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

FY2023 Interim Results
Results for the six months to 30 September 2022

Achieving sustainable growth

Speedy, the UK's leading tools and equipment hire services company, operating across the construction, infrastructure and industrial markets, announces results for the six months to 30 September 2022.

Underlying results - from continuing operations

	6 months ended 30 September 2022 (£m)	6 months ended 30 September 2021 (£m)	*Change %*
Revenue (excluding disposals)	**212.4**	186.6	*13.8%*
Adjusted operating profit[1]	**13.8**	16.2	*(14.8)%*
EBITDA[1]	**48.3**	49.1	*(1.6)%*
Adjusted profit before tax[1]	**14.1**	14.6	*(3.4)%*
Adjusted earnings per share (pence)[2]	**2.27**	1.81	*25.4%*

Statutory results

	6 months ended 30 September 2022 (£m)	6 months ended 30 September 2021 (£m)	*Change %*
Revenue	**214.8**	188.6	*13.9%*
Operating profit	**12.9**	15.9	*(18.9)%*
Operating cash flow	**40.2**	42.4	*(5.2)%*
Profit before tax	**13.2**	14.3	*(7.7)%*
Basic earnings per share (pence)	**2.13**	1.81	*17.7%*

Other measures

	6 months ended 30 September 2022	6 months ended 30 September 2021	*Change %*
Net debt[3]	**£86.7m**	£47.9m	*(81.0)%*
Return on Capital Employed[4]	**12.5%**	12.4%	*0.1pp*
Dividend per share	**0.80p**	0.75p	*6.7%*

Trading performance:

- Continued hire revenue growth of 5.5% versus H1 FY2022:
  - Improved pricing helping to mitigate inflationary cost pressures
- Strong service revenue increase of 29.0% versus H1 FY2022:
  - Strong performance, particularly in our re-hire business Customer Solutions (formerly Partnered Services) and the increased revenue from fuel and energy sales
- Operating profit behind H1 FY2022 reflecting the impact of inflation on the cost base and the continued investment in growth strategies
- Controlling costs through initiatives to improve operational efficiency and supply chain collaboration
- Joint venture in Kazakhstan performing well following major contract wins in FY2022

- Adjusted profit before tax from continuing operations in H1 down 3.4% on H1 FY2022 with the joint venture mitigating the impact of investment in the cost base
- Profit before tax in H1 down 7.7% on H1 FY2022 to £13.2m; profit after tax has improved by 13.7% to £10.8m

Strong balance sheet and cash flow maintained:

- Investment in hire fleet of £30.5m in part in response to retail strategy rollout and advanced purchasing to mitigate the impact of supply chain lead times and price inflation; H1 utilisation was 54.1%, improving to 58.1% currently
- Cash and facility headroom of £91.7m (31 March 2022: £110.8m)
- Net debt at £86.7m, leverage[5] of 1.2 times reflective of share buyback of c.£20.3m to date (31 March 2022: £67.5m, 0.9 times)
- Proposed interim dividend of 0.80 pence per share

Current trading and outlook:

- Continuing revenue growth:
    - Hire revenue growth in October and November c.6%, up on the same period last year
    - New contract wins and heathy pipeline
    - Price increases continuing to build in H2
- Focus on managing inflationary cost pressure through efficiency optimisation and further targeted price increases
- Well placed to maximise opportunities within major UK projects
- Cautious outlook amidst macroeconomic uncertainty
- Remain confident of delivering results in line with the Board’s expectation for the full year

Commenting on the results Dan Evans, Chief Executive, said:

“I am pleased to announce resilient results for the six months to 30 September 2022. Revenue growth remained strong, with increased strategic investment in growth initiatives including Retail and Trade, marketing and ESG.

Revenue growth is continuing with new contract wins, the effect of actions taken on price and a healthy pipeline of customer activity which gives confidence for further growth in the second half. Whilst the macroeconomic outlook is uncertain and inflationary pressures remain high, I take over as Chief Executive at a time when our business is performing well, is resilient and positioned to manage changes in market conditions. We remain confident of delivering results in line with the Board’s expectation for the full year.”

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Notes:

Explanatory notes:
The Group believes that the non-GAAP performance measures presented in this announcement provide valuable additional information for readers. Further details can be found in notes 6, 8 and 11.
[1] See note 8
[2] See note 6
[3] See note 11. This metric excludes lease liabilities.
[4] Return on Capital Employed: Profit before interest, tax, amortisation and exceptional items from the last 12 months (H1 FY2023 £36.1m; H1 FY2022 £33.4m) divided by the average capital employed where capital employed equals shareholders' funds and net debt[3], for the last 12 months (H1 FY2023 £289.7m; H1 FY2022 £269.4m).
[5] Leverage: Net debt[3] covered by EBITDA[1]. This metric excludes the impact of IFRS 16.

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 and selected B&Q stores 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

I am pleased to present our results for the first six months of the financial year (H1 FY2023). I take over as Chief Executive at a time when the business is performing well whilst facing cost inflation and macroeconomic uncertainty. Our focus is on continuing to deliver growth through exceptional customer service, excellent supplier and customer relationships, and a resilient business model. In addition, our strong balance sheet enables us to further invest in our business and build on the Group's successful track record.

Growth

Our interim results for the six months to 30 September 2022 demonstrate we have continued to deliver sustainable growth. Building on the momentum from FY2022 revenue in both our hire and services businesses grew by 5.5% and 29.0% respectively. This is testament to the resilience of our UK and Ireland business whilst operating in an uncertain economic climate.

Hire revenue grew throughout the first half and was 5.5% ahead of H1 FY2022. This strong performance results from key customer focused initiatives. Within our major customer segment, we have won and renewed significant contracts during the period, including our supply of more than one third of the generators exported to Ukraine to assist the people of that country. We continue to maximise our revenue with existing customers working on major UK projects through offering our unique holistic site solutions across our core and re-hire range (Customer solutions). We have also grown our Regional and Local customer base by volume as purchasing behaviours change within some of our national customers. This is in conjunction with implementing a successful price increase, partially offsetting the margin dilution from increases in overheads of 12.3% due to inflationary pressures and higher energy and fuel prices.

Our diversified services businesses ensure we are more resilient to an economic downturn. Services revenue performed well during the period, increasing by 29.0% on H1 FY2022, driven by fuel and energy sales and strong performance from our re-hire business Customer Solutions.

We recognise that market conditions are uncertain, driven primarily by the conflict in Ukraine, inflationary pressures and the recent volatility in UK financial markets. There is some recent evidence of softening in demand as our end customers review their use of assets with a view to operational efficiency. In order to deliver profitable growth, and whilst the market remains competitive, we are focused on tendering for and winning national contracts that represent value and will deliver collective success for our customers and our business.

Collaboration and trust are key to our success. During October 2022 our annual Speedy Expo, the largest private hire exhibition and conference in the UK, took place in Liverpool. Across two days, over 1,700 of our colleagues, customers and suppliers came together to discover innovative and sustainable products, and to understand the key part that data and technology will play in revolutionising our industry. The collaboration between our customers and supply chain innovations underpins our ability to achieve our ambitious ESG commitments, ensuring we play a key role in our customers delivering their own.

We continue to develop our Trade and Retail strategy in partnership with B&Q. In 2023 we aim to launch Tool Hire on both DIY.com and Tradepoint.co.uk, hosted by B&Q and fulfilled exclusively by Speedy. Following that we have reached agreement in principle to digitally enable 'Home Delivery' Tool Hire from around 300 B&Q stores nationwide; significantly increasing our retail footprint and expanding our sales channels for both Trade and Retail customers.

Operational efficiency and cost control

Operational efficiency continues to be a key part of our strategy. The successful implementation of a new ERP system in the prior year, combined with artificial intelligence (AI) led decision making continues to optimise our asset holdings to drive ROCE improvement. Through utilising AI we are improving product availability ensuring we have the right product, in the right place, at the right time for every customer, from National customers, right through to Retail and Trade. We are also now starting to use AI to optimise our logistics, thereby reducing carbon and costs.

We have continued to develop our future state property programme. This programme is modernising our network with energy efficient, low carbon facilities that optimises efficiencies and reduces operational costs whilst creating better working environments for our people. Our industry first Innovation Centre in Milton

Keynes launched 12 months ago and has now achieved EPC A+ energy rating, acting as a blueprint for this sustainable strategy.

Cost control remains a key ingredient in delivering sustainable profitable growth. The significant macro inflationary increases, especially in energy and fuel, are impacting all businesses at this time. We are controlling costs through initiatives to improve operational efficiency and the effective management of our supply chain. These initiatives include an extensive business review which we have embarked upon in the second half of this year.

ESG

We continue to lead the hire industry in sustainability and embrace product innovation. We are working actively with supportive partners to deliver award winning, sustainable solutions for customers and accelerate our own carbon reduction pathway. We have joined forces with Eminox on a pioneering project to improve air quality by upgrading existing power generation assets to meet 'Stage V' emissions regulations.

We are the first company in our sector, and one of very few organisations globally, to commit to Science Based Targets (SBTi's) to achieve net zero carbon before 2040. We have partnered with leading sustainability consultants to harness the carbon data of our fleet to support net zero targets for our customers. During the period we achieved an Ecovadis sustainability rating positioning us among the top companies of our sector for sustainability.

During the period we invested £30.5m in our hire fleet, of which 41% was in Carbon efficient ECO products, increasing the amount of our products that utilise electric and renewable energy sources. The proportion of our revenue from Carbon efficient ECO products has increased from c.26% in H1 FY2022 to 32% in H1 FY2023. We have also invested in a range of industry-first electric commercial vehicles, including 100 all-electric delivery vehicles.

We recognise that our people are the lifeblood of our business. Our colleagues are central to achieving our ambitions for growth. We have a unique culture at Speedy, it's what we call our Speedy Spirit. It is something our customers and supply chain partners have come to know, as we strive, on a daily basis, to create solutions for our customers' needs. During the period we accelerated our People First agenda so they are engaged and share in our vision to inspire and innovate the future of hire. We have launched our Early and Late careers strategy to accelerate our commitment to the 5% club and increase earn and learn opportunities for colleagues. We are the first hire company to be "Youth Verified" by the Youth Group and are seen as an employer of choice for young talent in our industry. There is a lack of diversity and inclusivity in the industry and to address this we have established a People Like Us community to raise the profile and awareness of great career opportunities within our business and promote Speedy as an inclusive and diverse employer. During the period we have also introduced more flexible working arrangements and are trialling alternative working week patterns.

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.

Revenue (excluding disposals) for the period to 30 September 2022 increased by 13.8% to £212.4m (H1 FY2022: £186.6m). Revenue from disposals was £2.4m (H1 FY2022: £2.0m); total revenue for the period increased by 13.9% to £214.8m (H1 FY2022: £188.6m).

Gross profit was £116.9m (H1 FY2022: £108.0m), an increase of 8.2%. The gross margin decreased to 54.4% (H1 FY2022: 57.3%), through hire rate increases offset by the mix impact of increases in resale fuel.

EBITDA decreased by 1.6% to £48.3m (H1 FY2022: £49.1m). EBITA decreased by £2.4m to £13.8m (H1 FY2022: £16.2m). The effect of this reduction was mitigated by the joint venture performance resulting in adjusted profit before tax decreasing to £14.1m from £14.6m in H1 FY2022.

Profit after taxation, amortisation, and discontinued operations increased to £10.8m (H1 FY2022: £9.5m).

Revenue and margin analysis

The Group generates revenue through two key categories, Hire and Services.

Revenue and margin by type	**Six Months ended 30 September 2022**	Six Months ended 30 September 2021	Change	Year ended 31 March 2022
	£m	£m	%	£m
Hire:				
Revenue	**127.1**	120.5	*5.5%*	243.3
Cost of sales	**(27.1)**	(27.4)		(54.5)
Gross profit	**100.0**	93.1	*7.4%*	188.8
Gross margin	***78.7%***	*77.3%*		*77.6%*
Services:				
Revenue	**85.3**	66.1	*29.0%*	138.4
Cost of sales	**(69.5)**	(51.2)		(107.8)
Gross profit	**15.8**	14.9	*6.0%*	30.6
Gross margin	***18.5%***	*22.5%*		***22.1%***

Hire revenues increased by 5.5%, reflecting price increases, volume demand and improved repairs and transport recoveries. A number of new and renewed contracts with key customers have been secured in the period which commence in H2 FY2023.

Services revenues increased by 29.0% compared to H1 FY2022, with a strong performance from our rehire business, Customer Solutions as well as increased fuel revenue from a higher average selling price in both diesel and hydrogenated vegetable oil (HVO).

The Group implemented price increases in April 2022 to offset the effects of cost inflation on both overheads and new equipment purchases. The price increases take effect as framework agreements and hire contracts are renewed resulting in the benefit of those increases building throughout the year.

Gross margins decreased from 57.3% in H1 FY2022 to 54.4%. Hire margin improved to 78.7% (H1 FY2022: 77.3%); services margin decreased from 22.5% in H1 FY2022 to 18.5% due to the dilutive impact of higher fuel revenue.

Overheads

Inflationary pressures on overheads, particularly pay increases, utilities and fuel were expected in FY2023. To protect against further inflationary increases utility prices have been fixed for the period to September 2024 and fuel hedges are in place on a nine to 12 month rolling basis. We have experienced above inflation increases in certain areas as we continue to invest in strategic initiatives for growth, including Retail and Trade, ESG and marketing. In Spring 2022, we launched a significant campaign, including TV adverts to bring awareness to consumers of the benefits of hire versus buy. To ensure we are able to continue to invest we are controlling costs through initiatives to improve operational efficiency and the effective management of our supply chain.

The UK and Ireland headcount at 30 September 2022 was 3,623 (31 March 2022: 3,554), an increase of 1.9%. 156 colleagues are now employed within B&Q stores (31 March 2022: 162).

Interest

The Group's net financial expense increased to £3.6m (H1 FY2022: £2.8m) reflecting higher debt levels and increased cost of borrowing.

The Group's main bank facilities were renewed in July 2021 for a three year term. Borrowings under the facility are priced based on SONIA 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 1.55% and 2.05% dependent on the weighting of borrowings between receivables and plant and machinery. The effective average margin in the period was 1.80% (H1 FY2022: 1.72%).

The Group utilises interest rate hedges to manage fluctuations in rates. The fair value of these hedges was £2.2m at 30 September 2022. The hedges have varying maturity dates, notional amounts and rates and provide the Group with mitigation against interest rate rises. Over the next 12 months c50% of the expected net debt is hedged.

Interest on lease liabilities of £1.6m (H1 FY2022: £1.3m) was charged during the period, impacted by the rise in interest rates which are used to calculate the incremental borrowing rate.

Taxation

The tax charge for the period was £2.4m (H1 FY2022: £5.0m), reflecting a projected full year effective tax rate before amortisation and exceptional items of 18.4% (H1 FY2022: 28.2%). An increase in the UK corporation tax rate to 25% for periods from 1 April 2023 was substantively enacted on 24 May 2021, impacting the FY2022 effective tax rate; excluding the impact of this change in tax rate, the comparable effective rate would be 21.4%. The effective rate has reduced year on year due to the relative performance of the joint venture**.**

Share buyback

The Board reviewed the capital allocation policy and medium-term capital needs of the Group in January 2022 and considered that a £30m share buyback programme was appropriate. Authority to continue the buyback was renewed at the AGM in September 2022. The buyback reflects the strong balance sheet with significant facility headroom. As of 30 September 2022 c.£18.6m of shares out of the £30m shares have been purchased under this programme.

Shares and earnings per share

At 30 September 2022, 490,449,192 (31 March 2022: 518,220,366) Speedy Hire Plc ordinary shares were outstanding, of which 4,215,142 were held in the Employee Benefit Trust. Adjusted earnings per share was 2.27 pence (H1 FY2022: 1.81 pence), an increase of 0.46p (25.4%). Basic earnings per share was 2.13 pence (H1 FY2022: 1.81 pence).

Capital expenditure and disposals

Total capital expenditure during the period amounted to £34.4m (H1 FY2022: £43.7m), of which £30.5m (H1 FY2022: £37.6m) related to equipment for hire, and £3.9m related to other property, plant and equipment (H1 FY2022: £6.1m).

Our hire fleet investment included a significant proportion of carbon efficient ECO products, in line with the increasing relevance of sustainable solutions including customers mandating zero site emissions in some instances. Whilst we have experienced some limited supply chain pressures, the strength of our supplier relationships and advanced planning have mitigated the impact.

Balance sheet

The Group has maintained a strong balance sheet and is well placed to continue to pursue financial and strategic objectives despite the macroeconomic uncertainties.

Net assets at 30 September 2022 were £221.8m (31 March 2022: £226.4m). ROCE was 12.5% for the 12 months to September 2022 (12 months to 30 September 2021: 12.4%).

Net property, plant and equipment (excluding IFRS 16 right of use assets) increased to £264.6m at 30 September 2022 (31 March 2022: £257.7m). The net book value of equipment for hire has increased from £226.9m to £234.4m, representing 88.6% (31 March 2022: 88.0%) of the total property, plant and equipment balance.

Intangible assets decreased marginally to £25.4m (31 March 2022: £25.9m), with investment in software development offset by amortisation charged.

Right of use assets of £79.6m (31 March 2022: £73.3m) and corresponding lease liabilities of £82.7m (31 March 2022: £76.7m) were recognised at 30 September 2022. The increase is due to new leases and renewals entered into during the period.

Gross trade receivables totalled £111.4m at 30 September 2022 (31 March 2022: £104.9m), benefiting from continued strong cash collections and focus on overdue debt. Bad debt and credit note provisions were to £4.6m at 30 September 2022 (31 March 2022: £4.8m), equivalent to 4.1% of gross trade receivables (31 March 2022: 4.6%). In setting the provisions the Directors have given specific consideration to the impact of macroeconomic uncertainties. The Group has not experienced a significant worsening of debt collections or debt write-offs although continues to monitor the situation closely. Debtor days were 68.3 days (31 March 2022: 66.6 days), broadly consistent with September 2021 (66.8 days). Trade payables and accruals were £107.9m (31 March 2022: £96.6m). Creditor days were 55.7 days (31 March 2022: 55.9 days) in line with September 2021.

Cash flow and net debt

Cash generated from operations for the period was £22.5m (H1 FY2022: £15.0m). Free cash flow (being net cash flow before financing activities) increased to £15.3m (H1 FY2022: £3.7m), reflecting the lower amount of net capital expenditure in H1 FY2022.

Net debt increased by £19.2m from £67.5m at the beginning of the period to £86.7m at 30 September 2022. Net debt to EBITDA (rolling 12 months basis) increased to 1.2 times (31 March 2022: 0.9 times).

The Group's continued strong cash position resulted in cash and facility headroom of £91.7m within the Group's committed bank facility (31 March 2022: £110.8m).

The Group's £180m asset based finance facility is available 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 facility provides the Group headroom with which to support organic growth and bolt-on acquisition opportunities.

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 0.80 pence per share (H1 FY2022 interim dividend: 0.75 pence per share), to be paid on 20 January 2023 to shareholders on the register on 9 December 2022.

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 leverage 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 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.

Board

As announced in August 2022, I succeeded Russell Down as Chief Executive effective 1 October 2022, following his retirement.

The Board also announced in October 2022 that James Bunn had tendered his resignation as Chief Financial Officer to pursue an opportunity in an unrelated sector and stepped down from the Board on 1 November 2022. The Board has appointed an external head-hunter to start the process to find a permanent successor. In the intervening period, Paul Rayner has assumed the role of interim CFO with effect from 1 November 2022, for a period of up to 12 months allowing time for the Board to complete the recruitment process.

Outlook

We have announced resilient results for the six months to 30 September 2022. Revenue growth remains strong, with increased strategic investment in growth initiatives including Retail and Trade, marketing and ESG. Revenue growth is continuing with new contract wins, the effect of actions taken on price and a healthy pipeline of customer activity gives confidence for further growth in the second half. Whilst the macroeconomic outlook is uncertain and inflationary pressures remain high, the business is performing well, is resilient and positioned to manage changes in market conditions. The Board remains confident of delivering results for the full year in line with its expectations.

Dan Evans
Chief Executive

Interim condensed consolidated income statement

	Note	**Six months ended 30 September 2022 £m**	Six months ended 30 September 2021 Restated* £m	Year ended 31 March 2022 £m
Revenue	*3*	**214.8**	188.6	386.8
Cost of sales		**(97.9)**	(80.6)	(165.7)
Gross profit		**116.9**	108.0	221.1
Distribution and administrative costs		**(102.1)**	(90.6)	(185.7)
Impairment losses on trade receivables		**(1.9)**	(1.5)	(3.8)
Analysis of operating profit				
Operating profit before amortisation		**13.8**	16.2	32.6
Amortisation		**(0.9)**	(0.3)	(1.0)
Operating profit		**12.9**	15.9	31.6
Share of results of joint venture		**3.9**	1.2	3.2
Profit from operations		**16.8**	17.1	34.8
Financial expense	*4*	**(3.6)**	(2.8)	(5.7)
Profit before taxation		**13.2**	14.3	29.1
Taxation	*5*	**(2.4)**	(5.0)	(7.7)
Profit for the financial period from continuing operations		**10.8**	9.3	21.4
Profit from discontinued operations, net of tax		**-**	0.2	0.2
Profit for the financial period		**10.8**	9.5	21.6
Earnings per share				
- Basic (pence)	*6*	**2.13**	1.81	4.13
- Diluted (pence)	*6*	**2.07**	1.79	4.07
Non-GAAP performance measures (continuing operations)				
EBITDA before exceptional items	*8*	**48.3**	49.1	99.3
Adjusted profit before tax	*8*	**14.1**	14.6	30.1
Adjusted earnings per share (pence)	*6*	**2.27**	1.81	4.24

*See Note 16

Interim condensed consolidated statement of comprehensive income

	Six months ended 30 September 2022 £m	Six months ended 30 September 2021 £m	Year ended 31 March 2022 £m
Profit for the financial period	**10.8**	9.5	21.6
Other comprehensive income that may be reclassified subsequently to the Income Statement:			
- Effective portion of change in fair value of cash flow hedges	**1.7**	0.4	0.8
- Exchange difference on retranslation of foreign operations	**2.2**	0.4	(0.8)
- Tax on items	**(0.2)**	-	(0.2)
Other comprehensive income, net of tax	**3.7**	0.8	(0.2)
Total comprehensive income for the financial period	**14.5**	10.3	21.4

Interim condensed consolidated balance sheet

	Note	**30 September 2022**	30 September 2021 Restated*	31 March 2022
		£m	£m	£m
ASSETS				
Non-current assets				
Intangible assets		**25.4**	25.0	25.9
Investment in joint venture		**10.2**	7.5	7.8
Property, plant and equipment				
- Hire equipment	*9*	**234.4**	220.7	226.9
- Non-hire equipment	*9*	**30.2**	27.7	30.8
Right of use assets	*10*	**79.6**	65.2	73.3
Deferred tax assets		**1.5**	2.8	1.7
		381.3	348.9	366.4
Current assets				
Inventories		**12.3**	8.6	8.1
Trade and other receivables		**117.0**	99.4	108.7
Cash	*11*	**0.9**	6.5	2.5
Derivative financial assets		**2.2**	-	-
Current tax asset		**1.1**	-	-
		133.5	114.5	119.3
Total assets		**514.8**	463.4	485.7
LIABILITIES				
Current liabilities				
Borrowings	*11*	**(1.5)**	(1.0)	(1.7)
Lease liabilities	*11*	**(20.4)**	(17.0)	(20.6)
Derivative financial liabilities		**-**	(0.2)	-
Trade and other payables		**(107.9)**	(97.3)	(96.6)
Current tax liabilities		**-**	(0.6)	(1.0)
Provisions		**(2.1)**	(3.8)	(2.8)
		(131.9)	(119.9)	(122.7)
Non-current liabilities				
Borrowings	*11*	**(86.1)**	(53.4)	(68.3)
Lease liabilities	*11*	**(62.3)**	(51.3)	(56.1)
Provisions		**(0.9)**	(2.1)	(1.2)
Deferred tax liabilities		**(11.8)**	(12.2)	(11.0)
		(161.1)	(119.0)	(136.6)
Total liabilities		**(293.0)**	(238.9)	(259.3)
Net assets		**221.8**	224.5	226.4
EQUITY				
Share capital		**25.8**	26.4	25.9
Share premium		**1.9**	1.5	1.8
Capital redemption reserve		**0.7**	-	0.6
Merger reserve		**1.0**	1.0	1.0
Hedging reserve		**1.8**	(0.3)	0.1
Translation reserve		**0.4**	(0.6)	(1.8)
Retained earnings		**190.2**	196.5	198.8
		221.8	224.5	226.4

*See Note 16

Interim condensed consolidated statement of changes in equity

	Share Capital £m	Share premium £m	Capital redemption reserve £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2021 Reported	26.4	1.3	-	1.0	(0.7)	(1.0)	192.2	219.2
Restatement*	-	-	-	-	-	-	1.6	1.6
At 1 April 2021 Restated*	26.4	1.3	-	1.0	(0.7)	(1.0)	193.8	220.8
Total comprehensive income	-	-	-	-	0.4	0.4	9.5	10.3
Dividends	-	-	-	-	-	-	(7.3)	(7.3)
Equity-settled share-based payments	-	-	-	-	-	-	0.5	0.5
Issue of shares under the Sharesave Scheme	-	0.2	-	-	-	-	-	0.2
At 30 September 2021 Restated*	26.4	1.5	-	1.0	(0.3)	(0.6)	196.5	224.5
Total comprehensive income	-	-	-	-	0.4	(1.2)	11.9	11.1
Dividends	-	-	-	-	-	-	(4.0)	(4.0)
Equity-settled share-based payments	-	-	-	-	-	-	0.7	0.7
Purchase and cancellation of shares	(0.6)	-	0.6	-	-	-	(6.2)	(6.2)
Tax on items taken directly to equity	-	-	-	-	-	-	(0.1)	(0.1)
Issue of shares under the Sharesave Scheme	0.1	0.3	-	-	-	-	-	0.4
At 31 March 2022	25.9	1.8	0.6	1.0	0.1	(1.8)	198.8	226.4
Total comprehensive income	-	-	-	-	1.7	2.2	10.6	14.5
Dividends	-	-	-	-	-	-	(7.1)	(7.1)
Equity-settled share-based payments	-	-	-	-	-	-	0.6	0.6
Purchase and cancellation of shares	(0.1)	-	0.1	-	-	-	(12.6)	(12.6)
Tax on items taken directly to equity	-	-	-	-	-	-	(0.1)	(0.1)
Issue of shares under the Sharesave Scheme	-	0.1	-	-	-	-	-	0.1
At 30 September 2022	**25.8**	**1.9**	**0.7**	**1.0**	**1.8**	**0.4**	**190.2**	**221.8**

*See Note 16

Interim condensed consolidated statement of cash flows

	Note	**Six months ended 30 September 2022 £m**	Six months ended 30 September 2021 Restated* £m	Year ended 31 March 2022 £m
Cash generated from operating activities				
Profit before tax including discontinued operations		**13.2**	14.5	29.3
Finance expense		**3.6**	2.8	5.7
Amortisation		**0.9**	0.3	1.0
Depreciation		**34.5**	32.9	66.7
Share of profit from joint venture		**(3.9)**	(1.2)	(3.2)
(Profit) / loss on disposal of leases, property, plant and equipment		**(0.8)**	0.7	(0.6)
Increase in working capital		**(6.9)**	(8.0)	(11.6)
Movement in provisions		**(1.0)**	(0.1)	(2.0)
Equity-settled share-based payments		**0.6**	0.5	1.2
Cash generated from operations before changes in hire fleet		**40.2**	42.4	86.5
Purchase of hire equipment, net of proceeds		**(17.7)**	(27.4)	(57.9)
Cash generated from operations		**22.5**	15.0	28.6
Interest paid		**(3.0)**	(4.3)	(6.0)
Tax paid		**(2.8)**	(0.6)	(3.0)
Net cash flow from operating activities		**16.7**	10.1	19.6
Cash flow from investing activities				
Purchase of other fixed assets, net of proceeds		**(3.7)**	(6.4)	(16.0)
Dividends and loan repayments from joint venture		**2.3**	-	1.9
Net cash flow from investing activities		**(1.4)**	(6.4)	(14.1)
Net cash flow before financing activities		**15.3**	3.7	5.5
Cash flow from financing activities				
Payments for the principal element of leases		**(14.7)**	(12.1)	(24.6)
Drawdown of loans*		**295.2**	233.7	482.6
Repayment of loans*		**(277.7)**	(223.9)	(457.2)
Proceeds from the issue of Sharesave Scheme shares		**0.1**	0.2	0.6
Purchase of own shares		**(12.6)**	-	(6.0)
Dividends paid		**(7.1)**	(7.3)	(11.3)
Net cash flow from financing activities		**(16.8)**	(9.4)	(15.9)
Decrease in cash and cash equivalents		**(1.5)**	(5.7)	(10.4)
Cash and cash equivalents at the start of the period		**0.9**	11.2	11.2
Cash and cash equivalents at the end of the period		**(0.6)**	5.5	0.8
Analysis of cash and cash equivalents				
Cash	*11*	**0.9**	6.5	2.5
Bank overdraft	*11*	**(1.5)**	(1.0)	(1.7)
		(0.6)	5.5	0.8

*See Note 16

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 2022 comprise the Company and its subsidiaries (together referred to as 'the Group').

The financial statements of the Group for the year ended 31 March 2022 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 2022 was £91.7m (31 March 2022: £110.8m) 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 2023, 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 current and future market conditions on projected revenues and an assessment of the net capital investment required to support those expected level of revenues.

The Board has considered various possible downside scenarios to the base case, which result in reduced levels of revenue across the Group, whilst also reflecting inflationary pressures on the 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 in preparing the interim condensed consolidated financial Statements.

Statement of compliance

This condensed consolidated interim financial report for the six months ended 30 September 2022 has been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2022, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006, and any public announcements made by Speedy Hire Plc during the interim reporting period.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2022 were approved by the board of directors on 27 May 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The financial statements have been reviewed, not audited.

The interim report was approved by the Board of Directors on 14 November 2022.

1 Basis of preparation *(continued)*

Significant accounting policies

Other accounting policies

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 FY2022 year end financial statements that materially impact the Group.

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2022.

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. No indicators of impairment have been identified at the interim period end.

Seasonality

In addition to economic factors, revenue is subject to an 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 2022 continued to apply.

3 Segmental analysis

The segmental disclosure presented in the Financial Statements reflects the format of reports reviewed by the 'chief operating decision-maker'. UK and Ireland business delivers asset management, with tailored services and a continued commitment to relationship management. Corporate items comprise certain central activities and costs that are not directly related to the activity of the operating segment. 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 that are not directly attributable to the activity of the operating segment, together with net corporate borrowings and taxation. The Middle East assets were disposed of on 1 March 2021 and are shown as discontinued operations.

3 Segmental analysis (continued)

For the six months ended 30 September 2022

	Hire excluding disposals £m	Services £m	UK and Ireland* £m	Corporate items £m	Total £m
Revenue	127.1	85.3	214.8	-	214.8
Cost of sales	(27.1)	(69.5)	(97.9)	-	(97.9)
Gross Profit	100.0	15.8	116.9	-	116.9
Segment result:					
EBITDA			49.8	(1.5)	48.3
Depreciation			(34.4)	(0.1)	(34.5)
Operating profit/(costs) before amortisation			15.4	(1.6)	13.8
Amortisation			(0.2)	(0.7)	(0.9)
Operating profit/(costs)			15.2	(2.3)	12.9
Share of results of joint venture			-	3.9	3.9
Profit from operations			15.2	1.6	16.8
Financial expense					(3.6)
Profit before tax					13.2
Taxation					(2.4)
Profit for the financial period from continuing operations					10.8
Profit from discontinued operations, net of tax					-
Profit for the financial period					10.8
Intangible assets			19.3	6.1	25.4
Investment in joint venture			-	10.2	10.2
Hire equipment			234.4	-	234.4
Non-hire equipment			30.2	-	30.2
Right of use assets			79.6	-	79.6
Taxation assets			-	2.6	2.6
Current assets			124.4	7.1	131.5
Cash			-	0.9	0.9
Total assets			487.9	26.9	514.8
Lease liabilities			(82.7)	-	(82.7)
Other liabilities			(105.9)	(5.0)	(110.9)
Borrowings			-	(87.6)	(87.6)
Taxation liabilities			-	(11.8)	(11.8)
Total liabilities			(188.6)	(104.4)	(293.0)

* UK and Ireland also includes revenue and costs relating to the disposal of hire assets.

3 Segmental analysis (continued)

For the six months ended 30 September 2021 Restated*

	Hire excluding disposals £m	Services £m	UK and Ireland** £m	Corporate items £m	Total £m
Revenue	120.5	66.1	188.6	-	188.6
Cost of sales	(27.4)	(51.2)	(80.6)	-	(80.6)
Gross Profit	93.1	14.9	108.0	-	108.0
Segment result:					
EBITDA			51.2	(2.1)	49.1
Depreciation			(32.8)	(0.1)	(32.9)
Operating profit/(costs) before amortisation			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
Profit/(costs) from operations			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 (restated)*			-	2.8	2.8
Current assets			101.1	6.9	108.0
Cash			-	6.5	6.5
Total assets			434.5	28.9	463.4
Lease liabilities (restated)*			(68.3)	-	(68.3)
Other liabilities (restated)*			(90.4)	(13.0)	(103.4)
Borrowings			-	(54.4)	(54.4)
Taxation liabilities			-	(12.8)	(12.8)
Total liabilities			(158.7)	(80.2)	(238.9)

*See Note 16

** UK and Ireland also includes revenue and costs relating to the disposal of hire assets.

3 Segmental analysis *(continued)*

For the year ended 31 March 2022 Restated*

	Hire excluding disposals	Services	UK and Ireland**	Corporate items	Total
	£m	£m	£m	£m	£m
Revenue	243.3	138.4	386.8	-	386.8
Cost of sales	(54.5)	(107.8)	(165.7)	-	(165.7)
Gross Profit	188.8	30.6	221.1	-	221.1
Segment result:					
EBITDA			103.3	(4.0)	99.3
Depreciation			(66.4)	(0.3)	(66.7)
Operating profit/(costs) before amortisation			36.9	(4.3)	32.6
Amortisation			(1.0)	-	(1.0)
Operating profit/(costs)			35.9	(4.3)	31.6
Share of results of joint venture			-	3.2	3.2
Profit/(costs) from operations			35.9	(1.1)	34.8
Financial expense					(5.7)
Profit before tax					29.1
Taxation					(7.7)
Profit for the financial year from continuing operations					21.4
Profit from discontinued operations, net of tax					0.2
Profit for the financial year					21.6

	UK and Ireland**	Corporate items	Total
Intangible assets	19.5	6.4	25.9
Investment in joint venture	-	7.8	7.8
Hire equipment	226.9	-	226.9
Non-hire equipment	30.8	-	30.8
Right of use assets	73.3	-	73.3
Taxation assets	-	1.7	1.7
Current assets	112.7	4.1	116.8
Cash	-	2.5	2.5
Total assets	463.2	22.5	485.7
Lease liabilities	(76.7)	-	(76.7)
Other liabilities	(92.1)	(8.5)	(100.6)
Borrowings	-	(70.0)	(70.0)
Taxation liabilities	-	(12.0)	(12.0)
Total liabilities	(168.8)	(90.5)	(259.3)

* See Note 16
** UK and Ireland also includes revenue and costs relating to the disposal of hire assets.

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.

3 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 2022		Six months ended 30 September 2021 Restated*		Year ended 31 March 2022	
	Revenue £m	**Total assets £m**	Revenue £m	Total Assets £m	Revenue £m	Total assets £m
UK	**210.0**	**500.9**	183.5	449.2	376.5	472.6
Ireland	**4.8**	**13.9**	5.1	14.2	10.3	13.1
	214.8	**514.8**	188.6	463.4	386.8	485.7

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

*See Note 16.

Revenue by type

Revenue is attributed to the following activities:

	Six months ended 30 September 2022 £m	Six months ended 30 September 2021 £m	Year ended 31 March 2022 £m
Hire and related activities	**127.1**	120.5	243.3
Services	**85.3**	66.1	138.4
Disposals	**2.4**	2.0	5.1
	214.8	188.6	386.8

Major customer

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

4 Financial expense

	Six months ended 30 September 2022 £m	Six months ended 30 September 2021 £m	Year ended 31 March 2022 £m
Total interest on borrowings	**2.1**	1.4	3.2
Interest on lease liabilities	**1.6**	1.3	2.5
Other finance (income)/costs	**(0.1)**	0.1	-
	3.6	2.8	5.7

5 Taxation

The corporation tax charge for the six months ended 30 September 2022 is based on an estimated full year effective rate of taxation of 18.4% before exceptional items and amortisation (2021: 28.2%) and 18.2% (2021: 29.1%) after exceptional items and amortisation. This has been calculated by reference to the projected charge for the full year ending 31 March 2023, applying the applicable UK corporation tax rate of 19% (2021: 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 substantively enacted at the balance sheet date.

6 Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to equity holders of the Company of £10.8m (2021: £9.5m) and the weighted average number of 5 pence ordinary shares in issue and is calculated as follows:

	Six months ended 30 September 2022	Six months ended 30 September 2021	Year ended 31 March 2022
Weighted average number of shares in issue (m)			
Number of shares at the beginning of the period	**513.6**	523.8	523.8
Exercise of share options	**-**	0.1	0.4
Movement in shares owned by the Employee Benefit Trust	**0.1**	0.1	0.1
Shares repurchased	**(7.4)**	-	(1.0)
Weighted average for the period – basic number of shares	**506.3**	524.0	523.3
Share options	**6.4**	6.7	5.7
Employee share schemes	**8.4**	1.5	0.8
Weighted average for the period – diluted number of shares	**521.1**	532.2	529.8
Profit (£m)			
Profit for the period after tax – basic and diluted earnings	**10.8**	9.5	21.6
Intangible amortisation charge (after tax)	**0.7**	0.2	0.8
Profit from discontinued operations (after tax)	**-**	(0.2)	(0.2)
Adjusted earnings (after tax)	**11.5**	9.5	22.2
Earnings per share (pence)			
Basic earnings per share	**2.13**	1.81	4.13
Dilutive shares and options	**(0.06)**	(0.02)	(0.06)
Diluted earnings per share	**2.07**	1.79	4.07
Adjusted earnings per share (from continuing operations)	**2.27**	1.81	4.24
Dilutive shares and options	**(0.06)**	(0.02)	(0.06)
Adjusted diluted earnings per share	**2.21**	1.79	4.18

The total number of shares outstanding at 30 September 2022 amounted to 490,449,192 (2021: 528,498,631), including 4,215,142 (2021: 4,084,165) shares held in the Employee Benefit Trust, which are excluded in calculating the earnings per share.

7 Dividends

The aggregate amount of dividend comprises:

	Six months ended 30 September 2022 £m	Six months ended 30 September 2021 £m	Year ended 31 March 2022 £m
2021 final dividend (1.40 pence on 522.9m ordinary shares)	**-**	7.3	7.3
2022 interim dividend (0.75 pence on 524.2m ordinary shares)	**-**	-	4.0
2022 final dividend (1.45 pence on 489.5m ordinary shares)	**7.1**	-	-
	7.1	7.3	11.3

Subsequent to the end of the period, the Directors have declared a 0.80 pence per share interim dividend payable (2022 interim dividend: 0.75 pence per share).

8 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 2022 £m	Six months ended 30 September 2021 £m	Year ended 31 March 2022 £m
Operating profit	**12.9**	15.9	31.6
Add back: amortisation of intangibles	**0.9**	0.3	1.0
Add back: exceptional items	**-**	-	-
Adjusted operating profit	**13.8**	16.2	32.6
Add back: depreciation	**34.5**	32.9	66.7
EBITDA before exceptional items	**48.3**	49.1	99.3
Profit before tax	**13.2**	14.3	29.1
Add back: amortisation	**0.9**	0.3	1.0
Add back: exceptional items	**-**	-	-
Adjusted profit before tax	**14.1**	14.6	30.1

9 Property, plant and equipment

	Land and buildings £m	Hire equipment £m	Other £m	Total £m
Cost				
At 1 April 2021	50.6	386.6	88.5	525.7
Foreign exchange	0.1	0.2	0.3	0.6
Additions	2.8	37.6	3.3	43.7
Disposals	(1.2)	(12.1)	(1.4)	(14.7)
Transfers to inventory	-	(5.2)	-	(5.2)
At 30 September 2021	52.3	407.1	90.7	550.1
Foreign exchange	(0.1)	(1.2)	(0.6)	(1.9)
Additions	3.3	30.8	4.3	38.4
Disposals	(2.3)	(3.7)	(2.7)	(8.7)
Transfers to inventory	-	(10.3)	-	(10.3)
At 31 March 2022	53.2	422.7	91.7	567.6
Foreign exchange	0.1	1.0	0.3	1.4
Additions	0.8	30.5	3.1	34.4
Disposals	(0.5)	(12.1)	(0.2)	(12.8)
Transfers to inventory	-	(9.0)	-	(9.0)
At 30 September 2022	**53.6**	**433.1**	**94.9**	**581.6**
Depreciation				
At 1 April 2021	36.6	179.4	76.6	292.6
Foreign exchange	-	-	(0.2)	(0.2)
Charged in period	1.8	17.6	2.0	21.4
Disposals	(0.8)	(6.9)	(0.7)	(8.4)
Transfers to inventory	-	(3.7)	-	(3.7)
At 30 September 2021	37.6	186.4	77.7	301.7
Foreign exchange	-	(0.1)	-	(0.1)
Charged in period	2.1	17.6	2.1	21.8
Disposals	(2.1)	(0.3)	(3.3)	(5.7)
Transfers to inventory	-	(7.8)	-	(7.8)
At 31 March 2022	37.6	195.8	76.5	309.9
Foreign exchange	0.1	0.5	-	0.6
Charged in period	2.2	16.9	2.1	21.2
Disposals	(0.2)	(7.7)	-	(7.9)
Transfers to inventory	-	(6.8)	-	(6.8)
At 30 September 2022	**39.7**	**198.7**	**78.6**	**317.0**
Net book value				
At 30 September 2022	**13.9**	**234.4**	**16.3**	**264.6**
At 31 March 2022	15.6	226.9	15.2	257.7
At 30 September 2021	14.7	220.7	13.0	248.4

10 Right of use assets

	Land and buildings £m	Other £m	Total £m
Cost			
At 1 April 2021	131.3	48.2	179.5
Additions	5.3	5.0	10.3
Remeasurements	5.3	4.0	9.3
Disposals	(3.3)	(6.8)	(10.1)
At 30 September 2021	138.6	50.4	189.0
Additions	1.3	10.9	12.2
Remeasurements	7.5	1.7	9.2
Disposals	(3.9)	(7.4)	(11.3)
At 31 March 2022	143.5	55.6	199.1
Additions	1.9	15.3	17.2
Remeasurements	1.7	2.5	4.2
Disposals	(2.3)	(11.4)	(13.7)
At 30 September 2022	**144.8**	**62.0**	**206.8**
Depreciation			
At 1 April 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
Charged in period	6.3	5.7	12.0
Disposals	(3.0)	(7.0)	(10.0)
At 31 March 2022	92.3	33.5	125.8
Charged in period	6.8	6.5	13.3
Disposals	(1.9)	(10.0)	(11.9)
At 30 September 2022	**97.2**	**30.0**	**127.2**
Net book value			
At 30 September 2022	**47.6**	**32.0**	**79.6**
At 31 March 2022	51.2	22.1	73.3
At 30 September 2021	49.6	15.6	65.2

11 Borrowings

	30 September 2022 £m	30 September 2021 Restated* £m	31 March 2022 £m
Current borrowings			
Bank overdraft	**1.5**	1.0	1.7
Lease liabilities*	**20.4**	17.0	20.6
	21.9	18.0	22.3
Non-current borrowings			
Maturing between two and five years			
- ABF facility	**86.1**	53.4	68.3
- Lease liabilities	**62.3**	51.3	56.1
	148.4	104.7	124.4
Total borrowings	**170.3**	122.7	146.7
Less: Cash	**(0.9)**	(6.5)	(2.5)
Exclude lease liabilities*	**(82.7)**	(68.3)	(76.7)
Net debt	**86.7**	47.9	67.5

*See Note 16

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 2022 was £91.7m (31 March 2022: £110.8m) 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 by reference to LIBOR until July 2021) 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 1.80% (2021: 1.72%).

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

12 Contingent liabilities

In the normal course of business, the Company has given parental guarantees 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 the guarantees.

13 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 FY2022 Annual Report.

14 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 2023 financial year have not changed from those set out on pages 84 to 91 of the Group's 2022 Annual Report, which is available at www.speedyservices.com. These risks and uncertainties include the following:

- COVID-19 pandemic;
- Safety, health and environment;
- Service;
- Sustainability and climate change;
- 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.

15 Post balance sheet events

There are no post balance sheet events.

16 Prior period adjustment

The following adjustments were made in the financial statements for the Group for the year ended 31 March 2022 and have now been incorporated in the comparative amounts in this interim report.

On transition to IFRS 16 in FY2020 the lease liabilities were overstated and accruals understated. This was corrected by restating each of the affected financial statement items in the balance sheet as at 1 April 2021 in line with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. There is no impact on the amounts recognised in the income statement.

A summary of the affected items and the restatements made as at 30 September 2021 are as follows:

	Reported £m	**Adjustment £m**	**Restated £m**
Assets:			
Deferred tax asset	3.2	(0.4)	2.8
Liabilities:			
Lease liabilities	(70.9)	2.6	(68.3)
Accruals (within trade and other payables)	(35.3)	(0.6)	(35.9)
	(106.2)	2.0	(104.2)
Net assets	222.9	1.6	224.5
Equity:			
Retained earnings as at 1 April 2021	192.2	1.6	193.8
Retained earnings as at 30 September 2021	194.9	1.6	196.5

Impairment losses on trade receivables of £1.5m for the six months ended 30 September 2021, as determined in accordance with IFRS 9 Financial Instruments, were previously included in distribution and administration expenses. These are now shown separately on the face of the Income Statement.

Loan drawdowns and repayments previously shown net in the Cash Flow Statement are now shown separately. The comparative net drawdown of £9.8m for the six months ended 30 September 2021 has been restated to show loan drawdowns of £233.7m and repayments of £223.9m.

In the current period the Group's reported segments have been changed to be consistent with the information reported to the chief operating decision maker. The Group's reportable and operating segments were Hire and Services both in the current and prior periods presented. Previously these segments were combined and disclosed as the UK and Ireland.

Statement of directors’ responsibilities

The directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom’s Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

• an indication of important events that have occurred during the first six months 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 financial year; and

• material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the Speedy Hire Plc website is the responsibility of the directors; the work carried out by the authors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

The directors of Speedy Hire Plc are listed in the Speedy Hire Plc annual report for 31 March 2022, with the exception of the following changes in the period:

- Russell Down (resigned 30 September 2022)
- Dan Evans (appointed 1 October 2022)
- James Bunn (resigned 1 November 2022)

A list of current directors is maintained on the Speedy Hire Plc’s website: www.speedyservices.com

Dan Evans

Director

14 November 2022

Independent Review Report to Speedy Hire Plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Speedy Hire Plc's condensed consolidated interim financial statements (the "interim financial statements") in the FY2023 Interim results of Speedy Hire Plc for the 6 month period ended 30 September 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Interim condensed consolidated balance sheet as at 30 September 2022;
- the Interim condensed consolidated income statement and Interim condensed consolidated statement of comprehensive income for the period then ended;
- the Interim condensed consolidated statement of cash flows for the period then ended;
- the Interim condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the FY2023 Interim results of Speedy Hire Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. 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.

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.

We have read the other information contained in the FY2023 Interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The FY2023 Interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the FY2023 Interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the FY2023 Interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the FY2023 Interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Manchester
14 November 2022