Accelerating change

Speedy Hire Plc
Annual Report and Accounts **2015**

Speedy provides innovative products, solutions and services to a changing market.

Speedy is the UK's leading tools, equipment and plant services company operating across the construction, infrastructure and industrial markets. Our growth strategy is simple: focusing on enhancing our reputation for safety and sustainability; becoming the most efficient at everything we do; delivering service excellence to our customers; and recruiting and retaining the best people through becoming an employer of choice. To maintain our leading position we aim to think like our customers to anticipate their needs, ensure that we deliver the highest quality products, solutions and services, and lead the innovation agenda in our market space.

Delivering our strategy

In this report we highlight our achievements in FY2015 using the following five strategic identifiers:

1. Safety and sustainability
2. Growth
3. Efficiency
4. Service excellence
5. People

For more information
see page **12**

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Speedy at a glance

A business of scale and national presence

Our vision
To be the leading provider of tools, equipment, plant and complementary support services to our customers.

Our spirit
The values which reflect our spirit are:
> As one
> Safe
> Innovative
> Driven

In order for us to provide our customers with unrivalled service, we recognise the need to engage and support all our employees to ensure that they have the necessary skills to do what is being asked of them.

Our people share our vision and our spirit.

Key figures

Revenue
£375m

Hire assets
£212.3m

Employees
c.3,800

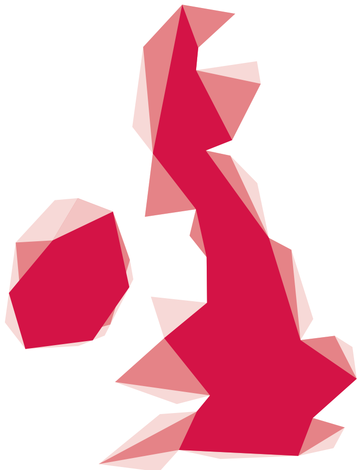
Customers
50,000+

Trading locations
220+

Equipment availability
24/7

1,100+ vehicles

Largest asset breadth and depth in the industry (£212.3m Net Book Value)



Largest hire company in the UK and Ireland

Unique value proposition – products, specialist solutions and services

Full listing on the London Stock Exchange

Sustainable profit growth agenda

In February 2014, we set out a three-point turnaround plan: to fix the business, improve operational performance, and transform the Company over the medium term with the aim of delivering sustainable profit growth.

Fix

- Middle East
- Sales & Marketing
- Network optimisation
- IT & MI system
- Culture

Improve

- Core hire growth
- Asset utilisation
- Cost base

Transform

- Broader services
- Express network
- Core hire versus rehire

To do: Transform

Ongoing: Improve

Completed: Fix

Sustainable profit growth

Chairman's statement

Transforming our business, shaping our future

Jan Åstrand
Non-Executive Chairman

Overview

I am delighted to report on a year of significant progress at Speedy.

Shortly after he was appointed CEO, Mark Rogerson set out a clear three-point 'FIT' plan to return the Group to health and build sustainable profit growth. Despite some very challenging historical issues, Mark and his leadership team have made significant progress.

It is particularly pleasing that despite the many challenges the Company has had to face, particularly with regard to the Middle East, we have reported a 50% increase in PBT[1]. Underpinned by a further good performance in the UK & Ireland, Group revenues[1] increased by 7.2% to £375 million (2014: £349.7 million) and Group EBITA[2] increased by 19.5% to £26.4 million (2014: £22.1 million). Earnings per share[1] increased by 57.6% to 3.23 pence (2014: 2.05 pence). As at 31 March 2015, net debt was £105.3 million giving a net debt to EBITDA[1] ratio of 1.45x (2014: 1.23x).

PBT[1] increased by 50%, but was significantly affected by the losses in our International Division. We are therefore pleased to have exited fully from the general and spot hire market in the Middle East ahead of our 2016 deadline and are in discussions regarding the disposal of our oil and gas services operations which have returned to a break even position in March 2015. This is a very significant achievement. After de-risking the Middle East, completing the upgrade to the backbone of our network and having embedded our new IT and MI system, we are now in a position to concentrate our resources on the UK where we enjoy a market leading position and where there is considerable scope for sustainable profit growth. We will now increase our efforts to deliver further improvements in asset utilisation and cost management as well as professionalising the sales and marketing activities; all of which will contribute to an improvement in profits and ROCE.

On 18 September 2014 we announced the re-financing of the Group and secured a new £180 million five-year asset-based revolving facility at an improved margin and with agreements in place to support additional funding, if required. Alongside our focus on cash generation, the new facility will provide us with the flexibility to support our strategy for sustainable profit growth.

1 Excluding exceptional items and amortisation.

2 Excluding exceptional items, amortisation and International.

"It is particularly pleasing that despite the many challenges the Company has had to face, particularly with regard to the Middle East, we have reported a 50% increase in PBT."

Dividend

Our improved performance this year, and confidence in the future prospects for the Group, has resulted in the Board recommending a final dividend of 0.40 pence per share (2014: 0.35 pence). If approved at the forthcoming Annual General Meeting the total dividend for the year would be 0.70 pence per share (2014: 0.61 pence).

Board and people

I was appointed Chairman on 11 November 2014 following Ishbel Macpherson's decision to step down from the Board on the same date. Russell Down joined the Board as Group Finance Director on 6 April 2015 succeeding Lynn Krige who stepped down from the Board on 16 October 2014. Michael Averill, a non-executive Director since 1 May 2008, stepped down from the Board with effect from 26 February 2015. Dr Chris Masters, who was appointed a Non-Executive Director on 13 July 2011, succeeded Michael as Senior Independent Director and Chairman of the Remuneration Committee, also with effect from 26 February 2015. I would like to thank all our people for their professionalism, commitment and dedication over the past year. These have been challenging times and there is still a great deal to do but, thanks to some outstanding contributions and no little personal sacrifice, we can all look forward to a successful future for Speedy.

Outlook

In the UK we have a market leading position and see major opportunities ahead. Our initiatives to harness these opportunities are already well underway. We are, once again, in a position to deliver sustainable profit growth and our confidence for the future is underpinned by an increase in the recommended final dividend. I look forward to reporting on further progress.

Jan Åstrand
Non-Executive Chairman

Chief Executive Officer's review

Focus on leadership and effectiveness

Mark Rogerson MBE
Chief Executive Officer

Overview

Speedy has achieved a great deal this year, especially given that a number of legacy issues have been much more challenging than originally expected. To have delivered a result ahead of market expectations is a good achievement.

Following my appointment in January 2014, I set out a three-point turnaround plan: to fix the business, improve operational performance, and transform the company over the medium-term with the aim of delivering sustainable profit growth.

Fixing the business meant principally addressing five key issues: stabilising the Middle East; returning the Group to growth; expediting the delivery of our Network Optimisation Programme; delivering a new IT and MI system; and developing a new cultural environment where safety, governance and compliance, service, and employee conduct and ethics are our priority:

- we are pleased to have fully exited the general hire market in the Middle East and to have not only achieved a break even position in the Oil & Gas Services Business, but to have also built enterprise value.
- in the UK and Ireland we recorded increases in Revenue and EBITA before exceptional costs of 7.1% and 14.4% respectively. We secured a significant number of new contracts during the period and revenues from the Group's Strategic and Major accounts (generating some 51% of total revenues) rose by 18%.
- we have delivered the planned improvements to our UK network ahead of the scheduled timeline, successfully implemented a new IT system, and have made significant progress in establishing a new culture across the business.

These achievements are a great credit not only to the wider management team but to all our people throughout the business who have frequently had to operate under stretching and challenging conditions.

We have now commenced the journey to improve our business further targeting three specific areas in the short-term: growing our core hire revenue; optimising our assets; and creating cost efficiencies.

Looking to the future, we have identified three areas to focus on within our transformation agenda: broadening our service offering to our largest customers; reinventing the Express network; and meeting customer demand through more demand led CapEx allocation and targeted growth.

"I am wholly convinced about the significant potential of Speedy, not only to be the market leader in our industry, but also to build shareholder value."

Major progress in delivering our three-point 'FIT' turnaround plan

Fixing the business

Middle East

We announced last November the completion of our review of the Middle East operations with a view to further de-risking the business and stemming losses. It was clear that the continued under-performance was the result of a legacy cost base, weak demand for general and spot hire, and a business model unsuited to its marketplace. Conversely, we identified good value in our Oil & Gas Services Business, which had the potential to deliver strong revenue growth from long-term contracts. We have executed a restructuring of this business under very difficult conditions ahead of the targeted completion date of end Q1 FY2016:

- we have exited the general and spot hire market in the Middle East, and have sold, disposed of, or returned to the UK some circa 4,500 assets. We have sold our Oman business and closed our Egypt and Qatar offices; and
- we have completed the mobilisation of our largest Oil & Gas Services contracts and exploited opportunities from recently signed contracts to build value. We have now de-risked the Middle East business from both the loss perspective and also from the fact we have reduced the NBV of assets by some £20m and created a much simpler and easier to manage business. As previously announced, we are progressing a process with a third party relating to the disposal of this business.

Growth through customer focus

We have appointed a new Group Sales and Marketing Director and restructured the sales teams to provide clear ownership of our Strategic and Major customers who collectively account for 51% of our revenues. At the same time we have implemented a simplified and geographically aligned regional sales structure, and have re-defined our value proposition within our target market segments. This has contributed to an increased bid and tender win rate, and we are starting FY2016 with a number of new contracts at either award or preferred bidder status.

Our Strategic and Major customers are increasingly looking to us to provide a broader range of operational support services and solutions. The provision of such services, alongside the hire and sale of plant and equipment is already a major differentiator between us and our peer group. We are developing this range of value-added, complementary services, such as on-site training, asset management and testing, repair, inspection and maintenance.

We have also continued a number of initiatives including our 'Own City' campaigns, which have driven revenue performance in key cities primarily through meeting the demand from the major projects of our Strategic and Major customers. However, it is evident that Speedy's previous strategy of moving away from the local markets comprising 50,000+ Regional/Local customers (whist retaining the infrastructure and cost base to support this market) needs to be addressed. We are now starting to re-engage with this customer base through targeted marketing campaigns. However, this is no small task. Although it will take time to reverse the decrease we have seen in market share, this does represent a significant opportunity for the future.

Network Optimisation Programme

The programme to reconfigure the backbone of the Group's national network and logistics capabilities into an integrated distribution model was fully overhauled during the year. We have incorporated a new 'National Distribution Centre' (NDC) into the programme and re-profiled our Multi Service Centre (MSC) footprint, enabling us to accelerate and deliver the programme well ahead of the original schedule. This was absolutely essential to provide much needed improvements in our Engineering function, to enable us to begin to operate in a modern, cost-effective manner and drive cost benefits.

Our new NDC located in Tamworth will serve as the central hub for overnight distribution to our UK Multi Service Centres. This will ensure that the right products are distributed on time to our network of Superstores and Express Stores, while at the same time achieving greater efficiencies by closely aligning our fleet capability with the national network so that we can deliver our products to our customers faster and at lower cost.

During the year we opened five new Multi Service Centres and seven new Superstores, the end result being a much improved network comprising of a new National Distribution Centre, eight supporting Multi Service Centres and 38 Superstores which now form the backbone of our operational network. Those who have seen first-hand the work we have completed here will have witnessed a very real transformation in our business. To have executed this redesigned programme within 12 months has been an exceptional achievement and a great credit to everybody involved.

IT & Management Information System

Our IT system had not been upgraded for nine years, and establishing a much improved IT system was an urgent and long overdue priority. We have had to overcome some very significant operational and management issues. However, we now have in place a new system which is providing us with much greater levels of transparency and granularity of data

Chief Executive Officer's review

around our assets, as well as giving us a platform for future development of more efficient customer processes. In addition, the new system has significantly enhanced our data analytics and reporting capabilities.

Culture

We have spent a significant amount of time this year on a programme to focus on four key cultural aspects of the business namely: ensuring we keep our people and our customers safe; behaving in an ethical way; putting our customers at the heart of everything we do; and attracting, retaining and engaging good people with strong business ethics. We have all worked tirelessly in these areas this year, and I am proud of the results.

> Safety

During the year we have made transformational progress in our safety journey. We launched an inaugural Annual Leadership Safety Day, mobilising all of our leaders to visit sites across the country, and embarked on a new behavioural safety training programme. We have also launched safety awareness campaigns with our customers and have won multiple awards for the safety of our fleet.

> Governance and compliance

In light of the well-documented issues in the Middle East, we have addressed a number of key business risks and have re-established controls through a much improved management system that now clearly defines policies, processes and procedures. To reinforce the importance of business ethics, we created a new, comprehensive Code of Business Ethics booklet. This was posted to each of our 3,800 employees' homes and as a wider leadership team, we have been cascading and socialising the importance of this message across the business.

> Service excellence

One of our major strategic themes has been the delivery of service excellence to our customers. We have implemented a number of strategic changes to our back office customer support functions, including a re-invigoration of the Speedy Direct sales support function, and introduced new operational support structures for our Strategic accounts. During the year we were awarded the Babcock Supply Chain Excellence Award and the J Murphy & Sons Innovation Award.

> People

An important task this year has been re-engaging and re-energising our people to get the best from our exceptionally talented and committed workforce. We have implemented a robust programme of multi-media employee communications, which have had a noticeably positive effect on morale.

We have also aimed to attract additional top talent. Our leadership team has been bolstered with a host of new people from diverse backgrounds this year including: BAE, Hyder Consulting, SCAPA, Manchester Airport Group and Hilti. In addition, we have successfully retained the best people, promoting where appropriate to strengthen the wider leadership team. A positive trend which is emerging is the number of ex-Speedy employees who are approaching us to re-join the Company.

Improving operational performance

Speedy today has a customer base of 50,000+ customers, a 1,100-strong fleet, a national network comprising more than 220 stores, a Net Book Value of £212m of hire equipment and 3,800 people. Our task now is to complement this scale by focusing on three things over the course of the next financial year which will drive significant operational performance improvement, namely: grow our core hire revenue; optimise our asset management; and drive cost efficiencies.

Grow core hire

Our growth strategy must be market led and everything must begin with the customer. We have been extremely successful in building long-term relationships with our Strategic and Major clients which now give us much greater visibility of their business needs and equipment demand. We will continue to build on these relationships and target our CapEx accordingly to meet the demand from this customer segment. However, the Regional customer base is becoming an increasingly competitive arena, particularly in London and the South East, but it is clear from Customer Engagement Surveys that there is a continued strong demand for our services. Our focus is now on improving customer attraction and retention through:

- building new Sales channels including an enhanced telesales capability and a series of Marketing-led customer focused campaigns that demonstrate the breadth of our innovative and safe product range;
- pricing to reflect market conditions;
- introducing an improved commercial governance process enabling us to generate and secure a pipeline of quality opportunities; and
- improving Sales productivity and performance management through better sales training and a market leading reward scheme.

Asset optimisation

Having put in place a strong backbone to our property network and a new IT infrastructure, the priority now is to optimise the breadth and depth, depot stocking levels and availability of equipment to drive asset utilisation up and costs down, whilst improving customer fulfilment.

"We have delivered a good result despite having had to address a number of major issues over the past 12 months. We have successfully executed and completed a number of key programmes."

> **Asset breadth and depth**

Speedy has an asset base which has been 20 years in the making. The net result is that, in some areas, it is less than optimal in the current marketplace. Using sophisticated analytical tools, we have identified the optimum number of product lines, but more importantly the stock levels we need within each SKU.

> **Asset holdings**

We are in the process of significantly improving our asset holding strategy. The top 50 or so most utilised products will now be stocked in each of our Express stores, the next 350 most utilised products in our Superstores and the next 650 in the regional MSCs, with our remaining products being held at the National Distribution Centre. This will help to ensure that we spend less time trying to find products in our network; the aim being to never having to say no to a customer.

> **Asset availability**

The new NDC and MSC structure in our network will also enable us to improve our engineering capabilities by consolidating our asset servicing. This will enable us to improve our processes to ensure that our asset flow and economies improve availability through the deployment of lean and consolidated engineering processes.

Drive cost efficiencies

As we continue to refine our network, IT system, processes and asset strategy, visibility of opportunities to improve operating costs is now starting to emerge and we can begin a much more scientific and focused approach to cost improvement. Specifically: Engineering Productivity (where we are developing lean processes that will enable increased productivity by turning our assets through the Test and Repair functions); Logistics (where we are dovetailing our asset holding strategy into our logistics efficiency programme); and Corporate overheads (where we have a continual commitment to reviewing our residual cost base and maximising productivity).

Transforming the Company

Having successfully addressed the 'Fix' issues and with traction being made on our initiatives to improve operational efficiency, we have begun turning our attention to transforming the business over the medium-term to achieve long-term sustainable profit growth.

The total UK rental market is estimated to be worth c.£6bn per year. With pre-exceptional revenues of £375m, Speedy is the largest player and is well known as the market leader, covering the broadest range of customers, services and assets. The market is expected to continue to grow in coming years with market commentators having predicted a c.3% growth p.a. between 2015 and 2017. In order to build on our market leading position, and the opportunity that the market presents us, we have identified three key areas for development:

> **Organic growth**

Strategic and Major customer demand gives us good visibility of product demand and, as such, we can identify shortfalls in our core hire holdings. This will enable us to make more informed CapEx decisions to ensure we are buying more of the right equipment which will drive up core hire utilisation and rebalance our mix of direct and rehire.

> **Reinventing our Express Network**

We have 50,000+ Regional/Local customers who account for 49% of our revenues, and who represent a potentially significant prize. We are now re-evaluating the use of our 150+ strong Express Store network to enable us to provide a much more convenient and relevant service to these customers.

> **Broader services**

Our market-leading position with our Strategic and Major customers gives us significant opportunities to provide a broader range of non-hire services. We are seeing an increasing demand resulting from this customer base requiring fewer suppliers in their supply chains to provide a broader range of services. For us this includes, but will not be limited to training, fuel management, logistics, property sharing, security, welfare support and health and safety support.

Outlook

We have delivered a good result despite having had to address a number of major issues over the past 12 months. We have successfully executed and completed a number of key programmes and have started making good progress on a number of improvement initiatives.

The UK is investing in a major infrastructure regeneration programme on an unprecedented scale and our customers are demanding a broader range of services and products from their suppliers. Meanwhile we have identified a major opportunity in re-connecting with our 50,000+ Regional/Local customer base.

We have an increasingly strong platform to build on, we have a strong brand and a leading market position and we are now well placed to deliver sustainable profit growth over the medium and long-term.

Mark Rogerson MBE
Chief Executive Officer

Key performance indicators

Measuring progress against our strategy

Financial KPIs

KPI	Why this KPI is important to our strategy	How we have done	FY2015 performance		
			FY15	FY14	FY13
Revenue[1] £m 2	A measure of the work we are undertaking.	£375M	375.0	349.7	340.0
EBITA[1] £m 2 3	A measure of the profit we generate from our revenue.	£26.4M	26.4	22.1	22.9
EBITA[1] margin % 2 3	Highlights how successful Speedy is in maximising its return from the revenue generated.	7.0%	7.0	6.3	6.7
EBITDA[1] £m 2 3	A measure of operating return before depreciation.	£72.7M	72.7	68.7	72.0
EBITDA[1] margin % 2 3	Highlights value generated either through operational efficiency or the quality of the revenue.	19.4%	19.4	19.6	21.1
Return on capital employed[2] % 2 3	A measure of how well Speedy is delivering a return from the capital invested.	8.0%	8.0	7.0	7.5
Net debt to EBITDA[1] 3	A measure of how leveraged the balance sheet is.	1.5X	1.5x	1.2x	1.0x
Net debt to hire fleet 3	As Speedy invests in its hire fleet, this assesses the appropriateness of the Group's capital structure.	0.42X	0.42x	0.37x	0.34x

1 Before exceptional items.

2 The calculation used is EBITA divided by the average of our opening and closing capital employed (where capital employed equals shareholders' funds plus net debt).

3 Before exceptional items and amortisation.

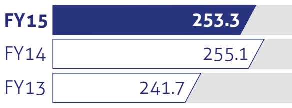
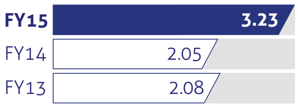
We measure our progress through KPIs that are closely aligned with our strategy.

Delivering our strategy

1 Safety and sustainability
2 Growth
3 Efficiency
4 Service excellence
5 People

For more information see page **12**

Financial KPIs

KPI	Why this KPI is important to our strategy	How we have done	FY2015 performance
NBV of property, plant and equipment £m 2	As our assets are our core revenue generator, this effectively measures the scale of investment to support revenue.	£253.3M	
Earnings per share[3] 2 3	A measure of the return generated for each holder of our ordinary shares.	3.23 PENCE	

Non-financial KPIs

KPI	Why this KPI is important to our strategy	FY2015 target	How we have done	Achieved?
Keeping people safe 1 5	We recognise that we and our customers work in some of the UK's most dangerous industry sectors and therefore we have a responsibility towards keeping people safe.	0.1 accidents per 100,000 hours worked	In FY2015 we achieved 0.07	✓
Influencing our people 5	We must ensure that skills and experience are retained within the business and that we attract new employees, providing the workforce of the future.	Achieve Best Companies accreditation	Accreditation achieved, being ranked as One to Watch	✓
Impact on climate change – CO_2e per capita 3 4	We must play our part in the low-carbon economy, create efficiencies within our business and be a responsible business to invest in, work for and do business with.	7.5 tonnes per capita	In FY2015 we achieved 7.05 tonnes per capita	✓

Our business model and strategy

Our business model

Focus on our customers...

Strategic customers
Our ten largest customers by revenue, who utilise an integrated range of products, solutions and services.

Major customers
Our next largest 150 national customers, many of whom utilise a broad range of products and solutions across diverse sectors.

Regional and Local customers
Our largest customer base by number, comprising businesses ranging from regional contractors and SMEs to sole traders, often working in construction-related trades and industries all of whom utilise our core product range.

...with a compelling product, solution and service mix

Essential products
Tool and equipment rental.

Specialist solutions
Consultancy and technical delivery of solutions in Power, Plant, Rail, Lifting and Survey.

Support services
Services that complement our products and solutions, including product testing, repair, inspection, maintenance, fuel management, training and our Partnered Services provision.

Customer
Making sure that we are always thinking like our customers and anticipating their needs to deliver the right mix of products, solutions and services.

Quality
A focus on quality, not only with regard to the products we deliver, but also in the way we service our customers from end to end.

Innovation
Leading the market in delivering innovation, from the products we develop with our supply chain, to the processes that make it easy for our customers to do business with us.

Our business model focuses on five key drivers: safety and sustainability; growth; efficiency; service excellence; and people. It blends the products, solutions and services we provide to our Strategic, Major and Regional and Local customers with our focus on thinking like our customers, bringing quality to everything we do and leading the innovation agenda in our market space.

How we engineer progress – our strategy for growth

1 Leading the industry in safety and sustainability

For more information
see page **14**

2 Being a growth engine

For more information
see page **16**

3 Being the most efficient at everything we do

For more information
see page **18**

4 Being preferred by our customers

For more information
see page **20**

5 Becoming an employer of choice

For more information
see page **22**

All of this happens in our chosen markets

Construction
Working with central Government departments, local authorities and private businesses to support general commercial construction, along with both new build and housing stock repair and maintenance.

Infrastructure
Providing products and services to growing sectors including energy, transport (rail, highways, ports and airports) and utilities (water and waste).

Industrial
Supporting manufacturing, specifically fast-moving consumer goods, technology, mining, and the oil and gas industry (both on and off shore).

How we have done it

1

Leading the industry in safety and sustainability

Steve Giblin
Group HSSE Director

Safety and sustainability is at the heart of everything we do – it is part of our DNA. It is fundamental to our business and we aim to lead the industry in our approach.

Major Accident Frequency Rate (MAFR)
per 100,000 hours worked

0.07
2014: 0.08

RIDDOR Accidents
per 100,000 hours worked

0.18
2014: 0.39

Awards and accreditations

Speedy is proud to be an active member of the major industry accreditation schemes and is committed to working with them to drive forward the standards of best practice. Current accreditations include ISO 9001 for Quality Management, ISO 14001 for Environmental Management and OHSAS 18001 for Health & Safety Management through Intertek Certification Ltd.

Speedy is also accredited to Achilles Building Confidence with a 5-star rating for the third year running. Building Confidence is an online registration and accreditation standard used by 17 buyer organisations and over 1,500 suppliers in the UK construction sector. We have also recently attained a 5-star rating for our Achilles RISQS accreditation (formerly Link-up). This demonstrates that Speedy has not received any non-conformances for two years through this scheme. We are renowned within the industry for our safety credentials, and in FY2015 have won multiple awards for the safety of our fleet.

Speedy is proud to be an active member of the major industry accreditation schemes

Our approach

The nature of Speedy's operations is such that employees are regularly exposed to hazards on customer sites and in the workplace. Speedy aims to manage these hazards and thereby minimise risks to employees and our customers through the deployment of a robust safety management system which includes appropriate policies and procedures. We are therefore pleased to report that after announcing in last year's Annual Report a Major Accident Frequency Rate (MAFR) of 0.08, we can report a further reduction to 0.07 per 100,000 hours worked. The reported number of accidents leading to lost time has also shown a decrease – our target for FY2015 for RIDDOR accidents (those reported to the Health and Safety Executive) was 0.5 (per 100,000 hours worked) and we are pleased to announce we significantly bettered this with a rate of 0.18. In Q4 we went an entire quarter without a RIDDOR accident, which is testament to the work we have done.

This is a notable achievement, but we also recognise that as the number gets lower it becomes much harder to beat each year. As a result, we have instigated a number of improvements. Although regrettable and not acceptable, accidents represent learning opportunities, so accurate reporting is an essential part of building a robust safety management system. A number of specific actions have been taken to encourage the reporting of incidents, including the introduction in FY2015 of a new common near-miss/unsafe condition reporting system at every operational site.

Safety from the top

A number of our senior leaders embarked upon formal behavioural science training in the final quarter of FY2015, which is the first phase of behavioural safety training in Speedy and a key component in our journey to further reduce our HSSE risk. Following this we are developing in-house Speedy behavioural safety training with our own brand called 'Speedy Intelligent Safety'. We believe that by leading the sector and developing cutting edge training solutions, this can be positively shared with customers and suppliers.

In February 2015 Speedy conducted a Leadership Intervention Day where nearly 100 of our senior leaders visited over 200 locations across the UK and conducted workplace inspections in conjunction with employee engagement activities, enabling our employees at all levels to feed back their views on safety and the conditions of the facilities in which they work.

Sustainability

Sustainability is just as important to Speedy, and we cover the work we have done on this during the year in our Sustainability section on pages 26 and 27.

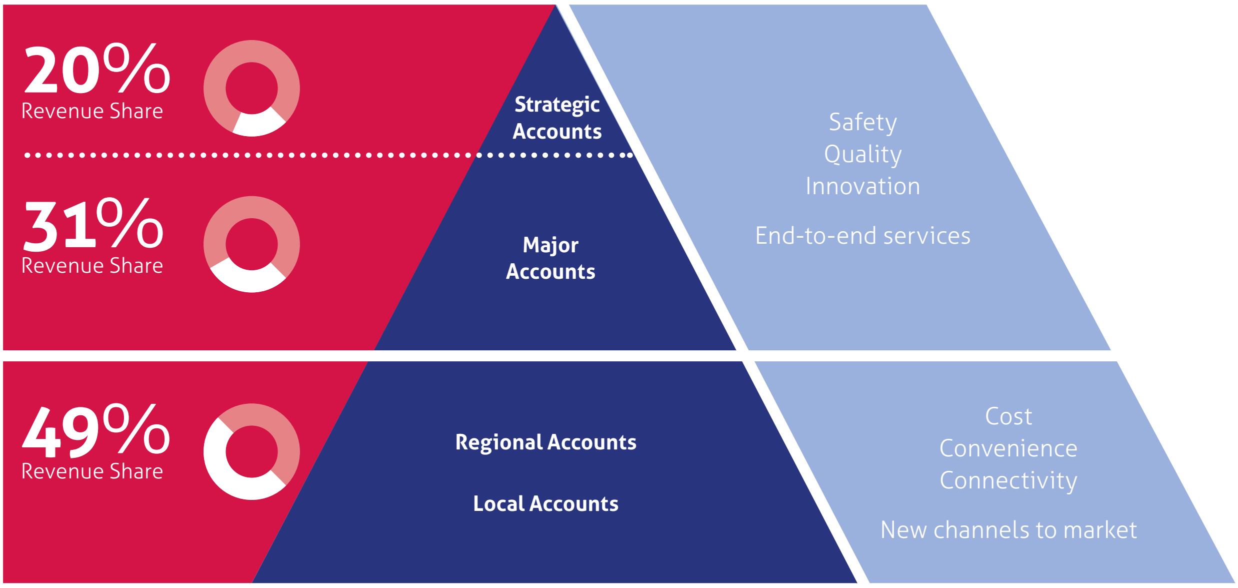
How we have done it

2 Being a growth engine

Ed Cowell
Group Sales & Marketing Director

Our strategy for achieving sustainable profit growth is through the implementation of a more focused Customer Segmentation strategy centred on three distinct account groups: Strategic, Major, and Regional and Local customers. During FY2015, our growth has been delivered mainly through two key initiatives: focusing on our Strategic and Major customer segments and delivering our 'Own City' campaign strategy.

A focus on our Strategic and Major customers



Delivering our 'Own City' campaign strategy

Our 'Own City' campaigns continue to successfully drive revenue performance in key cities across the UK. We apply a concentration of force within these campaigns, ensuring that both our sales and operational teams are working as one to win business and deliver on our promises. After a successful start in H1, we extended the roll-out of this approach in H2, and we have delivered growth across the UK.

Phase 1 growth

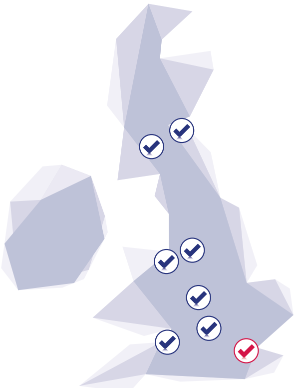
London

Phase 2 growth

Edinburgh
Glasgow
Manchester
Liverpool
Birmingham
Oxford
Bristol

Phase 3 (FY2016)

Newcastle
Bradford
Leeds
Sheffield
Nottingham
Derby
Bath
Southampton



Regional and Local customers

We have 50,000+ Regional and Local customers who account for c.49% of our revenues. Having analysed our customer base in detail, we have identified a significant group of around 3,000 customers within this segment who operate at a regional level. We plan to re-engage with these customers in order to provide further growth opportunities for the business in FY2016 and beyond.

Contract wins

Our ten largest customers, our Strategic customers, account for c.20% of Group revenues and the next 150 largest customers, our Major customers, deliver a further c.31% of our revenues. We have delivered growth in FY2015 by focusing on these distinct segments, with our differentiated proposition of providing a comprehensive range of products, specialist solutions and complementary services to these customers, who are responsible for delivering some of the largest and most complex construction and infrastructure projects in the UK.

During FY2015 we won a number of new contracts. In December 2014 we announced a new three-year industry-leading deal with the Balfour Beatty Group to deliver a lean and efficient plant hire service into the Balfour Beatty Group throughout the UK in conjunction with A-Plant, Nationwide Platforms and Vp. This new approach to delivering plant hire to the Balfour Beatty Group is being managed from a newly integrated and co-located Centre of Excellence in Sheffield, where a collaborative team are working together to deliver a new level of plant excellence. In addition, we have won significant contracts including ABC Electrification, supporting overhead line electrification programmes for the rail industry, and UKDN Waterflow to provide tools, equipment and plant hire.

Three-year industry-leading contract with the Balfour Beatty Group

How we have done it

3 Being the most efficient at everything we do

Tracey Atkin
Chief Operations Officer

Key to delivering our strategy for sustainable profit growth is making the business efficient at all levels. As well as helping us achieve our sustainability targets, being efficient at everything we do will enable us to work smarter and improve the management of our cost base.

Network Optimisation Programme

We have reconfigured the backbone of the Group's national network and logistics capabilities into an integrated distribution model during the year. We established a new National Distribution Centre (NDC) into the programme and re-profiled our Multi Service Centre (MSC) footprint, enabling us to accelerate and deliver the programme ahead of schedule.

The new National Distribution Centre

Our new NDC, located in Tamworth, will serve as the central hub for overnight distribution to our UK MSCs. This will ensure that the right products are distributed on time to our network of Superstores and Express Stores, while at the same time achieving greater efficiencies by closely aligning our fleet capability with the national network, so that we may deliver our products to customers faster and at lower cost.

New Multi Service Centres and Superstores

To complete the backbone of our network, during the year we opened five new MSCs and seven new Superstores. These MSCs and Superstores will improve our asset holding capability. In addition, they act as engineering centres, with specific sites designated as Centres of Excellence for our specialist solutions offerings in Power, Plant, Rail, Lifting and Survey.

Asset Optimisation Programme

To realise the full potential of our improved infrastructure network, we have initiated an Asset Optimisation Programme to identify how best to optimise our asset base to ensure that we buy, turn, service, distribute and dispose of our assets in the most efficient manner. To spearhead this programme we launched a new centrally located Asset Information Cell (AIC) in March 2015. The AIC will enable us to better structure our asset holdings, making sure we have an optimum level of the assets we need, in the right place at the right time, and reduce our holdings of other assets where appropriate. This will enable us to improve utilisation, maximise our capital discipline, and begin to build customer advocacy by delivering a market leading level of service excellence to our customers.

Logistics Optimisation Programme

In conjunction with the launch of the AIC, we also launched a new cluster operational structure across the UK. We have divided the UK into 15 cluster areas, each serviced by one of our MSCs, and each containing Superstores and Express stores. Using intelligence from our centralised AIC, this will enable us to dovetail our asset holding strategy into our logistics efficiency programme with the aim of both engineering and moving our assets efficiently around these cluster networks. This cluster programme will be rolled out throughout FY2016.

Delivering a best in class network for our customers and people

Key stats

Superstores
New Superstores opened

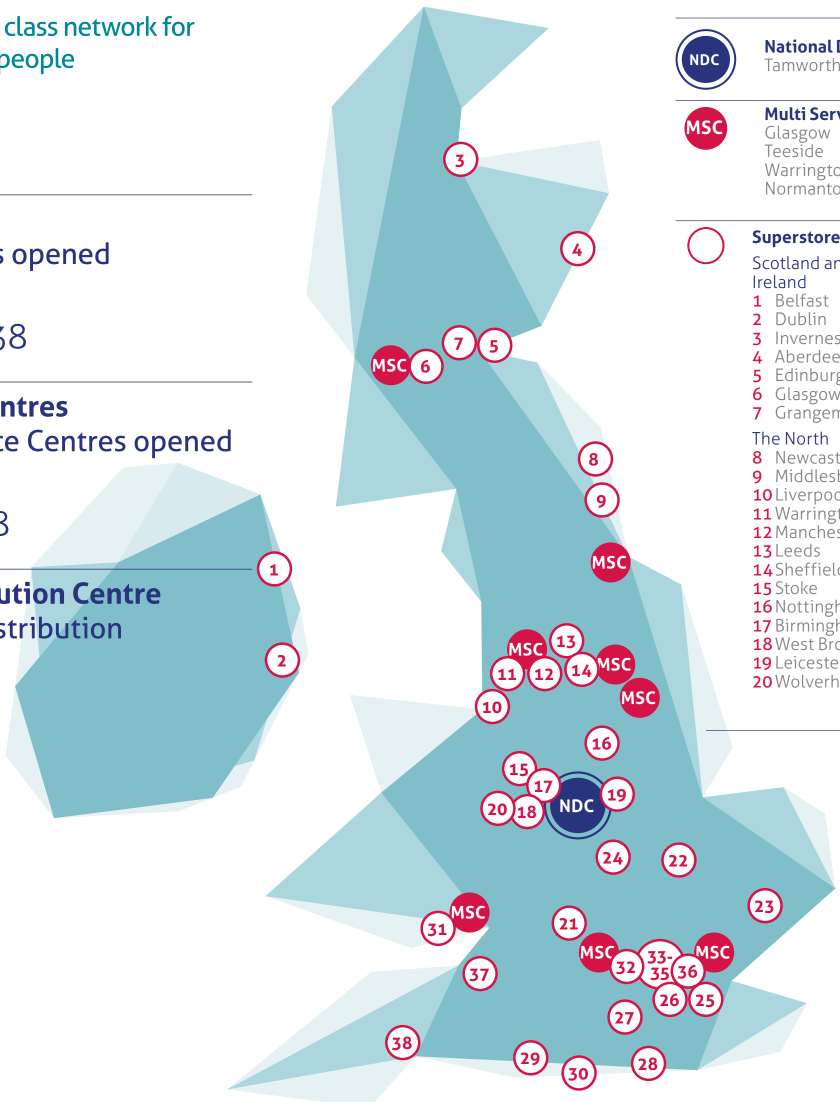
↑7 TOTAL 38

Multi Service Centres
New Multi Service Centres opened

↑5 TOTAL 8

National Distribution Centre
New National Distribution Centre opened

↑1



National Distribution Centre
Tamworth

Multi Service Centres
Glasgow
Teeside
Warrington
Normanton
Sheffield
Newport
Uxbridge
Erith

Superstores

Scotland and Ireland
1 Belfast
2 Dublin
3 Inverness
4 Aberdeen
5 Edinburgh
6 Glasgow
7 Grangemouth

The North
8 Newcastle
9 Middlesborough
10 Liverpool
11 Warrington
12 Manchester
13 Leeds
14 Sheffield
15 Stoke
16 Nottingham
17 Birmingham
18 West Bromwich
19 Leicester
20 Wolverhampton

The South
21 Oxford
22 Cambridge
23 Ipswich
24 Coventry
25 Maidstone
26 Croydon
27 Crawley
28 Brighton
29 Southampton
30 Portsmouth
31 Cardiff
32 Heathrow
33 West London
34 Central London
35 East London
36 Dartford
37 Bristol
38 Exeter

How we have done it

4 Being preferred by our customers

Ed Cowell
Group Sales & Marketing Director

Tracey Atkin
Chief Operations Officer

Delivering service excellence will both increase levels of satisfaction amongst our existing customers and improve our brand reputation, enabling us to retain those customers and win new ones. Thinking like our customers and anticipating their needs, whilst operationally delivering on our promises, is core to us delivering this level of service.

Service excellence

- New operational structures
- Refocusing on our specialist solutions
- Embedding a new IT operating system

Our core themes to support service excellence

Focusing on delivering service excellence to our customers is a key component in our strategy to deliver sustainable profit growth. Our customers simply want our products to be delivered to the right place, at the right time, at the right price and in the right working order and, if there is an issue, for it to be dealt with promptly. During FY2015 we have concentrated on a number of core themes to improve our levels of service.

New operational support structures

For our Strategic customers, we have created Operational Support Team structures that create clear lines of support and communication. These structures are designed to help us win more business, operationally deliver our promises and improve problem resolution. To enable us to grow our existing accounts, we have taken away the day-to-day operational workings from our Account Managers, enabling them to concentrate on understanding how we can further support our customers on their range of contracts. The Operational Management Team then takes responsibility for the day-to-day delivery of our contractual obligations i.e. ensuring the right products are on site at the right time and in the right working order. Finally, to enable the improvement of the problem resolution process, each Strategic customer has a service desk located at our Head Office, dedicated to resolving any operational issue. This approach has helped us to deliver new levels of service, achieving up to 99% perfect delivery with certain strategic customers.

Refocusing on our specialist solutions

In recent years, due to a strategy that created a 'One Speedy' approach, the business had begun to lose its reputation for the specialist solutions that we have traditionally provided to the market in Power, Plant, Rail, Lifting and Survey. To regain this reputation for delivering these solutions to our customers in these key areas, we have focused on bringing these specialisms back to the market, establishing Centres of Excellence across the UK in our new MSC and Superstore network and ensuring we have the technical expertise in the business to fulfil our customers' requirements.

Embedding a new IT operating system

We have rolled out an upgrade of our IT operating system across the business during FY2015. This system will provide us with a platform from which we can establish much greater levels of transparency and granularity of data around our asset holding, as well as ensuring more efficient customer processes which will help make it easier for our customers to do business with us.

How we have done it

5 Becoming an employer of choice

Steve Jones
Head of HR, Reward and Development

We are committed to ensuring that not only do we have the right people with the right skills working in our business, but that we also become a place where people want to come and work.

- Training and development
- Promoting young talent
- Improved communication

Employee benefits: keeping everyone happy

Improved employee benefits

During FY2015 we delivered a host of new flexible employee benefits and rewards, including: an improved pension scheme; enhanced maternity pay; improved structure to working hours to better promote work-life balance; upgraded technology through phones and devices to work with; a wellbeing programme; and a new car salary sacrifice scheme.

Improved communication

A programme of face-to-face engagement by the senior leadership team has been undertaken during the year through regular operational site visits, and management roadshows and conferences. We launched an inaugural annual Leadership Intervention Day that saw almost 100 of our senior and wider leadership community visit our entire operational and back-office network to undertake a safety audit, as well as gain feedback on how we can continuously improve the safety and hygiene of our working environments. We have also improved the quality and consistency of centralised communications, keeping our people updated and engaged on our progress through regular multimedia communications.

Listening to our people

As well as direct feedback through face-to-face communications, we launched our first Best Companies employee survey to gather data that will help us understand where we can improve and enable us to become a true employer of choice. The positive feedback from employees through the survey has enabled us to achieve an accreditation with the Best Companies scheme, but has also provided us with a host of data that will enhance our people agenda as we move into FY2016.

Training and development

We have established a training academy at our new National Distribution Centre in Tamworth. New joiners to the business are now inducted through a bespoke programme relevant to their role, with up to a week in residence for the more operational roles around the business. We have also stepped up the level of training and development for our c.3,800 employees, including the delivery of over 4,400 internal training courses, a comprehensive Behavioural Safety programme for our senior business leaders, 96 of our Depot Managers undertaking the HAE accredited Management and Leadership programme, 48 of our operational managers undertaking LEAN training to improve efficiencies and processes in the business, and a new programme designed to qualify relevant employees to NVQ business administration level.

Employee Excellence Awards

We re-launched our annual company awards this year to tie in directly with our journey to excellence. Building the awards around our five key themes of Safety and Sustainability, Growth, Efficiency, Service Excellence and People, the Excellence Awards focus on both measurable performance and on ideas and initiatives that improve how we can differentiate ourselves through thinking like our customers, delivering quality and leading the innovation agenda in our market space.

Promoting young talent

We are committed to our apprenticeship programme, and we are proud of our excellent residential apprentice training centre located in York as well as our on-the-job training programme. This year we also introduced a new business graduate training programme. This programme gives recent graduates exposure to the whole business as part of their professional development. In addition to this, each business graduate is personally sponsored by a member of the executive team, something that is unique in our industry.

Testimonials

This is what our clients say

Specialist expertise – Power

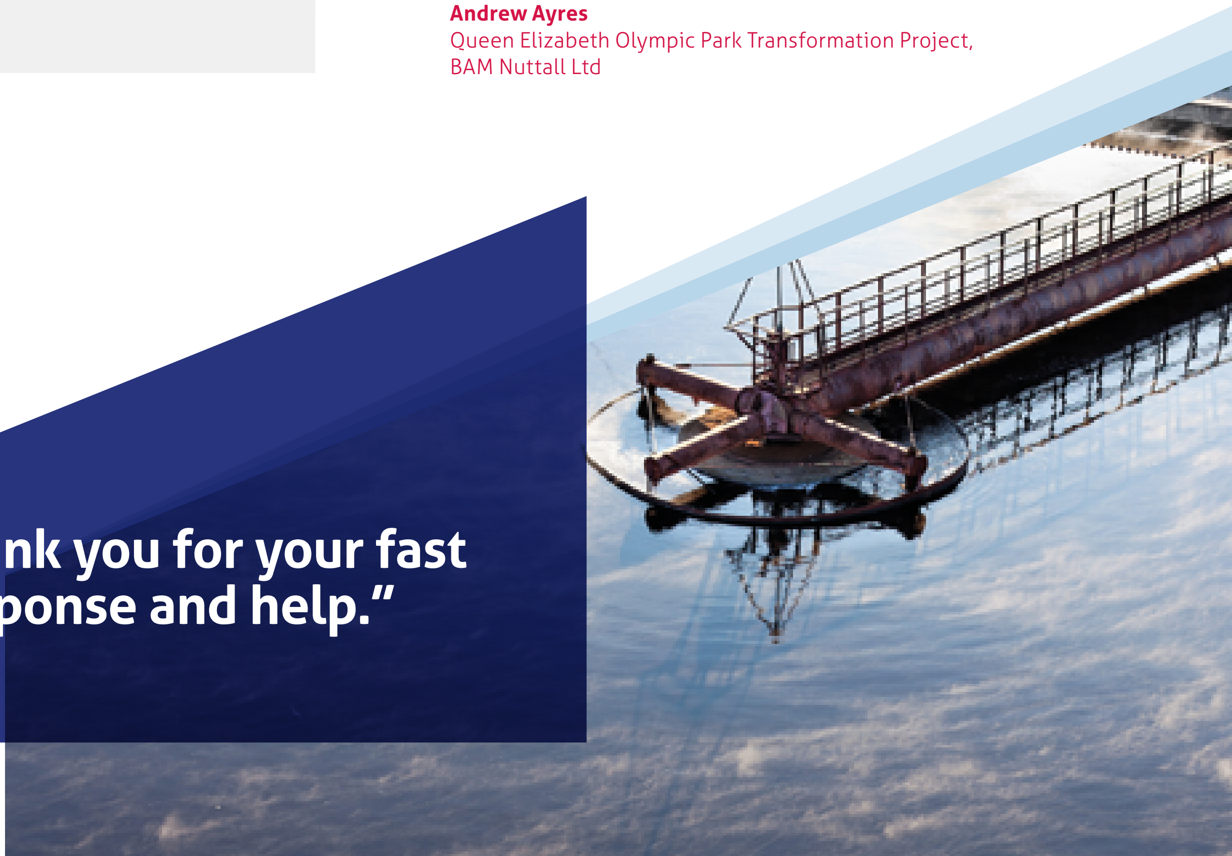
"Just a quick note to thank you and your team at Speedy Services on behalf of MGJV & Morgan Sindall for your fast response and help in supplying generators to the Neiley Wastewater Treatment works at such short notice. This has helped the site team to resolve the issues, take the pressure off and assure the treatment processes are maintained until the mains power is restored tomorrow."

Terry Meadows
Senior SHE Manager
Infrastructure North, Morgan Sindall

On-site facilities – Olympic Park

"Having worked with Speedy on the enabling, construction and transformation phases of the Queen Elizabeth Olympic Park, I have found the on-site facility service to be a great asset to the project. By Speedy providing the on-site service it has allowed us immediate access to tools, equipment and advice, which in other circumstances could have resulted in an increased waiting/standing time and loss of productivity. We have always found the on-site managers to be very professional and they integrated with our workforce well."

Andrew Ayres
Queen Elizabeth Olympic Park Transformation Project,
BAM Nuttall Ltd



"Thank you for your fast response and help."

"The move to the new Superstore has meant an improved service."

Superstore – Nottingham

"Carillion has been in Nottingham on the BSF Schools projects for the last five years, and the service has always been excellent from Speedy. The move to the new Superstore has meant an improved service with everything in one central, easily accessible place. All products can be seen and assistance from the staff can always be obtained as they are on the premises, 'under one roof'. Delivery and collection times have always been fast. When it comes to safety, the knowledge of the staff and their products is second to none, offering alternative products where necessary to find a suitable solution."

Paul Cartwright
IMS Manager
Nottingham BSF, Carillion Building

Corporate responsibility

"I refer to the generous support that Speedy provided at our recent Community Project at Woodgreen Allotments in Sandwell. Despite wet and freezing weather, our team of volunteers were able to complete the project last week. I think you will agree, the transformation of the area is quite remarkable. Without the plant and equipment provided by yourselves this would not have been possible. On behalf of my colleagues and other volunteers who assisted, may I take this opportunity to thank you for your contribution."

Mark Smith
Interserve Construction Ltd

Specialist expertise – Surveying

"I would like to thank Speedy, for helping us to deliver an outstanding survey field course to 60 Architectural Technology students here at Nottingham Trent University (NTU). Speedy planned and presented information through interesting, professionally delivered lectures, in a way that the students found accessible, and will help them to undertake practical work outside. This was a new venture, bringing in a professional surveyor to introduce students to concepts of measurement and levelling of sites."

Gavin Tunstall
Course Leader for Architectural Technology School of Architecture, Design and the Built Environment, Nottingham Trent University

"I would like to thank Speedy, for helping us to deliver an outstanding survey field course."

We take a proactive approach to environmental management

One Plan

In our 2014 Annual Report we reported on sustainability in our One Plan section. During the year, we have decided to further integrate sustainability into all parts of our business. To ensure that the aims of One Plan are not separate from our overall strategy, we are now reporting on sustainability within our five key themes and have therefore dispensed with a separate brand for this activity. Our approach to safety, being one of our five key drivers for growth, is set out on pages 14 and 15.

Environmental leadership

Speedy is determined to play its part in the global challenges presented by climate change. As the market leader in the sector, our approach is based on innovation, leadership and the sharing and exchanging of best practice.

Externally, we believe our approach is industry-leading, providing tools and equipment, support services and measurement data. We place a strong emphasis on education and training to address site behaviour, assisting customers to better manage their environmental impact.

Internally, we take a proactive approach to environmental management, measuring and managing our carbon footprint and targeting key areas such as logistics and procurement to reduce our carbon emissions and minimise waste.

Social excellence

We take our social responsibilities very seriously and are committed through our business model to driving social excellence along with environmental leadership. We aim to create positive social value through a range of activities including charitable donations and employee engagement, as well as through creative and innovative community engagement.

Positive impact on society

The Speedy apprenticeship programme looks to provide quality opportunities to encourage young people into our industry and provide the skilled labour force we need to take our business forward.

We offer a successful graduate programme where we match graduates to an executive team member. This embeds our learning culture from the top down, as well as from the ground up, and provides the graduates with unparalleled access to the workings of the business and an incredible development opportunity.

We support national charities including WellChild, The Lighthouse Club, the Andrew Flintoff Foundation and Habitat for Humanity. Our community approach is based on long-term strategic partnerships with charity partners close to the heart of our people, who deliver measurable impact in the communities they serve.

Cape Town – Our Challenge

In September 2014, ten of our people from across the UK once again embarked on a life changing experience, this time to support the work of Habitat for Humanity in Cape Town – a 12,200 mile round trip from Speedy's head office in Newton-le-Willows.

Nearly nine million South Africans live in inadequate housing in vast informal settlements known as 'Townships' where residents often reside in overcrowded shacks pieced together with cardboard, corrugated iron, scraps of wood and plastic.

The Speedy team embarked upon a community house building project alongside the house recipients to build a brand new integrated community called Pelican Park. Some of the tasks included mixing mortar, putting up window panes and door frames, bricklaying and bagging walls, pouring cement floor slabs and moving bricks and mortar. The activities were very physical and required a lot of energy, focus and motivation but Speedy morale remained high and the team rose to the challenge and completed not one house but four, including starting on the foundations of another four.

Sandy Muir, the Habitat for Humanity team leader who accompanied Speedy on the trip, said: "We are extremely grateful to have Speedy's support and would like to thank the team for volunteering their time and everyone for their donations."

"We take our social responsibilities very seriously and are committed through our business model to driving social excellence along with environmental leadership."

Equality and diversity

Speedy is an equal opportunities employer and our people and applicants are treated fairly and equally regardless of their age, colour, creed, disability, full or part time status, gender, marital status, nationality or ethnic origin, race, religion or sexual orientation. Applications from disabled people are always fully considered, bearing in mind the aptitudes of the applicant concerned.

A breakdown by gender of the number of persons who were Directors of the Company, senior managers and other employees as at 31 March 2015, is set out below.

> Directors – Female 0:4 Male
> Senior management team – Female 14:56 Male
> All Speedy employees (UK) – Female 545:2,780 Male

Human rights

Speedy's Human Rights Policy applies to all employees and commits Speedy to upholding the provision of basic human rights and eliminating any discriminatory practices. The policy emphasises our commitment to human rights in the way we do business, seeking to create and maintain a work culture which allows equal human rights to all persons whilst prohibiting actions contrary to this, such as forced or child labour.

For more information about our approach to Corporate Responsibility please visit **www.speedyservices.com/investors**

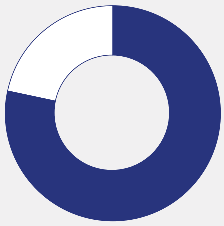
Total tonnes of CO_2e

25,650.49 TONNES

CO_2e per capita

7.05 TONNES

Greenhouse Gas report



Scope 1 – Combustion of Fuel and Operation of Facilities 20,262.82 tonnes (79%)

Scope 2 – Electricity, Heat, Steam and Cooling Purchased for own use 5,387.67 tonnes (21%)

This report is for the calendar year 2014. Due to timescales for publication of this report, accurate figures for the financial year are not available at the time of going to print.

The figures cover our UK operations and International operations in relation to the equity share of our MENA and Kazakhstan businesses through to 31 December 2014.

Methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated financial statements. We do not have any responsibility for any sources that are not included in our consolidated statements except those quoted in the Omissions section.

We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), Scopes 1 & 2, and emission factors from UK Government's GHG Conversion Factors for Company Reporting 2013.

The boundary of this report has been based on equity share and includes Kazakhstan (50% share) and MENA (49% share).

Omissions

The combustion of diesel for the testing of equipment could not be established for this reporting period. However, processes and procedures will be established in FY2016 to capture this data for future years.

Data confidence

The data used to report the GHG emissions was reviewed and examined and gives a 'High' level of confidence. This was established using the 'GHG Protocol guidance on uncertainty assessment in GHG inventories and calculating statistical parameter uncertainty'.

Financial review

Performance has shown promising signs

Russell Down
Group Finance Director

Group financial performance

Revenue[1] for the year to 31 March 2015 was £375.0m (2014: £349.7m) which included planned fleet disposals of £13.7m (2014: £9.5m); excluding these disposals, revenue was up 6.2% (2014: 2.2%). Exceptional revenue on disposal of Middle East assets amounted to £11.0m (2014: £nil).

In line with our strategy to offer a full range of services to customers, the proportion of partnered services revenues increased again during the year. As a consequence of the lower margins in this business the gross profit percentage[1] declined to 57.9% (2014: 61.4%).

The Group reported EBITA of £26.4m before exceptional items (2014: £22.1m), an increase of 19.5%. The result was affected by losses in the International division of £5.6m (2014: £4.3m). The International division operated at break even in March 2015 following significant restructuring activities during the year. Excluding the results from International, EBITA (before exceptional costs) increased by 21.2% to £32.0m (2014: £26.4m). Profit before taxation, exceptional items and amortisation increased by 50% to £21.9m (2014: £14.6m). Profit after taxation was £0.2m (2014: £4.0m).

	Revenue[1] (£m)		EBITA[1] (£m)	
	2015	2014	**2015**	2014
UK & Ireland	**351.3**	328.1	**37.4**	32.7
International	**23.7**	21.6	**(5.6)**	(4.3)
Corporate costs	**–**	–	**(5.4)**	(6.3)
Total	**375.0**	349.7	**26.4**	22.1

1 Pre-exceptional items.

UK & Ireland performance

Revenue grew by 7.1% to £351.3m (2014: £328.1m). The Group won c.51% of its revenue from Strategic and Major clients during the year and secured a number of new contract wins and renewals with clients on infrastructure and property projects including Hinkley Point and Battersea Power Station. In line with our strategy to offer a full service to clients, Partnered Services revenue has grown as a proportion of total revenue which diluted gross margins. Overhead costs have however been tightly controlled and consequently the EBITA margin increased to 10.6% (2014: 10.0%).

"The Group won c.51% of its revenue from Strategic and Major clients during the year and secured a number of new contract wins and renewals with clients on infrastructure and property projects."

International performance

The International division has been restructured during the year with the closure of operations in Egypt and Qatar and the sale of the business in Oman after the year end. The Group has withdrawn from the spot hire business in the UAE with the consequent relocation and disposal of assets; the remaining Oil & Gas activities in the region are currently operating at break even. Good growth prospects exist with our key clients in the Oil & Gas sector, although discussions are continuing with a potential purchaser. Pre-exceptional revenue in the division grew by 9.7% reflecting mobilisation on existing and new oil and gas contracts, offset in part by the closure of other operations. The region incurred an EBITA loss of £5.6m for the year (2014: £4.3m).

Exceptional costs

Exceptional items totalled £17.1m before taxation (2014: £4.7m) as the Group has continued its activities to restructure the UK depot network and exit from the Middle East. A summary of costs treated as exceptional is provided below; full details are provided in note 3 to the Financial statements:

- the programme to reconfigure and upgrade the UK depot network has accelerated during the year; costs associated with this principally relate to onerous lease provisions and amount to £6.4m;
- in the International division significant asset disposals have been undertaken as part of the strategy to exit the core hire business and close other business activities; losses on disposal of assets amount to £6.2m; and
- restructuring and redundancy costs in the UK and Middle East, finance costs and professional fees amount to £4.5m.

Interest and hedging

Net interest expense totalled £5.4m (2014: £7.4m). £0.3m of this cost related to the cancellation of the international debt facility and has consequently been treated as exceptional finance costs.

Borrowings under the Group's bank facility are priced on the basis of LIBOR plus a variable margin, while any unutilised commitment is charged at 40% of the applicable margin. During the year, the margin payable on the outstanding debt fluctuated between 1.8% and 3.25% dependent on the Group's performance in relation to leverage and the weighting of lending between receivables and plant and machinery. The effective average margin in the year was 2.6%. The current applicable margins are 2.0% on receivables and 2.5% on plant and machinery.

The Group utilises interest rate hedges to manage fluctuations in LIBOR. At the year end, hedges with a notional value of £70m (2014: £55m) were in place, equivalent to approximately 66.4% of net debt outstanding. The fair value of these hedges was a liability of £0.4m at year end and they have varying maturity dates to March 2018. The incremental interest cost arising from these hedges amounted to £0.3m during the year (2014: £0.5m).

Taxation

The Group's income statement shows a tax charge for the year of £1.9m (2014: £3.0m), an effective tax rate of 90.4% (2014: 42.9%). The main reason for the high effective tax rate is that certain of the losses and exceptional charges in the International Division are not subject to tax. The effective rate of tax on adjusted profit before tax amounts to 24.7% (2014: 28.8%).

Tax paid in the year ending 31 March 2015 amounted to £5.2m (2014: £5.8m).

Shares, earnings per share and dividends

At 31 March 2015, 521,869,253 shares were outstanding, of which 6,252,907 were held in the Employee Benefits Trust.

Basic earnings per share before amortisation and exceptional items was 3.23 pence (2014: 2.05 pence). After amortisation and exceptional items, earnings per share was 0.04 pence (2014: 0.78 pence).

The Board remains committed to the payment of dividends when prudent to do so. Subsequent to the year-end, it has recommended a final dividend of 0.40 pence per share (2014: 0.35 pence) which represents a total cash cost of approximately £2.1m. If approved by shareholders, this gives a total dividend for the year of 0.70 pence per share (2014: 0.61 pence). It is proposed that the dividend will be paid on 12 August 2015 to shareholders on the register at 12 June 2015.

Capital expenditure and disposals

Total capital expenditure during the year amounted to £87.7m, of which £68.6m (2014: £65.8m) related to equipment for hire. The Group's property network has been redeveloped and optimised during the year and consequently capital expenditure related to land and buildings increased to £13.7m (2014: £6.2m). The balance principally relates to investment in IT.

The hire fleet is continually reviewed to optimise asset holdings for the target markets and to recycle capital employed in low-utilisation assets. Disposal proceeds of £39.8m (2014: £18.7m) increased during the year as a result of the sale of equipment held in the Middle East. Reflective of the increased sale proceeds, net capital expenditure reduced to £48.5m (2014: £57.8m). At 31 March 2015, the average age of the fleet was estimated at 4.0 years (2014: 3.9 years).

Financial review

Cash flow and net debt

Net cash flow generated from operating activities amounted to £3.0m in the year (2014: £4.8m). Free cash flow (before dividends and financing activities) was an outflow of £16.2m (2014: £8.2m) primarily as a result of increased investment in the depot network, combined with a working capital outflow from trade receivables, as the Group now has a greater proportion of revenue from larger clients with longer payment terms. This outflow has been offset by a £21.1m increase in asset disposal proceeds, primarily from the International division. Dividend payments in the year amounted to £3.4m (2014: £2.9m).

Accordingly, net debt has increased from £84.4m at the beginning of the year to £105.3m at 31 March 2015, a £20.9m increase. Similarly, net debt to EBITDA has increased to 1.45x (2014: 1.23x). Net debt as a percentage of hire fleet NBV has increased to 49.6% from 37.4% as at 31 March 2014.

Balance sheet

Net assets at 31 March 2015 totalled £234.0m (2014: £239.3m).

Net assets per share amount to 44.8 pence (48.5 pence based on tangible assets). Net property, plant and equipment was £253.3m at 31 March 2015, of which equipment for hire represents approximately 83.8%. Net debt/net property, plant and equipment of 0.42x at 31 March 2015 (2014: 0.33x) underlines the strong asset backing within the business.

Gross trade receivables totalled £110.4m at 31 March 2015 (2014: £91.6m). Bad debt and credit note provisions totalled £6.3m at 31 March 2015 (2014: £5.3m), equivalent to 5.7% of the debtor book (2014: 5.8%). The increase in total provisions reflects the marginal increase in debtor weeks (calculated on a count-back basis) to 10.4 weeks at year end compared to 9.2 weeks at 31 March 2014.

Capital structure and treasury

Speedy's long-term funding is provided through a combination of shareholders' funds and bank debt.

In September 2014 the Group refinanced its £220m credit facility with a £180m asset-based revolving credit facility which expires in September 2019.

At 31 March 2015 the gross amount utilised under the facility was £122.9m. The undrawn available amount, based on eligible receivables and plant and machinery under the facility, amounted to £55m. The average gross borrowings under both facilities during the year ended 31 March 2015 was £129.7m. The current facility includes quarterly leverage and fixed charge cover covenant tests. The Group was compliant with these tests throughout the year.

The Group will continue to closely monitor cash generation, whilst balancing the need to invest in the quality of its UK hire fleet and depot network.

Return on capital

The return on capital (based on EBITA before exceptional items) generated by the Group's operations excluding its International division was 10.8%, up from 9.5% in FY2014. The losses generated by the International division resulted in a consolidated return on capital employed for the Group of 8.0% (2014: 7.0%).

Russell Down
Group Finance Director

Principal risks and uncertainties

Effective management of risks

Delivering our strategy

1 Safety and sustainability
2 Growth
3 Efficiency
4 Service excellence
5 People

For more information see page **12**

The business strategy in place and the nature of the industry in which we operate expose the Group to a number of risks. As part of the risk management framework in place, the Board has considered the nature, likelihood and potential impact of each of the significant risks it is willing to accept in achieving its strategic objectives.

The Board has delegated to the Audit Committee responsibility for reviewing the effectiveness of the Group's internal controls, including the systems established to identify, assess, manage and monitor risks. These systems, which ensure that risk is managed at the appropriate level within the business, can only mitigate risk rather than eliminate it completely.

Direct ownership of risk management within the Group lies with the senior management teams. Each individual is responsible for maintaining a risk register for their area of the business and is required to update this on a regular basis. The key items are consolidated into a Group risk register which is reviewed at Board level.

The principal risks and some of the mitigating controls in place are summarised below.

Risk	Potential impact	Strategy for mitigation
Safety, health and environment 1 5	**Serious injury or death** Speedy operates, transports and provides for rental a wide range of machinery. Without rigorous safety regimes in place there is a risk of injury or death to employees, customers or members of the public. **Environmental hazard** The provision of such machinery includes handling, transport and dispensing of substances, including fuel, that are hazardous to the environment in the event of spillage.	The Group is recognised for its industry-leading position in promoting enhanced health and safety compliance, together with a commitment to product innovation. The Group's systems, health and safety, and environment teams measure and promote employee understanding of, and compliance with, procedures that affect safety and protection of the environment. Customer account managers are responsible for addressing service and safety issues.
Revenue and trading performance 2	**Competitive pressure** The Hire market is fragmented and highly competitive. Whilst we continue to develop strategic relationships with strategic and major customers, it is important that we continue to develop our local and regional accounts. **Reliance on high value customers** As revenue from strategic customers grows there is a higher risk to future revenues should preferred supplier status be lost when such agreements may individually represent a material element of our revenues.	The Group monitors its competitive position closely, to ensure that it is able to offer its customers the best solution for their requirements. The Group provides a wide breadth of offerings, supplemented by its partnered services division for specialist equipment. The Group monitors the performance of its major accounts against forecasts, strength of client future order books and individual expectations with a view to ensuring that the opportunities for the Group are maximised. Market share is measured and competitors' activities are reported on and reacted to where appropriate. The Group's integrated services offering further mitigates against this risk as it demonstrates value to our customers, setting us apart from purely asset hire companies. No single customer currently accounts for more than 10% of revenue or receivables.
Partner and supplier service levels 1 3 4	**Supply chain** Speedy procures assets and services from a wide range of sources, both UK and internationally based. Within the supply chain there are risks of non-fulfilment. **Partner reputation** A significant amount of our revenues come from our partnered services offering, where the contact point with the customer is through a third party partner. Speedy's ability to supply assets with the expected customer service is therefore reliant on the performance of others with the risk that if this is not effectively managed, the reputation of Speedy and hence future revenues may be adversely impacted.	A dedicated and experienced Supply Chain function is in place to negotiate all contracts and maximise the Group's commercial position. Supplier accreditations are recorded and tracked centrally through a supplier portal where relevant and set service related KPIs are included within standard contract terms. Regular reviews take place with all supply chain partners.

Principal risks and uncertainties

Effective management of risks
continued

Risk	Potential impact	Strategy for mitigation
Operating costs 2 3	**Fixed cost base** Speedy has a fixed cost base including people, transport and property. When revenues fluctuate this can have a disproportionate effect on the Group's financial results.	The Group regularly reviews remuneration packages and aims to offer competitive reward and benefit packages, including appropriate short and long-term incentive schemes. The Group has a purchasing policy in place to negotiate supply contracts that, wherever possible, determine fixed prices for a period of time. In most cases, multiple sources exist for each supply, decreasing the risk of supplier dependency and creating a competitive supply-side environment. All significant purchase decisions are overseen by a dedicated supply chain team with structured supplier selection procedures in place. Property costs are managed by an in-house team of specialists who undertake routine maintenance works and manage the estate in terms of rental costs. We operate a dedicated fleet of commercial vehicles that are maintained new or nearly new to support our brand image. Fuel is purchased through agreements controlled by our supply chain processes.
Information technology and data integrity 3	**IT system availability** Speedy is increasingly reliant on IT systems to support our business activities. Interruption in availability or a failure to innovate will reduce current and future trading opportunities respectively. **Data accuracy** The quality of data held has a direct impact on how both strategic and operational decisions are made. If decisions are made based on erroneous data there could be a direct impact on the performance of the Group. **Data security** Speedy, as with any organisation, holds data that is commercially sensitive and in some cases personal in nature. There is a risk that disclosure or loss of such data is detrimental to the business, either as a reduction in competitive advantage or as a breach of law or regulation.	Annual and more medium-term planning processes are in place; these create future visibility as to the level and type of IT support required for the business strategy. Business units create business cases and projects for a formal Investment Committee to agree spend where necessary and then implement any new/upgraded systems. The introduction of improved data reporting with dedicated analysts within the business provides improved business information and better data quality and consistency. Mitigations for IT data recovery are described below under Business continuity as these risks are linked. Speedy's IT systems are protected against external unauthorised access. All mobile devices have access restrictions and, where appropriate, data encryption is applied.
End-to-end processes 2 3 4	**Process efficiencies** Speedy has grown successfully over many years, both through acquisition and organic growth. This, combined with our specialist divisions structure, could result in processes that do not adequately support our customers' needs.	We have a Programme Management Office to review our processes, align these to our IT systems and improve efficiency whilst simultaneously enhancing our customers' experience.

Delivering our strategy

1 Safety and sustainability
2 Growth
3 Efficiency
4 Service excellence
5 People

For more information see page **12**

Risk	Potential impact	Strategy for mitigation
Economic vulnerability 2	**Economy** Any changes in construction/industrial market conditions could affect activity levels and consequently the prices that the Group can charge for its services. Any reduction in Government expenditure which is not offset by an increase in private sector expenditure could adversely affect the Group.	The Group monitors and assesses market conditions by reference to a number of external sources, together with internal data which reports customer, sector, product and geographical demand. The Group assesses changes in both Government and private sector spending as part of its wider market analysis. The impact on the Group of any such change is assessed as part of the ongoing financial and operational budgeting and forecasting process. Our strategy is to develop a differentiated proposition in our chosen markets and to ensure that we are well positioned with clients and contractors who are likely to benefit from those areas in which increased activity is forecast.
Corporate culture 2 5	**Operational empowerment and culture** We operate an internal structure that is aligned around separate specialisms to better serve our customer base. Each division is challenged with managing their business and delivering results with a degree of empowerment within overriding Group policies.	A concise guide to the Group's business ethics, including our Code of Conduct, was prepared and issued to all employees during the year; this is called "Do Things Right, Doing the Right Thing". A copy is also provided to new employees. All Speedy employees are expected to abide by our Code of Conduct, which forms a condition of employment. Training is provided, via a combination of online and face-to-face means, to all management grades in areas such as compliance with the Bribery Act 2010 and relevant competition laws. Group policies are in place that both support and oversee key aspects of our operation in particular the areas of treasury, purchasing, asset management, accounting and debt management. Review and exception reporting activities are in place, which are designed to ensure that individuals cannot override risk mitigation procedures which have been put in place by the Group. All of the above are supported by a well-publicised and robust whistleblowing policy with rigorous follow up of all concerns raised.
Business continuity 4	**Business interruption** Any significant interruption to Speedy's operational capability, whether IT systems, physical restrictions or personnel based, could adversely impact current and future trading as customers could readily migrate to competitors. This could range from short-term impact in processing of invoices that would affect cash flows to the loss of a major site such as our National Distribution Centre.	Preventative controls, back-up and recovery procedures are in place for key IT systems. Changes to Group systems are considered as part of wider change management programmes and implemented in phases wherever possible. The Group has critical incident plans in place for all its central UK and International sites. Insurance cover is reviewed at regular intervals to ensure appropriate coverage in the event of a business continuity issue.
Asset holding and integrity 2 3 4	**Asset range and availability** Speedy's business model relies on providing assets for hire to customers, when they want to hire them. In order to maximise profitability and ROCE, demand is balanced with the requirement to hold a range of assets that is optimally utilised.	A better understanding of customer expectation of the relative timescales for delivery across our range of assets links directly into our network and asset optimisation plans, enabling us to reduce holdings of less time-critical assets by centralising the storage locations. The introduction of an Asset Information Cell will manage integrity of records and assist operational effectiveness and decision making.

Governance

Governance

"The Board is committed to maintaining high standards of corporate governance."

Chairman's letter to shareholders

Jan Åstrand
Non-Executive Chairman

Dear Shareholder

On behalf of the Board I am pleased to present the Governance Report for FY2015. This section of the Annual Report highlights the Company's governance processes, alongside the work of the Board and Board Committees.

During the year, we have assessed our compliance with the UK Corporate Governance Code 2012 (the Code) and disclosures in this year's Annual Report describe how the Code's main principles are applied. We consider that the Code's principles are central to the effective management of the business, to maintaining the confidence of our investors and are in the best interests of all of our stakeholders.

During FY2015 we continued to make changes at Board and senior management level, including my own appointment as Non-Executive Chairman. I was appointed as Non-Executive Chairman in November 2014, Chris Masters became Senior Independent Director in February 2015 and Russell Down joined the Board as Group Finance Director in April 2015. Ishbel Macpherson, Lynn Krige and Michael Averill stepped down from the Board during the year. These changes have refreshed the Board and I feel that we are well placed to deliver appropriate returns to our shareholders, whilst continuing to be underpinned by effective corporate governance.

The senior management changes below Board level also continued during the year. As noted in our 2014 Annual Report, there was a significant turnover of senior management during the final quarter of FY2014 and this refresh of the Group's senior management team was completed during the year. With these changes, I am confident that the Group has the right people at the right level to enhance shareholder value in the long term.

Whilst new to my role with the Group, I am encouraged by what I have seen during my first six months with the Company. The Board has a strong understanding of our business and brings valuable insight and experience to the table. My role as Chairman will include ensuring that we effectively harness this experience, along with the experience of our senior management team, and work collaboratively to promote the Company's success.

Jan Åstrand
Non-Executive Chairman

Governance

Directors' report

Strategic report

The Chairman's statement on pages 4 and 5 and the Strategic report on pages 2 to 34, the Corporate Governance review on pages 42 to 47 and the reports of the Audit, Nomination and Remuneration Committees on pages 48 to 73 are incorporated by reference into this report and are deemed to form part of this report.

The Strategic report was approved by the Board and authorised for issue on 11 May 2015.

Results and dividends

The consolidated profit after taxation for the year was £0.2m (2014: £4.0m). This is after a taxation charge of £1.9m (2014: £3.0m) representing an effective rate of 90% (2014: 43.0%). An interim dividend of 0.30 pence per share was paid during the year. The Directors propose that a final dividend of 0.40 pence per share be paid, which, if approved, would make a total dividend distribution in respect of the year of 0.70 pence per share (2014: 0.61 pence) and will be paid on 12 August 2015 to all shareholders on the register at 12 June 2015.

Related party transactions

Except for Directors' service contracts, the Company did not have any material transactions or transactions of an unusual nature with, and did not make loans to, related parties in the periods in which any Director is or was materially interested.

Buy-back of shares

At the Annual General Meeting held on 16 July 2014, a special resolution was passed to authorise the Company to make purchases on the London Stock Exchange of up to 10% of its ordinary shares.

As at 11 May 2015, no shares had been purchased under this authority. Shareholders will be requested to renew this authority at the forthcoming Annual General Meeting in July 2015.

Financial instruments

The Group holds and uses financial instruments to finance its operations and manage its interest rate and liquidity risks. Full details of the Group's arrangements are contained in note 19 of the Financial statements.

Going concern

The Directors consider that the Group has adequate financial resources and has access to sufficient borrowing facilities to continue operating for the foreseeable future. Accordingly, as detailed in note 1 to the Financial statements (basis of preparation), the Directors continue to adopt the going concern basis in preparing the Annual Report and Financial statements.

Substantial shareholders

As at 25 April 2015, the Company had been notified, including under the Disclosure and Transparency Rules, of the following holders of shares with 3% or more of the total voting rights in the issued share capital of the Company.

Shareholder name	Percentage of voting rights
Schroder Investment Management	11.19
Toscafund Asset Management	11.15
Fidelity Worldwide Investments	8.99
BlackRock	6.33
Kames Capital	6.23
Standard Life Investments	6.07
Aberforth Partners	5.74

Directors

The Directors who served during the year and the interests of Directors in the share capital of the Company are set out on page 72. Ishbel Macpherson, Michael Averill and Lynn Krige resigned as Directors during the financial year.

Jan Åstrand and Russell Down have been appointed to the Board since the date of the last Annual General Meeting and offer themselves for election in compliance with the Company's Articles of Association. James Morley is retiring by rotation and will offer himself for re-election at the Company's Annual General Meeting.

The Board unanimously supports the re-election of James Morley and the election of Jan Åstrand, both of whom are considered independent, and Russell Down.

No Director had any interest, either during or at the end of the year, in any disclosable contracts or arrangements, other than a contract of service, with the Company or any subsidiary company. No Director had any interest in the shares of any subsidiary company during the year.

Equal opportunities

The Group employs 3,399 people in the UK and Ireland and 443 people internationally. The Group has a clear policy that employees are recruited and promoted solely based on aptitude and ability. The Group does not discriminate in any way in respect of race, sex, marital status, age, religion, disability or any other characteristic of a similar nature. In the case of disability, all reasonable adjustments are considered to enable employment or continue employment as well as to ensure that any disabled employees receive equal treatment in matters such as career development, promotion and training. Managers at all levels are trained and developed to adhere to and promote this goal, including receiving training specifically on diversity matters. Further information on equal opportunities within the Group is set out at page 27 in the Strategic report.

Employee involvement

The Group aims actively to promote employee involvement in order to achieve a shared commitment from all employees to the success of the businesses in which they are employed.

The Board believes in the effectiveness of financial incentives. It is the Group's policy that employees should generally be eligible to participate in some form of incentive scheme as soon as practicable after joining the Group, following the conclusion of any relevant probationary period. Details of annual incentive arrangements for Executive Directors are summarised in the Remuneration Committee's report on pages 60 to 62. The payments made to departing Directors in FY2015 are set out in the Remuneration Committee's report on page 71.

The Group has a people strategy in place aimed at being an employer of choice, as can be seen on pages 22 and 23 of the Strategic report. The Group actively makes a number of commitments to its employees including in respect of pay, engagement and development. The Board sees employee engagement as a key part of its success and this is measured on a formal basis. During FY2015, the Company undertook the Times 100 Best Companies Survey for the first time in a number of years, asking employees for their views of the Company and the way it was being run. The results were positive, with the Company achieving 'One to Watch' status. The Company's intention is to ensure that any concerns highlighted through this process are addressed through ongoing engagement with our employees.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

KPMG LLP was appointed at the Annual General Meeting of the Company held on 16 July 2014 and its appointment expires at the conclusion of this year's Annual General Meeting. The Board is recommending KPMG LLP be reappointed as auditors and a resolution concerning this will be put to the forthcoming Annual General Meeting in July 2015.

Takeover Directive information

Where not provided elsewhere in this report, the additional information required for shareholders as a result of the implementation of the Takeover Directive into English law is set out below.

Share capital

As at 31 March 2015, the Company's share capital comprised a single class of ordinary shares of 5 pence each. As at 31 March 2015 the issued share capital was £26,093,463 comprising 521,869,253 ordinary shares of 5 pence each. There are no special rights or obligations attaching to the ordinary shares.

Restrictions on share transfers

The Company's Articles of Association provide that the Company may refuse to transfer shares in the following customary circumstances:

- where the share is not a fully paid share;
- where the share transfer has not been duly stamped with the correct amount of stamp duty;
- where the transfer is in favour of more than four joint transferees;
- where the share is a certificated share and is not accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove the title of the transferor; or
- in certain circumstances where the shareholder in question has been issued with a notice under Section 793 of the Companies Act 2006.

These restrictions are in addition to any which are applicable to all UK listed companies imposed by law or regulation.

Shares with special rights

There are no shares in the Company with special rights with regard to control of the Company.

Restrictions on voting rights

The Notice of AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the Annual General Meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the Annual General Meeting and published on the Company's website after the meeting.

Directors' report
continued

Agreements which may result in restrictions on share transfers

The Company is not aware of any agreements between shareholders which may result in restrictions on the transfer of securities and/or on voting rights.

Appointment and replacement of Directors

The Company's Articles of Association provide that all Directors must stand for election at the first Annual General Meeting after having been appointed by the Board.

Each Director must also stand for re-election at the third Annual General Meeting following their last election or re-election. If the number of Directors standing for re-election is less than one-third of the current Board (which excludes any Directors appointed by the Board who are standing for election for the first time) then additional Directors must also stand for re-election in order that one-third of the Board is standing for re-election, save that where the number of Directors is not three or a multiple of three, the number of Directors which is nearest to but does not exceed one-third must stand for re-election. There are currently five statutory Directors, of which two are excluded as they are standing for election for the first time. This requires that one of the remaining Directors must stand for re-election and James Morley has agreed to stand for re-election. In addition, Jan Åstrand and Russell Down will stand for election as it is the first Annual General Meeting since they were appointed as Directors by the Board.

Articles of Association

The Company's Articles of Association may be amended by special resolution of the Company's shareholders.

Directors' powers

At the Annual General Meeting to be held on 15 July 2015, shareholders will be asked to renew the Directors' power to allot shares and buy back shares in the Company and to renew the disapplication of pre-emption rights.

Change of control – significant agreements

There are no significant agreements to which the Company is a party that may take effect, alter or terminate upon a change of control following a takeover bid other than in relation to: (i) employee share schemes; and (ii) the Company's borrowings, which would become repayable on a takeover being completed.

Shares in the Company are held in the Speedy Hire Employee Benefits Trust for the purpose of satisfying awards made under the Company's Performance Share Plan. Unless otherwise directed by the Company, the Trustees of the Trust abstain from voting on any shares held in the Trust in respect of which the beneficial interest has not vested in any beneficiary. In relation to shares held in the Trust where the beneficial interest has vested in a beneficiary, the beneficiary can direct the Trustees how to vote.

Compensation for loss of office

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

Directors' indemnities

Throughout the financial year and at the date of approval of the Financial statements, the Company has purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors. As permitted by the Companies Act 2006, the Company has also indemnified each of the Directors who held office during the year.

Annual General Meeting

The Company's Annual General Meeting will be held at the offices of Pinsent Masons LLP at 30 Crown Place, Earl Street, London EC2A 4ES on 15 July 2015 at 11.00 am. A formal Notice of Meeting, an explanatory circular and a form of proxy will be sent separately to shareholders.

This report was approved by the Board and signed on its behalf by James Blair, Company Secretary.

By order of the Board on 11 May 2015.

James Blair
Company Secretary

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group Financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the Financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its Financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- the Financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Jan Åstrand
Non-Executive Chairman

Mark Rogerson
Chief Executive Officer

11 May 2015

Board of Directors

Jan Åstrand
Non-Executive Chairman

Appointment to the Board and Committee memberships
Appointed to the Board in November 2014 as Non-Executive Chairman and Chairman of the Nomination Committee. Member of the Audit and Remuneration Committees, from February 2015.

Skills and experience
Jan brings to the Board enormous experience and a focused, strategic approach as Speedy concentrates on the delivery of sustainable profit growth. He was a Non-Executive Director of Lavendon Group PLC from 2010 until early in 2014, latterly as Senior Independent Director. He has also held previous non-executive roles as Chairman of CRC Group PLC and Car Park Group AB in Stockholm as well as being Senior Independent Director of PHS Group PLC. Jan's executive experience includes roles as President and Chief Executive of Axus International Inc. (previously known as Hertz Leasing International), Vice President, Finance & Administration and Chief Financial Officer of Hertz (Europe) Limited and Chief Financial Officer of Commodore International.

External appointments
Chairman of easyHotel plc and Non-Executive Director of Northgate plc.

Mark Rogerson MBE
Chief Executive Officer

Appointment to the Board
Appointed to the Board as Chief Operating Officer in December 2013 and promoted to Chief Executive Officer in January 2014.

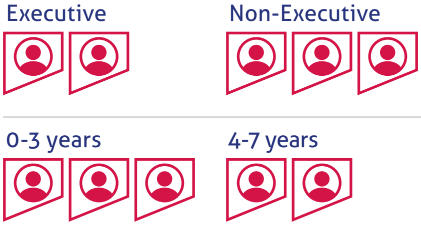
Skills and experience
Mark has a wealth of experience in both the construction and engineering industries from his recent time at Costain Group PLC ('Costain'). He also has a deep understanding of client facing service industry needs from his eight years with international services company Serco Group plc ('Serco'). At Costain he served on their Operating Board as Managing Director of the Natural Resources division, where he had responsibility for the major sectors of nuclear, oil and gas, and water and waste. During his eight years with Serco, Mark held a number of Senior Executive roles; his final role was as Serco's Global Operational Efficiency Director. Mark started his career with the RAF and held various operational roles; he was awarded an MBE for services to the public sector. He holds fellowships at the Royal Aeronautical Society, the Institute of Directors and the Royal Institute of Chartered Surveyors.

Russell Down
Group Finance Director

Appointment to the Board
Appointed to the Board in April 2015.

Skills and experience
Russell was formerly Group Finance Director (from 2008 to 2015) at Hyder Consulting Plc ('Hyder'), the multinational design and engineering consultancy. He spent 17 years in total at Hyder in a number of senior roles, including five years as Group Financial Controller. Russell is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified with KPMG, and has previously worked for container leasing company Cronos as Director of Accounting.

Board composition



Chris Masters CBE
Senior Independent Director

Appointment to the Board and Committee memberships
Joined the Board in July 2011. Appointed Senior Independent Director and Chairman of the Remuneration Committee in February 2015. Member of the Audit and Nomination Committees.

Skills and experience
Chris brings considerable experience and provides extensive insight on the assets rental and support services environments both in the UK and globally. He has 20 years of experience as an executive board member of listed companies and was Executive Chairman of Aggreko plc, a global leader in the rental of power generation and temperature control equipment, from 1997 to 2002. Prior to this, he held several senior roles at Christian Salvesen PLC, including Managing Director, Industrial Services Division from 1984 to 1989 and Group Chief Executive from 1989 to 1997. He has also held the positions of Non-Executive Chairman at Babbie Group (from 2002 to 2004), SMG Plc (from 2004 to 2007) and Sagentia Group Plc (from 2006 to 2010).

Chris is considered by the Board to be independent.

External appointments
Non-Executive Chairman of Energy Assets Group plc and a Senior Independent Director of The Crown Agents. Member of the Court of Edinburgh University, Independent Co-Chair of the Scottish Science Advisory Council and Fellow of the Royal Society of Edinburgh.

James Morley
Non-Executive Director

Appointment to the Board and Committee memberships
Joined the Board in April 2009. Appointed Chairman of the Audit Committee in May 2009 and is a member of the Nomination and Remuneration Committees.

Skills and experience
James brings to the Board a wealth of accountancy, finance and managerial experience from a variety of businesses. He is a chartered accountant with over 25 years' experience as a board member at both listed and private companies. He was Chief Operating Officer at Primary Group Limited (2006-2007), Group Finance Director, Cox Insurance Holdings Plc (2002-2005), Group Finance Director, Arjo Wiggins Appleton Plc (1999-2001), Group Executive Director Finance, Guardian Royal Exchange Plc (1990-1999) and Deputy Chief Executive and Finance Director, Avis Europe Plc (1976-1989). Previously James has been a Non-Executive Director of the Bankers Investment Trust, WS Atkins plc, The Trade Indemnity Group and Acumus Limited.

James is considered by the Board to be independent.

External appointments
Non-Executive Director at Clarkson plc, Costain Group PLC, The Innovation Group plc and Minova Insurance Holdings.

James Blair
General Counsel and Company Secretary

Appointment and Committee responsibilities
Appointed as Company Secretary to the Board and the Audit, Nomination and Remuneration Committees in April 2012.

Skills and experience
James has over 20 years' experience as a corporate, commercial and finance lawyer at law firms and major organisations in the UK, New Zealand and internationally. He also holds qualifications in accountancy and as a company secretary through the Institute of Chartered Secretaries and Administrators. James was formerly a senior legal adviser at United Utilities Group PLC, Dalkia plc and MITIE Group plc during the eight years prior to joining the Company. He started his career as a corporate lawyer at Buddle Findlay, New Zealand before working in London for Allen & Overy, the London Stock Exchange and Credit Suisse.

Corporate governance

Highlights

- The appointment of Jan Åstrand as Chairman and Chairman of the Nomination Committee in November 2014;
- The recruitment of Russell Down as Group Finance Director; and
- Continuation of the Group's policy of holding a two-day Board meeting off site solely to discuss the strategy and direction of the Group, held in October 2014.

UK Corporate Governance Code compliance

The Board is committed to maintaining high standards of corporate governance. The Board first reported its compliance with the Combined Code in 2004. Since then, other than as explained below, it has complied in full with the Combined Code (now the UK Corporate Governance Code) and continued to develop its approach to corporate governance and the effective management of risk in the context of an evolving business. The Company first reported fully against the UK Corporate Governance Code 2012 in its 2014 Annual Report and continues to report against the UK Corporate Governance Code 2012 this year.

We explain in this section how the Company has applied the principles of good governance and the code of best practice set out in the UK Corporate Governance Code.

Throughout the year ended 31 March 2015 (FY2015), the Company has been in full compliance with the provisions set out in the UK Corporate Governance Code, other than in respect of paragraph B.6.3 of the Code, which requires the Non-Executive Directors, led by the Senior Independent Director, to undertake a performance review of the Chairman. As Jan Åstrand was only appointed as Chairman on 11 November 2014, the other Non-Executive Directors considered that it was inappropriate to carry out a performance review of the Chairman for FY2015.

Directors

The Board

In the year ended 31 March 2015, the Board met ten times. The Board also meets as required on an ad hoc basis to deal with urgent business, including the consideration and approval of transactions and, during FY2015, the refinancing of its funding arrangements and changes in Board composition. The table to the right lists the Directors' attendance at the Board meetings and Committee meetings during the year ended 31 March 2015.

During the year, Jan Åstrand was appointed as a Director on 1 November 2014 and as Chairman and Chairman of the Nomination Committee, commencing both roles with effect from 11 November 2014. Ishbel Macpherson stepped down from the Board on that date. Michael Averill stepped down as Senior Independent Director and Chairman of the Remuneration Committee on 26 February 2015, and Chris Masters was appointed to both roles with effect from the same date.

The Company announced, on 9 January 2015, that Russell Down would join the Board on 6 April 2015 as Group Finance Director and he did so with effect from that date. Lynn Krige stepped down as Group Finance Director on 16 October 2014 and the Group's finance function was overseen by Tracey Atkin, who had recently held the role of UK & Ireland Finance Director, until Russell Down joined the Board.

Board and Committee attendance

	Board (10)	Audit Committee (5)	Nomination Committee (3)	Remuneration Committee (6)
Executive Directors				
Mark Rogerson MBE	10/10	–	–	–
Lynn Krige (stepped down on 16 October 2014)	5/5	–	–	–
Non-Executive Directors				
Ishbel Macpherson (resigned on 11 November 2014)	6/6	–	2/2	–
Jan Åstrand (appointed on 1 November 2014)	5/5	–	1/1	1/1
Michael Averill (resigned on 26 February 2015)	9/9	5/5	3/3	5/5
Chris Masters CBE	9/10	4/5	3/3	6/6
James Morley	10/10	5/5	3/3	6/6

The Executive Directors of the Company may, and generally do, attend meetings of the Committees at the invitation of the Chairman of the respective Committee.

The Board has approved a schedule of matters reserved for decision by it. This schedule, which forms part of the UK Corporate Governance Code Compliance Statement, was formally adopted by the Board on 30 March 2011 and most recently reviewed and amended on 26 March 2015. It is available for inspection at the Company's registered office and on the Company's website. The matters reserved for decision by the Board can be subdivided into a number of key areas including, but not limited to:

> financial reporting (including the approval of interim and final Financial statements, interim management statements and dividends);

> approving the form and content of the Group's Annual Report and Financial statements (following appropriate recommendations from the Audit Committee) to ensure that it is fair, balanced and understandable overall and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;

> the Group's finance, banking and capital structure arrangements;

> Group strategy and key transactions (including major acquisitions and disposals);

> Stock Exchange/Listing Authority matters (including the issue of shares, the approval of circulars and communications to the market);

> approval of the policies and framework in relation to remuneration across the Group (following appropriate recommendations from the Remuneration Committee);

> oversight of the Group's risk appetite, risk acceptance and programmes for risk mitigation;

> approval of the Group's risk management and internal control processes (following appropriate recommendations from the Audit Committee);

> the constitution of the Board itself, including its various Committees, and succession planning (following appropriate recommendations from the Nomination Committee); and

> approving the Group's policies in relation to, inter alia, the Group's Code of Conduct and whistleblowing, the Bribery Act, the environment, health and safety and corporate responsibility.

Matters requiring Board or Committee approval are generally the subject of a proposal by the Executive Directors, which is formally submitted to the Board, together with supporting information, as part of the Board or Committee papers circulated prior to the relevant meeting. Where practicable, papers are generally circulated at least five days in advance of such meetings, to allow proper time for review and ensure the best use of the Directors' time. The implementation of matters approved by the Board, particularly in relation to matters such as significant acquisitions or other material projects, sometimes includes the establishment of a sub-committee comprising at least one Non-Executive Director.

The posts of Chairman and Chief Executive Officer are held by Jan Åstrand and Mark Rogerson, respectively. In addition to the Chairman, the Board includes two independent Non-Executive Directors: Chris Masters and James Morley. Together they bring a strong and independent non-executive element to the Board. The Senior Independent Director is Chris Masters.

The Audit Committee is chaired by James Morley. Its other members are Chris Masters and Jan Åstrand. As the Company had only two Non-Executive Directors, excluding the Chairman, Jan Åstrand was appointed a member of the Committee in February 2015. The Board considered that Jan Åstrand was independent on his appointment as Chairman, satisfying the requirement of paragraph C.3.1 of the Code.

The Remuneration Committee is chaired by Chris Masters. Its other members are James Morley and Jan Åstrand. As the Company had only two Non-Executive Directors excluding the Chairman, Jan Åstrand was appointed a member of the Committee in February 2015. As noted above, the Company considered that Jan Åstrand was independent on his appointment as Chairman, satisfying the requirement of paragraph D.2.1 of the Code.

The Nomination Committee is chaired by Jan Åstrand. Its other members are Chris Masters and James Morley.

The Chairman and other Non-Executive Directors meet at least twice a year without the Executive Directors present. In addition, the Chairman regularly briefs the other Non-Executive Directors on relevant developments regarding the Company and Group as necessary. The Senior Independent Director and the other Non-Executive Directors meet at least annually without the Chairman present to appraise the Chairman's performance as part of the Board annual appraisal process and will do so during FY2016 as part of this process.

Corporate governance
continued

The minutes of all meetings of the Board and each Committee are taken by the Company Secretary. In addition to constituting a record of decisions taken, the minutes reflect questions raised by the Directors relating to the Company's businesses and, in particular, issues raised from the reports included in the Board or Committee papers circulated prior to the relevant meeting. Any unresolved concerns are recorded in the minutes.

On resignation, written concerns (if any) provided by an outgoing Non-Executive Director are circulated by the Chairman to the remaining members of the Board. No such concerns were provided by either Ishbel Macpherson or Michael Averill on their resignations during the year.

Appropriate Directors' and Officers' insurance cover is arranged and maintained via the Company's insurance brokers, Jardine Lloyd Thompson Ltd, and is reviewed annually.

The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts of interest of directors where the Articles of Association contain a provision to that effect. The Company's Articles of Association give the Board authority to authorise matters which may otherwise result in the Directors breaching their duty to avoid a conflict of interest. Directors who have an interest in matters under discussion at a Board meeting must declare that interest and abstain from voting. Only Directors who have no interest in the matter being considered are able to approve a conflict of interest and, in taking that decision, the Directors must act in a way they consider, in good faith, would be most likely to promote the success of the Company. The Directors are able to impose limits or conditions when giving authorisation if they feel this is appropriate. Any conflicts considered by the Board and any authorisations given are recorded in the Board minutes and in the register of conflicts which is reviewed annually by the Board. The Board considers that its procedures to approve conflicts of interest and potential conflicts of interest are operating effectively.

Chairman and Chief Executive Officer

A statement as to the division of the responsibilities between the Chairman and Chief Executive Officer is included in the UK Corporate Governance Code Compliance Statement. The Board considered that the Chairman, on his appointment, met the independence criteria set out in paragraph B.1.1 of the Code. The Board has an established policy that the Chief Executive Officer should not go on to become Chairman.

Board balance and independence

Currently there are, in addition to the Chairman, two Non-Executive Directors on the Board out of a total of five Directors, and their respective experience, details of which are set out on pages 40 and 41, clearly indicates that they are of sufficient calibre and number for their views to carry appropriate weight in the Board's decisions.

The Board considers that all of the Non-Executive Directors are independent, on the basis of the criteria specified in paragraph B.1.1 of the Code and, generally, are free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

The Board is both balanced and diverse in respect of its experience and skills. Following Ishbel Macpherson and Lynn Krige stepping down from the Board during the year, the Board does not currently have any female representation. The Board remains committed to maintaining and building on its diversity, including appointing women at Board and senior management levels based on merit.

James Morley is also a Non-Executive Director of Costain Group PLC ('Costain'), which is a customer of the Group. The Group's trading with Costain is conducted entirely on arm's length terms and in the ordinary and normal course of the Group's business. Additionally, the Board considers that the sums involved are not material as Costain accounted for less than 1.5% of the Group's revenue in FY2015. This potential conflict of interest has been approved by the Board in accordance with both Board procedures and the procedures established under the Companies Act 2006. It has been resolved by the Board that, in the event that the Board should ever be required to discuss or make decisions in relation to the Group's relationships with Costain, James Morley would not take part in, or receive any information in relation to, those discussions. James Morley has not been involved in any commercial negotiations between the Group and Costain and would not be involved in any way in any such contract, bid or tender process.

Appointments to the Board

The Board has established a Nomination Committee. Its terms of reference are also included in the UK Corporate Governance Code Compliance Statement. The Committee meets formally as necessary, but at least twice a year. This is detailed in more depth in the Nomination Committee report on pages 54 and 55. The principal functions of the Nomination Committee are to consider and review the structure and composition of the Board and membership of Board Committees. It also considers candidates for Board nomination including job description, re-election to the Board for those candidates retiring by rotation and succession planning generally. A specification for the role of Chairman, including anticipated time commitment, is included as part of the written statement of division of responsibilities between the Chairman and Chief Executive Officer. Details of the Chairman's other material commitments are set out on page 40 and are disclosed to the Board in advance and included in a register of the same maintained by the Company Secretary.

The terms and conditions of appointment of all the Non-Executive Directors, and those of the Chairman, are available for inspection at the Company's registered office during normal business hours. Each letter of appointment specifies the anticipated level of time commitment including, where relevant, additional responsibilities derived from involvement with the Audit, Remuneration or Nomination Committees. Details of other material commitments are disclosed to the Board and a register of the same is maintained by the Company Secretary.

No Director is a Non-Executive Director or Chairman of a FTSE 100 company.

Information and professional development

Before each scheduled Board meeting all Directors receive appropriate information regarding the Group, comprising a financial report and briefings from senior executives. The Chief Executive Officer and Group Finance Director also brief Directors on results, key issues and strategy. During Board meetings, the Non-Executive Directors regularly make further enquiries of the Executive Directors and seek further information which is provided either at the relevant meeting or subsequently.

The Board also recognises the importance of tailored induction training on joining the Board and ongoing training and education, particularly regarding new laws and regulations which relate to or affect the Group. Such training and education is obtained by the Directors individually through the Company, through other companies of which they are Directors or through associated professional firms.

The Non-Executive Directors have, during the course of the year, attended briefings and seminars relevant to their role, including updates on best practice in audit, remuneration and corporate regulatory issues and economic affairs in general, as well as bringing knowledge and information gathered from their other business interests.

Procedures are in place to enable Directors to take independent professional advice, if necessary, at the Company's expense, in the furtherance of their duties. The procedure to enable such advice to be obtained is included in the UK Corporate Governance Code Compliance Statement.

All Directors have access to the advice and services of the Company Secretary, whose role is to ensure that information is received by the Board in a timely manner, all procedures are followed and applicable rules and regulations are complied with. The appointment or removal of the Company Secretary is a matter specifically reserved for decision by the Board.

Performance evaluation

In last year's Annual Report the Company noted that it intended to carry out an external review of the Board's processes, procedures and effectiveness during FY2015. As a result of the various changes made and pending to the Board composition during FY2015, it was determined that it would not be appropriate or cost effective to carry out an external review of the Board. The Board instead conducted an internal evaluation during the final quarter of FY2015. The results of this evaluation showed, as expected, a relatively new Board, but with a positive view that its current composition was appropriate and was well equipped to serve the best interests of the Group.

As Jan Åstrand had only been appointed to the role of Chairman for a short period, the other Non-Executive Directors determined that it was not appropriate to carry out a formal review of his performance during the period, but that this would form part of future reviews of the effectiveness of the Board.

Re-election

Under the Company's Articles of Association, all Directors are subject to election by shareholders at the first Annual General Meeting following appointment and all Directors are subject to retirement by rotation provisions requiring re-election at intervals of no more than three years. Biographical details of all the Directors are included in this report in order to enable shareholders to take an informed decision on any re-election resolution. The letters of appointment of each of the Non-Executive Directors and the Chairman confirm that appointments are for specified terms and that reappointment is not automatic. James Morley commenced his second three-year term and Chris Masters commenced his first three-year term in 2012. James Morley will commence his third three-year term and Chris Masters will commence his second three-year term in 2015. James Morley will seek re-election at the 2015 Annual General Meeting.

Corporate governance
continued

Directors' remuneration

The performance-related elements of the remuneration of the Executive Directors form a significant proportion of their potential total remuneration packages. The performance-related elements of the schemes in which the Executive Directors are entitled to participate are set out in more detail in the Remuneration Report. The Remuneration Committee, with the advice of New Bridge Street (part of Aon PLC) (NBS), reviews on a regular basis the Company's remuneration policy including the design of performance-related remuneration schemes. Such performance-related elements have been designed with a view to aligning the interests of the Executive Directors with those of shareholders and to incentivise performance at the highest level.

The Remuneration Report and the Group's remuneration policy were both put to the 2014 Annual General Meeting for approval and were each approved by over 98% of shareholders voting. A new long-term incentive plan (LTIP) was also proposed at the 2014 Annual General Meeting and was approved by nearly 98% of shareholders voting.

The policy of the Board is that the remuneration of the Non-Executive Directors should be consistent with the levels of remuneration paid by companies of a similar size. The levels of remuneration also reflect the time commitment and responsibilities of each role, including Chairmanship of Board Committees. It is the policy of the Board that remuneration for Non-Executive Directors should not include share options or any other share-based incentives.

The remuneration of Non-Executive Directors is dealt with by a Committee of the Board specifically established for this purpose comprising the Chief Executive Officer and the Group Finance Director without the presence of the Non-Executive Directors. It is the policy of the Board to review the remuneration of Non-Executive Directors periodically. The remuneration of Non-Executive Directors was not increased during FY2015, save that Chris Masters did receive an increase of £7,500 to reflect his new position as Senior Independent Director and Chairman of the Remuneration Committee. Details of the remuneration of Non-Executive Directors is set out on pages 67 and 68.

The service contracts of all Executive Directors provide for termination by the Company on one year's notice.

Procedure

The Board has constituted a Remuneration Committee which met six times during the year. Its terms of reference are included in the UK Corporate Governance Code Compliance Statement and are fully compatible with the provisions of paragraph D.2.1 of the Code. The Remuneration Committee consists of the Non-Executive Directors, including the Chairman, who are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. The Chief Executive Officer does attend by invitation but is not present for discussions relating to his own remuneration. The Remuneration Committee has appointed NBS to advise it in relation to the design of appropriate executive remuneration structures. NBS has no other connection with the Company.

The responsibilities of the Remuneration Committee include setting remuneration policy, ensuring that remuneration (including pension rights and compensation payments) and the terms of service of the Executive Directors are appropriate and that Executive Directors are fairly rewarded for the contribution which they make to the Group's overall performance. It is also responsible for the allocation of shares under long-term incentive arrangements approved by shareholders and in accordance with agreed criteria. In addition, it monitors current best practice in remuneration and related issues.

The Board's policy is that all new long-term incentive schemes (as defined in the Listing Rules) and significant changes to existing schemes should be specifically approved by shareholders, while recognising that the Remuneration Committee must have appropriate flexibility to alter the operation of these arrangements to reflect changing circumstances. As noted above, the Company's new LTIP was strongly supported by shareholders at the 2014 Annual General Meeting.

A more detailed summary of the work of the Remuneration Committee during the year and the Group's continued remuneration policy for the next two years is contained on pages 56 to 73.

Accountability and audit

Financial reporting

The Directors' report and Independent auditor's report appear on pages 36 to 38 and pages 74 to 77 respectively and comply with the provisions of paragraphs C.1.1 and C.1.3 of the Code.

Audit Committee and auditors

The Board has established an Audit Committee which met five times during the year. The terms of reference of the Audit Committee are set out in full in the UK Corporate Governance Code Compliance Statement. Such terms of reference are compatible with the provisions of paragraph C.3.2 of the Code. The Board is satisfied that the Chairman of the Audit Committee, James Morley, has appropriate recent and relevant financial experience.

In addition to its work in relation to the Group's systems of internal control set out above, the Committee is responsible for reviewing the integrity of the Company's accounts, including the annual and interim results, and recommending their approval to the Board.

The Committee meets on a regular basis with the external auditors and internal audit function, without the Executive Directors being present, to review and discuss issues arising from internal and external audits and to agree the scope and planning of future work. The effectiveness of the Group's internal audit function is one of the matters reviewed in conjunction with the external auditors.

The Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors. The policy of the Audit Committee is to ensure auditor objectivity and independence is safeguarded at all times. As further detailed on page 52, the Audit Committee considers that the Company's auditors are independent.

A more detailed description of the work of the Audit Committee during the year is contained in the separate report of the Committee on pages 48 to 53.

Internal control

The Board is responsible for the Company's internal control procedures and processes and for reviewing the effectiveness of such systems.

The Board, via the Audit Committee, conducts a review, at least annually, of the Group's systems of internal control. Such a review considers all material controls, including financial, operational and compliance controls and risk management systems, and accords with the recommendations contained in the Turnbull Guidance. A formal report is prepared by the external auditors, KPMG LLP (KPMG), highlighting matters identified in the course of its statutory audit work, and is reviewed by the Audit Committee in the presence of KPMG and, by invitation, the Chief Executive Officer, the Group Finance Director, the Group Financial Controller and the Head of Risk and Assurance. The Committee also considers formal reports prepared and presented by the internal audit function. The findings and recommendations of the Committee are then formally reported to the Board for detailed consideration.

Relations with shareholders

Dialogue with institutional shareholders

The Chairman, Chief Executive Officer and Group Finance Director routinely attend brokers' and analysts' presentations in relation to the Company's interim and full-year results. The Chairman, Chief Executive Officer and Group Finance Director, with assistance from the Company's brokers, collate feedback from such presentations and report the findings to the next meeting of the Board. The Chairman is also available to discuss matters with major shareholders in relation to, inter alia, strategy and corporate governance issues. The Senior Independent Director, Chris Masters, is available to attend meetings with major shareholders in order to understand their issues and concerns should the normal communication channels with the Chairman, Chief Executive Officer or Group Finance Director be considered ineffective or inappropriate.

Constructive use of the Annual General Meeting

The Company's Annual General Meeting procedures include, as a matter of course, specifying the level of proxies lodged on each resolution and the balance for and against each resolution and votes withheld after each has been dealt with on a show of hands. It is also the Company's policy to propose a separate resolution at the Annual General Meeting on each substantive separate issue, including in relation to the Annual Report and Accounts and the Directors' Remuneration Report.

All Committee Chairmen are available at the Annual General Meeting.

The Company's standard procedure is to ensure that the Notice of AGM and related papers are sent to shareholders at least 20 working days before the meeting, in compliance with paragraph E.2.4 of the UK Corporate Governance Code.

Governance

Audit Committee report

James Morley
Chairman of the Audit Committee

The Audit Committee presents its report in relation to the financial year ended 31 March 2015.

Audit Committee objectives and terms of reference

The Audit Committee's key objectives are the review of the effectiveness of the Group's financial reporting and internal controls, together with the procedures for identification, evaluation and reporting of key risks to the Group. The role of the Audit Committee in monitoring the integrity of the Group's financial affairs is important to our shareholders and to other stakeholders in the Group, both internal and external, and accordingly we work closely with management and our external and internal auditors to adopt best practice approaches to policies and controls. Following further work undertaken by management in FY2015, as noted below, the Audit Committee feels that the Group's internal and external processes are robust and appropriately aligned to delivering good financial reporting and governance.

The terms of reference of the Audit Committee can be found at **www.speedyservices.com/investors** and are also available in hard copy from the Company Secretary.

Composition of the Audit Committee

The Audit Committee comprises three Non-Executive Directors: James Morley (Chairman), Chris Masters and Jan Åstrand. James Morley and Chris Masters are considered by the Board to be independent. Biographies of each of the members of the Audit Committee are set out on pages 40 and 41. Because of the size of the Board, the Company believes it is appropriate that Jan Åstrand, despite being Chairman of the Company, is also a member of the Audit Committee. Jan Åstrand was considered independent on his appointment as Chairman and it is felt that his skills and experience will enhance the work of the Audit Committee.

James Morley is a chartered accountant with over 25 years' experience as a board member at both listed and private companies. He currently holds non-executive directorships at Costain Group PLC, Clarkson plc and Minova Insurance Holdings. Previously James was also a Non-Executive Director of the Bankers Investment Trust, WS Atkins plc and The Trade Indemnity Group. The Board is satisfied that James Morley has recent and relevant financial experience.

"The Audit Committee works with the Board and senior management to review the Group's financial reporting and internal controls, to give our shareholders confidence in our processes."

Attendance

The Audit Committee's agenda is linked to events in the Group's financial calendar, and the Committee met on five occasions during the year including one meeting specifically to review internal controls. Details of the attendance at Committee meetings are set out below.

Audit Committee members and meetings attended

Name	Position	Meetings attended
J Morley Chairman	Non-Executive Director	5/5
J Åstrand (appointed 26 February 2015)	Non-Executive Director	0/0
M Averill (resigned 26 February 2015)	Non-Executive Director	5/5
C Masters	Non-Executive Director	4/5

Operation and responsibilities of the Audit Committee

The Chief Executive Officer and Group Finance Director, together with representatives from the external auditors, the Group Financial Controller and the Head of Risk and Assurance, are invited to attend meetings of the Audit Committee, although the Committee reserves time for discussions without any invitees being present. The external auditors and the Head of Risk and Assurance meet privately with the Audit Committee at the start of most meetings, to advise the Committee of any matters which they consider should be brought to their attention without the Executive Directors present. The external auditors and the Head of Risk and Assurance may also request a meeting with the Audit Committee if they consider it necessary. The Risk and Assurance department carries out the Group's internal audit function. The Chairman of the Audit Committee also holds private meetings both with the Head of Risk and Assurance and the external auditors.

The Company Secretary acts as secretary to the Audit Committee. The members of the Audit Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Company's expense.

The Audit Committee undertakes its activities in line with an annual programme of business. The Audit Committee's duties include, inter alia:

Internal controls and risk

- monitoring the effectiveness of internal controls;
- evaluating the Board's process for identifying and managing significant risk in the business;
- considering the effectiveness and resourcing of the internal audit function;
- directing the scope of the internal audit programme;
- appointing or replacing the Head of Risk and Assurance;
- reviewing matters reported through the Group's 'Speedy Speak Up' whistleblowing policy; and
- monitoring performance of the Group's senior finance personnel and ensuring their development.

External auditors

- monitoring the effectiveness of the external audit process including recommending the appointment and remuneration of the external auditors;
- considering and, if thought appropriate, approving the use of the external auditors for non-audit work;
- considering the independence of the external auditors, taking into account: (i) non-audit work undertaken by them; (ii) feedback from various stakeholders; and (iii) the Audit Committee's own assessment; and
- monitoring and considering the provisions and recommendations of the UK Corporate Governance Code in respect of external auditors.

Financial statements

- monitoring the integrity of the Group's Financial statements and formal announcements relating to the Group's performance;
- considering liquidity risk, in particular, and the use of the going concern basis for preparing the Group's Financial statements; and
- evaluating the content of the Annual Report and Financial statements, to advise the Board as to whether it may reasonably conclude that the Annual Report and Financial statements is fair, balanced and understandable overall and provides the information necessary to enable shareholders to assess the performance, business model and strategy of the Group.

Audit Committee report
continued

In accordance with its annual programme of business, the Audit Committee's terms of reference were reviewed in the year and the Board agreed with the proposal that they be updated to reflect current best market practice.

As part of its annual programme of business the Audit Committee regularly receives updates from the external auditors as to developing accounting standards, and annually, with the Board, receives a dedicated briefing on developing governance trends. In addition, members are expected to participate personally in relevant briefing and training sessions during the year. The Committee remains particularly interested in the debate regarding the proposed accounting standard for leasing which has continued to take place during the year and which could have a significant impact on the Group's business, should the proposed reforms be brought into force.

Significant issues considered by the Audit Committee during FY2015

During the year, the Audit Committee reviewed and evaluated:

> the International division;
> the implementation of AX12;
> the existence and valuation of hire equipment;
> the potential for impairment of goodwill, other intangible assets and property, plant and equipment;
> the carrying amount of trade receivables; and
> the going concern basis for the preparation of the Financial statements.

The role and response of the Audit Committee to these, along with any corresponding impact on the Group's Financial statements, are discussed in more detail in this report.

The International division

As outlined in the Chief Executive Officer's report, the Group restructured its International division during the year by closing down its Qatari and Egyptian businesses, disposing of the Omani business following the year end, and focusing the remaining business on its core oil and gas market. This restructuring required the Audit Committee to review the accounting treatment of the International division, in particular to consider whether there was a need to impair the residual carrying value of the International division.

The Committee considered the review of the International division prepared by management in light of discussions with a potential purchaser for the core oil and gas business. The impairment test prepared by management indicates that the net present value of future cash flows exceeded the carrying value of assets and consequently there was no requirement for an impairment provision.

The Committee also considered the presentation of the disposals and the remaining International division assets in the Financial statements. The Committee concluded that revenue and costs relating to asset disposals were sufficiently material to the results of the wider business to warrant separate disclosure in the Income Statement. The disposal of the Omani business was concluded subsequent to the year end, and accordingly the assets and liabilities have been included as held for sale at the balance sheet date. The Committee concluded, on the basis of the review carried out by management, that the accounting treatment adopted in the Financial statements fairly represents the activities of the International division within the year.

Review of the implementation of AX12

Following the implementation of the Group's upgraded IT system (Microsoft Dynamics AX12), the Committee requested that management obtain an independent review of its performance. A number of consultants were engaged to look at aspects of the system, including the consulting division of KPMG LLP (KPMG Consulting) who, in view of their detailed knowledge and understanding of Microsoft Dynamics systems, were asked to undertake work around asset and invoice reconciliation. Senior management and the Committee satisfied themselves and received sufficient assurances from KPMG, as auditor, that its independence would not be threatened by virtue of carrying out such work.

The review included a number of interviews, discussions and workshops with the Company's IT, assets and finance teams, and the consultants were given access to a test environment in order to run enquiries and analyse the system. The findings of this work demonstrated that the migration from the Company's former AX3 platform to the upgraded AX12 system had been successfully completed. The asset integrity within the system was generally good, and where issues had been identified these were already known to the Company and actions were underway to resolve them. The findings of the review were considered by senior management and the Audit Committee and the Committee is satisfied that no material inaccuracies were identified and, consequently, that the implementation of AX12 raised no material financial reporting concerns.

Existence and valuation of hire equipment

The hire fleet comprises several million individual assets, represents the largest asset on the balance sheet, and underpins the Group's key revenue streams.

The control environment surrounding the management of assets is critical to maintaining an up-to-date record of the assets and ensuring that they are correctly valued within the Financial statements. This was particularly important given the upgrade in the Group's IT system during FY2015. In order to gain assurance that the control environment is operating in a satisfactory manner and as noted in the previous section, the Audit Committee requested internal audit to review the asset management processes and also requested KPMG to review certain aspects relating to the Group's IT system upgrade, as noted above. The findings of these reviews were considered by the Audit Committee.

In addition to considering the appropriateness of the Group's depreciation policies, the Audit Committee assesses the valuation of hire equipment taking into consideration valuation work performed by independent equipment valuers, along with a consistent track record of the Group in disposing of hire equipment at a small profit when taken in aggregate.

The potential for impairment of goodwill, other intangible assets and property, plant and equipment

The Committee considers on an ongoing basis whether any impairment in the value of assets would be appropriate. In considering this position the Committee considers the discounted value of future cash flows compared with the carrying value of the assets. In order to form a judgement over the reasonableness of the discount value of future cash flows, the Audit Committee challenge management's view of the future cash flows, applying sensitivities where appropriate, and concludes on an appropriate discount rate to apply in order to discount the cash flows. In addition, and where appropriate to do so, the Audit Committee takes account of the external valuation reports prepared in connection with the Group's financing arrangements. The Audit Committee has concluded that no impairment provision is required.

The carrying amount of trade receivables

The Group trades with a large number of customers across a number of sectors and the carrying amount of receivables from these customers comprises a substantial current asset. Significant judgement is required in determining the extent to which these current assets will prove irrecoverable, and a provision for this is reflected in the carrying value of those current assets. The implementation of the upgrade of the Group's IT system led to a number of temporary invoicing issues which meant debtor days increased from FY2014. As a result of this, the Audit Committee was required to pay particular regard to the recoverability of the Group's receivables. Stabilisation of the Group's IT systems and continuing focus by management are bringing debtor days back towards more customary levels.

The Audit Committee considers the levels of such provisions and any changes to the provisioning policy recommended by the Directors, taking into account trends within the ageing profile of the receivables balance, levels of non-collectability experienced by the business and the economic climate in which the customers operate.

Going concern basis for the preparation of the Financial statements

The Group has adopted a going concern basis for the preparation of the Financial statements. Judgement over the future cash flows of the business and their interaction with the available liquidity from the Group's borrowing facilities must be applied in concluding whether to adopt a going concern basis of preparation. The Audit Committee has challenged forecast cash flows, the assumptions applied to derive the cash flows and availability of finance from existing facilities.

During the year, the Group has remained in compliance with its financial covenants under the Group's banking facilities which were renewed during FY2015. Net debt has risen in the year, partly reflecting increased capital expenditure and partly the temporary impact of the invoicing issues noted above, leading to an increase in debtor days from FY2014. However, based on the expectations of future cash flows and the continued availability of the banking facilities, the Committee has concluded that the available borrowing facilities are adequate for both existing and future levels of business activity. The Committee therefore considers that it is appropriate to continue to adopt a going concern basis in the preparation of the Financial statements.

Internal control and risk management

The Board is responsible for the Group's system of internal control and risk management and for reviewing its effectiveness. The detailed review of internal controls has been delegated by the Board to the Audit Committee.

During the year, the Group undertook a clearly defined project to remedy a number of control and risk matters, identified by a combination of the Group's auditors, the Risk and Assurance Department and management representation letters returned during FY2015. The Audit Committee monitored this process and assisted management with improving the Group's control and risk management framework.

The Risk and Assurance Department incorporates the Group's internal audit function. The Head of Risk and Assurance reports to the Board and to the Audit Committee. The internal audit function is involved in the assessment of the quality of risk management and internal control. It helps to promote and develop further effective risk management in all areas of the business, including the embedding of risk registers and risk management procedures within individual business areas. The Audit Committee receives detailed reports from the Risk and Assurance Department at each meeting.

Governance

Audit Committee report
continued

Review of internal audit

The Audit Committee reviews on an ongoing basis the effectiveness of the Group's internal audit function. This review includes the level of resource devoted to internal audit, as well as the degree to which the function can operate free from management restrictions. The Audit Committee considered the results of the audits undertaken by the internal audit function and in particular considered the response of management to issues raised by internal audit, including the time taken to resolve matters reported.

In addition, the Audit Committee produces and circulates each year a questionnaire to Directors and senior managers asking questions and inviting comments on the internal audit function, as it also does in respect of the external auditors and the Audit Committee itself. These responses are considered by the Audit Committee, and used to determine whether internal audit is working effectively and what changes, if any, need to be made as a result. The Internal Audit Charter was reviewed in FY2015 and it was determined that this remained fit for purpose.

Review of the work, effectiveness and independence of the external auditors

The Audit Committee reviews annually the relationship between the Group and the external auditors and has responsibility for monitoring the external auditors' independence and objectivity. This work includes an assessment of their performance and cost-effectiveness, a review of the scope of their work, as well as their compliance with ethical, professional and regulatory requirements. The Audit Committee also reviews any major issues which arise during the course of the audit and their resolution, key accounting and audit judgements, and any recommendations made to the Board by the auditors and the Board's response. The Audit Committee ensures that external audit partners are rotated from time to time in accordance with applicable UK rules. The Audit Committee is responsible for ensuring that an appropriate relationship is maintained between the Group and the external auditors.

During the year we have continued to consider the effectiveness of the external auditors by questionnaires circulated to Directors and relevant senior managers, in a process similar to that used to review the internal audit function, as noted above. This review showed that the improvements made in the FY2014 audit process were well received, and remained in place for the FY2015 audit process.

The Group has an established policy to control the provision of non-audit services by the external auditors in order to ensure that their objectivity and independence are safeguarded. This policy provides that preference should be given to retaining consultants other than from the external auditors unless strong reasons exist to the contrary, but the Company does not set a hard cap on such fees and does not feel that a hard cap would be beneficial. The policy further requires that the provision of any non-audit services by the external auditors or any of the other top four accounting firms is subject to prior approval by the Audit Committee, to ensure that the impact of such work on future tendering for audit services is controlled. The Audit Committee closely monitors the amount the Company spends with the external auditors on non-audit services.

During the year non-audit services were provided to the Group by the external auditors and other accounting, or consulting, firms and the Group anticipates that this will continue. The amount payable to the external auditors for audit services was £201,950, whilst £329,823 was payable to the external auditors for non-audit services where they were best placed to undertake the work due to their knowledge of the business or as a by-product of the audit function. This was in respect of work relating to the renewal of the Group's banking facilities, and performing an independent review of the Group's upgraded IT system. A split of the audit and non-audit fees is set out in note 4 to the Group Financial statements. The rolling three-year figures were £648,550 for audit services and £662,248 for non-audit services. The auditors have confirmed to the Committee that all non-audit work carried out for the Group is performed by separate teams and appropriate safeguards are in place to ensure that the audit team's independence is not compromised.

The Audit Committee considered the external auditors' performance during the year and reviewed the level of fees charged, which are considered appropriate given the size of the Group. The Audit Committee is satisfied that the level and scope of non-audit services undertaken by the external auditors has not impaired their independence and objectivity.

Appointment of auditors

Having considered the results of the Audit Committee's work, the Board is recommending the reappointment of the external auditors for FY2016. PricewaterhouseCoopers will continue to perform its audit function in respect of the Group's Middle Eastern operations. KPMG LLP has expressed its willingness to continue as external auditor of the Group. Separate resolutions proposing its reappointment and the determination of its remuneration will be proposed at the Annual General Meeting to be held on 15 July 2015.

As noted previously, the Group's external audit contract was last tendered in April 2001. The Audit Committee continues to monitor the continuing deliberations by the European Commission and the Competition Commission in respect of auditor services and retendering. The Audit Committee recognises the change made by the UK Financial Reporting Council regarding the retendering of audit services at least once every ten years for companies in the FTSE 350 and above. KPMG LLP's own procedures require the rotation of the lead audit partner after five years, and the current audit partner will come to that at the end of FY2016. The Company intends to consider retendering audit services at an appropriate juncture and the current view of the Committee is that the appropriate time to carry out such a retender would be during FY2017.

Code of Conduct

The Company remains committed to the highest standards of business conduct and expects its Directors, employees, consultants and other stakeholders to act accordingly. The Company has a well-established Code of Conduct which incorporates our 'Speedy Speak Up' whistle-blowing policy. These policies are actively promoted within the Group. New employees are required, as part of their induction, to undergo face-to-face training on the Code of Conduct and this training is reinforced for existing employees with management responsibility via an online training course which is completed on an annual basis.

During the year the Company published a new Business Ethics Guide entitled 'Do Things Right, Doing the Right Thing' to all of its employees. This guide acts as a summary of the Group's key policies, including the Code of Conduct. The Company also collated its management structures and policies into a more detailed Corporate Governance Framework, ensuring that senior managers of the Group have ready access to such policies.

Communicating with shareholders

The Company places considerable importance on communication with its shareholders, including both institutions and private shareholders. The Group's Chief Executive Officer is closely involved with investor relations. The Group's new Group Finance Director will also be closely involved and the Group's Chairman intends to regularly meet with investors. The views of the Company's major shareholders are reported to the Board and are regularly discussed at meetings of the Board and at the various committees of the Board, including, where appropriate, the Audit Committee.

Approval of Annual Report and Financial statements

Having reviewed the Annual Report and Financial statements and verified its contents with key stakeholders, the Audit Committee advised the Board that in its opinion the Annual Report and Financial statements was fair, balanced and understandable overall and provides all the information necessary to enable shareholders to assess the performance, business model and strategy of the Group.

This report was approved by the Board on 11 May 2015.

James Morley
Chairman of the Audit Committee

Nomination Committee report

Jan Åstrand
Chairman of the Nomination Committee

The Nomination Committee presents its report in relation to the financial year ended 31 March 2015. Chaired by Jan Åstrand, the key functions of the Nomination Committee are to review the structure and composition of the Board, to identify and propose to the Board suitable candidates to fill Board vacancies, and to undertake succession planning for Board and senior management positions.

Composition of the Nomination Committee

The Nomination Committee comprises the three Non-Executive Directors: Jan Åstrand (Chairman), Chris Masters and James Morley, all of whom are considered by the Board to be independent. Biographies of the members of the Nomination Committee are set out on pages 40 and 41.

Ishbel Macpherson, previously Chairman of the Nomination Committee, resigned on 11 November 2014 and was replaced in this role by Jan Åstrand with effect from that date.

The terms of reference of the Nomination Committee are published on the Company's website at **www.speedyservices.com/investors** and are available in hard copy form on application to the Company Secretary.

Attendance

The Nomination Committee met on three occasions during the year. Details of the attendance at Nomination Committee meetings are set out in the table below. At the invitation of the Chairman, the Chief Executive Officer may attend meetings of the Nomination Committee and a representative of the Group's Human Resources function is also commonly invited to attend such meetings, particularly where discussions are taking place around succession planning within the Group.

Nomination Committee members and meetings attended

Name	Position	Meetings attended
J Åstrand Chairman (appointed 11 November 2014)	Non-Executive Director	1/1
I Macpherson (resigned 11 November 2014)	Non-Executive Director	2/2
M Averill (resigned 26 February 2015)	Non-Executive Director	3/3
C Masters	Non-Executive Director	3/3
J Morley	Non-Executive Director	3/3

"We have undergone a number of changes to the Board during the year, including my appointment as Chairman of the Board and the Nomination Committee and Russell Down's appointment as Group Finance Director. We consider that the refreshed Board has an appropriate balance of independence and skills to promote the success of the Group."

Operation of the Nomination Committee

The Nomination Committee generally meets on two occasions during a year, although it can meet more regularly if required. The Company Secretary acts as secretary to the Nomination Committee. The members of the Nomination Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Company's expense.

The Nomination Committee's duties include, inter alia:

> ensuring that there is a formal and transparent procedure for the appointment of new Executive and Non-Executive Directors to the Board and making recommendations to the Board on such appointments;

> reviewing the size and composition of the Board along with membership of Board committees;

> evaluating the balance of skills, knowledge and experience on the Board;

> ensuring that succession planning is in place for the Board and senior management;

> ensuring that Non-Executive Directors are able to devote sufficient time to discharge their duties; and

> recommending to the Board whether Directors who are retiring by rotation in accordance with the Company's Articles of Association should be put forward for re-election.

During the year the Nomination Committee undertook all of the duties set out above, with a particular focus on identifying and nominating Jan Åstrand as Chairman of the Board and Russell Down as Group Finance Director.

Following Ishbel Macpherson's decision to step down as Chairman of the Company, Michael Averill led a formal and rigorous process to identify and appoint her successor. The Nomination Committee and the Board agreed a role description and appointed Odgers Berndston to produce a shortlist of suitable candidates. A number of high-calibre candidates were identified and interviewed, with Jan Åstrand identified as the preferred candidate for the role. The Nomination Committee recommended Jan Åstrand's appointment to the Board and this recommendation was accepted by the Board in October 2014.

The Nomination Committee also undertook an extensive and rigorous process for the appointment of a new Group Finance Director, following the Board and Lynn Krige mutually agreeing that she would step down from the Board and her subsequently leaving the Group in October 2014. Prior to the appointment process being concluded and Russell Down joining the Board, the Group's finance function was overseen by Tracey Atkin, who was until recently the UK & Ireland Finance Director. The Nomination Committee and the Board agreed a role description and appointed Odgers Berndston to produce a shortlist of suitable candidates. The resulting shortlist, of particularly credible candidates, was subsequently interviewed by the Chief Executive Officer and ultimately by the Chairman and Audit Committee Chairman. Russell Down was identified as the preferred candidate for the role and the Nomination Committee recommended his appointment to the Board. This recommendation was accepted by the Board in January 2015.

In addition to changes at Board level, the Nomination Committee focused on the identification of the most talented individuals for key management roles across the Group. These individuals were initially identified through a strict process undertaken by the Chief Executive Officer and the Group's executive committee. The resulting identification of replacements for key management roles and categorisation of individuals according to their potential to progress into these roles over time was subsequently proposed to and considered by the Nomination Committee. The Nomination Committee intends to support the Board and the Executive Directors in developing these key individuals, allowing them exposure to the Board and ensuring that the Group has a robust succession planning process in place.

The Nomination Committee has recommended the election of Jan Åstrand and Russell Down to the Board, and the re-election of James Morley, as detailed in the Directors' report on page 36.

This report was approved by the Board on 11 May 2015.

Jan Åstrand
Chairman of the Nomination Committee

Governance

Remuneration report

Chris Masters CBE
Chairman of the Remuneration Committee

Remuneration Committee members and meetings attended

Name	Position	Meetings attended
C Masters Chairman (appointed Chairman on 26 February 2015)	Non-Executive Director	6/6
M Averill (resigned 26 February 2015)	Non-Executive Director	5/5
J Åstrand (appointed 26 February 2015)	Non-Executive Director	1/1
J Morley	Non-Executive Director	6/6

"Our remuneration policy is aimed at attracting, motivating and retaining the best people for our business."

Annual statement

This report, which has been prepared by the Remuneration Committee (Committee) and approved by the Board for the financial year ended 31 March 2015, sets out the remuneration policy for the Directors of the Company. The report has been divided into two sections:

> the **Remuneration Policy Report**, which sets out the Group's policy on the remuneration of Executive and Non-Executive Directors; and

> the **Annual Report on Remuneration**, which discloses details of the Committee, how the Remuneration policy will operate for FY2016 and how the policy was implemented in FY2015.

The Remuneration policy was subject to a binding vote at the 2014 Annual General Meeting (AGM) whilst the 2014 Annual Report on Remuneration was subject to an advisory vote. Both were approved by more than 98% of shareholders that voted. The Company's new long-term incentive plan was also proposed at the 2014 AGM and approved by nearly 98% of shareholders that voted. The Annual Report on Remuneration will be the subject of an advisory vote at the 2015 AGM.

Remuneration Committee objectives and terms of reference

The Committee's key objectives are: to make recommendations to the Board on the Group's framework and policy for the remuneration of Directors and senior executives; to determine the basis on which the employment of executives is terminated; and to determine whether awards made under performance-related and other share incentive schemes should be made, the overall amount of those awards, and the individual awards to executives including the performance targets to be used. More details around the objectives of the Committee and the work done by the Committee during the year can be found in the Annual Report on Remuneration, which commences on page 65.

The terms of reference of the Committee can be found at **www.speedyservices.com/investors** and are also available in hard copy from the Company Secretary.

Composition of the Remuneration Committee

The Committee comprises three Non-Executive Directors: Chris Masters (Chairman), James Morley and Jan Åstrand. They are all considered by the Board to be independent. Biographies of the members of the Committee are set out on pages 40 and 41. Because of the size of the Board, the Company believes it is appropriate that, despite being Chairman of the Company, Jan Åstrand is also a member of the Committee. Details relating to their membership of the Committee and attendance at the meetings during the year are as set out to the left.

At the invitation of the Chairman the Chief Executive Officer may attend meetings of the Committee, except when his own remuneration is under consideration. No Director is involved in determining his own remuneration. The Company Secretary acts as the secretary to the Committee.

Performance and reward for FY2015

The Group's remuneration policy has been, and will continue to be, performance-related and retention-focused. Remuneration packages are aimed at reflecting the responsibility and contribution of the individual, whilst ensuring that the Group is able to attract, retain and motivate the best people in a competitive marketplace. In return, Executive Directors are expected to demonstrate their commitment and leadership to the Group and take responsibility for their actions and decisions. The Group's policy is structured so that salaries are positioned at competitive levels against the relevant market, but with the potential to earn upper quartile incentive pay for sustained and exceptional performance which is linked to demanding annual and long-term performance conditions, aimed at promoting the long-term success of the Group.

The Committee considers that the remuneration paid to the Executive Directors fairly reflects their performance during the year. The threshold PBT target for FY2015 was exceeded and this, together with the Committee's assessment of the strategic targets, has resulted in an annual bonus payment of 60% of salary for Mark Rogerson. The 2011 Performance Share Plan (PSP) awards, where performance is based on a three-year performance period, vested at 66.8% in 2014 as a result of the extent to which relative total shareholder return performance targets were met. The 2012 PSP awards are currently expected to vest at 100% in 2015 on the same basis, although no current Executive Directors hold 2012 awards.

Remuneration report
continued

Remuneration policy for FY2016

The Committee is not proposing to make changes to the remuneration policy for FY2016. The key points to note are:

> Mark Rogerson's base salary was set at £320,000 following his promotion from Chief Operating Officer to Chief Executive Officer from 27 January 2014. As noted in our 2014 Annual Report, Mark Rogerson's base salary was set below that of his predecessor and market levels in general and it remains the Committee's intention to move the salary to market levels over time, subject to Group and individual performance. Following a review of performance since appointment, Mark Rogerson's salary was increased to £375,000 from 1 April 2015 although £10,000 will be withheld until 30 September 2015 and will only be payable subject to certain financial performance targets being met. It is the Committee's intention that a further salary review will be carried out for 1 April 2016 with the intention being that the salary is moved further towards market levels, again subject to a review of both individual and Group performance;

> Russell Down was appointed as Group Finance Director with effect from 6 April 2015 with a base salary of £275,000 and it is expected that any future increases will be linked to Group/individual performance and reflect general market trends;

> pension policy will remain unchanged, with the Company contribution (or salary supplement in lieu) limited to no more than 20% of base salary;

> annual bonus opportunity will remain capped at 100% of base salary, with the majority based on Group profit before tax and the minority based on personal, strategic and financial targets. Clawback and financial underpin provisions will apply;

> the 2014 Performance Share Plan (PSP), approved at the 2014 AGM, will continue to operate as the Company's primary long-term incentive arrangement, whereby awards over shares will normally vest three years from grant, subject to continued employment and performance conditions based on relative total shareholder return and earnings per share growth. It is currently intended that award levels in FY2016 will be over shares worth no more than 100% of salary; and

> share ownership guidelines will continue to operate at 100% of salary although to the extent that award levels increase in the future, the Committee will consider a commensurate increase in the guidelines.

Shareholder engagement

The Committee takes an active interest in shareholder views on the Company's executive remuneration policy and is mindful of the concerns of shareholders and other stakeholders and we will continue to take into account the views of our shareholders as appropriate. There is no intention to change our current remuneration policy at this time and consequently we will not be seeking any such approval at the Company's 2015 AGM.

In conclusion, we firmly believe that our remuneration policy for FY2016 onwards is appropriately aligned with the strategic goals of the Group in delivering shareholder value and supporting the long-term success of the Group.

This report was approved by the Board on 11 May 2015.

Chris Masters
Chairman of the Remuneration Committee

Remuneration Policy Report

This part of the Directors' Remuneration Report sets out the remuneration policy for the Group. This policy, which has operated from 1 April 2014, was approved at the Company's 2014 AGM and became formally effective from that date.

The policy set out below is a restatement of the policy set out in the Company's 2014 Annual Report and Accounts and approved by shareholders at the Company's 2014 AGM.

Policy overview

In setting the remuneration policy for the Executive Directors, the Committee takes into account the following:

> the need to attract, retain and motivate Executive Directors and senior management;
> internal pay and benefits practice and employment conditions within the Group as a whole; and
> periodic external comparisons to examine current market trends and practices and equivalent roles in similar companies taking into account their size, business complexity, international scope and relative performance.

There are five main elements of the remuneration package for Executive Directors:

> base salary;
> annual bonus;
> long-term incentives;
> pension arrangements; and
> benefits.

The key principles of the policy are:

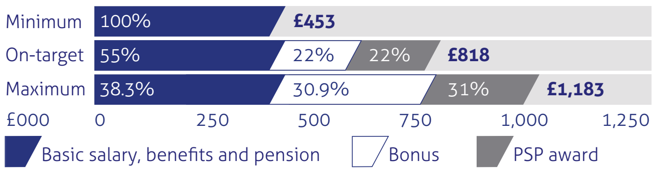
> base salaries between lower quartile and median, but with the potential to earn upper quartile rewards for sustained exceptional performance provided that stretching and demanding performance conditions, designed to promote the long-term success of the Group, are met;
> a reward structure that balances short-term and long-term performance; and
> competitive incentive arrangements underpinned by a balance of financial and operational performance metrics and linked to corporate and individual performance, ensuring a focus on business performance and alignment with the interests of shareholders.

As a result, the Committee has determined that the remuneration of Executive Directors will provide an appropriate balance between fixed and performance-related pay elements. The Committee will continue to review the remuneration policy to ensure it takes due account of best remuneration practice and that it remains aligned with shareholders' interests.

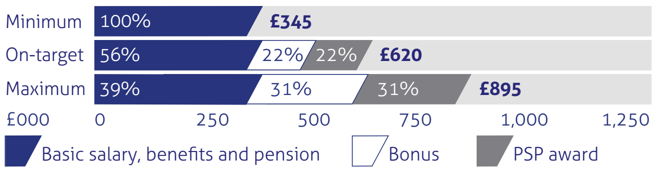
Remuneration scenarios for Executive Directors

The charts below show how the composition of the Executive Directors' remuneration packages varies at three performance levels, namely, at minimum (i.e. fixed pay), target and maximum levels, under the policy set out in the charts below.

Mark Rogerson, Chief Executive Officer



Russell Down, Group Finance Director



The charts above are based on:

> salary levels effective 1 April 2015;
> an approximated annual value of benefits;
> an annualised pension contribution (as a % of salary);
> a 100% of salary maximum annual bonus (with target assumed to be 50% of the maximum); and
> a 100% of salary PSP award (with target assumed to be 50% of the maximum). No share price appreciation in respect of the PSP awards has been assumed.

Remuneration report
continued

Summary Director policy table

The table below summarises the remuneration policy for Directors, as effective from the Company's 2014 AGM:

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Salary	> Reflects the value of the individual and their role > Reflects skills and experience over time > Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income	> Normally reviewed annually, effective 1 April > Paid in cash on a monthly basis; pensionable > Comparison against companies with similar characteristics and sector comparators taken into account in review	> There is no prescribed maximum annual basic salary or salary increase > The Committee is guided by the general increase for the broader employee population but may decide to award a lower increase or a higher increase for Executive Directors to recognise, for example, an increase in the scale, scope or responsibility of the role and/or to take account of relevant market movements > Where an Executive Director's salary is set below market levels at appointment, future salary increases may include a 'catch up' element over and above the factors listed above	n/a
Bonus	> Incentivise delivery of specific Group, divisional and personal annual goals > Maximum bonus only payable for achieving demanding targets	> Normally payable in cash (although the Committee reserves the right to deliver some or all of the bonus in shares which may be deferred) > Non-pensionable	> 100% of salary p.a.	> Group profit before tax will apply for the majority > Personal and strategic KPIs may be applied for the minority > One-year performance period > Clawback provisions apply
Pension	> Provide competitive retirement benefits	> Defined contribution and/or cash in lieu of pension	> Up to 20% of basic salary p.a.	n/a

Summary Director policy table continued

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Performance Share Plan	> Aligned to main strategic objectives of delivering long-term value creation > Align Executive Directors' interests with those of shareholders > Retention	> Annual grant of conditional awards or nil or nominal cost options > The Committee reviews the quantum of awards annually and monitors the continuing suitability of the performance measures > A two-year post vesting holding period may be applied to the grant of awards	> 150% of salary p.a. normal limit > 200% of salary exceptional limit (e.g. for recruitment or retention) > Participants may benefit from the value of dividends paid over the vesting period (and any holding period operated) to the extent that awards vest. This may be delivered in cash or additional shares at the time awards vest	> Performance normally measured over three years > Relative Total Shareholder Return (TSR) targets and/or absolute Earnings Per Share (EPS) targets > Performance underpins may apply > 25% vests at threshold increasing to 100% vesting at maximum > Clawback provisions apply
Share ownership guidelines	> To provide alignment of interests between Executive Directors and shareholders	> Executive Directors are required to build and maintain a shareholding equivalent to at least one year's base salary (although this may be increased if PSP award levels are increased in the future) through the retention of vested share awards or through open market purchases	> At least 100% of salary	n/a
All Employee Share Plans	> Encourages long-term shareholding in the Company	> Invitations made by the Committee under the tax-advantaged Sharesave Scheme	> As per prevailing HMRC limits	n/a
Other benefits	> Provide insured benefits to support the individual and their family during periods of ill health or death > Car allowance to facilitate effective travel > Modest accommodation allowances (where appropriate and necessary)	> Benefits provided through third party providers > Allowances normally paid on a monthly basis	n/a	n/a

Governance

Remuneration report
continued

Summary Director policy table continued

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Non-Executive Directors	> To provide fees reflecting time commitments and responsibilities, in line with those provided by similarly sized companies	> Fees are set by the Board (excluding Non-Executive Directors) > Fees are normally paid monthly and are normally reviewed annually > Expectation that individuals build and maintain a shareholding equal to 100% of fees	> There is no prescribed maximum fee or fee increase > The Board (excluding Non-Executive Directors) is guided by market rates, time commitments and responsibility levels	n/a

Notes:

> The choice of the performance metrics applicable to the annual bonus scheme reflect the Committee's belief that any incentive compensation should be appropriately challenging and tied to both the delivery of profit growth and strategic objectives.

> The performance conditions applicable to the 2015 Performance Share Plan (PSP) awards were selected by the Remuneration Committee on the basis that they reward the delivery of long-term returns to shareholders and the Group's financial performance and are consistent with the Company's objective of delivering superior levels of long-term value to shareholders. The TSR performance condition is monitored on the Committee's behalf by New Bridge Street whilst the Group's EPS growth is derived from the audited financial statements.

> The Committee operates the PSP and its all employee share plans in accordance with the plan rules, the Listing Rules and HMRC legislation and the Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plan.

> Consistent with HMRC legislation, the all-employee Sharesave scheme does not have performance conditions.

> For the avoidance of doubt, in approving this Directors' Remuneration Policy, authority was given to the Company to honour any commitments entered into with current or former Directors (such as the payment of the prior year's annual bonus or the vesting/exercise of share awards granted in the past). Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

How employees' pay is taken into account

Pay and conditions elsewhere in the Group were considered when finalising the current policy for Executive Directors and continue to be considered in relation to implementation of this policy. In order to do so, the Committee regularly interacts with the HR function and senior operational executives. Given that the requirement to consider the wider pay and employment conditions elsewhere in the Group is considered by the Committee to be a key objective, it is embedded in the Committee's terms of reference.

How the Executive Directors' remuneration policy relates to the wider Group

The remuneration policy described above provides an overview of the structure that operates for the most senior executives in the Group. Employees below executive level have a lower proportion of their total remuneration made up of incentive-based remuneration, with remuneration driven by market comparators and the impact of the role of the employee in question. Long-term incentives are reserved for those judged as having the greatest potential to influence the Group's earnings growth and share price performance.

Long-term service awards

Consistent with the Group's approach of recognising the contribution of its employees at all levels in the business, the Group operates a long-term service award scheme under which employees serving 10, 20 and 25 years receive a range of additional benefits, including additional days of annual holiday entitlement.

These benefits are popular amongst employees and the Group believes that they fulfil a business need by encouraging and rewarding the loyalty and motivation of long-serving employees and by rewarding those employees with higher levels of experience.

How shareholders' views are taken into account

The Committee continues to take an active interest in shareholder views on our executive remuneration policy and is mindful of the concerns of shareholders and other stakeholders. This was reflected in our voting results at the 2014 AGM, which were over 98% in favour of the Directors' Remuneration Report and the Remuneration Policy resolutions. Major shareholders and representative bodies were consulted in 2014 in respect of the 2014 Performance Share Plan, which was approved at the 2014 AGM.

Service contracts

Relevant dates of service contracts and notice periods for the Executive Directors are set out as follows:

Executive Director	Date of contract	Notice period
M Rogerson	25 November 2013	12 months
R Down	8 January 2015	12 months

The Chairman and Non-Executive Directors do not have contracts of service, but their terms are set out in letters of appointment. Appointments are subject to termination by three months' notice on either side. The letters of appointment, copies of which are available for inspection at the Company's registered office during normal business hours, specify an anticipated time commitment of 50 days per annum in relation to Jan Åstrand, 25 days per annum in relation to Chris Masters and 24 days in relation to James Morley. Relevant appointment letter and term dates of the Non-Executive Directors are set out as follows:

Non-Executive Director	Appointment letter date	Month of last election	Expected month of expiry of current term
J Åstrand[1]	9 October 2014	n/a	July 2018
I Macpherson[2]	17 July 2007	July 2013	n/a
M Averill[3]	16 May 2008	July 2013	n/a
J Morley	31 March 2009	July 2014	July 2015
C Masters	10 June 2011	July 2014	July 2017

1 Appointed with effect from 1 November 2014.

2 Resigned with effect from 11 November 2014.

3 Resigned with effect from 26 February 2015.

Remuneration report
continued

Approach to recruitment and promotions

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's prevailing approved remuneration policy at the time of appointment and take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Salary would be provided at such a level as required to attract the most appropriate candidate and may be set initially at a below mid-market level on the basis that it may progress towards the mid-market level once expertise and performance has been proven and sustained.

The annual bonus potential would be limited to 100% of salary and grants under the Performance Share Plan (PSP) would be limited to 150% of salary (200% of salary in exceptional circumstances). In addition, the Committee may offer additional cash and/or share-based elements to replace deferred or incentive pay forfeited by an executive leaving a previous employer. It will, where possible, ensure that these awards are consistent with awards forfeited in terms of vesting periods, expected value and performance conditions.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its original terms.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Fee structure and quantum for Non-Executive Director appointments will be based on the prevailing Non-Executive Director fee policy.

Approach to leavers

No Executive Director has the benefit of provisions in his or her service contract for the payment of pre-determined compensation in the event of termination of employment. It has been the Committee's general policy that the service contracts of Executive Directors (none of which are for a fixed term) should provide for termination of employment by giving 12 months' notice or by making a payment of an amount equal to 12 months' basic salary and pension contributions in lieu of notice together with any accrued bonus entitlement. It is the Committee's policy that no Executive Director should be entitled to a notice period or payment on termination of employment in excess of the levels set out in his or her service contract. In determining amounts payable on termination, the Committee also considers, where it is able to do so, appropriate adjustments to take into account accelerated receipt and the Executive Director's duty to mitigate his loss. In addition, legal fees in connection with a departure may be payable. The service contracts of Mark Rogerson and Russell Down contain express provisions relating to their duty to mitigate their loss and for accelerated receipt in the event of termination.

Annual bonus may be payable with respect to the period of the financial year served although it will be pro-rated for time and paid at the normal payout date. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. However, in certain prescribed circumstances, such as death, ill health, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. For good leavers, awards will normally vest at the normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and reduced pro-rata to reflect the proportion of the vesting period actually served. However, the Remuneration Committee has discretion to determine that awards vest at cessation of employment.

External appointments

The Board allows Executive Directors to accept appropriate outside commercial Non-Executive Director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board. No Non-Executive Directorships in a listed company were held by the Executive Directors during the year and details of other appointments held by Executive Directors are set out in their biographies on page 40.

Annual Report on Remuneration

Remuneration Committee role and membership

The Committee comprises three Non-Executive Directors: Chris Masters (Chairman), James Morley and Jan Åstrand. They are all considered by the Board to be independent. Biographies of the members of the Committee are set out on pages 40 and 41. Details of their membership of the Committee and attendance at the meetings during the year are as set out on page 56.

At the invitation of the Chairman the Chief Executive Officer may attend meetings of the Committee, except when his own remuneration is under consideration. No Director is involved in determining his own remuneration. The Company Secretary acts as the secretary to the Committee. The members of the Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Group's expense.

The Committee's duties include:

> to make recommendations to the Board on the Group's framework and policy for the remuneration of the Chairman, Executive Directors, Company Secretary and senior executives;

> to review and determine, on behalf of the Board, executive remuneration and incentive packages to ensure such packages are fair and reasonable;

> to review Directors' expenses;

> to determine the basis on which the employment of executives is terminated;

> to design the Group's share incentive schemes and other performance-related pay schemes, and to operate and administer such schemes;

> to determine whether awards made under performance-related and share incentive schemes should be made, the overall amount of the awards, the individual awards to executives and the performance targets to be used;

> to ensure that no Director is involved in any decisions as to his/her own remuneration; and

> to review regularly the ongoing appropriateness and effectiveness of all remuneration policies.

During FY2015, the Committee reviewed the following matters at its meetings:

> determination of FY2014 bonuses for the Executive Directors and senior managers;

> determination of executive remuneration structure for FY2015;

> interim and final progress of employee share plan performance measures against targets and consequent approval of any vesting of awards;

> progress of bonus achievement for FY2015 executive bonuses;

> 25-year long service awards for FY2015;

> terms of reference for, and effectiveness of, the Committee;

> ongoing appropriateness and effectiveness of remuneration and benefits policies;

> performance of external remuneration advisers;

> use of equity for employee share plans in relation to dilution headroom limits; and

> determining remuneration arrangements for Board level and senior management joiners and leavers.

The Committee's terms of reference are published on the Group's website at **www.speedyservices.com/investors** and are available in hard copy on application to the Company Secretary.

Advisers

During the year, the Committee received advice from New Bridge Street (part of Aon plc), an independent remuneration consultancy, in connection with remuneration matters including the provision of general guidance on market and best practice, the development of the Group's performance-related remuneration policy and the production of this report. New Bridge Street has no other connection or relationship with the Group, and provided no other services to the Group during FY2015. Fees paid to New Bridge Street for FY2015 totalled £38,450 (excluding VAT) in respect of advice provided to the Committee, including in connection with the production of this report. The Committee also sought advice from the Group's legal advisers, Pinsent Masons LLP, in connection with the production of this report, the operation of the 2004 Performance Share Plan, the 2014 Performance Share Plan and the Sharesave (SAYE) Schemes.

Remuneration report

continued

Implementation of the Remuneration Policy for FY2016

The sections of the Annual Report on Remuneration that have been audited by KPMG LLP are page 67 from Non-Executive Directors to page 72 up to and including Directors' interests in the share capital of the company, but excluding paragraphs concerning Details of Long-Term Incentive Plan awards outstanding, Dilution, Percentage change in Chief Executive Officer's remuneration and Shareholder voting at AGM.

Base salary

Base salaries for each Executive Director are reviewed annually by the Committee, taking account of the Director's performance, experience and responsibilities. The Committee has regard to salary levels paid by UK listed companies: (i) which operate within the same broad business space as the Group and with which the Group competes for key talent; and (ii) with similar market capitalisation and geographic operations. This approach ensures that the best available benchmark data for each Director's specific position is obtained. It should be noted that comparative pay data is used carefully, recognising the risk of an upward ratchet in remuneration caused by over-reliance on such data which does not then correlate with any increase in performance. When determining Executive Directors' base salaries, the Committee also has regard to economic factors, remuneration trends and the general level of salary increases awarded throughout the Group. Current base salaries are as follows:

	1 April 2015	1 April 2014	% increase
M Rogerson	**£365,000**[1]	£320,000	14%
R Down	**£275,000**	n/a	n/a

1 £365,000 plus a further £10,000 contingent on performance.

Mark Rogerson's base salary was set at £320,000 following his promotion from Chief Operating Officer to Chief Executive Officer from 27 January 2014. As noted in our 2014 Annual Report, Mark Rogerson's base salary was set below that of his predecessor and market levels in general and it was the Committee's intention to move the salary to market levels over time, subject to Group and individual performance.

Following a review of performance since appointment, Mark Rogerson's salary was increased to £375,000 from 1 April 2015 although £10,000 will be withheld until 30 September 2015 and will only be payable subject to certain financial performance targets being met. It is the Committee's intention that a further salary review will be carried out for 1 April 2016 with the intention being that the salary is moved further towards market levels, again subject to a review of both individual and Group performance.

Russell Down has been appointed as Group Finance Director, taking office with effect from 6 April 2015 with a base salary of £275,000 and it is expected that any future increases from this will be linked to Group/individual performance and reflect general market trends.

Benefits in kind and pension

The Group operates a policy whereby Executive Directors and senior management are offered a car or cash alternative (as appropriate), health insurance, life cover, accommodation allowance (where appropriate) and pension contributions, or cash in lieu of pension contributions (further details of which are set out on pages 60 and 61).

The Group does not operate a defined benefit pension scheme and has no plans to introduce such a scheme.

Performance-related annual bonus

The Committee's general policy continues to be that Executive Directors and senior managers in the Group should be included in some form of incentive scheme as soon as practicable after joining the Group.

For FY2016, the maximum bonus opportunity will continue to be limited to 100% of salary. The bonus opportunity will be split as follows:

> the majority based on Group profit before tax; and
> the minority based on personal, strategic and financial targets.

Outstanding performance will be required for a maximum bonus to become payable, with no bonus payable unless a number of financial (e.g. adjusted profit before tax) and non-financial thresholds are achieved. A clawback provision will continue to operate.

Long-Term Incentive Plans

The 2014 Performance Share Plan (PSP), approved at the 2014 AGM, will continue to operate as the Company's primary long-term incentive arrangement, whereby awards over shares will normally vest three years from grant, subject to continued employment and performance conditions based on relative total shareholder return (TSR) and earnings per share (EPS) growth. It is intended that Executive Director award levels in FY2016 will be over shares worth no more than 100% of salary.

In respect of performance targets for awards to be granted in FY2016:

> 50% of each award will be subject to an EPS condition. 25% of this part of an award vests for threshold EPS (before amortisation and exceptional costs) with full vesting of this part of an award for maximum EPS or better. A sliding scale operates between these points. The threshold and maximum EPS targets had not been finalised at the date this report was signed, with full disclosure of the target range to be provided in the RNS stock exchange announcement issued following the grant;

> 50% of each award will be subject to a TSR condition based on the Group's performance against FTSE 250 companies (excluding investment trusts) as at the date of grant. 25% of this part of an award vests if the Company's TSR is at a median of the ranking of the TSRs of the comparator group, with full vesting of this part of an award for upper quartile performance or better. A sliding scale operates between these points;

> in addition to the above, no part of the award subject to the TSR condition will vest unless the Committee is also satisfied that the TSR performance of the Company is reflective of the Group's underlying performance; and

> clawback provisions and a two-year post vesting holding period will continue to be applied to Executive Directors.

Non-Executive Directors

Current fee levels for Non-Executive Directors are as follows:

	Role	Committee Chair Role	**1 April 2015**	1 April 2014
J Åstrand	Chairman	Nomination	**£125,000**	n/a
C Masters	Senior Independent Director	Remuneration	**£44,500**	37,000
J Morley	Non-Executive Director	Audit	**£42,000**	£42,000

Jan Åstrand's fee was set upon him joining the Company in November 2014. The increase in Chris Masters' fee reflects being appointed Senior Independent Director and Chairman of the Remuneration Committee, which took effect on 26 February 2015.

Governance

Remuneration report
continued

Directors' remuneration for FY2015

The emoluments of the Directors of the Company for the year under review were as follows:

	Financial year	Fees/basic salary £'000s	Benefits £'000s[6]	Pension £'000s	Annual bonus £'000s[7]	Value of long-term incentives £'000s[8]	Total remuneration
M Rogerson	**2015**	**320**	**53**	**28**	**192**	**–**	**593**
	2014	108	7	–	–	–	115
L Krige[1]	**2015**	**141**	**7**	**22**	**–**	**142**	**312**
	2014	252	13	38	-	–	303
J Åstrand[2]	**2015**	**52**	**–**	**–**	**–**	**–**	**52**
	2014	–	–	–	–	–	–
I Macpherson[3]	**2015**	**64**	**–**	**–**	**–**	**–**	**64**
	2014	105	–	–	–	–	105
M Averill[4]	**2015**	**49**	**–**	**–**	**–**	**–**	**49**
	2014	45	–	–	–	–	45
J Morley	**2015**	**42**	**–**	**–**	**–**	**–**	**42**
	2014	42	–	–	–	–	42
C Masters[5]	**2015**	**38**	**–**	**–**	**–**	**–**	**38**
	2014	37	–	–	–	–	37
Former Directors (who did not serve in FY2015)	2014	463	23	67	–	583	1,136
Totals	**2015**	**706**	**60**	**50**	**192**	**142**	**1,150**
	2014	1,052	43	105	–	583	1,783

1 Lynn Krige resigned from the Company with effect from 15 October 2014.

2 Jan Åstrand joined the Company on 1 November 2014.

3 Ishbel Macpherson resigned from the Company with effect from 11 November 2014.

4 Michael Averill resigned from the Company with effect from 26 February 2015.

5 Chris Masters was appointed as Senior Independent Director and Chairman of the Remuneration Committee with effect from 26 February 2015.

6 Taxable benefits comprise a car or cash alternative, health insurance, life insurance and, until 31 March 2015, a housing allowance for Mark Rogerson. This housing allowance totalled £18,000 in FY2015. From 1 April 2015, no housing allowance is payable to Mark Rogerson. Mark Rogerson also received £22,000 in lieu of pension contributions.

7 For FY2015 the maximum bonus opportunity for the Executive Directors was 100% of salary, with 75% of the opportunity based on adjusted profit before tax (PBT) targets and 25% based on strategic objectives. Details of actual performance against targets is as follows:

Measure	Weighting	Threshold	Stretch	Result
Adjusted profit before tax	75%	£21.8m PBT	£26.8m PBT	35% of salary, (based on an adjusted PBT of £21.9m, max 75%)
Strategic target	25%	Key personal indicators relating to completing actions and implementation of a revised internal controls regime		25% of salary (based on an assessment by the Committee that the key performance indicator has been completed in full, max 25%)
	100%	**Bonus achieved for FY2015**		**60% of salary**

8 The PSP award granted on 24 June 2011 was based on performance to 23 June 2014. The vesting percentage was as follows:

Metric	Performance condition	Threshold target	Stretch target	Actual	Vesting
Total Shareholder Return	Relative TSR against the FTSE 250 (excluding investment trusts): 20% of an award vests at median increasing pro-rata to full vesting at the upper quartile.	54.4% TSR	95.9% TSR	78.7% TSR	66.8%

An underpin also applied to the primary TSR measure, under which the Committee could have reduced the number of shares that provisionally vest if the TSR performance was not considered to be truly representative of the Group's underlying performance over the performance period. When considering the Group's underlying performance, the Committee took account of performance against a range of targets, including operating cash flow, profit against targets, working capital management and share price progression. Based on the vesting percentage above and the Committee's view that the underpin was met, the shares vested on 23 June 2014. Details of the shares under award and the value at vesting is as follows:

Executive	Number of shares at grant	Number of shares lapsed	Number of shares vested	Dividend equivalent shares	Total shares delivered	Value at vesting[2] (£'000)
L Krige[1]	399,575	132,659	266,916	8,333	275,249	142

1 Lynn Krige resigned from the Company with effect from 15 October 2014.

2 The share price at the date of vesting was 51.75 pence.

The PSP numbers presented for the FY2014 comparatives are based on the 2010 PSP awards which vested at 82% of potential.

Long-term incentive plan awards granted in the year

The first annual award to Executive Directors under the 2014 Performance Share Plan was granted on 24 November 2014. Only Mark Rogerson received an award (Lynn Krige had left the Company by the time of the grant date). Details of the PSP award granted are set out below:

Executive	Date of grant	Basis of award	Maximum shares under award	Face value of awards[1]	Performance period[2]	Vesting period	% vesting at threshold performance
M Rogerson	24/11/14	100% of salary	567,879	£320,000	TSR: Three years ending 31 March 2017 EPS: Three years ending 31 March 2017	Three years from grant	25% of an award

1 The number of shares under award was originally agreed based on a 56.35 pence share price, based on the five-day average share price up to 24 July 2014 (the day before the Remuneration Committee's intended grant date for the main 2014 PSP awards). However, as the grant date for these awards was delayed until November 2014, the Committee considered it appropriate to honour the number of shares under award it had provisionally agreed to grant. In addition, while the vesting period remains at three years from grant, the Committee agreed that the two-year post vesting holding period for Mark Rogerson would be reduced by circa three months to reflect the delay to the awards.

2 50% of the award is subject to an EPS condition. 25% of this part of the award vests for EPS (before amortisation and exceptional costs) of 3.5 pence, with full vesting of this part of the award for EPS of 4.5 pence or better. A sliding scale operates between these points. 50% of the award is subject to a TSR condition based on the Company's performance against FTSE 250 companies (excluding investment trusts) as at the date of grant. 25% of this part of the award vests if the Company's TSR is at a median of the ranking of the TSRs of the comparator group, with full vesting of this part of the award for upper quartile performance or better. A sliding scale operates between these points. Regardless of the Company's TSR performance, no portion of the part of the award which is subject to TSR performance may vest unless the Committee is also satisfied that the Company's TSR performance is reflective of its underlying performance over the performance period.

Remuneration report

continued

Details of Long-Term Incentive Plan awards outstanding

Details of the Executive Directors' interests in share-based awards are as follows:

Executive Director	Interest at 1 April 2014	Options/awards granted during the year	Options/awards exercised during the year	Options/awards lapsed during the year	Interest at 31 March 2015	Exercise price (pence)	Normal date from which exercisable/vested to expiry date (if appropriate)
L Krige							
SAYE 2012	14,294	–	–	(14,294)	nil	27.2	Feb 2016 – July 2016
PSP 2011[1 2 3]	399,575	–	(266,916)	(132,659)	nil	nil	Jun 2014 – Sep 2014
PSP 2012[1 2]	665,247	–	–	(149,482)	515,765	nil	Jun 2015 – Sep 2015
PSP 2013[1 2]	415,851	–	–	(232,586)	183,265	nil	Jun 2016 – Sep 2016
COIP 2013[4]	171,042		–	(83,024)	88,018	nil	Jun 2016 – Sep 2016
Total	**1,666,009**	**–**	**(266,916)**	**(612,045)**	**787,048**		
M Rogerson							
PSP 2013[1 2]	407,587	–	–	–	407,587	nil	Dec 2016 – Apr 2017
PSP 2014[5 6]	–	567,879			567,879	nil	Nov 2017 – Nov 2024
SAYE 2014	–	16,187	–	–	16,187	55.6	Feb 2018 – Jul 2018
Total	**407,587**	**584,066**	**–**	**–**	**991,653**		

1 The 2011, 2012 and 2013 Performance Share Plan awards, made under the 2004 Performance Share Plan, were granted as options to acquire shares for an aggregate £1 exercise price for all the award shares. No consideration was paid for the grant of these options.

2 The 2011, 2012 and 2013 Performance Share Plan awards were subject to a TSR-based performance condition measured over a three-year period beginning on 24 June 2011, 20 June 2012 and 21 June 2013, respectively. 20% of each award vests if the Company ranks at the median compared to the FTSE 250 (excluding investment trusts) measured over the three-year performance period, with full vesting at the upper quartile (and straight-line vesting between these points). An underpin also applies to this primary TSR measure, under which the Committee may reduce the number of shares that provisionally vest by reference to performance against the relative TSR condition if this performance is not considered to be truly representative of the Company's underlying performance over the performance period. When considering the Company's underlying performance, the Committee will take account of performance against a range of targets including operating cash flow, profit against targets, working capital management and share price progression.

3 On exercise of her 2011 Performance Share Plan award, Lynn Krige received 8,333 dividend equivalent shares.

4 Lynn Krige committed £50,000 of her annual bonus to purchase 45,008 shares through the Employee Benefit Trust for the purpose of the Co-Investment Plan. 50% of the shares subject to the matching share award will vest for three years EPS growth of CPI + 7.5% p.a., increasing to 100% vesting for EPS growth of CPI + 12.5% p.a.

5 The 2014 Performance Share Plan awards, made under the 2014 Performance Share Plan, were granted as nil-cost options. No consideration was paid for the grant of these options.

6 50% of each 2014 Performance Share Plan award is subject to an EPS condition measured over three financial years ending 31 March 2017. 25% of this part of an award vests for EPS (before amortisation and exceptional costs) of 3.5 pence, with full vesting of this part of an award for EPS of 4.5 pence or better. A sliding scale operates between these points. 50% of each 2014 Performance Share Plan award is subject to a TSR condition based on the Company's performance against FTSE 250 companies (excluding investment trusts) as at the date of grant measured over three financial years ending 31 March 2017. 25% of this part of an award vests if the Company's TSR is at a median of the ranking of the TSRs of the comparator group, with full vesting of this part of an award for upper quartile performance or better. A sliding scale operates between these points. Regardless of the Company's TSR performance, no portion of the part of an award which is subject to TSR performance may vest unless the Committee is also satisfied that the Company's TSR performance is reflective of its underlying performance over the performance period.

The market price of Speedy Hire Plc ordinary shares at 31 March 2015 was 71.5 pence and the range during the year was 50.75 pence to 79.0 pence per share.

Dilution

The Performance Share Plan and SAYE share option schemes provide that overall dilution through the issuance of new shares for employee share schemes should not exceed an amount equivalent to 10% of the Company's issued share capital over a ten-year period. Within this 10% limit, dilution through the Performance Share Plan is limited to an amount equivalent to 5% of the Company's issued share capital over a ten-year period. Both limits are in line with institutional shareholder guidelines.

The Committee monitors the position prior to making awards under these schemes to ensure that the Company remains within these limits. As at the date of this report, 1.76% of the 5% limit and 3.67% of the 10% limit have been used.

Termination payments

On 15 October 2014, Lynn Krige ceased to be a Director of the Company. While Lynn Krige's Service Agreement contained a 12-month notice period, it was agreed that she would only receive a payment equating to circa ten months' salary and benefits (£259,350). In addition, a payment of £6,500 was made as a contribution to legal fees incurred by Lynn Krige in connection with her departure. Lynn Krige also received 11.5 days accrued holiday pay. It was determined that Lynn Krige would not be entitled to a bonus in respect of FY2015 and outstanding Save As You Earn share options lapsed at cessation. Awards granted to her under the Company's Performance Share Plan ('PSP') on 20 June 2012 (665,247 shares under award) and 21 June 2013 (415,851 shares under award) and under the Company's Co-Investment Plan ('COIP') on 21 June 2013 (171,042 shares under award) will continue to vest on their normal vesting dates subject to the relevant performance conditions being met and a reduction for time pro-rating to reflect the proportion of the relevant performance period worked.

Neither Ishbel Macpherson nor Michael Averill received any termination payment linked to leaving office.

Payments to past Directors

Steve Corcoran exercised the award granted to him under the PSP on 24 June 2011 in respect of 453,715 shares and was also entitled to receive a total of 12,252 shares representing accrued dividends in respect of such award as a result of its exercise. Details of any shares delivered to Steve Corcoran in respect of the outstanding 2012 and 2013 PSP awards will be provided in the relevant Annual Report on Remuneration. As disclosed last year, as part of his termination arrangements, Steve Corcoran was paid a total of £157,433 during FY2015 relating to payments in lieu of notice.

Lynn Krige exercised the award granted to her under the PSP on 24 November 2011 in respect of 266,916 shares and was also entitled to receive a total of 8,333 shares representing accrued dividends in respect of such award as a result of its exercise. Details of any shares delivered to Lynn Krige in respect of the outstanding 2012 and 2013 PSP and 2013 COIP awards will be provided in the relevant Annual Report on Remuneration.

Share ownership guidelines

Executive Directors are expected to build and maintain a shareholding of 100% of salary. Mark Rogerson joined the Board in December 2013 and Russell Down joined in April 2015. Neither currently meets this level due to being relatively recent appointments.

Percentage change in Chief Executive Officer's remuneration

The table below shows the percentage change in the Chief Executive Officer's total remuneration (excluding the value of any long-term incentives and pension benefits receivable in the year) between FY2014 and FY2015 compared to that of the average for all UK & Ireland based employees of the Group.

	% Change from FY2014 to FY2015		
	Salary	Benefits	Bonus
Chief Executive Officer[1]	0%	0%	–[1]
Average employees	1.43%	10.5%[2]	(32.5)%

1 Mark Rogerson was appointed Chief Executive Officer on 27 January 2014. No changes to his salary and benefit position were made during FY2015. No bonus was paid to the Chief Executive Officer in respect of FY2014 during FY2015. The annual bonus award for FY2015 is set out on page 68.

2 The benefits increase reflects the fact that auto enrolment, which took place during FY2014, applied for the full financial year for the first time.

Remuneration report
continued

Shareholder voting at AGM

At last year's AGM (2014) the Directors' Remuneration Report received the following votes from shareholders:

	Total number of votes	% of votes cast
For	395,234,498	98.99
Against	4,028,891	1.01
Total votes cast (for and against)	**399,263,389**	**100**
Votes withheld[1]	9,181	n/a
Total votes cast (including withheld votes)	**399,272,570**	

The Remuneration Policy received the following votes from shareholders:

	Total number of votes	% of votes cast
For	393,579,189	98.58
Against	5,660,630	1.42
Total votes cast (for and against)	**399,239,819**	**100**
Votes withheld[1]	32,751	n/a
Total votes cast (including withheld votes)	**399,272,570**	

1 A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes cast 'For' and 'Against' a resolution.

Directors' interests in the share capital of the Company

The interests of the Directors (all of which were beneficial), who held office during FY2015, are set out in the table below:

	Legally owned		PSP & COIP Awards		Sharesave	Total	% of salary under share ownership guideline (met?)
	31 March 2014	31 March 2015	Unvested	Vested	Unvested	31 March 2015	(100% of salary)
M Rogerson	–	–	975,466	–	16,187	991,653	0% (No)
J Åstrand	–	200,000	–	–	–	200,000	n/a
L Krige	140,408	140,408[1]	787,048	–	–	927,456[1]	n/a
I Macpherson	216,940	216,940[2]	–	–	–	216,940[2]	n/a
M Averill	88,996	89,553[3]	–	–	–	89,553[3]	n/a
J Morley	165,000	165,000	–	–	–	165,000	n/a
C Masters	175,000	175,000	–	–	–	175,000	n/a

1 As at 15 October 2014, the date Lynn Krige stepped down as a Director.

2 As at 11 November 2014, the date Ishbel Macpherson stepped down as a Director.

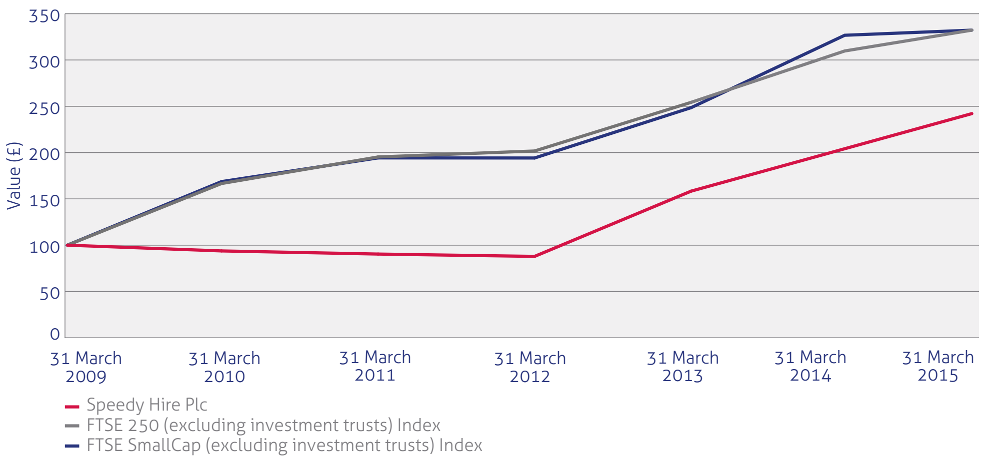
3 As at 26 February 2015, the date Michael Averill stepped down as a Director. The difference in the year is as a result of dividends paid being reinvested in shares.

Russell Down joined the Company following the end of FY2015 and consequently is not included in the above table. There have been no changes in the interests of any current Director in the share capital of Speedy Hire Plc between 1 April 2015 and the date of this report.

Comparison of overall performance and pay

The chart overleaf presents the total shareholder return for Speedy Hire Plc compared to that of the FTSE 250 and FTSE SmallCap (both excluding investment trusts). The values indicated in the graph show the share price growth plus reinvested dividends over a six-year period from a £100 hypothetical holding of ordinary shares in Speedy Hire Plc and in the index.

Total shareholder return



This graph shows the value, by 31 March 2015, of £100 invested in Speedy Hire Plc on 31 March 2009 compared with the value of £100 invested in the FTSE 250 Index (excluding investment trusts) and the FTSE SmallCap Index (excluding investment trusts). The other points plotted are the values at intervening financial year-ends.

The total remuneration figures for the Chief Executive Officer during each of the last six financial years are shown in the table below. The total remuneration figure includes the annual bonus based on that year's performance (FY2010 to FY2015) and PSP awards based on three-year performance periods ending just after the relevant year end. The annual bonus payout and PSP vesting level, as a percentage of the maximum opportunity, are also shown for each of these years.

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2014	FY2015
	Steve Corcoran					Mark Rogerson	
Total remuneration (£'000s)	419	423	421	553	707	115	593
Annual bonus (% of max)	–	–	–	37%	–	–	60%
LTIP vesting (% of max)	–	–	–	–	82%	–	–

Steve Corcoran resigned and Mark Rogerson was appointed as Chief Executive Officer during FY2014. Steve Corcoran was not Chief Executive Officer at the time the FY2011 PSP awards vested in June 2014.

Relative importance of spend on pay

The following table shows the Company's actual spend on pay (for all employees) relative to dividends.

	2014	2015	% change
Staff costs (£'m)	102.7	107.3	4.5
Dividends (£'m)	3.1	3.7	19.4

£1.279m of the staff costs figures relate to pay for the Executive Directors. This is different to the aggregate of the single figures for the year under review due to the way in which the share based awards are accounted for. The dividends figures relate to amounts payable in respect of the relevant financial year.

This report was approved by the Board on 11 May 2015.

Chris Masters
Chairman of the Remuneration Committee

Independent auditor's report
to the members of Speedy Hire Plc only

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Speedy Hire Plc for the year ended 31 March 2015 set out on pages 79 to 121. In our opinion:

> the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2015 and of the Group's profit for the year then ended;

> the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);

> the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and

> the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risks of material misstatement that had the greatest effect on our audit were as follows:

Potential for an impairment of goodwill and other intangible assets (£48.6m), or property, plant and equipment held within the International division (£17.1m)

Refer to page 51 (Audit Committee statement), page 88 (accounting policy) and pages 101-102 (financial disclosures).

> **The risk** – The performance of the Group is strongly influenced by the performance of the UK's construction and infrastructure sectors, which is affected by the economic cycle. The Group also operates overseas and has incurred trading losses since establishing the Group's International division. As such there is a risk that the carrying amount of the Group's goodwill, other intangible assets or property, plant and equipment held by the International division needs to be impaired.

The Directors prepare a Value in Use, Net Present Value of future cash flows (NPV) calculation for the Group's two cash generating units (CGUs) and compare the amounts to the relevant carrying values. If the NPV is below the carrying value, then an impairment may be required. This is done for assets in the Group's two cash generating units (CGUs), the UK & Ireland and International. Certain of the key inputs to the calculations, specifically revenue growth, discount rate, cost inflation, working capital assumptions and the timing of capital expenditure, require significant estimation and judgement in their selection, and can have a significant impact on the derived NPV.

During the year management announced their intention to exit the International division and embarked on a strategy to dispose of its property, plant and equipment. A significant amount of assets were disposed of prior to the year-end. For the remaining assets, as management's long-term intention is to dispose of them, rather than to hold them, the risk of an impairment in the carrying value of these assets has increased.

> **Our response** – Our audit procedures included detailed testing of the Directors' impairment assessment for each CGU performed at the year end. For each of the key inputs noted above, we critically assessed the reasonableness of the Directors' assumptions by reference to internal and external data, and reviewed the sensitivity analysis performed by management, analysing the probability of such variations occurring. In addition we performed our own, additional sensitivity analysis in respect of the key assumptions, for example by looking at the discount rate at which an impairment would arise. We utilised our own valuation specialists, particularly around the appropriateness of the discount rate applied by the Directors. In relation to the planned disposal of the property, plant and equipment held in the International division, we evaluated the adequacy of the evidence provided by management to demonstrate the fair value less costs to sell (FVLCTS) of the Assets Held for Sale as at the year-end, as this is how management supported the carrying value of those assets. In relation to the remaining International property, plant and equipment, we reviewed management's NPV calculations prepared to support the carrying value of these assets, in particular challenging the key assumptions around revenue growth and the discount rate applied.

We evaluated the adequacy of the Group's disclosures in respect of their impairment testing, including whether disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions properly reflected the risks inherent in the valuations.

Existence and Valuation of Hire Equipment (£212.3m)

Refer to page 51 (Audit Committee statement), pages 85-86 (accounting policy) and page 103 (financial disclosures).

> **The risk** – Hire Equipment represents the most significant amount on the balance sheet. Given that there are more than 4.5 million assets, and there is a high frequency of movement in individual assets (through asset purchases, hires and disposals), there is inherent difficulty in maintaining an accurate fixed assets register. In addition there is a high level of judgement involved in applying accounting policies to Hire Equipment. Judgement is applied by management in, for example, the estimation of useful economic lives, residual values, and in determining whether repair work carried out to assets has extended their useful economic life.

> **Our response** – In this area our audit procedures included the identification and testing of the operating effectiveness of key controls in respect of the existence and valuation of Hire Equipment, such as the authorisation of additions, the use of unique asset identification numbers, the authorisation of repair work deemed to be capital in nature and the reconciliation of the fixed asset register to the accounting ledgers.

As a test of control we attended a number of the Hire Equipment asset counts and performed test counts ourselves in order to ensure the accuracy of the counting performed, and therefore the existence of the assets. Following attendance at these counts we tested, for a sample of items, that the records from the counts had been accurately transferred to the fixed asset register.

We also selected a sample of significant assets acquired during the year and agreed the amounts recorded on the asset register to third party evidence such as the invoice from the supplier. Using data analytics techniques we compared the itemised hire fleet register to historic hire revenue information. We identified the value of assets not recently hired to customers. We challenged management to provide evidence over the existence, and valuation, of these assets.

Using data analytics techniques we recalculated the depreciation included in the fixed asset register for the current year to ensure its accuracy.

In relation to the judgemental areas noted above we challenged, for a sample of assets, the useful economic lives and residual values applied by management. We also tested, for a sample of items, if the process to determine whether repair work had extended the useful economic life of an asset had been followed.

We evaluated the adequacy of the Group's disclosures in respect of the judgements and estimates involved in arriving at the valuation of Hire Equipment.

Carrying amount of trade receivables (£104.1m)

Refer to page 51 (Audit Committee statement), page 89 (accounting policy) and page 104 (financial disclosures).

> **The risk** – The Group trades with a large number of customers, across a number of sectors and is exposed to the risk of non-recoverability of trade receivables. Within the UK, a number of the Group's customers operate in the construction market, which due to the economic climate may result in an increased risk of non-recoverability of trade receivables. The International business's customer base in the Middle East increases the risk associated with the recoverability of trade receivables as longer payment terms are given in those jurisdictions which could delay the identification of irrecoverable trade receivables. Given the judgement involved in assessing the appropriate level of bad debt provision required against trade receivables, this is an area that our audit is concentrated on.

> **Our response** – In this area our audit procedures included the identification and testing of the operating effectiveness of key controls in respect of the valuation of trade receivables, such as credit control procedures and the application of the Group's bad debt provisioning policy.

Our audit testing concentrated on those receivables perceived to be at a higher risk of non-recoverability based on the value and age of the receivable, or other factors such as the financial position of the customers. For a sample of these receivables we obtained a detailed understanding of the payment status of the receivable balance and the customer's likelihood of payment. We assessed management's methodology used to calculate the provision recorded against trade receivables, challenged the appropriateness of these provisions, and analysed the level of cash receipts received post year-end.

We evaluated the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the carrying amount of the trade receivables balance.

Independent auditor's report
to the members of Speedy Hire Plc only
continued

3. Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at £1.1 million, determined with reference to a benchmark of Group profit before tax, normalised to exclude the exceptional items disclosed in note 3, of which it represents 6%. In the prior year materiality was determined with reference to a benchmark of Group revenue. We have used Group profit before exceptional items and tax as we consider this to be a better reflection of the principal consideration for members of the Company in assessing the financial performance of the Group.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £55,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

All of the Group's reporting components were subjected to audit for Group reporting purposes. The work on the International components was performed by component auditors and the rest by the Group audit team.

The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the component materialities, which ranged from £87,000 to £825,000, having regard to the mix of size and risk profile of the Group across the components.

The Group audit team held telephone conference meetings with the component auditors. At these meetings, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor.

4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

> the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and

> the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5. We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

> we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or

> the Audit Committee report on pages 48 to 53 does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

> adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

> the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

> certain disclosures of directors' remuneration specified by law are not made; or

> we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

> the directors' statement, set out on page 36, in relation to going concern; and

> the part of the Corporate Governance Statement on page 42 relating to the company's compliance with the ten provisions of the 2012 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 39, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at **www.frc.org.uk/auditscopeukprivate**. This report is made solely to the company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at **www.kpmg.com/uk/auditscopeukco2014a**, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One, St. Peter's Square
Manchester
M2 3AE

12 May 2015

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Corporate information

Consolidated income statement

For the year ended 31 March 2015

	Note	Year ended 31 March 2015 Before exceptional items £m	Year ended 31 March 2015 Exceptional items	Year ended 31 March 2015 Total £m	Year ended 31 March 2014 Before exceptional items £m	Year ended 31 March 2014 Exceptional items	Year ended 31 March 2014 Total £m
Total revenue		**378.5**	**11.0**	**389.5**	350.3	–	350.3
Less: share of jointly controlled entity's revenue		**(3.5)**	**–**	**(3.5)**	(0.6)	–	(0.6)
Revenue	2	**375.0**	**11.0**	**386.0**	349.7	–	349.7
Cost of sales		**(157.9)**	**(17.2)**	**(175.1)**	(135.1)	–	(135.1)
Gross profit		**217.1**	**(6.2)**	**210.9**	214.6	–	214.6
Distribution costs		**(35.1)**	**–**	**(35.1)**	(35.7)	–	(35.7)
Administrative expenses		**(158.3)**	**(10.6)**	**(168.9)**	(159.7)	(4.7)	(164.4)
Analysis of operating profit							
Operating profit before amortisation and exceptional items		**26.4**	**–**	**26.4**	22.1	–	22.1
Amortisation		**(2.7)**	**–**	**(2.7)**	(2.9)	–	(2.9)
Exceptional costs	3	**–**	**(16.8)**	**(16.8)**	–	(4.7)	(4.7)
Operating profit		**23.7**	**(16.8)**	**6.9**	19.2	(4.7)	14.5
Share of results of jointly controlled entity		**0.6**	**–**	**0.6**	(0.1)	–	(0.1)
Profit from operations		**24.3**	**(16.8)**	**7.5**	19.1	(4.7)	14.4
Financial expense	7	**(5.1)**	**(0.3)**	**(5.4)**	(7.4)	–	(7.4)
Profit before taxation		**19.2**	**(17.1)**	**2.1**	11.7	(4.7)	7.0
Taxation	8	**(5.2)**	**3.3**	**(1.9)**	(3.8)	0.8	(3.0)
Profit for the financial year		**14.0**	**(13.8)**	**0.2**	7.9	(3.9)	4.0
Earnings per share							
– Basic (pence)	9			**0.04**			0.78
– Diluted (pence)	9			**0.04**			0.76
Non-GAAP performance measures							
EBITDA before exceptional costs	11	**72.7**			68.7		
Profit before tax, amortisation and exceptional costs	11	**21.9**			14.6		
Adjusted earnings per share (pence)	9	**3.23**			2.05		

Consolidated statement of comprehensive income

For the year ended 31 March 2015

	2015 £m	2014 £m
Profit for the financial year	**0.2**	4.0
Other comprehensive (loss)/income that may be reclassified subsequently to the Income Statement:		
– Effective portion of change in fair value of cash flow hedges	**(0.3)**	0.5
– Exchange difference on translation of foreign operations	**(2.7)**	1.4
Other comprehensive (loss)/income, net of tax	**(3.0)**	1.9
Total comprehensive (loss)/income for the financial year	**(2.8)**	5.9

Consolidated balance sheet

At 31 March 2015

	Note	31 March 2015 £m	31 March 2014 £m
ASSETS			
Non-current assets			
Intangible assets	12	**48.6**	51.3
Investment in jointly controlled entity	13	**5.2**	4.0
Property, plant and equipment			
– Hire equipment	14	**212.3**	225.5
– Non-hire equipment	14	**41.0**	29.6
Deferred tax assets	22	**1.1**	1.1
		308.2	311.5
Current assets			
Inventories	15	**9.5**	11.8
Trade and other receivables	16	**114.5**	93.4
Assets held for sale	17	**1.9**	–
Cash	20	**0.2**	2.6
		126.1	107.8
Total assets		**434.3**	419.3
LIABILITIES			
Current liabilities			
Borrowings	20	**(1.6)**	–
Other financial liabilities	19	**(0.4)**	(0.1)
Trade and other payables	18	**(80.2)**	(76.8)
Provisions	21	**(2.9)**	(1.1)
Liabilities held for sale	17	**(0.1)**	–
Current tax liabilities		**(0.8)**	(2.7)
		(86.0)	(80.7)
Non-current liabilities			
Borrowings	20	**(103.9)**	(87.0)
Trade and other payables	18	**(0.7)**	(1.2)
Provisions	21	**(1.3)**	(1.3)
Deferred tax liabilities	22	**(8.4)**	(9.8)
		(114.3)	(99.3)
Total liabilities		**(200.3)**	(180.0)
Net assets		**234.0**	239.3
EQUITY			
Share capital	23	**26.1**	26.0
Share premium		**191.0**	190.9
Merger reserve		**1.0**	1.0
Hedging reserve		**(0.6)**	(0.4)
Translation reserve		**(1.9)**	0.8
Retained earnings		**18.4**	21.0
Total equity		**234.0**	239.3

The Financial statements on pages 79 to 115 were approved by the Board of Directors on 11 May 2015 and were signed on its behalf by:

Mark Rogerson
Director

Russell Down
Director

Company registered number: 927680

Financial statements

Consolidated statement of changes in equity

For the year ended 31 March 2015

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	**Total equity £m**
At 1 April 2013	25.9	190.5	1.0	(0.9)	(0.6)	19.0	**234.9**
Total comprehensive income	–	–	–	0.5	1.4	4.0	**5.9**
Dividends	–	–	–	–	–	(2.9)	**(2.9)**
Tax on items taken directly to equity	–	–	–	–	–	0.2	**0.2**
Equity-settled share-based payments	–	–	–	–	–	0.7	**0.7**
Issue of shares under the Sharesave Scheme	0.1	0.4	–	–	–	–	**0.5**
At 31 March 2014	26.0	190.9	1.0	(0.4)	0.8	21.0	**239.3**
Total comprehensive loss	–	–	–	(0.3)	(2.7)	0.2	**(2.8)**
Dividends	–	–	–	–	–	(3.4)	**(3.4)**
Tax on items taken directly to equity	–	–	–	0.1	–	(0.1)	**–**
Equity-settled share-based payments	–	–	–	–	–	0.7	**0.7**
Issue of shares under the Sharesave Scheme	0.1	0.1	–	–	–	–	**0.2**
At 31 March 2015	26.1	191.0	1.0	(0.6)	(1.9)	18.4	**234.0**

Consolidated cash flow statement

For the year ended 31 March 2015

	Note	2015 £m	2014 £m
Cash generated from operations before changes in hire fleet	25	**43.0**	63.8
Purchase of hire equipment		**(68.6)**	(65.8)
Proceeds from sale of hire equipment		**38.9**	18.7
Cash generated from operations		**13.3**	16.7
Interest paid		**(5.1)**	(6.1)
Tax paid		**(5.2)**	(5.8)
Net cash flow from operating activities		**3.0**	4.8
Cash flow to investing activities			
Purchase of non-hire property, plant and equipment		**(19.1)**	(10.7)
Disposal of other property, plant and equipment		**0.9**	–
Investment in jointly controlled entity		**(1.0)**	(2.3)
Net cash flow to investing activities		**(19.2)**	(13.0)
Net cash flow before financing activities		**(16.2)**	(8.2)
Cash flow from financing activities			
Proceeds from asset-based revolving credit facility		**15.5**	13.1
Proceeds from the issue of Sharesave Scheme shares		**0.1**	0.5
Dividends paid		**(3.4)**	(2.9)
Net cash flow from financing activities		**12.2**	10.7
(Decrease)/increase in cash and cash equivalents		**(4.0)**	2.5
Cash at the start of the financial year		**2.6**	0.1
Net (overdraft)/cash at the end of the financial year		**(1.4)**	2.6
Analysis of cash and cash equivalents			
Cash	20	**0.2**	2.6
Bank overdraft	20	**(1.6)**	–
		(1.4)	2.6

Reconciliation of net debt

	Note	2015 £m	2014 £m
Net (decrease)/increase in cash and cash equivalents		(4.0)	2.5
Increase in debt	20	(15.5)	(13.1)
Amortisation of loan costs	20	(1.4)	(1.5)
Change in net debt during the year		(20.9)	(12.1)
Net debt at 1 April		(84.4)	(72.3)
Net debt at 31 March		(105.3)	(84.4)

Notes to the Financial statements

1 Accounting policies

Speedy Hire Plc is a company incorporated and domiciled in the United Kingdom. The consolidated Financial statements of the Company for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the 'Group').

The consolidated and parent company Financial statements were approved by the Board of Directors on 11 May 2015.

Statement of compliance

Both the Group and parent company Financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS').

Basis of preparation

The Financial statements are prepared on the historical cost basis except that derivative financial instruments are held at fair value. The accounting policies set out below have been applied consistently to all periods presented in these consolidated Financial statements.

Further information on the Group's business activities, together with the factors likely to affect its future development, performance and position, is set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review above. In addition, note 19 to the Financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit risk, liquidity risk and market risk.

The Group signed a £180m asset-based revolving credit facility ('the Facility') in September 2014, which matures in September 2019 and has no prior scheduled repayment requirements.

The Group meets its day-to-day working capital requirements through operating cash flows, supplemented as necessary by borrowings. The Directors have prepared cash flow projections for the period to September 2016 which show that the Group is capable of continuing to operate within its existing loan facilities and can meet the covenant tests set out within the Facility. The key assumptions on which the projections are based include an assessment of the impact of future market conditions on projected revenues and an assessment of the net capital investment required to support the expected level of revenues.

Whilst the Directors consider that there is a degree of subjectivity involved in their assumptions, on the basis of the above the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the Annual Report and Financial statements.

Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity, be exposed to variable returns, and have the ability to use its power to alter its returns from its involvement with the entity. The financial statements of subsidiaries are included in the consolidated Financial statements from the date that control commences until the date that control ceases.

Intra-Group balances, and any unrealised gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated Financial statements.

(b) Joint ventures

A joint venture is a contractual arrangement whereby the Group undertakes economic activity that is subject to joint control with third parties. The Group's interests in jointly controlled entities are accounted for using the equity method. Under this method, the Group's share of the profit less losses of jointly controlled entities is included in the income statement and its interest in their net assets is included in investments in the consolidated balance sheet. The Group's interest in the entity is the carrying amount of the investment together with any long-term loan balances and interest that, in substance, form part of the net investment in the entity.

1 Accounting policies continued

New accounting standards and accounting standards not yet effective

The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board became effective during the year, but have no material effect on the Group's Financial statements:

> IFRS10 (revised) – Consolidated financial statements
> IFRS11 (revised) – Joint Arrangements
> IFRS12 (revised) – Disclosure of Interests in Other Entities
> IAS27 (revised) – Separate Financial statements (2011)
> IAS28 (revised) – Investments in Associates and Joint Ventures (2011)
> Amendments to IAS32 – Offsetting Financial Assets and Financial Liabilities

The International Accounting Standards Board ('IASB') and International Financial Reporting Interpretations Committee ('IFRIC') have also issued the following standards and interpretations which have been endorsed by the EU at 31 March 2015 with an effective date of implementation after the date of these Financial statements:

International Accounting standards (IAS/IFRSs)		Effective date (periods beginning on or after)
Amendments to IAS19	Defined Benefit Plans: Employee Contributions	1 February 2015

The Directors do not anticipate that the adoption of this amendment will have a material impact on the Group's Financial statements in the period of initial application.

Revenue

Revenue is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised in the income statement on a straight-line basis over the period of the hire.

Revenue arising from the sale of ex-hire fleet assets, fuel and consumables is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue arising from services is recognised in the income statement when the service is performed.

Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and refurbishments to assets where the refurbishment extends the asset's useful economic life.

Depreciation of property, plant and equipment is charged to the income statement so as to write off the cost of the assets over their estimated useful economic lives after taking account of estimated residual values. Residual values and estimated useful economic lives are reassessed at least annually. Land is not depreciated. Hire equipment assets are depreciated so as to write them down to their residual value over their normal working lives which range from three to ten years depending on the category of the asset.

The principal rates and methods of depreciation used are as follows:

Hire equipment

> Tools and general equipment – between three and seven years straight-line
> Access equipment – five to ten years straight-line
> Surveying equipment – five years straight-line
> Power equipment – between five and ten years straight-line

Notes to the Financial statements

continued

1 Accounting policies continued

Property, plant and equipment continued

Non-hire assets

> Freehold buildings, and long leasehold improvements	– over the shorter of the lease period and 50 years straight-line
> Short leasehold property improvements	– over the period of the lease
> Fixtures and fittings and office equipment (excluding IT)	– 25%–45% per annum reducing balance
> IT equipment and software	– between three and five years straight-line, or over the period of the software licence (if shorter)
> Motor vehicles	– 25% per annum reducing balance

Planned disposals of hire equipment are transferred, at net book value, to inventory prior to sale.

Start-up expenses and lease incentives

Legal and start-up expenses incurred in respect of new hire depots are written off as incurred.

Premiums paid or incentives received (including rent-free periods extending beyond a depot's opening date) on the acquisition of trading locations are written off on a straight-line basis over the period of the lease.

Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and costs

Financing costs comprise interest payable on borrowings, and gains and losses on financial instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest rate.

Interest payable on borrowings includes a charge in respect of attributable transaction costs and non-utilisation fees, which are recognised in the income statement over the period of the borrowings on an effective interest basis. The interest expense component of finance lease payments is recognised in the income statement using the lease's implicit interest rate.

Income tax

Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Income tax comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities affecting neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

IAS12, Income Taxes, does not require all temporary differences to be provided for. In particular, the Group does not provide for deferred tax on undistributed earnings of subsidiaries where the Group is able to control the timing of the distribution and the temporary difference created is not expected to reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1 Accounting policies continued

Segment reporting

The Group determines and presents operating segments based on the information that is provided internally to the Board, which is the Group's 'chief operating decision-maker'.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any other member of the Group and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and to assess its performance.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Non-current assets held for sale

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement, although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment, once classified as held for sale or distribution, are not amortised or depreciated.

Intangible assets

As part of its transition to IFRS, the Group elected to restate only those business combinations that occurred on or after 1 April 2004. In respect of acquisitions prior to 1 April 2004, goodwill represents the amount recognised under the Group's previous accounting framework, UK GAAP, less subsequent impairments.

> **Goodwill**

All business combinations are accounted for by applying the purchase method. In respect of acquisitions since 1 April 2004 and before 1 April 2010, goodwill represents the difference between the cost of acquisition and the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Goodwill is stated after any accumulated impairment losses, and is included as an intangible asset. It is allocated to cash-generating units and is tested annually for impairment and at each reporting date to the extent that there are any indicators of impairment.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial statements
continued

1 Accounting policies continued

Intangible assets continued

> **Other intangible assets**

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses (note 12).

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

> **Amortisation**

Amortisation is charged to the income statement on a straight-line basis over the estimated useful economic lives of identified intangible assets. Intangible assets excluding goodwill are amortised from the date that they are available for use. For a number of its acquisitions, the Group has identified intangible assets in respect of sole supply contracts, customer lists, brands and non-compete agreements. The values of these intangibles are recognised as part of the identifiable assets, liabilities and contingent liabilities acquired. The useful lives are estimated as follows:

Supply agreements	– over the unexpired period of the contracts, up to five years
Customer lists	– over the period of agreement, up to ten years
Brand	– over the period of use in the business, up to four years
Non-compete agreements	– over the period of the agreement, up to five years

Impairments

The carrying amounts of the Group's non-financial assets, other than inventory and deferred tax, are reviewed at each reporting date to determine whether there is any impairment. If any such indication exists, then the asset's recoverable amount is estimated, being the higher of net realisable value and value in use, and if there is an impairment loss then this loss is recognised such that the carrying amount is reduced accordingly.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro-rata basis.

Own shares held by Employee Benefits Trust

Transactions of the Company-sponsored Employee Benefits Trust are treated as being those of the Company and are therefore reflected in the Company and Group Financial statements. In particular, the Trust's purchases of shares in the Company are charged directly to equity.

Inventories

Inventories are stated at the lower of cost and net realisable value, or, in the case of ex-hire equipment assets, at the lower of cost less accumulated depreciation and impairment at the date of transfer to inventory, or net realisable value. Cost comprises direct materials and, where appropriate, overheads that have been incurred in bringing the inventory to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

1 Accounting policies continued

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes; however derivatives that do not qualify for hedge accounting are accounted for as trading instruments and the movement in fair value is recognised in the income statement.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement.

If the hedging instrument expires, no longer meets the criteria for hedge accounting, is sold, is terminated or is exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

Intra-Group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and overnight deposits.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Translation of foreign currencies

Transactions in foreign currencies are initially recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. Exchange gains and losses arising on settlement or retranslation of monetary assets and liabilities are included in the income statement.

Assets and liabilities of overseas subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The results of overseas subsidiary undertakings are translated into sterling at the average rates of exchange during the period. Exchange differences resulting from the translation of the results and balances of overseas subsidiary undertakings are charged or credited directly to the foreign currency translation reserve.

Notes to the Financial statements

continued

1 Accounting policies continued

Employee benefits

> **Pension schemes**

The Group has automatically enrolled all UK employees in a defined contribution pension plan and makes contributions to personal pension schemes for these UK employees and certain other non-UK employees. Obligations for contributions to these defined contribution pension plans are recognised as an expense in the income statement as incurred. In addition a requirement exists in certain Gulf states where the group operates to pay terminal gratuities to employees based on their length of service when they leave the Group's employment.

> **Share-based payment transactions**

The Group operates a number of schemes which allow certain employees to acquire shares in the Company, including the Performance Plan, the Co-investment Plan, and the all-employee Sharesave Schemes. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured, using an appropriate option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where is related to market based performance cponditions. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, the obligation can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Exceptional items

Exceptional items are those material items which, by virtue of their size or incidence, are presented separately in the income statement to give a full understanding of the Group's underlying financial performance. Transactions which may give rise to exceptional items include the restructuring of business activities.

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The judgements, estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following accounting policies are limited to those items that would be most likely to produce materially different results were we to change the underlying judgements, estimates and assumptions.

The following are judgements, apart from those involving estimations, that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the Financial statements.

1 Accounting policies continued

Whether an investment is a subsidiary or associate

Judgement is applied with regards to the consolidation of Speedy International Asset Services Equipment Rental LLC (UAE) and Speedy International Asset Services LLC (Qatar) as, although the Group holds less than half of the voting rights, at 49% in each company, it is able to govern the financial and operating policies and the Group therefore consolidates the company.

The following are key assumptions concerning the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Property, plant and equipment

In relation to the Group's property, plant and equipment (note 14), useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. At 31 March 2014, the carrying value of hire equipment was £212.3m (2014: £225.5m) representing 83.8% (2014: 88.4%) of the total property, plant and equipment. The hire equipment depreciation charge for the year ended 31 March 2015 was £39.3m (2014: £38.2m), which represents 10.5% (2014: 10.0%) of the average original cost of hire equipment. Both useful economic lives and residual values are reviewed on a regular basis.

Onerous lease provision

The Group has a number of properties which are leased but no longer occupied. The future cost of these ongoing lease obligations is provided for by way of an onerous property contract provision (see note 21), and at 31 March 2015 the amount provided was £4.2m (2014: £2.4m). In determining the level of provision required, the Group assesses the likelihood of mitigating future lease costs as a result of break clauses in leases, or the likelihood of sub-letting the property to third parties. In doing so, the Group obtains external professional advice where the amounts involved are material.

Impairment

Goodwill is reviewed annually to assess the requirement for impairment; at 31 March 2015 goodwill was £44.3m (2014: £44.3m). Other intangible assets totalled £4.3m at 31 March 2015 (2014: £7.0m) and are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the carrying value of such assets is not supportable. Impairment testing on goodwill is carried out in accordance with the analyses described in note 12. Such calculations require assumptions relating to the appropriate discount factors and long-term growth prevalent in particular markets as well as short-term business performance. The Directors draw upon experience as well as external resources in making these assumptions.
In the year to 31 March 2015, an impairment review was undertaken in respect of intangible assets and property, plant and equipment, applying the basis and key assumptions set out in note 12.

Bad debt provision

The Group monitors the risk profile of debtors regularly and makes a provision for amounts that may not be recoverable. When a trade receivable is not collectable it is written off against the bad debt provision. At 31 March 2015, the provision for bad debt was £4.1m (2014: £3.9m) against a total debtor book of £110.4m (2014: £91.6m).

Notes to the Financial statements

continued

2 Segmental analysis

The segmental disclosure presented in the Financial statements reflects the format of reports reviewed by the 'chief operating decision-maker' (CODM). UK & Ireland Asset Services delivers asset management, with tailored services and a continued commitment to relationship management. International Asset Services delivers major overseas projects and facilities management contracts by providing a managed site support service.

For the year ended 31 March 2015	UK & Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Revenue before exceptional items	351.3	23.7	–	375.0
Exceptional revenue (note 3)	–	11.0	–	11.0
Total Revenue	351.3	34.7	–	386.0
Segment result:				
EBITDA before exceptional costs	78.0	(0.5)	(4.8)	72.7
Depreciation	(40.6)	(5.1)	(0.6)	(46.3)
Operating profit/(loss) before amortisation and exceptional items	37.4	(5.6)	(5.4)	26.4
Amortisation	(2.7)	–	–	(2.7)
Exceptional costs	(7.2)	(8.4)	(1.2)	(16.8)
Operating profit/(loss)	27.5	(14.0)	(6.6)	6.9
Share of results of jointly controlled entity	–	0.6	–	0.6
Trading profit/(loss)	27.5	(13.4)	(6.6)	7.5
Financial expense				(5.1)
Exceptional financial expense				(0.3)
Profit before tax				2.1
Taxation				(1.9)
Profit for the financial year				0.2
Intangible assets	48.6	–	–	48.6
Investment in jointly controlled entity	–	5.2	–	5.2
Hire equipment	203.7	8.6	–	212.3
Non-hire equipment	37.8	3.2	–	41.0
Taxation assets	–	–	1.1	1.1
Current assets	102.7	22.4	0.8	125.9
Cash	–	–	0.2	0.2
Total assets	392.8	39.4	2.1	434.3
Liabilities	(71.3)	(8.3)	(6.0)	(85.6)
Bank overdraft	–	–	(1.6)	(1.6)
Borrowings	–	–	(103.9)	(103.9)
Taxation liabilities	–	–	(9.2)	(9.2)
Total liabilities	(71.3)	(8.3)	(120.7)	(200.3)
Capital expenditure	83.1	4.6	–	87.7

2 Segmental analysis continued

For the year ended 31 March 2014	UK & Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total Restated £m
Revenue	328.1	21.6	–	349.7
Segment result:				
EBITDA before exceptional costs	73.3	0.8	(5.4)	68.7
Depreciation	(40.6)	(5.1)	(0.9)	(46.6)
Operating profit/(loss) before amortisation and exceptional items	32.7	(4.3)	(6.3)	22.1
Amortisation	(2.9)	–	–	(2.9)
Exceptional restructuring costs	(2.4)	(0.7)	(1.6)	(4.7)
Operating profit/(loss)	27.4	(5.0)	(7.9)	14.5
Share of results of jointly controlled entities	–	(0.1)	–	(0.1)
Trading profit/(loss)	27.4	(5.1)	(7.9)	14.4
Financial expense				(7.4)
Profit before tax				7.0
Taxation				(3.0)
Profit for the financial year				4.0
Intangible assets	51.3	–	–	51.3
Investment in jointly controlled entities	–	4.0	–	4.0
Hire equipment	192.3	33.2	–	225.5
Non-hire equipment	28.7	0.9	–	29.6
Taxation assets	–	–	1.1	1.1
Current assets	93.9	10.7	0.6	105.2
Cash	–	–	2.6	2.6
Total assets	366.2	48.8	4.3	419.3
Liabilities	(68.8)	(8.7)	(3.0)	(80.5)
Borrowings	–	–	(87.0)	(87.0)
Taxation liabilities	–	–	(12.5)	(12.5)
Total liabilities	(68.8)	(8.7)	(102.5)	(180.0)
Capital expenditure	66.7	9.8	–	76.5

Corporate items comprise certain central activities and costs which are not directly related to the activities of the operating segments.

The financing of the Group's activities is undertaken at head office level and consequently net financing costs cannot be analysed by segment. The unallocated net assets comprise principally working capital balances held by the support services function and which are not directly attributable to the activities of the operating segments, together with net corporate borrowings and taxation.

Notes to the Financial statements

continued

2 Segmental analysis continued

Geographical information

In presenting geographical information, revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

	Year ended 31 March 2015		Year ended 31 March 2014	
	Revenues £m	**Total assets £m**	Revenues £m	Total assets £m
UK	**345.5**	**385.3**	322.9	361.4
Ireland	**5.8**	**9.6**	5.2	9.1
Other countries	**34.7**	**39.4**	21.6	48.8
	386.0	**434.3**	349.7	419.3

Major customers

No one customer represents more than 10% of revenue, reported profit or combined assets of all reporting segments.

3 Exceptional items

For the year ended 31 March 2015

During the year, exceptional administrative costs have been incurred as the business has rolled out a new network structure, changed management and restructured the International operations.

Exceptional costs of £6.4m were incurred in the period as the programme to reconfigure the depot network continued. These costs include provisions for onerous leases which remain as a result of the changes and costs related to implementing the change programme.

Costs relating to changing management totalled £2.2m, including redundancy costs and related expenditure incurred in the International division. A further £2.0m has been incurred in respect of professional and legal costs associated with disposal activity.

In addition, a further £6.2m has been incurred in respect of losses on the disposal of assets in the International division, related to the withdrawal from the General and Spot Hire markets.

Exceptional financial expenses of £0.3m relate to costs incurred in cancelling debt facilities during the period

For the year ended 31 March 2014

In the UK & Ireland, exceptional costs of £2.4m were incurred as the business rolled out its new network structure. The most significant element of the cost (£1.9m) related to provisions for onerous leases which remained as a result of the changes. The remaining cost of £0.5m was as a result of costs incurred for employee changes as part of the programme.

Within the International division, exceptional costs of £0.7m were incurred. £0.4m arose as a result of costs and write-offs associated with the closure of the Egypt operations. The remaining £0.3m was incurred as a direct result of management changes within the business.

Exceptional items which have not been allocated to the operating divisions total £1.6m. This comprised the costs of investigating and resolving the accounting irregularities within the International Division (£1.0m), further details of this are included in the 31 March 2014 Annual Report, the professional fees incurred in entering into the Kazakhstan Joint Venture (£0.3m) and costs incurred as a result of changes to Executive Directors in the year (£0.3m).

4 Operating profit

Operating profit is stated after charging/(crediting):

	2015 £m	2014 £m
Amortisation of intangible assets	**2.7**	2.9
Depreciation of owned property, plant and equipment	**46.3**	46.6
Profit on disposal of hire equipment (before exceptional items)	**(5.0)**	(3.7)
Loss on disposal of other property, plant and equipment	**–**	0.2
Operating lease rentals		
– of land and buildings	**13.1**	13.3
– of vehicles	**11.0**	11.3
Auditors' remuneration		
– audit of these Financial statements	**0.1**	0.1
– amounts receivable by auditors in respect of:		
– audit of financial statements of subsidiaries pursuant to legislation	**0.1**	0.1
– IT services	**0.1**	–
– corporate finance services	**0.2**	0.3

Audit fees relate to the Group's current auditor, KPMG LLP. Fees for non-audit services in 2015 relate to advice provided in support of renegotiating the asset-based revolving credit facility and independent assurance in relation to the AX12 system implementation. Fees for non-audit services in 2014 related to advice provided in support of raising new debt facilities for the International business and in relation to compliance with banking facilities.

5 Employees

The average number of people employed by the Group (including Directors) during the year was as follows:

	Number of employees	
	2015	2014
UK & Ireland Asset Services	**3,197**	3,168
International Asset Services	**450**	314
Central	**242**	247
	3,889	3,729

The aggregate payroll costs of these employees were as follows:

	2015 £m	2014 £m
Wages and salaries	**96.2**	91.9
Social security costs	**8.8**	8.8
Pension costs	**1.6**	1.3
Share-based payments	**0.7**	0.7
	107.3	102.7

Notes to the Financial statements
continued

6 Directors' remuneration

	2015 £000	2014 £000
Directors' emoluments		
Basic remuneration, including benefits	**766**	1,095
Performance-related bonuses	**192**	–
Termination payments	**271**	213
Company pension contributions to personal pension plans	**50**	105
	1,279	1,413
Emolument of the highest paid Director		
Basic remuneration, including benefits	**373**	311
Performance-related bonuses	**192**	–
Termination payments	**–**	213
Company pension contributions to personal pension plans	**28**	42
	593	566

Further analysis of Directors' remuneration can be found in the Remuneration Report.

All of the Directors' remuneration is paid by Speedy Support Services Limited, a wholly-owned subsidiary of Speedy Hire Plc.

7 Financial expense

	2015 £000	2014 £000
Financial expense		
Interest on bank loans and overdrafts	**4.1**	5.1
Amortisation of issue costs	**1.2**	1.5
Total interest on bank loans and overdrafts	**5.3**	6.6
Hedge interest payable	**0.3**	0.5
Other finance costs	**0.8**	0.2
Foreign exchange gains	**(1.3)**	0.1
	5.1	7.4
Exceptional finance expenses (note 3)	**0.3**	–
	5.4	7.4

8 Taxation

	2015 £m	2014 £m
Tax charged in the income statement		
Current tax		
UK corporation tax on profits for the period at 21% (2014: 23%)	**4.2**	5.1
Adjustment in respect of prior years	**(0.7)**	(0.2)
Total current tax	**3.5**	4.9
Deferred tax (note 22)		
UK deferred tax at 20% (2014: 21%)	**(1.2)**	0.3
Adjustment in respect of prior years	**–**	(1.4)
Impact of rate change	**(0.4)**	(0.8)
Total deferred tax	**(1.6)**	(1.9)
Total tax charge	**1.9**	3.0
Tax credited in equity		
Current tax		
Current tax on equity-settled share-based payments	**(0.2)**	(0.2)
Total current tax	**(0.2)**	(0.2)
Deferred tax (note 22)		
Net loss on revaluation of cash flow hedges	**0.1**	0.1
Deferred tax on equity-settled share-based payments	**0.1**	(0.1)
Total deferred tax credited in equity	**0.2**	–
Total tax credited to equity	**–**	(0.2)

The adjusted tax rate of 24.7% (28.8%) is higher than the standard rate of UK corporation tax in the UK of 21% (23%) primarily due to expenses which are not deductible for tax purposes.

Notes to the Financial statements

continued

8 Taxation continued

The tax charge in the income statement for the year is higher (2014: higher) than the standard rate of corporation tax in the UK of 21% (2014: 23%) and is explained as follows:

	2015 £m	2014 £m
Profit before tax	**2.1**	7.0
Accounting profit multiplied by the standard rate of corporation tax at 21% (2014: 23%)	**0.4**	1.6
Expenses not deductible for tax purposes	**1.3**	1.5
Non-taxable income	**(0.8)**	(0.4)
Share-based payments	**0.2**	–
Unrecognised tax losses	**0.3**	0.5
Overseas tax losses arising not subject to tax	**1.8**	2.2
Share of joint venture income already taxed	**(0.2)**	–
Adjustment to deferred taxation relating to future changes in corporation tax rates	**(0.4)**	(0.8)
Adjustment to tax in respect of prior years	**(0.7)**	(1.6)
Tax charge for the year reported in the income statement	**1.9**	3.0
Tax credited in equity		
Current tax credit	**(0.2)**	(0.2)
Deferred tax charge (note 22)	**0.2**	–
Tax credited to equity	**–**	(0.2)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

9 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of £0.2m (2014: £4.0m) and the weighted average number of 5 pence ordinary shares in issue, and is calculated as follows:

	2015	2014
Profit (£m)		
Profit for the year after tax – basic earnings	**0.2**	4.0
Intangible amortisation charge (after tax)	**2.4**	2.5
Exceptional items (after tax)	**13.9**	3.9
Adjusted earnings (after tax)	**16.5**	10.4
Weighted average number of shares in issue (m)		
At the beginning of the year	**510.2**	507.7
Exercise of share options	**1.0**	2.5
At the end of the year – basic number of shares	**511.2**	510.2
Share options	**3.6**	4.6
Employee share scheme	**1.4**	2.4
At the end of the year – diluted number of shares	**516.2**	517.2
Earnings per share (pence)		
Basic earnings per share	**0.04**	0.78
Amortisation	**0.47**	0.50
Exceptional costs	**2.72**	0.77
Adjusted earnings per share	**3.23**	2.05
Basic earnings per share	**0.04**	0.78
Share options	**–**	(0.01)
Employee share scheme	**–**	(0.01)
Diluted profit per share	**0.04**	0.76
Adjusted earnings per share	**3.23**	2.05
Employee share schemes	**(0.01)**	(0.02)
Adjusted diluted earnings per share	**3.22**	2.03

Total number of shares outstanding at 31 March 2015 amounted to 521,844,934, including 6,252,907 shares held in the Employee Benefit Trust, which are excluded in calculating earnings per share.

Notes to the Financial statements

continued

10 Dividends

The aggregate amount of dividend comprises:

	2015 £m	2014 £m
2013 final dividend (0.31 pence on 517.9m shares)	–	1.6
2014 interim dividend (0.26 pence on 518.3m shares)	–	1.3
2014 final dividend (0.35 pence on 520.4m shares)	1.8	–
2015 interim dividend (0.30 pence on 520.5m share)	1.6	–
	3.4	2.9

Subsequent to the end of the year and not included in the results for the year, the Directors recommended a final dividend of 0.40 pence (2014: 0.35 pence) per share, bringing the total amount payable in respect of the 2015 year to 0.70 pence (2014: 0.61 pence), to be paid on 12 August 2015 to shareholders on the register on 12 June 2015.

The Employee Benefit Trust established to hold shares for the Performance Plan and Co-Investment Plan has waived its right to the interim and final proposed dividends. At 31 March 2015, the Trust held 6,252,907 ordinary shares (2014: 7,319,967).

11 Non-GAAP performance measures

The Group believes that the measures below provide valuable additional information for users of the Financial statements in assessing the Group's performance. The Group uses these measures for planning, budgeting and reporting purposes and for its internal assessment of the operating performance of the individual divisions within the Group.

	2015 £m	2014 £m
Operating profit	**6.9**	14.5
Add back: amortisation	**2.7**	2.9
Add back: exceptional costs	**16.8**	4.7
Operating profit before amortisation and exceptional costs	**26.4**	22.1
Add back: depreciation	**46.3**	46.6
EBITDA before exceptional costs	**72.7**	68.7
Profit before tax	**2.1**	7.0
Add back: amortisation	**2.7**	2.9
Add back: exceptional costs	**16.8**	4.7
Add back: exceptional finance expense	**0.3**	–
Profit before tax, amortisation and exceptional costs	**21.9**	14.6

12 Intangible fixed assets

	Goodwill £m	Customer lists £m	Non-complete agreements £m	Brand £m	Supply agreements £m	Total £m
Cost						
At 1 April 2013	93.5	36.4	4.9	4.1	19.8	158.7
Additions	–	–	–	–	–	–
At 31 March 2014	93.5	36.4	4.9	4.1	19.8	158.7
Additions	–	–	–	–	–	–
At 31 March 2015	93.5	36.4	4.9	4.1	19.8	158.7
Amortisation						
At 1 April 2013	49.2	28.0	4.9	4.1	18.3	104.5
Charged in year	–	2.4	–	–	0.5	2.9
At 31 March 2014	49.2	30.4	4.9	4.1	18.8	107.4
Charged in year	–	2.3	–	–	0.4	2.7
At 31 March 2015	49.2	32.7	4.9	4.1	19.2	110.1
Net book value						
At 31 March 2015	**44.3**	**3.7**	**–**	**–**	**0.6**	**48.6**
At 31 March 2014	44.3	6.0	–	–	1.0	51.3
At 31 March 2013	44.3	8.4	–	–	1.5	54.2

The amount of goodwill that is tax-deductible is £19.2m (2014: £19.2m).

All goodwill has arisen from business combinations. On transition to IFRS, the balance of goodwill as measured under UK GAAP was allocated to cash-generating units (CGUs). These are independent sources of income streams, and represent the lowest level within the Group at which the associated goodwill is monitored for management purposes. As explained in note 2, the Group's reportable business segments comprise UK & Ireland Asset Services and International Asset Services. All intangible assets are held in the UK.

Goodwill arising on business combinations after 1 April 2004 has been allocated to the CGUs that are expected to benefit from those business combinations. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the goodwill and intangible assets allocated to CGUs are determined by value-in-use calculations. The value-in-use calculations use cash flow projections based on five-year financial forecasts approved by management. The key assumptions for these forecasts are those regarding revenue growth, net margin and the level of capital expenditure required to support trading, which management estimates based on past experience adjusted for current market trends and expectations of future changes in the market. To prepare value-in-use calculations, the Group uses cash flow projections for a 15-year period, which incorporates a ten-year terminal value. The projections are made up of the FY2016 budget, a subsequent four-year period using the Group's business plan, and a further ten years' income. The final ten years' income is extrapolated at an estimated average long-term nominal growth rate, being an estimate of inflation. The resulting forecast cash flows are discounted back to present value, using an estimate of the Group's weighted average cost of capital, adjusted for risk factors associated with the individual CGU and market-specific risks.

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12 Intangible fixed assets continued

The pre-tax discount rates and terminal growth rates applied are as follows:

	31 March 2015		31 March 2014	
	Pre-tax discount rate	**Terminal value growth rate**	Pre-tax discount rate	Terminal value growth rate
UK & Ireland Asset Services	**9.7%**	**1.5%-2.5%**	10.0%	1.5%-2.5%
International Asset Services	**10.2%**	**2.5%**	12.0%	2.5%

For UK & Ireland Asset Services, the recoverable amount at 31 March 2015, calculated using the discounted forecast cash flows, results in a surplus over carrying value of £310.9m (2014: £127.9m). Impairment calculations are sensitive to changes in key assumptions of revenue growth and discount rate. An increase of 1% in the pre-tax discount rate, with all other assumptions held constant, would reduce discounted cash flows by £44.4m, leaving headroom against carrying value at £266.5m (2014: £85.2m). A decrease of 1% in the forecast revenue growth, with all the other assumptions held constant, would reduce discounted cash flows by £15.8m, leaving headroom against carrying value of £295.1m (2014: £117.7m).

No goodwill or intangible assets have been allocated to International Asset Services. Value-in-use calculations result in a recoverable amount that is £15.1m greater than the carrying value of the property, plant and equipment and other net assets at 31 March 2015. An increase of 1% in the pre-tax discount rate or a decrease of 1% in the forecast revenue growth does not result in a shortfall of recoverable amount over carrying value of the property, plant and equipment and other net assets

13 Investments in jointly controlled entity

	Equity investment £m	Loan advances £m	Total £m
Cost			
At 1 April 2013	–	–	–
Purchase of shares in joint venture	2.7	–	2.7
Loan to joint venture	–	1.5	1.5
Effect of movement in foreign exchange rates	(0.1)	–	(0.1)
At 31 March 2014	2.6	1.5	4.1
Effect of movement in foreign exchange rates	0.4	0.2	0.6
At 31 March 2015	3.0	1.7	4.7
Share of post-acquisition results			
At 1 April 2013	–	–	–
Share of results for the year after tax	(0.1)	–	(0.1)
At 31 March 2014	(0.1)	–	(0.1)
Share of results for the year after tax	0.6	–	0.6
At 31 March 2015	0.5	–	0.5
Net book value			
At 31 March 2015	**3.5**	**1.7**	**5.2**
At 31 March 2014	2.5	1.5	4.0
At 31 March 2013	–	–	–

On 11 November 2013, Speedy acquired 50% of the share capital of Turner and Hickman Limited, a joint venture company which controls the operations of Speedy Zholdas LLP. Speedy Zholdas LLP provides asset management and equipment rental services to the oil and gas sector in Kazakhstan. Total cash consideration for the purchase of shares in Turner and Hickman Limited was US$4.3m with US$1.0m payable on 1 November 2015 and 2016.

In addition to the investment in share capital, Speedy provided a loan of US$2.5m to the joint venture with an equivalent amount provided by the joint venture partner.

This joint venture is not considered to be individually material.

14 Property, plant and equipment

	Land and buildings £m	Hire equipment £m	Other £m	Total £m
Cost				
At 1 April 2013	33.8	375.7	63.5	473.0
Foreign exchange	(0.1)	(0.4)	–	(0.5)
Additions	6.2	64.8	4.5	75.5
Disposals	(0.1)	(33.1)	(0.5)	(33.7)
Transfers to inventory	–	(20.4)	–	(20.4)
At 31 March 2014	39.8	386.6	67.5	493.9
Foreign exchange	0.2	(0.6)	–	(0.4)
Additions	13.7	66.9	5.3	85.9
Disposals	(1.4)	(47.9)	(0.2)	(49.5)
Transfers to inventory	–	(40.7)	–	(40.7)
At 31 March 2015	52.3	364.3	72.6	489.2
Depreciation				
At 1 April 2013	19.8	161.5	50.0	231.3
Foreign exchange	–	(0.1)	–	(0.1)
Charged in year	2.6	38.2	5.8	46.6
Disposals	–	(24.1)	(0.5)	(24.6)
Transfers to inventory	–	(14.4)	–	(14.4)
At 31 March 2014	22.4	161.1	55.3	238.8
Foreign exchange	(0.1)	(0.4)	–	(0.5)
Charged in year	2.9	39.3	4.1	46.3
Disposals	(0.7)	(31.3)	–	(32.0)
Transfers to inventory	–	(16.7)	–	(16.7)
At 31 March 2015	24.5	152.0	59.4	235.9
Net book value				
At 31 March 2015	**27.8**	**212.3**	**13.2**	**253.3**
At 31 March 2014	17.4	225.5	12.2	255.1
At 31 March 2013	14.0	214.2	13.5	241.7

The net book value of land and buildings comprises freehold properties of £nil (2014: £nil), and short leasehold properties of £27.8m (2014: £17.4m).

At 31 March 2015, the net carrying amount of leased hire equipment was £nil (2014: £nil).

An impairment review has been completed during the year on the basis set out in note 12.

Notes to the Financial statements

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15 Inventories

	2015 £m	2014 £m
Finished goods and goods for resale	**9.5**	11.8

The amount of inventory expensed in the year amounted to £44.8m (2014: £40.7m), included within cost of sales. No provision in respect of write down in inventory is held at the year-end or prior year-end.

16 Trade and other receivables

	2015 £m	2014 £m
Trade receivables	**104.1**	86.3
Other receivables	**8.6**	4.9
Prepayments and accrued income	**1.8**	2.2
	114.5	93.4

There are £41.6m (2014: £32.9m) of trade receivables that are past due at the balance sheet date that have not been provided against. There is no indication as at 31 March 2015 that customers will not meet their payment obligations in respect of trade receivables recognised in the balance sheet that are past due and unprovided. The ageing of trade receivables (net of impairment provision) at the year-end was as follows:

	2015 £m	2014 £m
Not past due	**62.5**	53.4
Past due 0-30 days	**17.9**	18.9
Past due 31-120 days	**14.0**	9.9
More than 120 days past due	**9.7**	4.1
	104.1	86.3

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2015 £m	2014 £m
At 1 April	**3.9**	3.0
Impairment provision charged to the income statement	**5.5**	5.5
Written off in the year	**(5.3)**	(4.6)
At 31 March	**4.1**	3.9

17 Assets held for sale

The assets and liabilities held within the International division in relation to its Oman entity have been classified as held for sale following the commitment from management on 2 March 2015 to sell the shares in the business. The sale completed in April 2015.

No impairment loss has been recognised on the remeasurement of the assets and liabilities because, as at the year end it was expected the carrying value of the assets and liabilities would be equal to their fair value less costs to sell.

At 31 March 2015 the asset held for sale compromised the following assets and liabilities.

	2015 £m	2014 £m
Assets classified as held for sale		
Property, plant and equipment	**1.5**	–
Trade receivables and other receivables	**0.4**	–
	1.9	–
Liabilities classified as held for sale		
Accruals	**0.1**	–
	0.1	–

18 Trade and other payables

	2015 £m	2014 £m
Trade payables	**40.3**	45.4
Other payables	**9.5**	10.4
Accruals	**31.1**	22.2
	80.9	78.0
Non-current	**0.7**	1.2
Current	**80.2**	76.8
	80.9	78.0

Notes to the Financial statements

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19 Financial instruments

The Group holds and uses financial instruments to finance its operations and to manage its interest rate and liquidity risks. The Group primarily finances its operations using share capital, retained profits and borrowings. The main risks arising from the Group's financial instruments are credit, interest rate, foreign currency and liquidity risk. The Board reviews and agrees the policies for managing each of these risks on an annual basis. A full description of the Group's approach to managing these risks is set out below.

The Group does not engage in trading or speculative activities using derivative financial instruments. A Group offset arrangement exists in order to minimise the interest costs on outstanding debt.

Fair value of financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31 March 2015		31 March 2014	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Trade and other receivables	**112.7**	**112.7**	91.2	91.2
Cash	**0.2**	**0.2**	2.6	2.6
Bank overdraft	**(1.6)**	**(1.6)**	–	–
Secured bank borrowings	**(103.9)**	**(103.9)**	(87.0)	(87.0)
Interest rate swaps and caps, used for hedging	**(0.4)**	**(0.4)**	(0.1)	(0.1)
Trade and other payables	**(49.8)**	**(49.8)**	(55.8)	(55.8)
	(42.8)	**(42.8)**	(49.1)	(49.1)
Unrecognised gain/(loss)		–		–

Basis for determining fair values

The following summarises the principal methods and assumptions used in estimating the fair value of financial instruments reflected in the table above:

(a) Derivatives – Broker quotes are used for all interest rate swaps.

(b) Interest-bearing loans and borrowings – Fair value is calculated based on discounted expected future principal and interest cash flows.

(c) Trade and other receivables/payables – For receivables/payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables/payables are discounted to determine the fair value.

Interest rates used for determining fair value

The interest rate used to discount estimated cash flows, where applicable, has been estimated at 9.7% (2014: 10.2%).

Fair value hierarchy

The Group and Company's financial instruments relate to cash flow hedges, which are carried at fair value in both the current and prior year. The valuation is based on inputs other than quoted prices but which are directly observable (i.e. as prices) (classified as Level 2 in accordance with IFRS7).

19 Financial instruments continued

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. No individual customer accounts for more than 10% of the Group's sales transactions, and the Group's exposure to outstanding indebtedness follows this profile. No collateral is held as security in respect of amounts outstanding; however, in a number of instances, deposits are held against the value of hire equipment provided. The extent of deposit taken is assessed on a case-by-case basis, and is not considered significant in comparison to the overall amounts receivable from customers.

Transactions involving derivative financial instruments are undertaken with counterparties within the syndicate of banks which provide the Group's asset-based revolving credit facility. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

The Group establishes an allowance for impairment that is based on historical experience of dealing with customers with the same risk profile.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses both short- and long-term cash forecasts to assist in monitoring cash flow requirements. Typically, the Group uses short-term forecasting to ensure that it has sufficient cash on demand to meet operational expenses and to service financing obligations for a period of 12 weeks. Longer-term forecasts are performed on a regular basis to assess compliance with bank covenants on existing facilities, ensuring that activities can be managed within reason to ensure covenant breaches are avoided.

At 31 March 2015, the Group had available loan facilities amounting to £180m (2014: £229m), as detailed in note 20. Of these facilities £57.1m remained unutilised at 31 March 2015 (2014: £128.4m). Details of the repayment profile of the drawn facilities at the year-end is included in note 20.

The Group monitors available facilities against forward requirements on a regular basis and, where necessary, obtains additional sources of financing to provide the Group with the appropriate level of headroom against the required borrowing. The Group has obtained bank and equity funding in recent years as the business has grown, and maintains close contact with its syndicate of banks.

The following analysis is based on the undiscounted contractual maturities on the Group's financial liabilities including estimated interest that will accrue, except where repayment is entitled and before its contractual maturity.

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19 Financial instruments continued

At 31 March 2015	Undiscounted cash flows – 31 March 2015 2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	Total £m
Asset-based revolving credit facility	–	–	–	–	119.1	119.1
Interest payments	3.5	3.5	3.5	3.5	1.8	15.8
	3.5	3.5	3.5	3.5	120.9	134.9

At 31 March 2014	Undiscounted cash flows – 31 March 2014 2015 £m	2016 £m	2017 £m	Total £m
Asset-based revolving credit facility	–	84.4	–	84.4
Interest payments	5.2	2.2	–	7.4
	5.2	86.6	–	91.8

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. Generally, the Group seeks to apply hedge accounting in order to manage volatility in profit.

> **Foreign exchange risk**

With over 10% of the group's revenue generated in currencies other than sterling, the group's balance sheet and income statement are affected by movements in exchange rates. The revenue and costs of overseas operations normally arise in the same currency and consequently the exposure to exchange differences is not normally significant and consequently not hedged. Overseas operations maintain local currency bank, which provide partial mitigation against balance sheet risk.

At 31 March 2015, if sterling had weakened or strengthened by 10% against the US Dollar (against which key Middle Eastern currencies are linked) with all other variables held constant, post-tax profit for the year would have been £0.1m (2014: £nil) higher or lower respectively.

> **Interest rate risk**

The Group is exposed to a risk of a change in cash flows due to changes in interest rates as a result of its use of variable rate borrowings. The Group's policy is to review regularly the terms of its borrowing facilities, and to assess and manage the long-term borrowing commitment accordingly, and to put in place interest rate hedges to reduce the Group's exposure to significant fluctuations in interest rates. The Group adopts a policy of ensuring that between 40% and 70% of its gross borrowings are covered by hedging instruments.

The principal derivative financial instruments used by the Group are interest rate swaps and caps. The notional contract amount and the related fair value of the Group's derivative financial instruments can be analysed as follows:

	31 March 2015 Fair value £m	National amount £m	31 March 2014 Fair value £m	National amount £m
Designated as cash flow hedges				
Fixed interest rate swaps	(0.4)	70.0	(0.1)	55.0

Future cash flows associated with the above instruments are dependent upon movements in LIBOR over the contractual period. Interest is paid or received under the instruments on a quarterly or monthly basis, depending on the individual instrument, referenced to the relevant prevailing UK LIBOR rates.

The weighted average interest rate on the fixed interest rate swaps is 1.091% (2014: 1.167%) and the instruments are for a weighted average period of 21 months (2014: 21 months). The maximum contractual period is 35 months (2014: 35 months).

19 Financial instruments continued

Sensitivity analysis

In managing interest rate and currency risk, the Group aims to reduce the impact of short-term fluctuation on the Group's earnings. Over the longer term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

At 31 March 2015 it is estimated that a general increase of 1% in interest rates would decrease the Group's profit before tax by approximately £0.4m. Interest rate swaps have been included in this calculation.

Capital management

The Group requires capital for, amongst other things, purchasing hire equipment to replace the existing asset base that has reached the end of its useful life, and for growth, including growth by establishing new rental locations, completing acquisitions and refinancing existing debts in the longer term. The Group defines gross capital as net debt (cash less borrowings) plus shareholders' funds, and seeks to ensure an acceptable return on gross capital. The Group has obtained additional bank borrowings and equity in recent years as the business has grown. The Board seeks to maintain a balance between debt and equity funding such that it maintains a sound capital position relevant for the prevailing economic environment.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors both the demographic spread of shareholders in order to ensure that the most attractive mix of capital growth and income return is made available to investors.

The Group encourages ownership of Speedy Hire Plc shares by employees at all levels within the Group, and has developed this objective through the introduction of long-term incentive plans and SAYE schemes.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

20 Borrowings

	2015 £m	2014 £m
Current borrowings		
Bank overdraft	**1.6**	–
Non-current borrowings		
Maturing between two and five years		
– ABL Facility	**103.9**	86.1
– International Facility	**–**	0.9
Total non-current borrowings	**103.9**	87.0
Total borrowings	**105.5**	87.0
Less: cash	**(0.2)**	(2.6)
Net debt	**105.3**	84.4

Notes to the Financial statements
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20 Borrowings continued

In September 2014, the Group refinanced its asset based revolving credit facility and cancelled the International revolving credit facility. The refinanced £180m asset based revolving credit facility is sub divided into:

(i) A secured overdraft facility, provided by Barclays Bank Plc which secures by cross guarantees and debentures the bank deposits and overdrafts of the Company and certain subsidiary companies up to a maximum of £5m.

(ii) An asset based revolving credit facility of up to £175m, based on the Group's hire equipment and trade receivables balance. The undrawn availability of this facility as at 31 March 2015 was £55.0m (2014: £68.4m) based on the Group's hire equipment and trade receivables.

The Facility is for £180m, but is reduced to the extent that any ancillary facilities are provided, and is repayable in September 2019, with no prior scheduled repayment requirements.

Interest on the refinanced facility is calculated by reference to the London Inter Bank Offer Rate applicable to the period drawn, plus a margin of 170 to 275 basis points (prior to refinancing: 225 to 400 basis points), depending on leverage and on the components of the borrowing base. During the period, the effective margin was 2.60% (2014: 2.82%).

The facility is secured by fixed and floating charges over all the assets of the Group.

Analysis of consolidated net debt

	At 31 March 2014 £m	Non-cash movement £m	Cash flow £m	**31 March 2015 £m**
Cash at bank and in hand	2.6	–	(2.4)	**0.2**
Bank overdrafts	–	–	(1.6)	**(1.6)**
Borrowings	(87.0)	(1.4)	(15.5)	**(103.9)**
	(84.4)	(1.4)	(19.5)	**(105.3)**

21 Provisions

	Onerous property contracts £m
At 1 April 2013	1.8
Created in the year	2.9
Provision utilised in the year	(2.3)
At 31 March 2014	2.4
Created in the year	5.3
Provision utilised in the year	(3.5)
At 31 March 2015	4.2

Of the £4.2m provision at 31 March 2015, £2.9m (2014: £1.1m) is due within one year and £1.3m (2014: £1.3m) is due after one year. The key assumption underlying the calculation of the provision relates to the assumed sub-let period. The provision is calculated based on a gross liability to the earlier of three years and the estimated date of sub-let, or break clause, and includes estimated dilapidations at current market rates. The total liability is discounted to current values. If leases on properties which are assumed to be sub-let were not exited/sub-let for a further 12 months beyond the estimated period, the increase required in the discounted provision would amount to £0.7m.

22 Deferred tax

	Property, plant and equipment £m	Intangible assets £m	Share-based payments £m	Other items £m	Total £m
At 1 April 2013	11.1	1.0	(1.2)	(0.3)	10.6
Recognised in income	(2.0)	(0.3)	0.3	0.1	(1.9)
Recognised in equity	–	–	(0.1)	0.1	–
At 31 March 2014	9.1	0.7	(1.0)	(0.1)	8.7
Recognised in income	(1.2)	(0.2)	0.2	(0.4)	(1.6)
Recognised in equity	–	–	0.1	0.1	0.2
At 31 March 2015	**7.9**	**0.5**	**(0.7)**	**(0.4)**	**7.3**

The Group has gross trading losses carried forward at 31 March 2015 amounting to approximately £11.7m (2014: £10.6m). No deferred tax asset has been recognised in respect of those losses.

The Group also has gross capital losses carried forward at 31 March 2015 amounting to approximately £5.9m (2014: £6.5m). No deferred tax asset has been recognised in respect of these losses.

23 Share capital

	2015 £m	2014 £m
Allotted, called-up and fully paid		
521.9m (2014: 520.4m) ordinary shares of 5 pence each	**26.1**	26.0

During the year, 1,506,980 ordinary shares of 5 pence were issued on exercise of options under the Speedy Hire Sharesave Scheme (2014: 2,437,224).

An Employee Benefits Trust was established in 2004 (the 'Trust'). The Trust holds shares issued by the Company in connection with the Performance Plan and Co-investment Plan. No shares were allotted to the Trust during the year and 1,067,060 shares were transferred to employees during the year. At 31 March 2015, the Trust held 6,252,907 (2014: 7,319,967) shares.

The movement in issued share capital was as follows:

	Number	£m
At 1 April 2013	517,925,049	25.9
Exercise of Sharesave Scheme options	2,437,224	0.1
At 31 March 2014	520,362,273	26.0
Exercise of Sharesave Scheme options	1,506,980	0.1
At 31 March 2015	**521,869,253**	**26.1**

Notes to the Financial statements

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24 Share incentives

At 31 March 2015, options and awards over 10,734,992 shares (2014: 10,981,285) were outstanding under employee share schemes. The Group operates three share incentive schemes. During the year 1,506,980 ordinary shares of 5 pence were issued on exercise of options under the Speedy Hire Sharesave Scheme (2014: 2,437,224).

As at 31 March 2015 options to acquire 5,361,840 (2014: 5,076,518) Speedy Hire Plc shares were outstanding under the Speedy Hire Sharesave Schemes. These options are exercisable by employees of the Group at prices between 15 and 56 pence (2014: 15 and 51 pence) at dates between April 2015 and July 2018 (2014: April 2014 and July 2017). At 31 March 2015, options to acquire 5,373,152 shares (2014: 5,904,767) under the Performance and Co-Investment Plans were outstanding. These options are exercisable at nil cost between June 2015 and June 2018 (2014: June 2014 and June 2017).

The number and weighted average exercise price ('WAEP') of share options and awards under all the share incentive schemes are as follows:

	2015		2014	
	WAEP pence	**Number**	WAEP pence	Number
Outstanding at 1 April	**14**	**10,981,285**	11	17,613,763
Granted	**29**	**4,672,276**	15	4,811,221
Exercised	**8**	**(2,887,863)**	10	(5,349,585)
Lapsed	**12**	**(2,030,706)**	9	(6,094,114)
Outstanding at 31 March	**37**	**10,734,992**	14	10,981,285
Exercisable at 31 March	**15**	**94,515**	21	123,108

Options and awards outstanding at 31 March 2015 have weighted average remaining contractual lives as follows:

	2015 years	2014 years
Exercisable at nil pence	**1.4**	1.4
Exercisable at 15 pence	**–**	0.8
Exercisable at 27 pence	**0.8**	1.8
Exercisable at 51 pence	**1.7**	2.7
Exercisable at 56 pence	**2.7**	–

24 Share incentives continued

The fair value of services received in return for share options granted and shares awarded is measured by reference to the fair value of those instruments. The pricing models and inputs used for the outstanding options (on a weighted average basis where appropriate) are as follows:

Speedy Hire Sharesave Schemes

	December 2014	December 2013	December 2012	December 2011	December 2010
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	55.6p	51p	27p	15p	21p
Share price volatility	40.8%	39%	41%	87.0%	88.2%
Option life	3.25 years	3.25 years	3.25 years	3.25 years	3.25 years
Expected dividend yield	0.8%	1.0%	1.2%	2.1%	1.4%
Risk-free interest rate	0.9%	1.0%	0.6%	0.5%	1.4%

Co-Investment Plan

	July 2013
Pricing model used	Stochastic
Exercise price	Nil
Share price volatility	n/a
Option life	3 years
Expected dividend yield	Nil
Risk-free interest rate	n/a

Performance Plan

	November 2014	July 2013	July 2012	July 2011	July 2010
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	Nil	Nil	Nil	Nil	Nil
Share price volatility	39.9%	39%	46%	91.3%	94.0%
Option life	3 years	3 years	3 years	3 years	3 years
Expected dividend yield	Nil	Nil	Nil	1.3%	1.5%
Risk-free interest rate	0.9%	0.7%	0.4%	1.0%	1.2%

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25 Notes to the cash flow statement – cash from operating activities

	2015 £m	2014 £m
Profit before tax	**2.1**	7.0
Financial expense	**5.4**	7.4
Amortisation	**2.7**	2.9
Depreciation	**46.3**	46.6
Share of (profit)/loss of equity accounted investments	**(0.6)**	0.1
Loss/(profit) on disposal of hire equipment	**1.8**	(3.7)
Profit on disposal of other property, plant and equipment	**–**	0.2
Decrease in inventories	**2.3**	1.1
Increase in net assets held for sale	**(1.8)**	–
Increase in trade and other receivables	**(21.1)**	(10.3)
Increase in trade and other payables	**3.4**	11.2
Movement in provisions	**1.8**	0.6
Equity-settled share-based payments	**0.7**	0.7
Cash from operating activities	**43.0**	63.8

26 Contingent liabilities

The Group has given warranties (including taxation warranties and indemnities) in relation to the disposal of certain businesses in prior years. These warranties and indemnities expire at various dates up to 2018.

In the normal course of business, the Company and certain subsidiaries have given performance bonds issued on behalf of Group companies and parental guarantees have been given in support of the contractual obligations of Group companies on both a joint and a several basis.

The Directors do not consider any provision is necessary in respect of guarantees and bonds.

27 Commitments

The Group had contracted capital commitments amounting to £4.6m (2014: £4.6m) at the end of the financial year for which no provision has been made.

The total of future minimum lease payments under non-cancellable operating leases is as follows:

	Land and buildings		Other	
	2015 £m	2014 £m	2015 £m	2014 £m
Total future minimum lease payments				
– not later than one year	**12.7**	14.7	**8.6**	9.1
– later than one year and not later than five years	**35.9**	37.3	**10.9**	12.4
– later than five years	**17.5**	22.1	**0.6**	1.7
	66.1	74.1	**20.1**	23.2

27 Commitments continued

Where the group has vacated a property prior to the end of the lease term, the group will attempt to sublease such vacant space on short term lets. The sublease rental income for the year to 31 March 2015 was £0.7m (2014: £0.8m). The minimum rent receivable under non-cancellable operating leases is as follows:

	2015 £m	2014 £m
Total future minimum lease payments		
– not later than one year	**0.8**	0.8
– later than one year and not later than five years	**2.2**	1.5
– later than five years	**0.2**	0.2
	3.2	2.5

28 Post-balance sheet events

Sale of shares in Speedy International Asset Services LLC

On 20 April 2015 the group received proceeds for the disposal of its entire shareholding in Speedy International Assets Services LLC, a company incorporated in Oman. The net assets of £1.8m are held within assets held for sale on the balance sheet at the year end representing the fair value less costs to sell of the business.

Dividends

The Directors have proposed a dividend of 0.40 pence per share as a final dividend in respect of the year ended 31 March 2015. No charge in respect of the proposed dividend has been made in the income statement for the year, and there were no tax consequences. The total amount payable if the dividend is approved at the AGM is as follows:

	2015 £m	2014 £m
0.40 pence (2014: 0.35 pence) on 521.9m (2014: 520.4m) ordinary shares	**2.1**	1.8

29 Related party disclosures

Key management remuneration

The Group's key management personnel are the Executive and Non-Executive Directors as identified in the Remuneration Report.

In addition to their salaries, the Group also provides non-cash benefits to Executive Directors, and contributes to approved pension schemes on their behalf. Executive Directors also participate in the Group's share option schemes.

Non-Executive Directors receive a fee for their services to the Speedy Hire Plc Board.

Full details of key management personnel compensation and interests in the share capital of the Company as at 31 March 2015 are given in the Remuneration Report.

Financial statements

Company balance sheet

At 31 March 2015

	Note	2015 £m	2014 £m
ASSETS			
Non-current assets			
Investments	31	**93.5**	93.5
Deferred tax asset	36	**0.6**	1.0
		94.1	94.5
Current assets			
Trade and other receivables	32	**409.3**	383.5
Tax receivable		**–**	1.5
Cash	35	**0.5**	0.9
		409.8	385.9
Total assets		**503.9**	480.4
LIABILITIES			
Current liabilities			
Borrowings	35	**–**	(3.6)
Trade and other payables	33	**(128.5)**	(131.2)
Other financial liabilities	34	**(0.4)**	(0.1)
Current tax liabilities		**(0.1)**	–
		(129.0)	(134.9)
Non-current liabilities			
Borrowings	35	**(116.1)**	(94.2)
Total liabilities		**(245.1)**	(229.1)
Net assets		**258.8**	251.3
EQUITY			
Share capital	37	**26.1**	26.0
Share premium		**191.0**	190.9
Merger reserve		**2.3**	2.3
Hedging reserve		**(0.7)**	(0.4)
Retained earnings		**40.1**	32.5
Total equity		**258.8**	251.3

The Company financial statements on pages 116 to 121 were approved by the Board of Directors on 11 May 2015 and were signed on its behalf by:

Mark Rogerson
Director

Russell Down
Director

Company registered number: 927680

Company statement of changes in equity

For the year ended 31 March 2015

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Retained earnings £m	**Total equity £m**
At 1 April 2013	25.9	190.5	2.3	(0.9)	26.9	**244.7**
Profit for the financial year	–	–	–	–	7.6	**7.6**
Effective portion of change in fair value of cash flow hedges	–	–	–	0.5	–	**0.5**
Tax in items taken directly to equity	–	–	–	–	0.2	**0.2**
Total comprehensive income for the year	–	–	–	0.5	7.8	**8.3**
Dividends	–	–	–	–	(2.9)	**(2.9)**
Equity-settled share-based payments	–	–	–	–	0.7	**0.7**
Issue of shares under the Sharesave Scheme	0.1	0.4	–	–	–	**0.5**
At 31 March 2014	26.0	190.9	2.3	(0.4)	32.5	**251.3**
Profit for the financial year	–	–	–	–	10.3	**10.3**
Effective portion of change in fair value of cash flow hedges	–	–	–	(0.3)	–	**(0.3)**
Tax in items taken directly to equity	–	–	–	–	–	**–**
Total comprehensive income for the year	–	–	–	(0.3)	10.3	**10.0**
Dividends	–	–	–	–	(3.4)	**(3.4)**
Equity-settled share-based payments	–	–	–	–	0.7	**0.7**
Issue of shares under the Sharesave Scheme	0.1	0.1	–	–	–	**0.2**
At 31 March 2015	26.1	191.0	2.3	(0.7)	40.1	**258.8**

Company cash flow statement

For the year ended 31 March 2015

	Note	2015 £m	2014 £m
Cash generated from operations	41	**(29.1)**	(28.4)
Interest received		**20.5**	18.6
Interest paid		**(6.1)**	(6.9)
Tax paid		**(0.8)**	(5.9)
Net cash flow from operating activities		**(15.5)**	(22.6)
Net cash flow before financing activities		**(15.5)**	(22.6)
Cash flow to financing activities			
Proceeds from asset-based revolving credit facility		**21.9**	17.9
Proceeds from the issue of Sharesave Scheme shares		**0.2**	0.5
Dividends paid		**(3.4)**	(2.9)
Net cash flow from financing activities		**18.7**	15.5
Increase/(decrease) in cash		**3.2**	(7.1)
(Overdraft)/cash at the start of the financial year		**(2.7)**	4.4
Cash/(overdraft) at the end of the financial year		**0.5**	(2.7)

	2015 £m	2014 £m
Analysis of cash		
Cash	**0.5**	0.9
Bank overdraft	**–**	(3.9)
	0.5	(2.7)

Notes to the Company financial statements

30 Accounting policies

The Company financial statements have been prepared in accordance with the accounting policies set out in note 1, supplemented as below. The Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual income statement or statement of comprehensive income and related notes that form part of the approved Financial statements. The amount of the profit for the financial year dealt with in the Financial statements of the Company is disclosed in the Company statement of changes in equity.

Investments in subsidiary undertakings are stated at cost less any provisions for permanent diminution in value. Dividends received and receivable are credited to the Company's profit and loss account to the extent that they represent a realised profit for the Company.

The Company does not have any employees. Directors are paid by other Group companies.

31 Investments

	Investments in subsidiary undertakings £m
Cost	
At 1 April 2013, 31 March 2014 and 31 March 2015	113.3
Provisions	
At 1 April 2013, 31 March 2014 and 31 March 2015	(19.8)
Net book value	
At 1 April 2013, 31 March 2014 and 31 March 2015	93.5

Following the impairment testing performed in accordance with IAS36 (see note 12), the Company's carrying value of investment in subsidiary undertakings has been reviewed and no impairment has been made (2014: £nil).

The Company's principal subsidiary undertakings are as follows:

	Incorporation and operation	Principal activity	Ordinary share capital
Speedy Asset Services Limited	UK	Hire services	100%
Speedy Hire (Ireland) Limited	UK	Hire services	100%
Speedy Hire (Ireland) Limited[1]	Republic of Ireland	Hire services	100%
Speedy Support Services Limited	UK	Provision of group services	100%
Speedy Transport Limited	UK	Provision of group services	100%
Speedy International Asset Services (Holdings) Limited	UK	Hire services	100%
Speedy International Asset Services Equipment Rental LLC[1,2]	UAE	Hire and associated services	49%
Speedy International Leasing Limited[1]	UK	Leasing services	100%
Speedy International Asset Services[1]	Oman	Hire services	70%
Speedy International Asset Services[1,2]	Qatar	Hire services	49%

1 Indirect holding via a 100% subsidiary undertaking.

2 Although the Group holds less than half of the voting rights, it is able to govern the financial and operating policies of the company. The Group therefore consolidates the company.

A full list of the Company's subsidiary undertakings can be found in the Annual Return filed at Companies House.

The Company holds voting rights in each subsidiary undertaking in the same proportion to its holdings in the ordinary share capital of the respective subsidiaries.

Notes to the Company financial statements
continued

32 Trade and other receivables

	2015 £m	2014 £m
Amounts owed by Group undertakings	**407.4**	381.6
Other receivables	**1.9**	1.9
	409.3	383.5

33 Trade and other payables

	2015 £m	2014 £m
Amounts owed to Group undertakings	**127.7**	129.2
Other payables	**–**	0.7
Accruals	**0.8**	1.3
	128.5	131.2

34 Financial instruments

The Company financial instruments are stated in accordance with note 19.

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	31 March 2015		31 March 2014	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Trade and other receivables	**409.3**	**409.3**	383.5	383.5
Cash	**0.5**	**0.5**	0.9	0.9
Bank overdraft	**–**	**–**	(3.6)	(3.6)
Secured bank borrowings	**(116.1)**	**(116.1)**	(94.2)	(94.2)
Interest rate swaps and caps, used for hedging	**(0.4)**	**(0.4)**	(0.1)	(0.1)
Trade and other payables	**(127.7)**	**(127.7)**	(129.9)	(129.9)
	165.2	**165.2**	156.6	156.6
Unrecognised gain/(loss)		**–**		–

35 Borrowings

	2015 £m	2014 £m
Current borrowings		
Bank overdraft	**–**	3.6
Non-current borrowings		
Maturing between two and five years		
– Asset-based revolving credit facility	**116.1**	94.2
Total non-current borrowings	**116.1**	94.2
Total borrowings	**116.1**	97.8
Less: cash	**(0.5)**	(0.9)
Net debt	**115.6**	96.9

The Company borrowings are stated in accordance with note 20.

Both the overdraft and asset-based revolving credit facility are secured by a fixed and floating charge over all the assets of the Group and are rated pari passu.

36 Deferred tax

Company asset	Total £m
At 1 April 2013	1.3
Recognised in income	(0.3)
Recognised in equity	–
At 31 March 2014	1.0
Recognised in income	(0.2)
Recognised in equity	(0.2)
At 31 March 2015	**0.6**

37 Share capital and share incentives

The Company share capital and share incentives are stated in accordance with notes 23 and 24.

38 Contingent liabilities and commitments

The Company contingent liabilities and commitments are stated in accordance with notes 26 and 27.

39 Post-balance sheet events

The Company post-balance sheet events are stated in accordance with note 28.

40 Related party disclosures

The Company related party disclosures are stated in accordance with note 29.

41 Note to the Company cash flow statement

	2015 £m	2014 £m
Cash flow from operating activities		
Profit before tax	**13.1**	9.9
Financial expense	**(20.5)**	(18.6)
Financial income	**6.6**	6.9
Increase in trade and other receivables	**(25.8)**	(24.5)
Decrease in trade and other payables	**(3.2)**	(2.8)
Equity-settled share-based payments	**0.7**	0.7
	(29.1)	(28.4)

Financial statements

Five-year summary

	2015 £m	2014 £m	2013 restated £m	2012 £m	2011 £m
Income statement					
Revenue	**386.0**	349.7	340.0	329.3	354.2
Gross profit	**210.9**	214.6	223.0	220.9	217.3
Analysis of operating profit/(loss)					
Operating profit before amortisation and exceptional costs	**26.4**	22.1	22.9	19.6	8.3
Amortisation	**(2.7)**	(2.9)	(4.0)	(4.1)	(5.5)
Exceptional costs	**(16.8)**	(4.7)	–	(2.9)	(19.3)
Operating profit/(loss)	**6.9**	14.5	18.9	12.6	(16.5)
Share of results of jointly controlled entities	**0.6**	(0.1)	–	–	–
Net financial expense	**(5.1)**	(7.4)	(7.6)	(7.2)	(9.0)
Net financial expense – exceptional	**(0.3)**	–	–	(2.2)	(1.5)
Total net financial expense	**(5.4)**	(7.4)	(7.6)	(9.4)	(10.5)
Profit/(loss) before taxation	**2.1**	7.0	11.3	3.2	(27.0)
Non-GAAP performance measures					
EBITDA before exceptional items	**72.7**	68.7	72.0	63.2	63.4
Adjusted profit/(loss) before tax, exceptional costs and amortisation	**21.9**	14.6	15.3	12.4	(0.7)
Balance sheet					
Hire equipment – original cost	**364.3**	386.6	375.7	383.6	363.3
Hire equipment – net book value	**212.3**	225.5	214.2	210.3	185.7
Total equity	**234.0**	239.3	234.9	229.5	229.4
Cash flow					
Cash flow generated from operations[2]	**13.3**	63.8	63.6	69.7	49.7
Free cash flow	**(16.2)**	(8.2)	7.5	39.3	7.4
Purchase of hire equipment	**68.6**	65.8	58.6	64.2	41.8
Profit on disposal of hire equipment[1]	**5.0**	3.7	3.9	4.8	5.0
In pence					
Dividend per share (interim and final dividend in year)	**0.70**	0.61	0.53	0.46	0.40
Adjusted earnings/(loss) per share[1]	**3.2**	2.1	2.1	1.7	(0.0)
Net assets per share	**44.8**	46.0	45.4	44.4	44.4
In percentages					
Gearing	**45.0**	35.3	30.8	33.2	49.7
Return on capital (operating)[1]	**8.0**	7.0	7.5	6.0	2.3
EBITDA margin[1]	**18.9**	19.6	21.2	19.2	17.9
In ratios					
Net debt/EBITDA[1]	**1.5**	1.2	1.0	1.2	1.8
Net debt/net tangible fixed assets	**0.4**	0.3	0.3	0.3	0.5
In numbers					
Employee numbers	**3,889**	3,729	3,776	3,844	4,124
Depot numbers	**220**	247	264	283	327

1 Before amortisation and exceptional items.

2 Before changes in hire fleet.

Shareholder information

Annual General Meeting

The Annual General Meeting will be held on Wednesday 15 July 2015 at the offices of Pinsent Masons LLP at 30 Crown Place, Earl Street, London EC2A 4ES.

Details of the business of the AGM and the resolutions to be proposed will be sent to shareholders.

Shareholders will be asked to approve the Directors' Remuneration Report, the election of Jan Åstrand and Russell Down and the re-election of James Morley.

Other resolutions will include proposals to renew, for a further year, the Directors' general authority to allot shares in the Company, to allot a limited number of shares for cash on a non-pre-emptive basis and to buy back the Company's own shares.

Share price information/performance

The latest share price is available at **www.speedyservices.com/investors**. By selecting share price information under the investor information section, shareholders can check the value of their shareholding online or review share charts illustrating annual share price performance trends.

Shareholders can download copies of our Annual Report and Accounts and Interim Accounts from **www.speedyservices.com/investors**.

Dividend reinvestment plan (DRIP)

You can choose to reinvest dividends received to purchase further shares in the Company through a DRIP. A DRIP application form is available from our registrar, whose contact details are 0871-384-2268 and from overseas +44 (0)121-415-7173. Please note that calls to this number cost 8p per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday. Alternatively you can write to our registrar at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Electronic communications

You can elect to receive shareholder communications electronically by signing up to Equiniti's portfolio service at **www.shareview.co.uk**. This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent a notification to say when shareholder communications are available on our website and you will be provided with a link to that information.

Enquiries on shareholdings

Any administrative enquiries relating to shareholdings in Speedy, such as dividend payment instructions or a change of address, should be notified direct to the registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Your correspondence should state Speedy Hire Plc and the registered name and address of the shareholder. Information on how to manage your shareholdings can be found at **https://help.shareview.co.uk**.

If your question is not answered by the information provided, you can send your enquiry via secure email from these pages. You will be asked to complete a structured form and to provide your shareholder reference, name and address. You will also need to provide your email address if this is how you would like to receive your response.

Boiler room fraud

Share scams are often run from 'boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares. While such scams promise high returns, those who invest usually end up losing their money.

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

- Get the name of the person and organisation contacting you;
- Search the list of unauthorised firms to avoid at **www.fca.org.uk/consumers/scams** to ensure they are authorized;
- Only use the details on the FCA Register to contact the firm; and
- Call the Consumer Helpline on 0800 111 6768 if you suspect the caller is fraudulent.

REMEMBER: if it sounds too good to be true, it probably is!

Corporate information

Shareholder information

continued

Forward-looking statements

This Annual Report includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the 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. Except as required by the Listing Rules, the Disclosure and Transparency Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date of this Annual Report.

Contact details

We are happy to answer queries from current and potential shareholders. Similarly, please let us know if you wish to receive past, present or future copies of the Annual Report and Accounts. Please contact us by telephone, email, fax or via the website.

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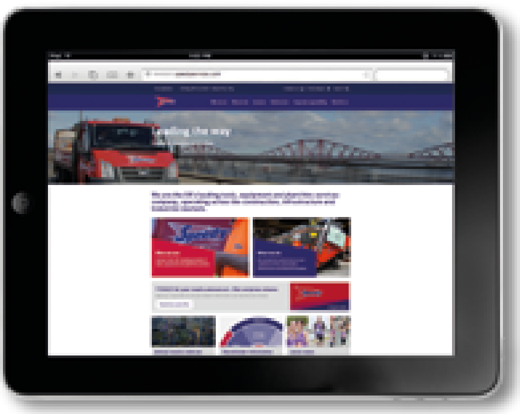

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