

# Directors' Report

The Directors present their report, together with the audited accounts in relation to the Group activities for the year ended 31 March 2021.

In accordance with s414c of the Companies Act 2006, certain matters that would otherwise be required in the Directors Report is included in the Strategic Report or elsewhere in this document as indicated in the table below and is incorporated into this report by reference.

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## Financial Results and Dividend

The Group's financial results, risk management objectives and policies are discussed in the Finance Review on pages 24 to 27 and within note 27. The Directors have recommended a final ordinary dividend of 3.40 pence per share (2020: nil pence per share) amounting to £6.7 million (2020: £nil). If approved by shareholders at the Annual General Meeting (AGM), the final dividend will be paid on 3 August 2021 to ordinary shareholders whose names were on the Register of Members on 25 June 2021. A Dividend Reinvestment Plan (DRIP) will be offered, allowing eligible shareholders to reinvest their dividends into GBG shares. Further information regarding the DRIP is set out on page 26.

## Substantial Shareholders

In accordance with the Disclosure and Transparency Rules, we have been notified of the following interests in the ordinary share capital, representing 3% or more of our issued share capital. Details of substantial shareholders is regularly published and updated on our website. The position as at 31 March 2021 is detailed below:

Substantial Shareholder	No. of Shares Owned at 31 March 2020	Percentage of Shares Owned at 31 March 2021
Aegon Asset Management UK	12,652,839	6.45%
Octopus Investments	12,446,881	6.34%
Capital Group	10,893,800	5.55%
Aberdeen Standard Investments	7,905,221	4.03%
Swedbank Robur	7,842,380	4.00%
Kabouter Management	7,642,510	3.89%

Substantial Shareholder	No. of Shares Owned at 31 March 2020	Percentage of Shares Owned at 31 March 2021
BlackRock	7,443,079	3.79%
Liontrust Sustainable Investments	7,134,025	3.63%
AXA Framlington Investment Managers	6,899,678	3.51%

Since 31 March 2021 to the date of release of this Annual Report and Accounts, we have not received any notifications from our shareholders in accordance with the Disclosure and Transparency Rules

## Additional Information for Shareholders

The following provides the additional information required for shareholders as a result of the implementation of the Takeovers Directive into UK law.

## Share Capital Structure

At 31 March 2021, the Group's issued share capital comprised:

	No.	£'000	% of Total Share Capital
Ordinary shares of 2.5p each	196,303,554	4,908	100%

## Restrictions on transfers

We are not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and for voting rights.

## Ordinary shares

On a show of hands at a General Meeting of the Group, every holder of ordinary shares present in person and entitled to vote shall have one vote and on a poll, every member present in person or by proxy and entitled to vote shall have one vote for every ordinary share held. The notice of the General Meeting specifies deadlines for exercising voting rights either by proxy notice or present in person or by proxy in relation to resolutions to be passed at the General Meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the AGM and the results are released as an announcement after the meeting.

There are no restrictions on the transfer of ordinary shares in the Company other than:

- Certain restrictions may from time to time be imposed by laws and regulations (for example, insider trading laws and market requirements relating to close periods)
- Pursuant to the internal policies of the Company whereby certain employees team members of the Company require the approval of the Company to deal in the Company's securities

## Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a General Meeting of the shareholders. This year the Company are not recommending any changes.

## Directors and their interests

The names and brief biographical details of each Director as at the date of this report are set out on page 58.

The Directors who have served during the year ended 31 March 2021 and details of their interests in the share capital and share options are set out in the Report on Directors' Remuneration on pages 88 to 89.

# Directors' Report continued

Directors are reappointed by ordinary resolution at a General Meeting of the shareholders. The Board can appoint a director but anyone so appointed must be reappointed by an ordinary resolution at the next General Meeting. In accordance with the Articles of Association, David Ward, who is expected to be appointed to the Board on 1 July 2021, will, being eligible, stand for election at the next AGM.

Directors who have held office for more than three years since their last appointment are eligible for re-election by rotation at the next AGM. In accordance with the Articles of Association, Liz Catchpole having been appointed in 2018 will be retiring by rotation and seeking reappointment by the Group's shareholders.

Any Non-Executive Director considered by the Board to be independent who has served on the Board for at least nine years or more will be subject to annual re-election. In 2021 this applies to David Rasche and he will be seeking re-election at this year's AGM.

The Directors confirm that, having conducted the board performance evaluation process Liz Catchpole and David Rasche continue to contribute effectively and demonstrate commitment to their roles. In addition, the Board has considered David Rasche's length of service and is confident that he remains independent in both character and judgement. Details of their notice periods and service agreements are detailed in the Report on Directors' Remuneration on page 85.

## Directors' liabilities

The Directors have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provisions remain in force at the date of approving this Directors' Report.

## Workforce policies and employment engagement

We continue to involve our team members in the future development of the business. Information is provided to team members through virtual briefing sessions, our website and intranet 'be/connected,' which is continually updated. How we engage our team members and have due regard to their interests in considering principal decisions taken during the year are demonstrated in the s172 statement on page 99.

We are committed to the investment in our team at all levels to ensure a culture of continuous improvement. In order to attract and retain a high calibre of team members we provide various benefit packages including share options schemes in order to align team members' interests with the long-term strategic objectives of the Group. We are committed to our equality and diversity policies and seek regular feedback and engagement from our work force. Further information regarding our work policies and engagement can be found on page 51 of the ESG Statement. Information regarding GBG's activities to promote diversity is contained within the Nomination Committee report on page 93.

## Change of control

Within the Group's revolving credit facility, the lender has the right to demand immediate payment of any outstanding balances upon a change of control of the Group following a takeover bid.

The Group does have an agreement with a data supplier which, if the Group were acquired by a competitor of that data supplier, would allow it to terminate its agreement with the Group. The data supplier would however, continue to be bound to service arrangements with the Group's customers' existing on the date of termination.

Upon a change of control, share options may be exercised within six months of the time when the change of control takes effect and any subsequent conditions at the offer process have been satisfied.

There are no agreements between the Group and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

## Proposed resolutions for the Annual General Meeting

Details of business to be conducted at this year's AGM to be held on 29 July 2021, are contained in the Notice of the Annual General Meeting which will be communicated to shareholders separately. It is the opinion of the Directors that the passing of these resolutions are in the best interest of the shareholders.

## Financial

The Group's financial risk management objectives and policies are discussed in the Finance Review on pages 24 to 27 and within note 27.

## Research and development

Research and development activities continue to be a high priority with the development of new products and maintaining the technological excellence of existing products. During the year ended 31 March 2021, approximately 34% (2020: 38%) of our employees were employed in research and development activities. This figure is lower than previous years due to GBG's growth which has brought the overall figure down.

## Auditor

A resolution proposing the re-appointment of Ernst & Young LLP as auditor to the Group will be put to the shareholders at the AGM.

## Directors' statement as to disclosure of information to auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 58 to 61. Having made enquiries of fellow Directors and of the Group's auditor, each Director confirms that:

- To the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditor are unaware
- They have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor are aware of that information

## Environment

Last year we calculated direct emissions from combustion of fuel (diesel and petrol) and operations of facilities, as 494 tonnes of CO<sub>2</sub> (2,006,498 KWH). This year, in the UK, we have increased the accuracy of our emissions data with the Streamlined Energy and Carbon Reporting (SECR) regulations. The data included this year covers greenhouse gas emissions and energy use data for the period 1 April 2020 to 31 March 2021 and will be used for future comparison. The data covers energy usage across all UK entities in the Group. Energy usage from subsidiaries outside of the UK are outside the scope of this report and therefore excluded from the figures below.

UK energy use	FY 2021
Energy consumption used to calculate emissions (kWh)	571,221
Energy consumption break down (kWh):	
Natural Gas	76,716
Electricity	434,073
Reimbursed Mileage	60,432
Consumption in metric tonnes CO <sub>2</sub> e	
UK energy use	FY 2021
Natural Gas (scope 1)	14.11
Purchased Electricity (scope 2)	101.20
Reimbursed fuel and electricity (scope 3)	23.69
Total gross emissions in metric tonnes CO <sub>2</sub> e	139.00
Intensity ratio in tonnes CO <sub>2</sub> e per UK employee (FTE)	0.27

# Directors' Report continued

## Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

## Intensity measurement

The chosen intensity measurement ratio is total gross emissions in tCO<sub>2</sub>e/FTE

## Measures taken to improve energy efficiency

GBG continues to strive for energy and carbon reduction arising from their activities, however during this financial reporting period no principal energy efficiency actions were undertaken.

## Section 172 statement

Our s172 statement can be found on pages 99 to 103.

## Going concern

The Group's business activities, together with the factors likely to affect our future development, performance and position are set out in the Chief Executive's Review on pages 20 to 23. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review in pages 24 to 27.

In light of the unique and wide-ranging impact of the Covid-19 outbreak, the Group has carried out a diligent going concern analysis. Full details of this analysis are set out in note 2.2 to the Annual Report.

Following consideration of the budget, downside and stress test scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence beyond the assessment period which covers through to 30 September 2022. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

By Order of the Board

**Annabelle Burton**

Company Secretary

14 June 2021