items – 2023
The principal adjusting items in the prior year were as follows:

First Bus restructuring
As part of the restructuring of the First Bus division to exit loss-making markets and to align networks with post-pandemic demand, the Group completed the sale of its First Scotland East business in September 2022, realising a loss on disposal of £(3.7)m, and closed the Southampton depot resulting in closure costs and a release of prior impairment for a net credit of £2.3m. In line with this transition plan, the Group also incurred costs of £(5.6)m relating to surplus vehicle write-downs and other reorganisation charges in the division.

Strategic items
A final net credit of £1.4m was recognised, being costs incurred in relation to the Group's central functions as part of its ongoing cost efficiency initiatives following the exit from North America, offset by the release of accruals following the disposal of North America and the execution of the strategy.

Greyhound Canada
Net restructuring and closure costs of £(1.5)m relating to the continued winding down of Greyhound Canada operations were incurred during the year.

Adjusting items – discontinued operations

First Transit earnout
Following the announcement on 26 October 2022 of EQT Infrastructure's agreement to sell First Transit to Transdev North America, Inc., the Group estimated its earnout consideration to be around $88.5m (£72.3m) based on the information received on the sale by EQT. This gave rise to a non-cash, adjusting charge of £33.8m relative to the carrying value of the earnout of £106.1m as at 26 March 2022.

Gain on disposal of properties
A gain of £71.4m arose on the completion of the sale of the majority of the remaining Greyhound US properties in December 2022.

Other measures

First Bus EBITDA comprises:

	2024 £m	2023 £m
Pre-IFRS 16 EBITDA	**132.5**	105.0
IFRS 16 adjustments[1]	**15.6**	15.9
First Bus adjusted EBITDA per segmental results table (note 3)	**148.1**	120.9

First Rail EBITDA comprises:

Non-management fee-based TOCs pre-IFRS 16 EBITDA	**37.6**	32.5
Group's share of management fee income available for dividends (net of tax and non-controlling interest)	**39.5**	38.7
Tax on management fee income	**15.0**	10.2
Non-controlling interest	**6.5**	5.1
Other adjustments	**–**	–
IFRS 16 adjustments[1]	**521.9**	574.5
First Rail adjusted EBITDA per note 3	**620.5**	661.0

4 Reconciliation to non-GAAP measures and performance continued

Group items EBITDA comprises:		
Pre-IFRS 16 EBITDA	**(21.8)**	(21.2)
IFRS 16 adjustments[1]	**1.9**	1.7
Group items adjusted EBITDA per note 3	**(19.9)**	(19.5)

First Rail adjusted operating profit		
Non-management fee-based TOCs	**36.4**	31.5
Group's share of management fee income available for dividends (net of tax and non-controlling interest)	**39.5**	38.7
Tax on management fee income	**15.0**	10.2
Non-controlling interest	**6.5**	5.1
IFRS 16 adjustments[1]	**45.9**	39.3
First Rail adjusted operating profit per note 3	**143.3**	124.8

Reconciliation of pre-IFRS 16 adjusted EBIT to post-IFRS 16 adjusted EBIT		
Pre-IFRS 16 adjusted EBIT	**156.6**	119.1
IFRS 16 adjustments[1]	**47.7**	41.9
Post-IFRS 16 adjusted EBIT	**204.3**	161.0

1 IFRS 16 adjustments to EBITDA principally reflect the add back of operating lease rental costs charged to the income statement before the adoption of IFRS 16. IFRS 16 adjustments to operating profit reflect operating lease rental costs less depreciation charges on right of use assets.

5 Investment income and finance costs

	2024 £m	2023 £m
Investment income		
Bank interest receivable	**(14.7)**	(6.3)
Interest on pensions	**(2.1)**	(6.5)
Total investment income (including discontinued operations)	**(16.8)**	(12.8)
Finance costs		
Bonds	**11.9**	13.5
Bank interest and facility fees	**5.8**	3.5
Finance charges payable in respect of lease liabilities	**62.1**	50.6
Finance charges payable in respect of asset backed financial liabilities	**1.4**	1.5
Interest on long-term provisions	**0.8**	0.2
Interest on pensions	**0.4**	–
Total finance costs (including discontinued operations)	**82.4**	69.3

Finance costs are stated after charging fee expenses of £0.7m (2023: £0.6m). There was no interest capitalised into qualifying assets in either the current or prior period.

Investment income of £0.1m (2023: £0.5m) and finance costs of £0.4m (2023: £0.2m) relate to discontinued operations (note 13).

6 Tax on profit/(loss) on ordinary activities

	2024 £m	2023 £m
Current tax charge	**1.3**	1.1
Adjustments with respect to prior years	**(3.0)**	1.7
Total current tax (credit)/charge (including discontinued operations)	**(1.7)**	2.8
Origination and reversal of temporary differences	**(11.0)**	40.9
Adjustment in respect of prior years	**2.3**	(10.3)
Adjustments attributable to changes in tax rates and laws	**–**	(1.4)
Writing-down of previously recognised deferred tax assets	**0.7**	1.4
Write-back of previously unrecognised deferred tax assets	**(5.3)**	–
Total deferred tax (credit)/charge (note 17)	**(13.3)**	30.6
Total tax (credit)/charge (including discontinued operations)	**(15.0)**	33.4
Tax (credit)/charge attributable to:		
Profit from continuing operations	**(15.1)**	10.4
Profit from discontinued operations	**0.1**	23.0

7 Earnings per share (EPS)

EPS is calculated by dividing the loss/profit attributable to equity shareholders of £(15.9)m (2023: profit of £87.1m) by the weighted average number of ordinary shares of 662.9m (2023: 739.5m). The number of ordinary shares used for the basic and diluted calculations are shown in the table below.

The difference in the number of shares between the basic calculation and the diluted calculation represents the weighted average number of potentially dilutive ordinary share options.

	2024 Number m	2023 Number m
Weighted average number of shares used in basic calculation	**662.9**	739.5
Executive share options	**26.2**	24.0
Weighted average number of shares used in the diluted calculation	**689.1**	763.5

The adjusted EPS is intended to highlight the recurring operating results of the Group before certain other adjustments as set out in note 4, and before IFRS 16 charges relating to the Group's management fee-based Rail operations. A reconciliation is set out below:

	2024		2023	
	£m	**EPS (pence)**	£m	EPS (pence)
Basic (loss)profit/EPS	**(15.9)**	**(2.4)**	87.1	11.8
Management fee-based Rail operations - IFRS 16 adjustments	**10.2**	**1.5**	6.9	1.0
Other adjustments (note 4)	**161.2**	**24.3**	(30.8)	(4.2)
Non-controlling interest	**–**	**–**	3.1	0.4
Tax effect of other adjustments	**(42.5)**	**(6.3)**	12.7	1.7
Adjustments attributable to changes in tax rates and laws	**–**	**–**	(1.4)	(0.2)
Write-down of previously recognised deferred tax assets	**0.7**	**0.1**	1.4	0.2
Write-back of previously unrecognised deferred tax assets	**(5.3)**	**(0.8)**	–	–
Adjusted profit and EPS attributable to the ordinary equity holders of the Company	**108.4**	**16.4**	79.0	10.7
Adjusted loss EPS from discontinued operations	**(2.3)**	**(0.3)**	(6.6)	(0.9)
Adjusted profit/EPS from continuing operations	**110.7**	**16.7**	85.6	11.6

	2024 pence	2023 pence
Diluted EPS	**(2.4)**	11.4
Adjusted diluted EPS	**15.7**	10.3

7 Earnings per share (EPS) continued

The adjusted EPS on a continuing basis is set out below:

	2024 £m	2024 EPS (pence)	2023 £m	2023 EPS (pence)
Basic (loss)/profit/EPS	**(10.2)**	**(1.5)**	78.5	10.6
Management fee-based Rail operations – IFRS 16 adjustments	**10.2**	**1.5**	6.9	1.0
Other adjustments (note 4)	**157.8**	**23.7**	7.1	1.0
Non-controlling interest	**–**	**–**	3.1	0.4
Tax effect of other adjustments	**(42.5)**	**(6.3)**	(10.0)	(1.4)
Adjustments attributable to changes in tax rates and laws	**–**	**–**	(1.4)	(0.2)
Write-down of previously recognised deferred tax assets	**0.7**	**0.1**		
Write-back of previously unrecognised deferred tax assets	**(5.3)**	**(0.8)**	1.4	0.2
Adjusted profit/(loss)/EPS from continuing operations	**110.7**	**16.7**	85.6	11.6

	2024 pence	2023 pence
Diluted EPS	**(1.5)**	10.3
Adjusted diluted EPS	**16.1**	11.2

8 Goodwill

	2024 £m
Cost	
At 26 March 2023	**99.6**
Additions[1]	**11.4**
At 30 March 2024	**111.0**
Accumulated impairment losses	
At 26 March 2023	**–**
At 30 March 2024	**–**
Carrying amount	
At 30 March 2024	**111.0**
At 26 March 2023	**99.6**

1 Additions of £11.4m relate mainly to goodwill on the acquisition of York Pullman Bus Company Limited.

Goodwill in the above table primarily relates to First Bus.

9 Other intangible assets

	Software £m	Total £m
Cost		
At 27 March 2022	32.0	32.0
Additions	4.2	4.2
Transfers from property, plant and equipment	3.6	3.6
At 25 March 2023	39.8	39.8
At 26 March 2023	39.8	39.8
Additions	2.4	2.4
Disposals	(5.2)	(5.2)
Transfers	4.0	4.0
At 30 March 2024	**41.0**	**41.0**
Accumulated amortisation and impairment		
At 27 March 2022	19.6	19.6
Charge for year	8.6	8.6
Transfers from property, plant and equipment	0.8	0.8
At 25 March 2023	29.0	29.0
At 26 March 2023	29.0	29.0
Charge for year	3.3	3.3
Disposals	(4.2)	(4.2)
Transfers	2.5	2.5
At 30 March 2024	**30.6**	**30.6**
Carrying amount		
At 30 March 2024	**10.4**	**10.4**
At 25 March 2023	10.8	10.8

10 Property, plant and equipment

Owned assets	Land and buildings £m	Passenger carrying vehicle fleet £m	Other plant and equipment £m	Total £m
Cost				
At 27 March 2022	203.6	799.1	662.8	1,665.5
Acquisitions[2]	20.2	7.6	0.5	28.3
Additions	16.1	80.1	79.2	175.4
Disposals	(8.2)	(134.0)	(23.8)	(166.0)
Reclassified as assets held for sale	(18.4)	–	(2.7)	(21.1)
Transfers	(0.2)	0.7	(4.4)	(3.9)
At 25 March 2023	213.1	753.5	711.6	1,678.2
At 26 March 2023	213.1	753.5	711.6	1,678.2
Acquisitions[2]	–	3.1	0.1	3.2
Additions	31.1	135.5	74.4	241.0
Disposals	(7.3)	(74.5)	(76.1)	(157.9)
Reclassifications	(1.8)	13.4	(5.7)	5.9
Transfers to right of use assets	–	(2.7)	(14.7)	(17.4)
At 30 March 2024	**235.1**	**828.3**	**689.6**	**1,753.0**
Accumulated depreciation and impairment				
At 27 March 2022	76.9	484.2	448.0	1,009.1
Charge for year	3.6	48.3	119.5	171.4
Disposals	(2.4)	(104.1)	(22.9)	(129.4)
Impairment[1]	(4.3)	4.5	2.0	2.2
Reclassified as assets held for sale	(11.3)	–	(1.6)	(12.9)
Transfers	(2.0)	–	1.1	(0.9)
At 25 March 2023	60.5	432.9	546.1	1,039.5
At 26 March 2023	60.5	432.9	546.1	1,039.5
Charge for year	11.5	53.2	33.9	98.6
Disposals	(3.2)	(67.6)	(59.7)	(130.5)
Impairment[1]	–	–	2.6	2.6
Reclassifications	(5.9)	8.3	(7.7)	(5.3)
At 30 March 2024	**62.9**	**426.8**	**515.2**	**1,004.9**
Carrying amount				
At 30 March 2024	**172.2**	**401.5**	**174.4**	**748.1**
At 25 March 2023	152.6	320.6	165.5	638.7

1 The impairment charge in the current year of £2.6m relates to Rail contracts. The impairment reversal in the prior year of £4.3m relates to Southampton properties, which were subsequently transferred to assets held for sale. The impairment charge in the prior year of £6.5m primarily relates to the write-down of passenger carrying vehicles as a result of fleet resizing.

2 Acquisitions of £3.2m (2023 £28.3m) relate to continuing operations (see note 20).

10 Property, plant and equipment continued

An amount of £0.8m (2023: £0.8m) in respect of assets under construction is included in the carrying amount of land and buildings, plant and equipment.

At 30 March 2024 the Group had entered into contractual capital commitments amounting to £61.8m (2023: £125.0m), principally representing purchase of passenger carrying vehicles, electrical infrastructure and TOC commitments.

Right of use assets	Rolling stock £m	Land and buildings £m	Passenger carrying vehicle fleet £m	Other plant and equipment £m	Total £m
Cost					
At 27 March 2022	2,585.6	55.9	60.2	7.5	2,709.2
Additions	1,200.2	16.2	1.3	1.3	1,219.0
Disposals	(4.1)	(0.9)	(9.8)	(0.3)	(15.1)
Foreign exchange movements	–	0.2	–	–	0.2
At 25 March 2023	3,781.7	71.4	51.7	8.5	3,913.3
At 26 March 2023	3,781.7	71.4	51.7	8.5	3,913.3
Additions	183.3	4.3	6.5	2.8	196.9
Disposals	(221.6)	(10.6)	(0.5)	(0.4)	(233.1)
Transfers from owned assets	–	–	2.7	14.7	17.4
At 30 March 2024	**3,743.4**	**65.1**	**60.4**	**25.6**	**3,894.5**
Accumulated depreciation and impairment					
At 27 March 2022	1,609.7	22.5	35.6	5.1	1,672.9
Charge for period	528.7	8.5	11.8	1.5	550.5
Lease impairment[3]	7.1	–	–	–	7.1
Disposals	(0.8)	(0.3)	(7.1)	(0.2)	(8.4)
Foreign exchange movements	–	0.2	–	–	0.2
At 25 March 2023	2,144.7	30.9	40.3	6.4	2,222.3
At 26 March 2023	2,144.7	30.9	40.3	6.4	2,222.3
Charge for period	470.3	8.7	10.2	1.9	491.1
Lease impairment[3]	1.2	–	–	–	1.2
Disposals	(220.6)	(6.4)	(0.3)	(0.1)	(227.4)
At 30 March 2024	**2,395.6**	**33.2**	**50.2**	**8.2**	**2,487.2**
Carrying amount					
At 30 March 2024	**1,347.8**	**31.9**	**10.2**	**17.4**	**1,407.3**
At 25 March 2023	1,637.0	40.5	11.4	2.1	1,691.0

3The impairment of £1.2m in the current year and £7.1m in the prior year both relates to GWR.

The discounted lease liability relating to the right of use assets included above is shown in note 15.

10 Property, plant and equipment continued

Owned assets and right of use assets	Rolling stock £m	Land and buildings £m	Passenger carrying vehicle fleet £m	Other plant and equipment £m	Total £m
Carrying amount					
At 30 March 2024	**1,347.8**	**204.1**	**411.7**	**191.8**	**2,155.4**
At 25 March 2023	1,637.0	193.1	332.0	167.6	2,329.7

The maturity analysis of lease liabilities is presented in note 15.

Amounts recognised in income statement (including discontinued operations)	**2024 £m**	2023 £m
Depreciation expense on right of use assets	**491.1**	550.5
Interest expense on lease liabilities	**62.1**	50.6
Impairment charge	**1.2**	7.1
Expense relating to short-term leases	**–**	2.0
Expense relating to leases of low-value assets	**0.1**	2.1
	554.5	612.3

11 Trade and other receivables

Amounts due within one year (from discontinued operations)	**2024 £m**	2023 £m
Contingent consideration receivable	**–**	72.3

Amounts due within one year (from continuing operations)	**2024 £m**	2023 £m
Trade receivables	**400.1**	386.1
Loss allowance	**(41.7)**	(49.0)
Trade receivables net	**358.4**	337.1
Other receivables	**187.6**	210.3
Amounts recoverable on contracts	**38.9**	22.5
Prepayments	**38.7**	90.8
Accrued income	**229.0**	187.6
	852.6	848.3

12 Trade and other payables

Amounts falling due within one year (from continuing operations)	**2024 £m**	2023 £m
Trade payables	**277.4**	338.8
Other payables	**291.2**	210.8
Accruals	**539.9**	621.6
Deferred income	**129.0**	125.5
Season ticket deferred income – Rail	**21.1**	17.7
	1,258.6	1,314.4

13 Discontinued operations

Discontinued operations	2024 £m	2023 £m
Revenue	**–**	4.0
Operating (costs)/income	**(5.3)**	27.3
Operating (loss)/profit	**(5.3)**	31.3
Investment income	**0.1**	0.5
Finance costs	**(0.4)**	(0.2)
(Loss)/profit before tax	**(5.6)**	31.6
Tax	**(0.1)**	(23.0)
(Loss)/profit for the year after tax	**(5.7)**	8.6
Attributable to:		
Equity holders of the parent	**(5.7)**	8.6
Non-controlling interests	**–**	–
	(5.7)	8.6

EPS	2024 pence	2023 pence
Basic EPS	**(0.9)**	1.2
Diluted EPS	**(0.9)**	1.1

Cash flow	2024 £m	2023 £m
Net cash outflow from operating activities	**(4.2)**	(139.7)
Net cash inflow from investing activities	**74.7**	126.9
Net cash flow from financing activities	**–**	–
Net increase/(decrease) in cash generated	**70.5**	(12.8)

Other comprehensive income/loss

	2024 £m	2023 £m
Actuarial (loss)/gain on defined benefit pension schemes	**(1.2)**	0.2
Hedging instrument movements	**0.4**	(0.4)
Exchange differences on translation of discontinued operations	**(6.6)**	6.8
Total	**(7.4)**	6.6

14 Borrowings

	2024 £m	2023 £m
On demand or within one year		
Lease liabilities (note 15)[2,3]	**492.8**	447.4
Asset backed financial liabilities (note 15)[3]	**6.2**	17.3
Bank overdraft	**27.8**	82.9
Loan notes	**–**	0.6
Bond 6.875% (repayable 2024)[1]	**99.7**	6.5
Total current liabilities	**626.5**	554.7
Within one to two years		
Lease liabilities (note 15)[2,3]	**385.0**	381.6
Asset backed financial liabilities (note 15)[3]	**7.9**	5.9
Bond 6.875% (repayable 2024)	**–**	184.2
	392.9	571.7
Within two to five years		
Lease liabilities (note 15)[2,3]	**546.2**	825.9
NextGen battery debt	**3.0**	-
Asset backed financial liabilities (note 15)[3]	**13.6**	12.1
	562.8	838.0
Over five years		
Lease liabilities (note 15)[2,3]	**34.5**	93.7
NextGen battery debt	**10.2**	-
Asset backed financial liabilities (note 15)[3]	**17.9**	8.9
	62.6	102.6
Total non-current liabilities at amortised cost	**1,018.3**	1,512.3

1 Prior year includes accrued interest only.

2 The right of use assets relating to lease liabilities are shown in note 10.

3 The maturity analysis of lease liabilities and asset backed financial liabilities is presented in note 15.

15 Lease liabilities and asset backed financial liabilities

The Group had the following lease liabilities and asset backed financial liabilities at the balance sheet dates, excluding liabilities relating to the discontinued operations:

	Lease liabilities		Asset backed financial liabilities	
Maturity analysis	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Due in less than one year	**539.4**	503.1	**6.5**	17.9
Due in more than one year but not more than two years	**414.1**	421.5	**8.5**	6.3
Due in more than two years but not more than five years	**574.6**	878.8	**16.2**	13.7
Due in more than five years	**44.9**	105.0	**23.7**	10.9
	1,573.0	1,908.4	**54.9**	48.8
Less future financing charges	**(114.5)**	(159.8)	**(9.3)**	(4.6)
	1,458.5	1,748.6	**45.6**	44.2

Lease liabilities have a fair value of £1,458.5m and asset backed financial liabilities have a fair value of £49.3m (2023: lease liabilities £1,748.6m, asset backed financial liabilities £43.3m).

The total cash outflow for the lease liabilities and asset backed financial liabilities recorded on the balance sheet amounted to £506.9m and £19.3m respectively (2023: £546.9m and £10.6m).

The right of use assets related to the lease liabilities is presented in note 10.

16 Financial instruments

Non-derivative financial instruments

	2024 £m	2023 £m
Total non-derivatives		
Total non-current assets	**99.6**	117.6
Total assets	**99.6**	117.6

Certain pension partnership structures were implemented during 2022. These structures involved the creation of special purpose vehicles (SPVs) to hold cash to fund the Bus and Group pension schemes if required based on a designated funding mechanism. Management have concluded that these amounts represent financial assets under IAS 32.

Derivative financial instruments

	2024 £m	2023 £m
Total derivatives		
Total non-current assets	**0.4**	0.1
Total current assets	**2.0**	7.4
Total assets from continuing operations	**2.4**	7.5
Total current liabilities	**3.4**	2.6
Total non-current liabilities	**1.3**	1.9
Total liabilities from continuing operations	**4.7**	4.5
Derivatives designated and effective as hedging instruments carried at fair value		
Non-current assets		
Fuel derivatives (cash flow hedge)	**0.4**	–
Currency forwards (cash flow hedge)	–	0.1
	0.4	0.1
Current assets		
Fuel derivatives (cash flow hedge)	**2.0**	3.3
Currency forwards (cash flow hedge)	–	4.1
	2.0	7.4
Current liabilities		
Fuel derivatives (cash flow hedge)	**2.7**	2.6
Currency forwards (cash flow hedge)	**0.7**	–
	3.4	2.6
Non-current liabilities		
Currency forwards (cash flow hedge)	**0.2**	0.1
Interest rate swaps (NextGen)	**0.5**	–
Fuel derivatives (cash flow hedge)	**0.6**	1.8
	1.3	1.9

The Group enters into derivative transactions under International Swaps and Derivatives Association Master Agreements that allow for the related amounts to be set-off in certain circumstances. The amounts set out as Fuel derivatives and Currency forwards in the table above represent the derivative financial assets and liabilities of the Group that may be subject to the above arrangements and are presented on a gross basis. Derivative liabilities of £nil (2023: £nil) were subject to netting arrangements.

Total cash flow hedges are a liability of £2.3m (2023: £3.0m asset).

17 Deferred tax

The major deferred tax (assets)/liabilities recognised by the Group and movements thereon during the current and prior reporting periods are as follows:

	Accelerated tax depreciation £m	Retirement benefit schemes £m	Other temporary differences £m	Tax losses £m	Total £m
At 26 March 2022	(6.1)	48.6	(44.9)	(33.7)	(36.1)
Charge/(credit) to income statement	28.0	(2.8)	10.6	(5.2)	30.6
Credit to other comprehensive income and equity	–	(37.2)	(7.4)	–	(44.6)
Acquisitions and disposals of subsidiaries	4.7	–	0.3	–	5.0
Foreign exchange and other movements	(1.9)	–	–	–	(1.9)
At 25 March 2023	24.7	8.6	(41.4)	(38.9)	(47.0)
Charge/(credit) to income statement	7.0	(33.4)	14.2	(1.1)	(13.3)
Credit to other comprehensive income and equity	–	20.2	(0.2)	–	20.0
Acquisitions and disposals of subsidiaries	0.7	–	–	–	0.7
At 30 March 2024	**32.4**	**(4.6)**	**(27.4)**	**(40.0)**	**(39.6)**

With respect to the total net deferred tax asset of £39.6m, UK net deferred tax assets of £38.7m have been recognised as the Group forecasts sufficient taxable profits in future periods and a deferred tax asset of £0.9m relating to the US is recognised because it is probable that book gains will arise on the remaining US property portfolio.

No deferred tax has been recognised on tax losses of £457.9m (2023: tax losses of £460.8m) as there are insufficient future profits forecast in North America and some UK entities may cease to trade before their tax losses can be utilised.

18 Provisions

	Insurance claims £m	Legal and other £m	Total £m
At 25 March 2023	129.9	81.2	211.1
Charged to the income statement	8.9	25.3	34.2
Utilised in the year	(37.0)	(20.5)	(57.5)
Notional interest	0.8	–	0.8
Foreign exchange movements	(2.4)	(0.3)	(2.7)
At 30 March 2024	**100.2**	**85.7**	**185.9**
Current liabilities	**35.7**	**38.9**	**74.6**
Non-current liabilities	**64.5**	**46.8**	**111.3**
At 30 March 2024	**100.2**	**85.7**	**185.9**
Current liabilities	45.5	40.4	85.9
Non-current liabilities	84.4	40.8	125.2
At 25 March 2023	129.9	81.2	211.1

The insurance claims provision arises from estimated exposures for incidents occurring prior to the balance sheet date. It is anticipated that the majority of such claims will be settled within the next four years although certain liabilities in respect of lifetime obligations of £1.1m (2023: £1.3m) can extend for more than 25 years. The utilisation of £37.0m (2023: £37.1m) represents payments made against the current liability of the preceding year as well as the settlement of claims resulting from incidents occurring in the current financial year.

The insurance claims provisions, of which £55.7m (2023: £78.6m) relates to legacy Greyhound claims, includes £50.8m (2023: £73.3m) which is recoverable from insurance companies and a receivable is included within other receivables in note 11.

Legal and other provisions relate to estimated exposures for cases filed or thought highly likely to be filed for incidents that occurred prior to the balance sheet date. It is anticipated that most of these items will be settled within ten years. Also included are provisions in respect of costs anticipated on the exit of surplus properties which are expected to be settled over the remaining terms of the respective leases and dilapidation, other provisions in respect of contractual obligations under rail franchises and restructuring costs. The dilapidation provisions are expected to be settled at the end of the respective franchise.

19 Called up share capital

	Number of shares million	£m
Allotted, called up and fully paid (ordinary shares of 5p each)		
Balance as at 26 March 2023	750.6	37.5
SAYE/BAYE exercises	0.1	–
Balance as at 30 March 2024 (ordinary shares of 5p each)	**750.7**	**37.5**

The Company has one class of ordinary shares which carries no right to fixed income.

On 16 December 2022, the Company announced a share buyback programme to purchase up to £75m of ordinary shares. This programme completed on 3 August 2023 having repurchased 63,868,786 shares for a total consideration of £75.5m including transaction costs.

On 8 June 2023, the Company announced a share buyback programme to purchase up to £115m of ordinary shares. At 30 March 2024, the Company had repurchased 46,854,557 shares for a total consideration of £74.7m, including transaction costs. As at 30 March 2024, a total of £115.8m has been deducted from retained earnings in respect of the shares already repurchased, directly associated transaction costs, and the remaining commitment to purchase up to £115m of ordinary shares.

During the year, 0.1m shares were issued to satisfy principally SAYE and BAYE exercises.

20 Acquisition of businesses and subsidiary undertakings

	2024 £m	2023 £m
Provisional fair value of net assets acquired:		
Property, plant and equipment	**3.2**	28.3
Current assets	**2.5**	11.8
Other liabilities	**(1.5)**	(8.0)
	4.2	32.1
Goodwill	**11.3**	6.1
Satisfied by cash paid and payable	**15.5**	38.2

Acquisitions in 53 weeks to 30 March 2024

On 23 February 2024, the Group completed the acquisition of York Pullman Bus Company Ltd, which operates five coach services brands providing home-to-school and college contracted services, private hire operations including rail replacement services, and a small number of local bus routes on behalf of several local authorities.

The total consideration of £15.5m represents £15.0m paid during the period and £0.5m to be paid in future periods. This includes cash acquired of £1.5m included in current assets.

The business acquired during the year contributed £1.2m to Group revenue from continuing operations and £0.3m profit to Group operating profit from continuing operations from the date of acquisition.

If the acquisition of the business had been completed on the first day of the financial year, revenue from the acquisition for the year would have been £11.2m and operating profit from the acquisition would have been £2.8m.

21 Net cash from operating activities

	2024 £m	2023 £m
Operating profit from:		
Continuing operations	**46.5**	153.9
Discontinued operations	**(5.3)**	31.3
Total operations	**41.2**	185.2
Adjustments for:		
Depreciation charges	**589.7**	721.9
Capital grant amortisation	**(48.7)**	(129.1)
Software amortisation charges	**3.4**	8.6
Loss on disposal of subsidiaries and businesses	**–**	3.7
Impairment	**3.8**	13.6
Reversal of impairment	**–**	(4.3)
Share-based payments	**15.6**	6.4
Profit on disposal of property, plant and equipment	**(5.7)**	(71.7)
Operating cash flows before working capital and pensions	**599.3**	734.3
Decrease in inventories	**0.1**	2.9
Decrease/(increase) in receivables	**(3.1)**	(159.4)
(Decrease)/increase in payables due within one year	**(103.1)**	53.8
Decrease in financial assets	**23.7**	–
Decrease in contingent consideration receivable	**–**	33.8
(Decrease)/increase in provisions due within one year	**(12.4)**	(31.8)
(Decrease)/increase in provisions due over one year	**(15.5)**	(1.2)
Settlement of foreign exchange hedge	**(1.1)**	(1.2)
Local Government Pension Scheme refund	**23.1**	11.8
Defined benefit pension payments lower than/(greater than) income statement charge	**115.6**	1.8
Cash generated by operations	**626.6**	644.8
Tax paid	**(2.2)**	(1.0)
Interest paid[1]	**(81.1)**	(70.0)
Net cash from operating activities[2]	**543.3**	573.8

1 Interest paid includes £62.1m relating to lease liabilities (2023: £50.6m).

2 Net cash from operating activities is stated after an inflow of £5.1m (2023: inflow of £35.1m) in relation to financial derivative settlements.