Speedy Hire Plc

("Speedy", "the Company" or "the Group")

Results for the six months to 30 September 2021

Continued strong momentum, well positioned for further growth

Speedy, the UK's leading provider of tools and equipment hire, and services to the construction, infrastructure and industrial markets, announces results for the six months to 30 September 2021.

Commenting on the results Russell Down, Chief Executive, said:

"We have delivered another strong set of results through the strength of our offering, efficient operational delivery and a supportive market backdrop.

Our focus on ESG, digital and customer service including our four-hour delivery promise, has once again yielded customer renewals and market share gains.

Positive trading momentum in recent months and the significant growth opportunities presented by major infrastructure projects give us confidence in delivering full year results ahead of current market expectations and sustainable growth in the medium term."

Underlying results (from continuing operations)

	6 months ended 30 September 2021 (£m)	6 months ended 30 September 2020 (£m)	Change
Revenue (excluding disposals)	**186.6**	145.5	28.2%
EBITDA[1]	**49.1**	37.8	29.9%
Adjusted operating profit ('EBITA')[1]	**16.2**	6.3	£9.9m
Adjusted profit before tax[1]	**14.6**	4.1	£10.5m
Adjusted earnings per share (pence)[2]	**1.81**	0.53	1.28p

Statutory results

	6 months ended 30 September 2021 (£m)	6 months ended 30 September 2020 (£m)	Change
Revenue	**188.6**	147.0	28.3%
Operating profit	**15.9**	1.8	£14.1m
Profit/(loss) before tax	**14.3**	(0.4)	£14.7m
Basic earnings per share (pence)	**1.81**	0.15	1.66p

Other measures

	6 months ended 30 September 2021	6 months ended 30 September 2020	Change
Net debt[3]	**£47.9m**	£57.8m	17.1%
Return on Capital Employed[4]	**12.4%**	9.1%	3.3pp
Dividend per share	**0.75p**	-	0.75p

Strategic and operational highlights

- Continued strong trading performance:
  - Revenue growth throughout H1 with strong performance in hire +3.4% (Q1: 2.3%; Q2: 4.7%) compared to corresponding period in FY2020
  - Adjusted profit before tax from continuing operations ahead of FY2021 and FY2020
  - Continual improvement in asset utilisation due to the use of artificial intelligence; up 1.8% to 57.3% as at 30 September 2021
  - Costs tightly controlled; prior year efficiency initiatives reinvested in growth priorities, notably people, ESG and digital capabilities
  - Further market share gains with a number of new contracts and renewals with key customers including Costain, MGroup, Redrow Homes and Willmott Dixon

- Further strategic and operational progress:
  - Improved customer experience through enhanced digital platform
  - Successful trial in 16 B&Q stores in H1 expanding retail proposition through 7-day offering
  - ESG initiatives delivering good progress; new Innovation Centre in Milton Keynes opened in November 2021

- Strong balance sheet and investment in capex:
  - Cash and facility headroom of £131.0m (31 March 2021: £142.3m)
  - Bank facilities of £180m renewed to July 2024 providing significant headroom for growth
  - Net debt[3] at £47.9m (31 March 2021: £33.2m; 30 September 2020 £57.8m), with leverage[5] of 0.7x (31 March 2021: 0.5x; 30 September 2020: 0.9x)
  - Significant investment in hire fleet of £37.6m with a focus on carbon efficient ECO products

Current trading and outlook

- FY2022 results expected to be ahead of current market expectations[6]
- Market conditions remain positive:
  - Infrastructure and construction sectors bolstered by major projects
  - Customer demand continues to improve into H2
- Agreement signed with B&Q; 23 further stores to open from H2 generating incremental revenue
- Targeted price increases offsetting cost pressures
- Improvements to simplify and standardise operating model ongoing:
  - Internal digital capabilities improved through successful implementation of new cloud-based ERP system (Microsoft D365) in October 2021
  - Improved B2C platform under development to simplify the digital customer journey
- Dividend policy maintained; return to interim dividend payments with proposed dividend of 0.75 pence per share. During 2022 the Board will consider returns to shareholders of any capital in excess of the Group's needs consistent with the Group's capital allocation policy

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Notes:

Explanatory notes:

[1] See note 9
[2] See note 7
[3] See note 12
[4] Return on Capital Employed: Profit before interest, tax, amortisation and exceptional items divided by the average capital employed (where capital employed equals shareholders' funds and net debt[3]), for the last 12 months.
[5] Leverage: Net debt[3] covered by EBITDA[1]. This metric excludes the impact of IFRS 16.
[6] Analysts' consensus of £29.2m adjusted profit before tax[1]

Inside Information: This announcement contains inside information.

Forward looking statements: The information in this release is based on management information. This 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 and applicable law, the Company undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date of this report.

Notes to Editors: Founded in 1977, Speedy is the UK's leading provider of tools and equipment hire services to a wide range of customers in the construction, infrastructure and industrial markets, as well as to local trade and industry. The Group provides complementary support services through the provision of training, asset management and compliance services. Speedy is certified nationally to ISO50001, ISO9001, ISO14001, ISO17020, ISO27001 and ISO45001. The Group operates from c.200 fixed sites across the UK and Ireland together with a number of on-site facilities at client locations, and through a joint venture in Kazakhstan.

Chief Executive's statement

Overview

Our half year results for the six months to 30 September 2021 (first half of FY2022) show continued momentum from the final quarter of FY2021, which saw us return to pre-COVID-19 revenue levels. Hire revenue has grown throughout the first half and was 3.4% ahead of H1 FY2020 which is a more meaningful comparison than FY2021.

This strong performance results from our relentless focus on excellent customer service and improved digital offering, which has allowed us to grow market share. Market conditions are good and our diversified customer base and the varied markets we operate within provide resilience and optimism for the future. The recent trial and subsequent agreement to partner with B&Q provides opportunities within the B2C retail sector.

Strategy and operational review

Our vision is to be the best company in our sector to do business with and the best to work for. We are constantly improving the customer journey and working on several key strategic initiatives to support this centred around our people, digital and ESG.

Customer service remains our top priority. The strong hire revenue performance reflects our industry leading four-hour delivery promise. This covers our 350 most popular products with a promise that any of these will be delivered nationally to customers within four hours. The success of our customer service ethos is evidenced through major customer wins and renewals across a broad range of sectors including Costain, MGroup, Redrow Homes and Willmott Dixon.

Our rehire business performed particularly well in the first half, with revenues ahead of both FY2021 and FY2020 as we experienced strong demand for a range of products, particularly temporary accommodation. Overall services revenue from continuing operations fell slightly from FY2020 as training revenue was adversely affected by COVID-19 and market conditions. Whilst the Group remains committed to short duration training aligned to our core operations, we ceased the provision of NVQs and Apprenticeships from July 2021.

Developing the retail business is a strategic priority and supports our commitment to sustainability by providing consumers with the option to hire, thereby promoting the circular economy through the re-use of DIY tools and equipment. In FY2021 we commenced a trial of outlets within B&Q stores. I am pleased to report that following the successful trial in 16 stores we have entered an agreement with B&Q to expand our presence into 39 stores. This new agreement demonstrates the strength of the Speedy brand and our market leading customer service proposition.

We have invested further in developing our digital capabilities. We have enhanced our website and App including the redesign of new category and product pages, and improving our customer onboarding and checkout processes to simplify the overall transaction. An improved B2C platform is under development designed to further simplify the digital customer journey.

In October we successfully completed our core system upgrade to the latest cloud-based ERP application from Microsoft (Dynamics 365). The system provides a fully supported evergreen ERP platform from which we can utilise cloud-based technologies to become a more agile business. The next phase of its development will be to utilise the rich functionality to drive operational efficiency, consolidate peripheral applications and improve customer interactions.

Artificial Intelligence (AI) remains integral to the management of our hire fleet and utilisation rates. We have experienced limited supply chain delays on certain products however these have been mitigated through the strength of our supply chain relationships and advanced planning by using AI. We invested strategically in our hire fleet with capex of £37.6m in H1 with a focus on carbon efficient ECO products.

We have recently implemented a targeted price increase following product and customer reviews to mitigate cost pressures. Enhanced governance and further use of AI in this area will facilitate more dynamic pricing.

Our ESG framework underpins our commitment to operating efficiently as a leading sustainable company. We are targeting net zero by 2035 and are setting science-based targets this financial year to provide a clearly defined pathway on how this will be achieved. Following the appointment in April 2021 of an ESG director, we have established an ESG committee from representatives across the business to drive continuous improvement in our ESG KPIs, which are aligned with the United Nations Sustainable Development Goals. We are aiming to reduce our emissions per employee by 10% in FY2022 with actions including the roll out of HVO D+ fuel as a replacement for diesel in our commercial fleet. In November 2021 we opened a new service centre in Milton Keynes which showcases the latest in innovative products and technology. The property is fitted with solar panels, rainwater harvesting, energy efficient systems along with a living wall, bee hotels and a wildflower garden. Sustainable products now make up c.28% of revenues and we expect this to grow significantly as the industry moves towards achieving net zero carbon targets.

Group financial performance

Results and commentary are presented on a continuing operations basis unless otherwise noted, reflecting the disposal of the Middle East business in March 2021. Comparative amounts in the income statement are to 30 September 2020, which was affected by the COVID-19 pandemic. To aid understanding of the underlying performance, comparison to H1 FY2020 is given where relevant.

Revenue (excluding disposals) for the period to 30 September 2021 increased by 28.2% to £186.6m (H1 FY2021: £145.5m), following a recovery in activity levels compared to the prior year which was affected by the COVID-19 pandemic. Revenue from disposals was £2.0m (H1 FY2021: £1.5m); total revenue for the period increased by 28.3% to £188.6m (H1 FY2021: £147.0m).

Gross profit was £108.0m (H1 FY2021: £80.9m), an increase of 33.5%. The gross margin increased to 57.3% (H1 FY2021: 55.0%), reflecting the increase in core hire revenue with largely fixed depreciation costs.

EBITDA increased by 29.9% to £49.1m (H1 FY2021: £37.8m). EBITA increased by £9.9m to £16.2m (H1 FY2021: £6.3m), and profit before taxation, amortisation and exceptional costs increased to £14.6m from £4.1m in H1 FY2021. The Group incurred no exceptional items during the period (H1 FY2021: £4.1m).

After taxation, amortisation, exceptional items, and discontinued operations the Group made a profit of £9.5m (H1 FY2021: £0.8m).

Segmental analysis

The Group's segmental reporting is split into UK and Ireland, and Corporate. The figures in the tables below are presented before the results of the joint venture, corporate costs, and exceptional items.

UK and Ireland	**6 months ended 30 September 2021 £m**	6 months ended 30 September 2020 £m	Movement %
Revenue (excluding disposals)	**186.6**	145.5	28.2
EBITDA	**51.2**	39.8	28.6
EBITA	**18.4**	8.7	111.5

Hire revenues increased by 31.8%, reflecting the impact of the first lockdown in April 2020. Revenue made a progressive recovery throughout FY2021 with growth continuing through the current financial year to date. Revenue in H1 was 3.4% ahead of the corresponding period in FY2020. A number of new and renewed contracts with key customers have been secured in the period which reflects the strength of our market position.

Services revenues have increased by 22.2% compared to H1 FY2021, with a strong performance from our rehire business, which reacted quickly to changing customer demands during COVID-19. Overall services revenue for the period was affected by the decision to cease the provision of NVQs and Apprenticeships from July 2021.

Gross margins increased from 55.0% in H1 FY2021 to 57.3%. Hire margin recovered to 77.3% (H1 FY2021: 74.8%), as volumes increased, utilisation improved further and other direct costs remained tightly controlled. Asset utilisation increased to 57.3% at 30 September 2021, 1.8 percentage points above the comparable period in FY2020 as a result of continued use of AI to connect customer demand with asset availability. Increased supply chain lead times have been mitigated by the use of AI to support our replenishment and asset rebalancing programme.

Services margin has been adversely impacted by the comparably lower training revenues, which contributed a higher margin than other service revenues.

Overheads remain well controlled and are broadly flat with FY2020. Improvements have been made to simplify and standardise our operating model, including the consolidation of a number of depots into larger customer focused centres. The cost savings from these initiatives have been reinvested in our people, ESG and technology. The results for the period do not include any government furlough or loan support.

The UK and Ireland headcount at 30 September 2021 was 3,339 (31 March 2021: 3,253), an increase of 2.6%. 89 colleagues are now employed within B&Q stores (31 March 2021: 50).

International

Following the disposal of the Middle East business on 1 March 2021, the Group successfully concluded the transitional services arrangement in the period; the Group will now formally wind up its operations in the region.

Interest

The Group's net financial expense remained flat at £2.8m (H1 FY2021: £2.8m).

The Group's main bank facilities were renewed in July 2021 for a three year term. Borrowings under the facility are now priced based on SONIA (LIBOR prior to renewal) plus a variable margin, while any unutilised commitment is charged at 35% of the applicable margin. During the period, the margin payable on the outstanding debt fluctuated between 1.50% and 2.05% dependent on the weighting of borrowings between receivables and plant and machinery. The effective average margin in the period was 1.72% (H1 FY2021: 1.84%).

The Group utilises interest rate hedges to manage fluctuations in rates. The fair value of these hedges was not material at 30 September 2021 and they have varying maturity dates.

Interest on lease liabilities of £1.3m (H1 FY2021: £1.2m) was incurred during the period.

Taxation

The tax charge for the period was £5.0m (H1 FY2021: £0.6m), reflecting a projected full year effective tax rate before amortisation and exceptional items of 28.2% (H1 FY2021: 20.3%). An increase in the UK corporation tax rate to 25% for periods from 1 April 2023 was substantively enacted on 24 May 2021. This rate has been used to calculate the deferred tax assets and liabilities and has resulted in the increased effective rate of tax for the period. The impact of the rate change is an increase of £2.0m in the net deferred tax liability as at 30 September 2021; excluding the impact of this change in tax rate, the effective rate would be 21.4% before exceptional items and amortisation.

Shares and earnings per share

At 30 September 2021, 528,498,631 Speedy Hire Plc ordinary shares were outstanding, of which 4,084,165 were held in the Employee Benefit Trust. Adjusted earnings per share was 1.81 pence (H1 FY2021: 0.53 pence), an increase of 1.28p. Basic earnings per share was 1.81 pence (H1 FY2021: 0.15 pence).

Capital expenditure

Total capital expenditure during the period amounted to £43.7m (H1 FY2021: £9.3m), of which £37.6m (H1 FY2021: £7.2m) related to equipment for hire, and £6.1m related to other property, plant and equipment (H1 FY2021: £2.1m).

Our hire fleet investment of £37.6m in H1 was biased toward carbon efficient ECO products. The average age of the fleet is 3.6 years (H1 FY2021:3.9 years) one of the youngest fleets in the industry. Whilst we have experienced some limited supply chain pressures, the strength of our supplier relationships and advanced planning have mitigated the impact.

ROCE and balance sheet

The Group has a strong balance sheet and is well placed to continue to pursue financial and strategic objectives as demand improves.

Net assets at 30 September 2021 were £222.9m (31 March 2021: £219.2), equivalent to 42 pence per share. ROCE was 12.4% for the 12 months to September 2021 (12 months to 30 September 2020: 9.1%).

Net property, plant and equipment (excluding IFRS 16 right of use assets) increased to £248.4m at 30 September 2021 (31 March 2021: £233.1m). The net book value of equipment for hire has increased from £207.2m to £220.7m, representing 88.8% (31 March 2021: 88.9%) of the total property, plant and equipment balance.

Intangible assets increased marginally to £25.0m (31 March 2021: £24.7m), with investment in software development partly offset by amortisation charged.

Right of use assets of £65.2m (31 March 2021: £59.1m) and corresponding lease liabilities of £70.9m (31 March 2021: £65.8m) were recognised at 30 September 2021. The increase is due to various lease renewals and new leases entered into during the period.

Gross trade receivables totalled £95.5m at 30 September 2021 (31 March 2021: £93.5m), benefiting from continued strong cash collections and focus on overdue debt. Bad debt and credit note provisions increased to £5.1m at 30 September 2021 (31 March 2021: £4.9m), equivalent to 5.3% of gross trade receivables (31 March 2021: 5.2%). In setting the provisions the Directors have given specific consideration to the impact of COVID-19 on the general economy, particularly given the tapering of government support. The Group has not experienced a significant worsening of debt collections or debt write-offs although continues to monitor the situation closely. UK and Ireland debtor days were 66.8 days (31 March 2021: 59.4 days), consistent with September 2020 (65.5 days). Trade payables and accruals were £96.7m (31 March 2021: £94.8m). UK and Ireland creditor days were 89.8 days (31 March 2021: 81.6 days) down from September 2020 (101.8 days).

Cash flow and net debt

Cash generated from operations for the period was £15.0m (H1 FY2021: £37.1m). Free cash flow (being net cash flow before financing activities) decreased to £3.7m (H1 FY2021: £33.6m), reflecting the increased spend on hire equipment.

Net debt increased by £14.7m from £33.2m at the beginning of the period to £47.9m at 30 September 2021. Net debt to EBITDA (rolling 12 months basis) increased to 0.7x (31 March 2021: 0.5x).

The Group's continued strong cash position resulted in cash and facility headroom of £131.0m within the Group's committed bank facility (31 March 2021: £142.3m).

The Group's £180m asset based finance facility has been renewed for three years, through to July 2024. In addition uncommitted options exist for a further two one-year extensions until July 2026. The additional uncommitted accordion of £220m remains in place through to July 2024. The terms of the facility are broadly similar to the expiring facility. The facility gives the Group headroom with which to support organic growth and acquisition opportunities.

The facility includes quarterly leverage and fixed charge cover covenant tests which are only applied if headroom in the facility falls below £18m. No covenant test was required during the period, and the Group maintained significant headroom against these measures.

Dividend

The Board is committed to maintaining an efficient balance sheet and regularly reviews the Group's capital resources in light of the medium-term investment requirements and in accordance with the capital allocation policy set out below. The Board confirms today that it intends to maintain the current dividend policy of paying progressive dividends with a pay-out ratio of between 33% and 50% of adjusted profit after tax for the financial year.

The Board has declared an interim dividend of 0.75 pence per share (H1 FY2021 interim dividend: nil pence per share; H1 FY2020 interim dividend 0.70 pence per share), to be paid on 21 January 2022 to shareholders on the register on 10 December 2021. This represents a return to paying interim dividends following the decision not to pay a dividend last year whilst in the midst of the pandemic.

Capital allocation policy

The Board intends to continue to invest in the business in order to grow revenue, profit and ROCE. This investment is expected to include capital expenditure within existing operations, as well as value enhancing acquisitions that fit with the Group's strategy and are returns accretive.

The Board's objective is to maximise long-term shareholder returns through a disciplined deployment of cash generated, and it has adopted the following capital allocation policy in support of this:

- Organic growth: the Board will invest in capital equipment to support demand in our chosen markets. This investment will be in hire fleet and IT systems to better enable us to serve our customers;
- Regular returns to shareholders: the Board intends to pay a regular dividend to shareholders, with a policy of growing dividends through the business cycle, and a payment in the range of between 33% and 50% adjusted earnings per share;
- Acquisitions: the Board will continue to explore value enhancing acquisition opportunities in markets adjacent to, and consistent with its existing operations;

- Gearing and treatment of excess capital: the Board is committed to maintaining an efficient balance sheet. The Board has adopted a target gearing in the region of 1.5x net debt to EBITDA through the business cycle, although it is prepared to move outside this if circumstances warrant.

The Board recognises that the Group's leverage of 0.7x remains below its business cycle target of 1.5x. This has been appropriate given the significant economic and market uncertainties during the COVID-19 pandemic. The Board continues to believe that a strong balance sheet is appropriate for the current stage of the cycle to allow the company take full advantage of opportunities that arise as markets recover. During 2022 the Board will review the medium-term capital needs of the Group and will consider potential returns to shareholders of any capital in excess of the Group's needs consistent with its capital allocation policy.

Board

Carol Kavanagh joined the Board and Remuneration Committee of the Company on 1 June 2021 as an Independent Non-executive Director. Carol has over 20 years of experience working in senior public company human resource roles across construction and retail sectors, including as Group HR Director for Travis Perkins Plc from 2007 to 2020. After allowing time for Carol to settle into her role, Rhian Bartlett stepped down from the Remuneration Committee on 16 November in keeping with the Company's current policy of staffing its Board Committees with three Independent Non-executive Directors.

Summary and outlook

We have delivered another strong set of results through the strength of our offering, efficient operational delivery and a supportive market backdrop.

Our focus on ESG, digital and customer service including our four-hour delivery promise, has once again yielded customer renewals and market share gains.

Positive trading momentum in recent months and the significant growth opportunities presented by major infrastructure projects give us confidence in delivering full year results ahead of current market expectations and sustainable growth in the medium term.

Russell Down
Chief Executive

Interim condensed consolidated income statement

	Note	**Six months ended 30 September 2021 £m**	Six months ended 30 September 2020 £m	Year ended 31 March 2021 £m
Revenue	*4*	**188.6**	147.0	332.3
Cost of sales		**(80.6)**	(66.1)	(147.4)
Gross profit		**108.0**	80.9	184.9
Distribution and administrative costs		**(92.1)**	(79.1)	(172.4)
Analysis of operating profit				
Operating profit before amortisation and exceptional items		**16.2**	6.3	21.7
Amortisation		**(0.3)**	(0.4)	(0.8)
Exceptional items	*3*	**-**	(4.1)	(8.4)
Operating profit		**15.9**	1.8	12.5
Share of results of joint venture		**1.2**	0.6	1.2
Profit from operations		**17.1**	2.4	13.7
Financial expense	*5*	**(2.8)**	(2.8)	(5.4)
Profit/(loss) before taxation		**14.3**	(0.4)	8.3
Taxation	*6*	**(5.0)**	(0.6)	(2.2)
Profit/(loss) for the financial period from continuing operations		**9.3**	(1.0)	6.1
Profit from discontinued operations, net of tax		**0.2**	1.8	3.4
Profit for the financial period		**9.5**	0.8	9.5
Earnings per share				
- Basic (pence)	*7*	**1.81**	0.15	1.82
- Diluted (pence)	*7*	**1.79**	0.15	1.79
Non-GAAP performance measures (continuing operations)				
EBITDA before exceptional items	*9*	**49.1**	37.8	85.3
Adjusted profit before tax	*9*	**14.6**	4.1	17.5
Adjusted earnings per share (pence)	*7*	**1.81**	0.53	2.68

Interim condensed consolidated statement of comprehensive income

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m	Year ended 31 March 2021 £m
Profit for the financial period	**9.5**	0.8	9.5
Other comprehensive income that may be reclassified subsequently to the Income Statement:			
- Effective portion of change in fair value of cash flow hedges	**0.4**	(0.2)	0.2
- Exchange difference on retranslation of foreign operations	**0.4**	(0.8)	(1.4)
Other comprehensive income, net of tax	**0.8**	(1.0)	(1.2)
Total comprehensive income/(loss) for the financial period	**10.3**	(0.2)	8.3

Interim condensed consolidated balance sheet

	Note	**30 September 2021 £m**	30 September 2020 £m	31 March 2021 £m
ASSETS				
Non-current assets				
Intangible assets		**25.0**	22.8	24.7
Investment in joint venture		**7.5**	6.6	6.2
Property, plant and equipment				
- Hire equipment	*10*	**220.7**	212.0	207.2
- Non-hire equipment	*10*	**27.7**	27.6	25.9
Right of use assets	*11*	**65.2**	58.9	59.1
Deferred tax assets		**3.2**	2.7	2.5
		349.3	330.6	325.6
Current assets				
Inventories		**8.6**	8.5	8.2
Trade and other receivables		**99.4**	95.4	93.3
Cash	*12*	**6.5**	18.9	11.7
Current tax asset		**-**	0.4	1.1
		114.5	123.2	114.3
Total assets		**463.8**	453.8	439.9
LIABILITIES				
Current liabilities				
Borrowings	*12*	**(1.0)**	-	(0.5)
Lease liabilities		**(19.6)**	(18.5)	(19.3)
Other financial liabilities		**(0.2)**	(0.7)	(0.4)
Trade and other payables		**(96.7)**	(84.5)	(94.8)
Current tax liabilities		**(0.6)**	-	-
Provisions		**(3.8)**	(5.5)	(3.1)
		(121.9)	(109.2)	(118.1)
Non-current liabilities				
Borrowings	*12*	**(53.4)**	(76.7)	(44.4)
Lease liabilities		**(51.3)**	(48.3)	(46.5)
Provisions		**(2.1)**	(1.7)	(2.9)
Deferred tax liabilities		**(12.2)**	(7.8)	(8.8)
		(119.0)	(134.5)	(102.6)
Total liabilities		**(240.9)**	(243.7)	(220.7)
Net assets		**222.9**	210.1	219.2
EQUITY				
Share capital		**26.4**	26.4	26.4
Share premium		**1.5**	0.9	1.3
Merger reserve		**1.0**	1.0	1.0
Hedging reserve		**(0.3)**	(1.1)	(0.7)
Translation reserve		**(0.6)**	(0.4)	(1.0)
Retained earnings		**194.9**	183.3	192.2
		222.9	210.1	219.2

Interim condensed consolidated statement of changes in equity

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2020	26.4	0.8	1.0	(0.9)	0.4	182.2	209.9
Total comprehensive income/(loss)	-	-	-	(0.2)	(0.8)	0.8	(0.2)
Issue of shares under the Sharesave Scheme	-	0.1	-	-	-	-	0.1
Equity-settled share-based payments	-	-	-	-	-	0.3	0.3
At 30 September 2020	26.4	0.9	1.0	(1.1)	(0.4)	183.3	210.1
Total comprehensive income/(loss)	-	-	-	0.4	(0.6)	8.7	8.5
Issue of shares under the Sharesave Scheme	-	0.4	-	-	-	-	0.4
Equity-settled share-based payments	-	-	-	-	-	0.2	0.2
At 31 March 2021	26.4	1.3	1.0	(0.7)	(1.0)	192.2	219.2
Total comprehensive income	-	-	-	0.4	0.4	9.5	10.3
Dividends	-	-	-	-	-	(7.3)	(7.3)
Issue of shares under the Sharesave Scheme	-	0.2	-	-	-	-	0.2
Equity-settled share-based payments	-	-	-	-	-	0.5	0.5
At 30 September 2021	**26.4**	**1.5**	**1.0**	**(0.3)**	**(0.6)**	**194.9**	**222.9**

Interim condensed consolidated statement of cash flows

	Note	**Six months ended 30 September 2021 £m**	Six months ended 30 September 2020 £m	Year ended 31 March 2021 £m
Cash generated from operating activities				
Profit before tax including discontinued operations		**14.5**	1.4	12.3
Finance expense		**2.8**	2.9	5.9
Amortisation		**0.3**	0.4	0.8
Depreciation		**32.9**	32.8	68.1
Share of profit from joint venture		**(1.2)**	(0.6)	(1.2)
Loss/(profit) on disposal of leases, property, plant and equipment		**0.7**	1.2	(2.6)
(Increase)/decrease in working capital		**(8.0)**	5.4	13.4
Movement in provisions		**(0.1)**	0.1	(1.1)
Translation reserve recycled on disposal of Middle East assets		**-**	-	1.0
Equity-settled share-based payments		**0.5**	0.3	0.5
Cash generated from operations before changes in hire fleet		**42.4**	43.9	97.1
Purchase of hire equipment, net of sale proceeds		**(27.4)**	(6.8)	(24.2)
Cash generated from operations		**15.0**	37.1	72.9
Interest paid		**(4.3)**	(2.6)	(6.0)
Tax (paid)/received		**(0.6)**	1.0	(0.8)
Net cash flow from operating activities		**10.1**	35.5	66.1
Cash flow from investing activities				
Purchase of other fixed assets, net of sale proceeds		**(6.4)**	(3.2)	(10.4)
Proceeds from disposal of Middle East assets		**-**	-	13.0
Investment in joint venture		**-**	1.3	1.0
Net cash flow from investing activities		**(6.4)**	(1.9)	3.6
Net cash flow before financing activities		**3.7**	33.6	69.7
Cash flow from financing activities				
Payments for the principal element of leases		**(12.1)**	(12.0)	(23.6)
Net drawdown/(repayment) of loans		**9.8**	(25.6)	(58.2)
Proceeds from the issue of Sharesave Scheme shares		**0.2**	0.1	0.5
Dividends paid		**(7.3)**	-	-
Net cash flow from financing activities		**(9.4)**	(37.5)	(81.3)
Decrease in cash and cash equivalents		**(5.7)**	(3.9)	(11.6)
Cash and cash equivalents at the start of the period		**11.2**	22.8	22.8
Cash and cash equivalents at the end of the period		**5.5**	18.9	11.2
Analysis of cash and cash equivalents				
Cash	*12*	**6.5**	18.9	11.7
Bank overdraft	*12*	**(1.0)**	-	(0.5)
		5.5	18.9	11.2

1 Basis of preparation

Speedy Hire Plc ('the Company') is a company incorporated and domiciled in the United Kingdom. The interim condensed consolidated financial statements of the Company as at and for the six months ended 30 September 2021 comprise the Company and its subsidiaries (together referred to as 'the Group').

The financial statements of the Group for the year ended 31 March 2021 are available from the Company's registered office, or from the website: www.speedyservices.com.

The Group has a £180m asset based finance facility ('the facility') which matures in July 2024 and has no prior scheduled repayment requirements. Cash and facility headroom as at 30 September 2021 was £131.0m (31 March 2021: £142.3m) based on the Group's eligible hire equipment and trade receivables.

The Group meets its day-to-day working capital requirements through operating cash flows, supplemented as necessary by borrowings. The Directors have prepared a going concern assessment up to 30 November 2022, which confirms that the Group is capable of continuing to operate within its existing loan facility and can meet the covenant requirements 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, including a continuation of the impact of the economic uncertainty resulting from COVID-19.

The Board has considered various possible downside scenarios to the base case, which result in reduced levels of revenue across the Group, whilst maintaining the same cost base. Mitigations applied in these downturn scenarios include a reduction in planned capital expenditure. Despite the significant impact of the assumptions applied in these scenarios, the Group maintains sufficient headroom against its available facility and covenant requirements.

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 a period of at least 12 months from the date of approval of these interim condensed consolidated financial statements. Accordingly, they continue to adopt the going concern basis of accounting.

Statement of compliance

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual financial statements of the group for the year ended 31 March 2022 will be prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 March 2021 which were prepared in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 except as described below.

They do not include all the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 March 2021.

The comparative figures for the financial year ended 31 March 2021 are not the Company's statutory accounts for that financial year. Those accounts which were prepared under IFRS as adopted by the EU (adopted IFRS) have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The interim report was approved by the Board of Directors on 16 November 2021.

1 Basis of preparation *(continued)*

Significant accounting policies

Other accounting policies

In April 2021, the International Financial Reporting Interpretations Committee ('IFRIC') published an agenda decision on the clarification of accounting in relation to the configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS). The Group's accounting policy has been aligned with the IFRIC guidance as follows:

• Amounts paid to cloud vendors for configuration and customisation that are not distinct from access to the cloud software are expensed over the SaaS contract term

• Configuration and customisation costs incurred in implementing SaaS arrangements which give rise to an identifiable intangible asset are capitalised and amortised over the life of the asset

• Other implementation costs are expensed as incurred

There have been no new standards or interpretations issued or endorsed by the International Accounting Standards Board (IASB) or IFRIC since the date of the FY2021 year end financial statements that materially impact the Group.

The accounting policies applied by the Group in these interim condensed consolidated financial statements are otherwise the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2021.

The carrying amount of goodwill is tested annually for impairment and, along with other non-financial assets, at each reporting date to the extent that there are any indicators of impairment.

Seasonality

In addition to economic factors, revenue is subject to a small element of seasonal fluctuation. Whilst construction activity tends to increase in the summer months, the equipment range helps to mitigate the impact, specifically with heating, lighting and power generation products being more in demand during the winter months. Overall, the Directors do not feel that these factors have a material effect on the performance of the Group when comparing first half results to those achieved in the second half.

2 Changes in estimates

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty for the consolidated financial statements for the year ended 31 March 2021 continued to apply.

3 Exceptional items

During the period there were no exceptional items.

Prior period

During the year to 31 March 2021, exceptional administrative items of £8.4m were incurred in respect of continuing operations.

Action was taken to manage the Group's cost base following the COVID-19 pandemic, and consequently the network was restructured., with a number of depot closures. As a result, £5.6m of property provisions and £1.9m of redundancy costs were incurred during that year. In addition, a further provision of £0.9m was made to cover legal and other costs relating to the training business.

Of the £8.4m referred to above, £4.1m was incurred in the period to 30 September 2020 being property provisions (£2.5m) and redundancy costs (£1.6m).

4 Segmental analysis

The segmental disclosure presented in the interim condensed consolidated financial statements reflects the format of reports reviewed by the Chief Operating Decision Maker (CODM). UK and Ireland delivers asset management, with tailored services and a continued commitment to relationship management. The Middle East assets which were previously classified as part of the International segment were disposed on 1 March 2021 and are now shown as discontinued operations. As a consequence of this change, the results from the joint venture in Kazakhstan have been reclassified as 'Corporate items', which also includes certain central activities and costs not directly related to the activities of the operating segments. The comparative period has been restated to reflect this change.

For the six months ended 30 September 2021

	UK and Ireland £m	Corporate items £m	Total £m
Revenue	**188.6**	**-**	**188.6**
Segment result:			
EBITDA	**51.2**	**(2.1)**	**49.1**
Depreciation	**(32.8)**	**(0.1)**	**(32.9)**
Operating profit/(costs) before amortisation and exceptional items	**18.4**	**(2.2)**	**16.2**
Amortisation	**(0.3)**	**-**	**(0.3)**
Operating profit/(costs)	**18.1**	**(2.2)**	**15.9**
Share of results of joint venture	**-**	**1.2**	**1.2**
Trading profit/(costs)	**18.1**	**(1.0)**	**17.1**
Financial expense			**(2.8)**
Profit before tax			**14.3**
Taxation			**(5.0)**
Profit for the financial period from continuing operations			**9.3**
Profit from discontinued operations, net of tax			**0.2**
Profit for the financial period			**9.5**
Intangible assets	**19.8**	**5.2**	**25.0**
Investment in joint venture	**-**	**7.5**	**7.5**
Hire equipment	**220.7**	**-**	**220.7**
Non-hire equipment	**27.7**	**-**	**27.7**
Right of use assets	**65.2**	**-**	**65.2**
Taxation assets	**-**	**3.2**	**3.2**
Current assets	**101.1**	**6.9**	**108.0**
Cash	**-**	**6.5**	**6.5**
Total assets	**434.5**	**29.3**	**463.8**
Lease liabilities	**(70.9)**	**-**	**(70.9)**
Other liabilities	**(89.8)**	**(13.0)**	**(102.8)**
Borrowings	**-**	**(54.4)**	**(54.4)**
Taxation liabilities	**-**	**(12.8)**	**(12.8)**
Total liabilities	**(160.7)**	**(80.2)**	**(240.9)**

4 Segmental analysis (continued)

For the six months ended 30 September 2020

	UK and Ireland £m	Corporate items £m	Total-continuing operations £m	Discontinued operations £m	Total £m
Revenue	147.0	-	147.0	16.8	163.8
Segment result:					
EBITDA	39.8	(2.0)	37.8	3.2	41.0
Depreciation	(31.1)	(0.4)	(31.5)	(1.3)	(32.8)
Operating profit/(costs) before amortisation and exceptional items	8.7	(2.4)	6.3	1.9	8.2
Amortisation	(0.4)	-	(0.4)	-	(0.4)
Exceptional items	(4.1)	-	(4.1)	-	(4.1)
Operating profit/(costs)	4.2	(2.4)	1.8	1.9	3.7
Share of results of joint venture	-	0.6	0.6	-	0.6
Trading profit/(costs)	4.2	(1.8)	2.4	1.9	4.3
Financial expense			(2.8)	(0.1)	(2.9)
Profit before tax			(0.4)	1.8	1.4
Taxation			(0.6)	-	(0.6)
(Loss)/profit for the financial period			(1.0)	1.8	0.8
Intangible assets	22.8	-	22.8	-	22.8
Investment in joint venture	-	6.6	6.6	-	6.6
Hire equipment	202.1	-	202.1	9.9	212.0
Non-hire equipment	25.8	-	25.8	1.8	27.6
Right of use assets	56.7	-	56.7	2.2	58.9
Taxation assets	-	3.1	3.1	-	3.1
Current assets	89.5	3.1	92.6	11.3	103.9
Cash	-	18.9	18.9	-	18.9
Total assets	396.9	31.7	428.6	25.2	453.8
Lease liabilities	(63.1)	-	(63.1)	(3.7)	(66.8)
Other liabilities	(78.6)	(4.4)	(83.0)	(9.4)	(92.4)
Borrowings	-	(76.7)	(76.7)	-	(76.7)
Taxation liabilities	-	(7.8)	(7.8)	-	(7.8)
Total liabilities	(141.7)	(88.9)	(230.6)	(13.1)	(243.7)

4 Segmental analysis *(continued)*

For the year ended 31 March 2021

	UK and Ireland £m	Corporate items £m	Total-continuing operations £m	Discontinued operations £m	Total £m
Revenue	332.3	-	332.3	31.3	363.6
Segment result:					
EBITDA	89.5	(4.2)	85.3	5.2	90.5
Depreciation	(63.2)	(0.4)	(63.6)	(1.5)	(65.1)
Operating profit/(costs) before amortisation and exceptional items	26.3	(4.6)	21.7	3.7	25.4
Amortisation	(0.8)	-	(0.8)	-	(0.8)
Exceptional items	(8.4)	-	(8.4)	0.8	(7.6)
Operating profit/(costs)	17.1	(4.6)	12.5	4.5	17.0
Share of results of joint venture	-	1.2	1.2	-	1.2
Trading profit/(costs)	17.1	(3.4)	13.7	4.5	18.2
Financial expense			(5.4)	(0.5)	(5.9)
Profit before tax			8.3	4.0	12.3
Taxation			(2.2)	(0.6)	(2.8)
Profit for the financial year			6.1	3.4	9.5
Intangible assets	20.1	4.6	24.7	-	24.7
Investment in joint venture	-	6.2	6.2	-	6.2
Hire equipment	206.4	0.8	207.2	-	207.2
Non-hire equipment	25.9	-	25.9	-	25.9
Right of use assets	59.1	-	59.1	-	59.1
Taxation assets	-	3.6	3.6	-	3.6
Current assets	96.5	2.2	98.7	2.8	101.5
Cash	-	11.7	11.7	-	11.7
Total assets	408.0	29.1	437.1	2.8	439.9
Lease liabilities	(65.8)	-	(65.8)	-	(65.8)
Other liabilities	(83.9)	(8.8)	(92.7)	(8.5)	(101.2)
Borrowings	-	(44.9)	(44.9)	-	(44.9)
Taxation liabilities	-	(8.8)	(8.8)	-	(8.8)
Total liabilities	(149.7)	(62.5)	(212.2)	(8.5)	(220.7)

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 are not directly attributable to the activities of the operating segments, together with net corporate borrowings and taxation.

4 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.

	Six months ended 30 September 2021		Six months ended 30 September 2020		Year ended 31 March 2021	
	Revenue £m	**Total assets £m**	Revenue £m	Total Assets £m	Revenue £m	Total assets £m
UK	**183.5**	**449.6**	143.5	415.6	323.6	423.7
Ireland	**5.1**	**14.2**	3.5	13.0	8.7	13.4
	188.6	**463.8**	147.0	428.6	332.3	437.1

Revenue and assets relating to discontinued operations were based in the Middle East.

Revenue by type

Revenue is attributed to the following activities:

	Six months ended 30 September 2021	Six months ended 30 September 2020	Year ended 31 March 2021
	£m	£m	£m
Hire and related activities	**120.5**	91.4	206.4
Services	**66.1**	54.1	121.7
Disposals	**2.0**	1.5	4.2
	188.6	147.0	332.3

Major customer

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

5 Financial expense

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m	Year ended 31 March 2021 £m
Total interest on borrowings	**1.4**	1.5	3.0
Interest on lease liabilities	**1.3**	1.2	2.4
Other finance costs	**0.1**	0.1	-
	2.8	2.8	5.4

6 Taxation

The corporation tax charge for the six months ended 30 September 2021 is based on an estimated full year effective rate of taxation of 28.2% before exceptional items and amortisation (2020: 20.3%) and 29.1% (2020: 42.9%) after exceptional items and amortisation. This has been calculated by reference to the projected charge for the full year ending 31 March 2022, applying the applicable UK corporation tax rate of 19% (2020: 19%). Deferred tax is provided using the tax rates that are expected to apply to the period in which the liability is settled, based on the tax rates that have been enacted at the balance sheet date.

During the period, an increase in the tax rate to 25% was substantively enacted on the 24 May 2021, consequently this has been used to calculate the deferred tax assets and liabilities and has resulted in the increased effective rate of taxation. The impact of the rate change is that the net deferred tax liabilities have increased by £2.0m. Excluding this, the comparative effective rate of taxation is 21.4% before exceptional items and amortisation and 22.0% after exceptional items and amortisation.

7 Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to equity holders of the Company of £9.5m (2020: £0.8m) and the weighted average number of 5 pence ordinary shares in issue and is calculated as follows:

	Six months ended 30 September 2021	Six months ended 30 September 2020	Year ended 31 March 2021
Profit (£m)			
Profit for the period after tax – basic earnings	**9.5**	0.8	9.5
Intangible amortisation charge (after tax)	**0.2**	0.3	0.6
Exceptional items (after tax)	**-**	3.5	6.7
Profit from discontinued operations (after tax)	**(0.2)**	(1.8)	(2.8)
Adjusted earnings (after tax)	**9.5**	2.8	14.0
Weighted average number of shares in issue (m)			
Number of shares at the beginning of the period	**523.8**	521.3	521.3
Exercise of share options	**0.1**	0.3	0.3
Movement in shares owned by the Employee Benefit Trust	**0.1**	-	0.8
Weighted average for the period – basic number of shares	**524.0**	521.6	522.4
Share options	**6.7**	4.5	6.5
Employee share schemes	**1.5**	0.3	0.6
Weighted average for the period – diluted number of shares	**532.2**	526.4	529.5
Earnings per share (pence)			
Basic earnings per share	**1.81**	0.15	1.82
Dilutive shares and options	**(0.02)**	-	(0.03)
Diluted earnings per share	**1.79**	0.15	1.79
Adjusted earnings per share (from continuing operations)	**1.81**	0.53	2.68
Dilutive shares and options	**(0.02)**	(0.01)	(0.03)
Adjusted diluted earnings per share	**1.79**	0.52	2.65

The total number of shares outstanding at 30 September 2021 amounted to 528,498,631 (2020: 527,008,730), including 4,084,165 (2020: 4,434,814) shares held in the Employee Benefit Trust, which are excluded in calculating the earnings per share.

8 Dividends

The aggregate amount of dividend comprises:

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m	Year ended 31 March 2021 £m
2021 final dividend (1.40 pence on 522.9m ordinary shares)	**7.3**	-	-
	7.3	-	-

Subsequent to the end of the period, the Directors have declared a 0.75 pence per share interim dividend payable (2021 interim dividend: nil pence per share).

9 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. The measures on a continuing basis are as follows.

	Six months ended 30 September 2021 £m	Six months ended 30 September 2020 £m	Year ended 31 March 2021 £m
Operating profit	**15.9**	1.8	12.5
Add back: amortisation	**0.3**	0.4	0.8
Add back: exceptional items	**-**	4.1	8.4
Adjusted operating profit ('EBITA')	**16.2**	6.3	21.7
Add back: depreciation	**32.9**	31.5	63.6
EBITDA	**49.1**	37.8	85.3
Profit/(loss) before tax	**14.3**	(0.4)	8.3
Add back: amortisation	**0.3**	0.4	0.8
Add back: exceptional items	**-**	4.1	8.4
Adjusted profit before tax	**14.6**	4.1	17.5

10 Property, plant and equipment

	Hire equipment £m	Land and buildings £m	Other £m	Total £m
Cost				
At 1 April 2020	408.1	54.8	83.1	546.0
Foreign exchange	(0.6)	(0.3)	0.3	(0.6)
Additions	7.2	0.3	1.8	9.3
Disposals	(10.4)	(0.8)	(0.5)	(11.7)
Transfers to inventory	(3.7)	-	-	(3.7)
At 30 September 2020	400.6	54.0	84.7	539.3
Foreign exchange	(0.5)	(0.2)	0.3	(0.4)
Additions	28.8	1.4	4.2	34.4
Disposals	(35.6)	(4.6)	(0.7)	(40.9)
Transfers to inventory	(6.7)	-	-	(6.7)
At 31 March 2021	386.6	50.6	88.5	525.7
Foreign exchange	0.2	0.1	0.3	0.6
Additions	37.6	2.8	3.3	43.7
Disposals	(12.1)	(1.2)	(1.4)	(14.7)
Transfers to inventory	(5.2)	-	-	(5.2)
At 30 September 2021	**407.1**	**52.3**	**90.7**	**550.1**
Depreciation				
At 1 April 2020	181.0	36.5	70.9	288.4
Foreign exchange	(0.3)	(0.3)	-	(0.6)
Charged in period	17.1	1.8	2.6	21.5
Disposals	(6.5)	(0.3)	(0.1)	(6.9)
Transfers to inventory	(2.7)	-	-	(2.7)
At 30 September 2020	188.6	37.7	73.4	299.7
Foreign exchange	(0.3)	-	-	(0.3)
Charged in period	16.6	1.8	3.5	21.9
Disposals	(20.9)	(2.9)	(0.3)	(24.1)
Transfers to inventory	(4.6)	-	-	(4.6)
At 31 March 2021	179.4	36.6	76.6	292.6
Foreign exchange	-	-	(0.2)	(0.2)
Charged in period	17.6	1.8	2.0	21.4
Disposals	(6.9)	(0.8)	(0.7)	(8.4)
Transfers to inventory	(3.7)	-	-	(3.7)
At 30 September 2021	**186.4**	**37.6**	**77.7**	**301.7**
Net book value				
At 30 September 2021	**220.7**	**14.7**	**13.0**	**248.4**
At 31 March 2021	207.2	14.0	11.9	233.1
At 30 September 2020	212.0	16.3	11.3	239.6

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11 Right of use assets

	Land and buildings £m	Other £m	Total £m
Cost			
At 1 April 2020	127.8	51.9	179.7
Foreign exchange	(0.2)	-	(0.2)
Additions and remeasurements	2.8	4.8	7.6
Disposals	(2.5)	(8.5)	(11.0)
At 30 September 2020	127.9	48.2	176.1
Foreign exchange	(0.4)	-	(0.4)
Additions and remeasurements	10.9	4.1	15.0
Disposals	(7.1)	(4.1)	(11.2)
At 31 March 2021	131.3	48.2	179.5
Additions and remeasurements	10.6	9.0	19.6
Disposals	(3.3)	(6.8)	(10.1)
At 30 September 2021	**138.6**	**50.4**	**189.0**
Depreciation			
At 1 April 2020	80.6	34.4	115.0
Charged in period	6.5	5.7	12.2
Disposals	(1.9)	(8.1)	(10.0)
At 30 September 2020	85.2	32.0	117.2
Foreign exchange	(0.4)	-	(0.4)
Charged in period	6.8	5.7	12.5
Disposals	(5.0)	(3.9)	(8.9)
At 31 March 2021	86.6	33.8	120.4
Charged in period	5.9	5.6	11.5
Disposals	(3.5)	(4.6)	(8.1)
At 30 September 2021	**89.0**	**34.8**	**123.8**
Net book value			
At 30 September 2021	**49.6**	**15.6**	**65.2**
At 31 March 2021	44.7	14.4	59.1
At 30 September 2020	42.7	16.2	58.9

12 Borrowings

	30 September 2021 £m	30 September 2020 £m	31 March 2021 £m
Current borrowings			
Bank overdraft	**1.0**	-	0.5
Lease liabilities	**19.6**	18.5	19.3
	20.6	18.5	19.8
Non-current borrowings			
Maturing between two and five years			
- ABF facility	**53.4**	76.7	44.4
- Lease liabilities	**51.3**	48.3	46.5
	104.7	125.0	90.9
Total borrowings	**125.3**	143.5	110.7
Less: Cash	**(6.5)**	(18.9)	(11.7)
Exclude lease liabilities	**(70.9)**	(66.8)	(65.8)
Net debt	**47.9**	57.8	33.2

The Group has a £180m asset based finance facility which is sub divided into:

(a) A secured overdraft facility 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.

(b) An asset based finance facility of up to £175m, based on the Group's hire equipment and trade receivables balance. Cash and facility headroom as at 30 September 2021 was £131.0m (31 March 2021: £142.3m) based on the Group's eligible hire equipment and trade receivables.

The facility is for £180m, reduced to the extent that any ancillary facilities are provided, and is repayable in July 2024, with no prior scheduled repayment requirements. Uncommitted options exist for a further two one-year extensions until July 2026. An additional uncommitted accordion of £220m remains in place.

Interest on the facility is now calculated by reference to SONIA (previously LIBOR) applicable to the period drawn, plus a margin of 155 to 255 basis points, depending on leverage and on the components of the borrowing base. During the period, the effective margin was 1.72% (2020: 1.84%).

The facility is secured by fixed and floating charges over the UK and Ireland assets.

13 Contingent liabilities

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.

14 Related party disclosures

There has been no significant change to the nature and size of related party transactions, including the remuneration provided to the key management, from that disclosed in the FY2021 Annual Report.

15 Principal risks and uncertainties

The principal risks and uncertainties which could have a material impact upon the Group's performance over the remaining six months of the 2022 financial year have not changed from those set out on pages 45 to 54 of the Group's 2021 Annual Report, which is available at www.speedyservices.com. These risks and uncertainties include, but are not limited to the following:

- COVID-19 pandemic;
- Safety, health and environment;
- Service;
- Revenue and trading performance;
- Project and change management;
- People;
- Partner and supplier service levels;
- Operating costs;
- Cyber security and data integrity;
- Funding;
- Economic vulnerability;
- Business continuity; and
- Asset holding and integrity.

16 Post balance sheet events

There are no post balance sheet events.

Directors' Responsibilities

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU; and

• the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

James Bunn

Director

16 November 2021

Independent Review Report to Speedy Hire Plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 which comprises the interim condensed consolidated statement of comprehensive income, interim condensed consolidated balance sheet, interim condensed consolidated cash flow statement, interim condensed consolidated statement of changes in equity and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the latest annual financial statements of the group were prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the next annual financial statements will be prepared in accordance with UK-adopted international accounting standards. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Nick Plumb
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

16 November 2021