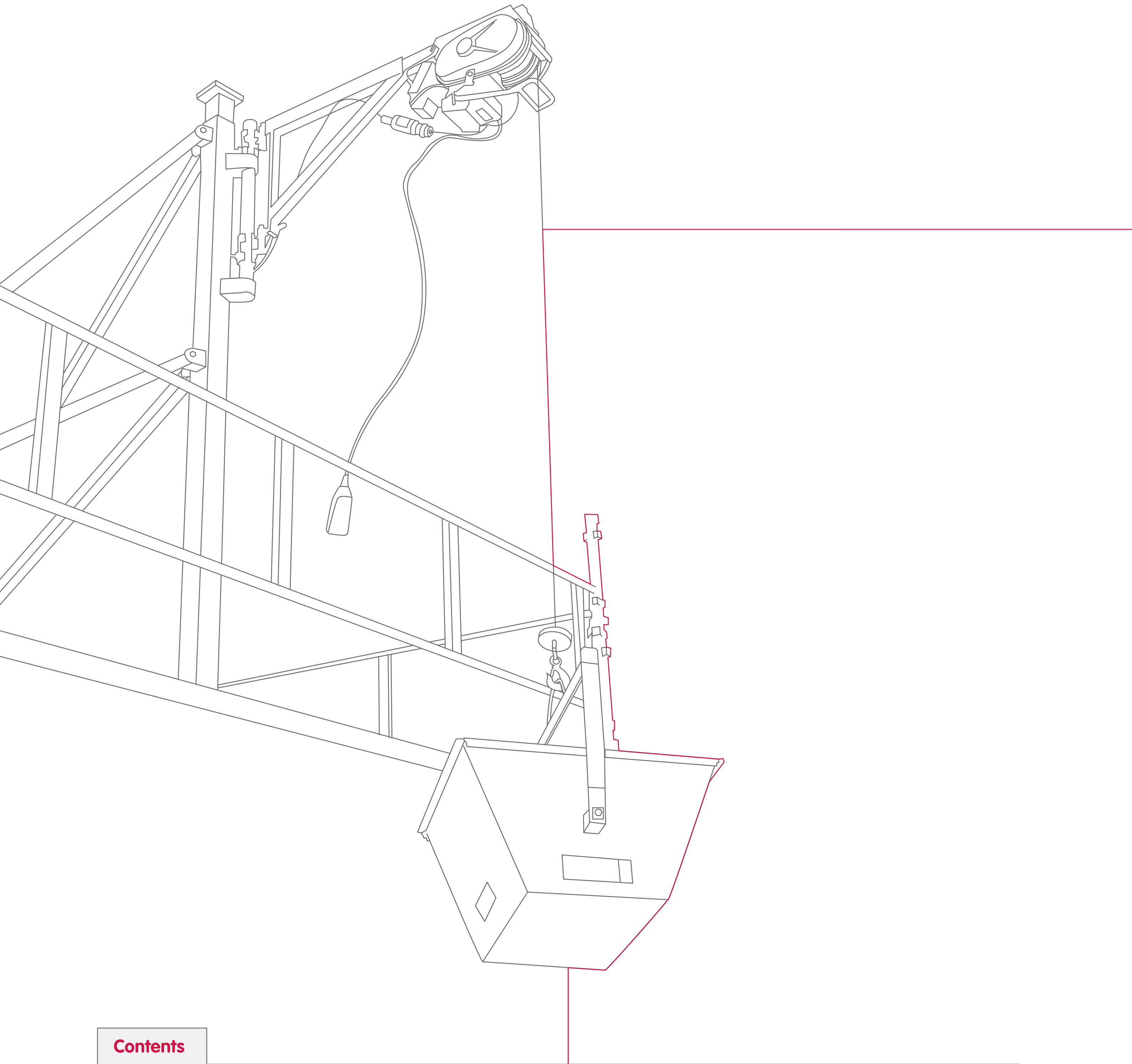
Delivering on a consistent strategy

Speedy Hire Plc Annual Report and Accounts 2013

Speedy

A better way



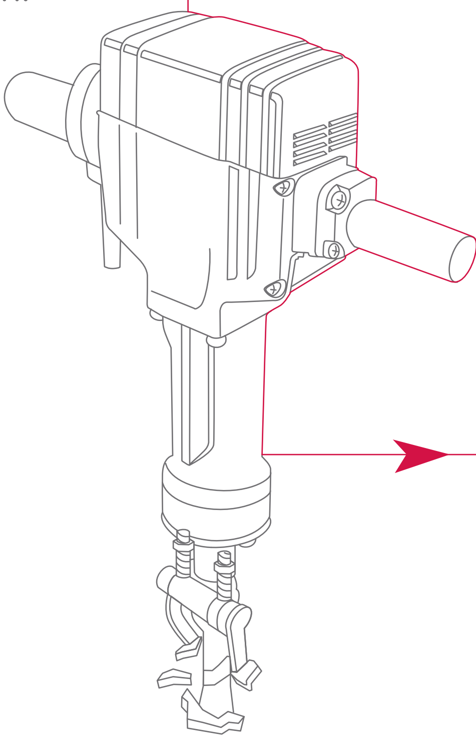
Contents

Delivering on a consistent strategy

The past few years have been very tough and financial year 2013 was no exception. We have prepared well during this challenging period and built a foundation that can weather the current economic climate. But to emerge from this cycle as a more valuable company requires an unflinching commitment to execute our long-term objectives.

We have a robust efficiency programme, a strong cash flow which is funding capital expenditure and a vision to be the leading integrated services provider in our chosen markets.

We are delivering on a consistent strategy that marks a step-change in how and where we operate. For our business this is the new norm, and we are confident that with our progressive momentum we will continue to build a more valuable company over the long term.



Driving success together

Who we are

Speedy is the UK's leading provider of integrated equipment rental and support services to a broad range of clients across the infrastructure, industrial, construction and event markets both in the UK and internationally.

Our purpose
Optimise assets, reduce risk, enable delivery

Our vision
To be the leading integrated services provider in our chosen markets

Our mission
To grow sustainable profit year-on-year

Our enablers
Our people
Our systems
Our brand

Our spirit
As one
Safe
Innovative
Driven

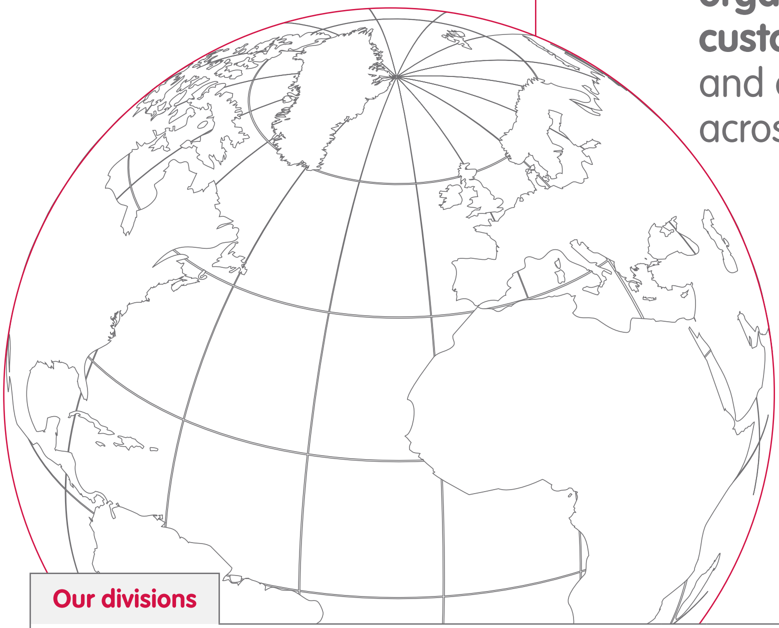
Our strategic activities To achieve our purpose, vision and mission we need:

Service excellence
One clear set of processes combined with an optimum asset base, delivering consistent, efficient and high-quality service at the right time, every time.

Operational effectiveness
The right channels to market, efficient back-office operations, and improved processes and reporting, underpinned by one set of effective measures for all.

Differentiated proposition
Unrivalled premium service offerings that understand the needs of future key clients, alongside a robust category management process, delivered through integrated services.

Market focus
Growing revenue and profit with existing and new key clients as their partner of choice, while growing market share across our chosen markets and sectors.



We are a **£340m turnover organisation** with over **65,000 customers**, around **3,700 employees** and a network of over **260 depots** across the UK.

Our divisions

UK & Ireland Asset Services

Our UK operation provides integrated end-to-end solutions beyond our core proposition of equipment rental. It is structured to incorporate our four other specialist disciplines of partnered services, training, direct sales and engineering and project management. Partnered services supports our clients by providing products and services not available directly through Speedy. Our statutory and compliance training courses enable customers to fulfil their duties under the Health & Safety at Work Act and other legislation, whilst accessing our experience and knowledge to maximise the productivity of their workforce when using our equipment. Our direct sales product portfolio includes personal protection equipment and consumables, and our engineering and project management services assist our customers in programme delivery.

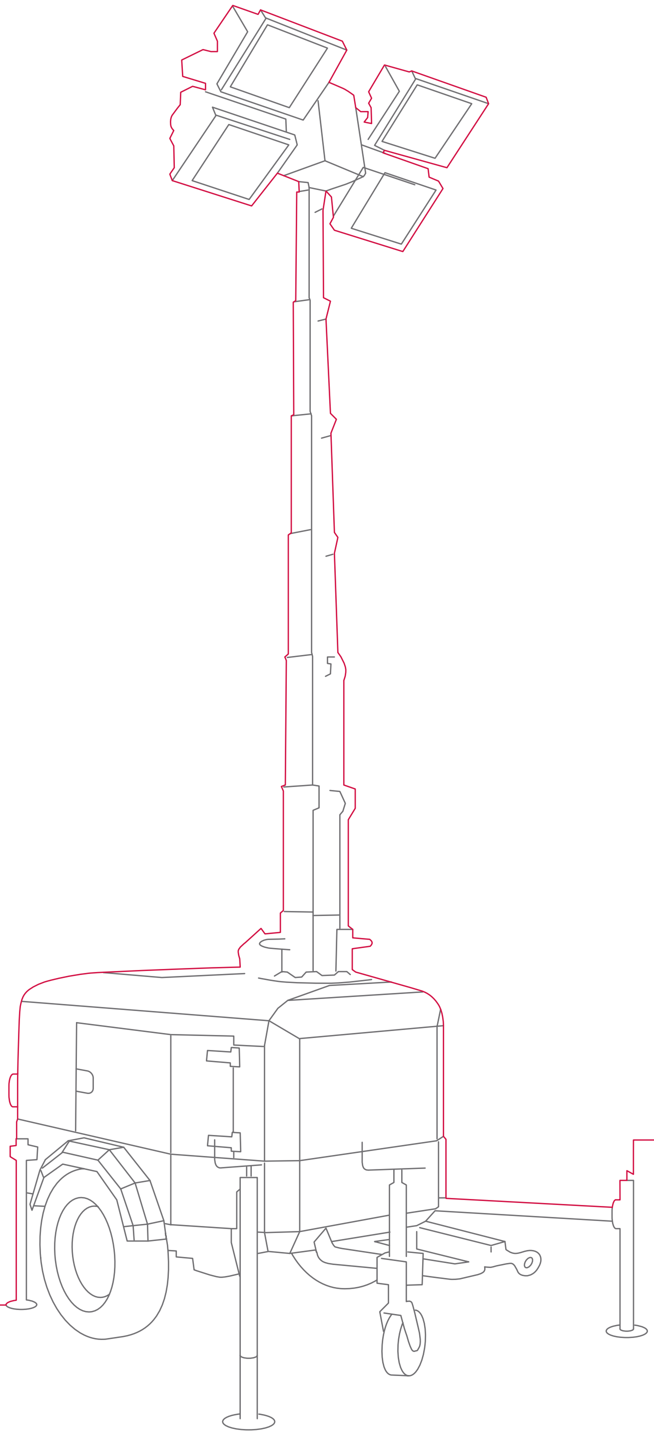
Our customers choose Speedy on the basis that this allows them to focus on their core skills and understand the value that Speedy can bring in delivering their projects. We in turn seek to build strong relationships with bespoke, integrated solutions, tailored to each customer's needs using our detailed knowledge and understanding of our customers' markets and sectors, supported by our expertise in integrated product and service solution delivery.

International Asset Services

We support our customers in delivering major international projects and facilities management contracts by providing a managed site support service, which combines our core expertise in equipment hire with asset management, site infrastructure and logistics services. We help our customers manage risk on major international projects and contracts by delivering the highest safety and quality standards, often in challenging environments, and by tracking and controlling assets through our in-house management information and control systems. We also work with our customers to help them make more efficient and effective use of their own assets.

On major contracts, we frequently implant experienced teams into our customers' operations to work in partnership with their management teams to apply our expertise and innovation in driving measurable efficiency savings. Our strategy is to be able to support our customers on any major project, anywhere within our chosen markets, and by following our existing customers into new markets we can then reach out to new customers who will benefit from our services.

Resilient performance through challenging cycles



Highlights

- Adjusted profit before tax# of £16.8m up 35.5%
- Second half-year adjusted profit before tax# of £10.2m, compared to first half-year profit of £6.6m
- Underlying* revenue increased by 4.3% to £340.4m (2012: £326.4m)
- EBITA# up 24.5% to £24.4m (2012: £19.6m)
- Profit before tax (post amortisation and exceptional items) of £12.8m (2012: £3.2m)
- Net debt reduced to £72.4m (2012: £76.3m), improving net debt/EBITDA to 0.99x (2012: 1.21x)
- Investment in the hire fleet continues, net book value increasing to £214.5m (2012: £210.3m), whilst continuing to reduce net debt
- Final dividend proposed of 0.31 pence per share (2012: 0.26 pence per share) resulting in total dividend per share for the year increasing by 15.2%

* Excluding the accommodation operation disposed of in April 2011.
# Before amortisation and exceptional items.

Speedy has had publicly reported non-financial KPIs in place since 2007. These KPIs have been consolidated into our One Plan roadmap, which can be found at **www.speedyhire.plc.uk/kpis**.

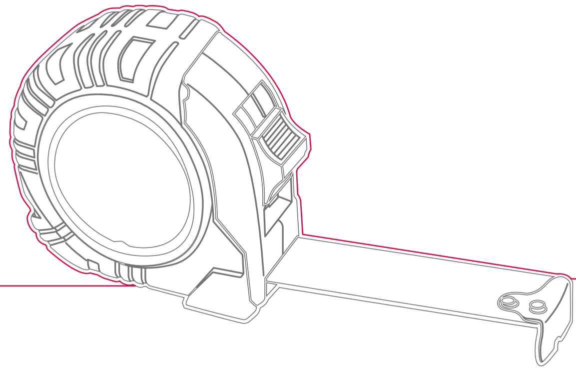
Below are our top five non-financial KPIs:

Non-financial KPIs

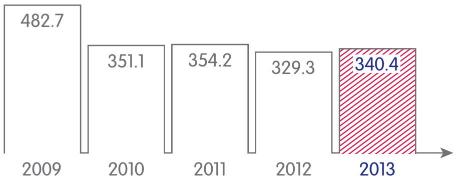
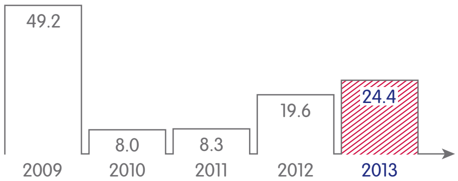
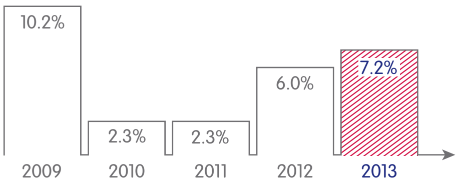
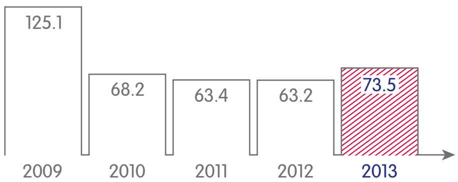
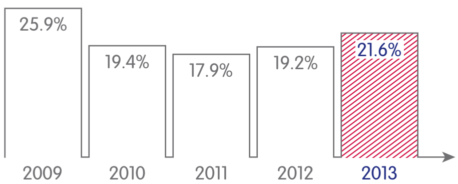
KPI	Why it's important to our strategy	FY2013 Target	How we've done	Achieved
Improving customer service	We recognise that great customer service is a key factor in ensuring that we deliver an optimum level of new and repeat business.	Depot service score 90.0% Calls taken 90.0% Kit in available status 75.0% Perfect working kit 94.0% Perfect invoices 95.0%	Depot service score 91.9% Calls taken 90.5% Kit in available status 78.5% Perfect working kit 95.6% Perfect invoices 97.2%	✓
Fleet available for hire	The level of available assets for hire is fundamental to providing the optimum level of service for our customers, ensuring that we have the right product in the right location at the right point in time.	7.5% improvement in pre-hire testing downtime	26.7% improvement in pre-hire testing downtime	✓
Influencing our people	We must ensure that skills and experience are retained within the business and attract new employees, providing the workforce of the future.	Employee engagement score of 69%	In FY2013 we achieved 75%	✓
Keeping people safe	We recognise that we and our customers work in some of the UK's most dangerous industry sectors and therefore we have a responsibility towards keeping people safe.	0.09 accidents per 100,000 hours worked	In FY2013 we achieved 0.09	✓
Impact on climate change – CO_2e per capita	We recognise we must play our part in the low-carbon economy, create efficiencies within our business and be a responsible business to invest in, work for and do business with.	7.5 tonnes	In FY2013 we achieved 6.95 tonnes*	✓

* Figure excludes hazardous waste. Electricity consumption for March 2013 is estimated due to final figures being unavailable at the time of print. Number of employees used in calculation is 3,460 based on UK employees only (excluding Ireland and MENA).

Resilient performance through challenging cycles
continued



Financial KPIs – Profit and loss

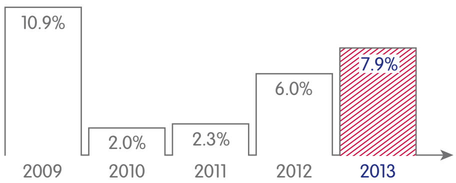
KPI	Why this KPI is important to our strategy	How we've done	FY2013 performance
Revenue £m	Revenue is a measure of the amount of work we are undertaking in support of our customers. Our focus on the 'right' customers in the 'right' markets seeks to generate sustainable, profitable revenue.		£340.4m Underlying* revenue increased by 4.3%
EBITA# £m	EBITA is a measure of the profit we generate from our revenue. Our commitment to customer service improvements combined with improvements in the efficiency of the operating model generate growth.		£24.4m Progressive improvement in EBITA# has continued with year-on-year growth of 24.5%
EBITA# **margin** %	This KPI brings together the revenue and the profit to measure how successfully Speedy is maximising the return from the revenue generated.		7.2% Recovery of margins continues towards historical peaks
EBITDA# £m	EBITDA is a measure of operating return before depreciation charges. For an asset-rich business such as Speedy, depreciation is one of the key cost lines.		£73.5m Progressive improvement in EBITDA# has continued with year-on-year growth of 16.3%
EBITDA# **margin** %	EBITDA margin measures the profit before depreciation generated from the revenue. Improvements are derived from generating more value from the revenue either through operational efficiency or by improvements in the quality of the revenue.		21.6% Recovery of margins continues towards historical peaks

Financial KPIs – Balance sheet

KPI | **Why this KPI is important to our strategy** | **How we've done** | **FY2013 performance**

Return on capital employed# %

Return on capital employed is the key measure of how well Speedy is delivering a return based on the capital being used within the business. Our calculation is EBITA# divided by the average of our opening and closing capital employed (where capital employed is shareholders' funds plus net debt).

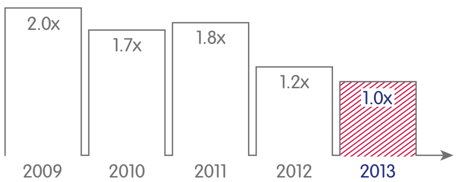


7.9%

Continued improvement driven by judicious investment delivering improving profits

Net debt to EBITDA#

This KPI provides a measure of the amount of net debt within the business, and how this relates to the earnings.

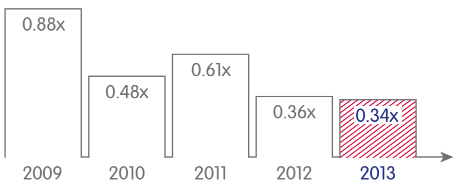


1.0x

Net debt continues to fall and at 31 March 2013 was 1.0x EBITDA

Net debt to hire fleet

Speedy is an asset-rich business, with significant investment in the hire fleet. The value of net debt is measured against the level of this investment to assess the appropriateness of the Group's capital structure.

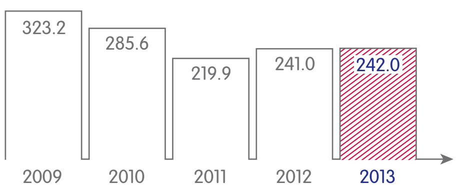


0.34x

Net debt remains low at only 0.34x the hire fleet value

Net book value of property, plant and equipment £m

Our asset base, and particularly our hire fleet, is the core revenue generator within the business. Whilst we seek improvements in our use of capital, a high-quality asset fleet is key to our customer offering.

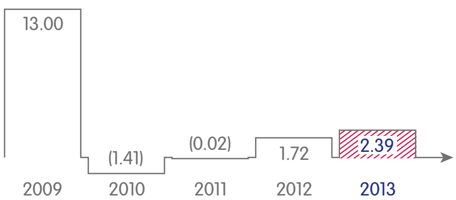


£242.0m

Investment in the hire fleet continues to be made and was offset by a reduction in non-hire fleet fixed assets

Earnings per share# pence

Earnings per share is a measure of the return generated for each holder of an ordinary share. It is a key metric used by our investors in assessing whether we are delivering a suitable return.



2.39p

Earnings per share# has increased by 39.0%

* Excluding the accommodation operation disposed of in April 2011.
\# Before amortisation and exceptional items.

Chairman's statement

Focusing on leadership and effectiveness

Strategy and performance

Following our return to profit in FY2012, we are encouraged that we have been able to build on this result and report a strong improvement in adjusted profit before tax for FY2013. We have maintained tight control over cash and the cost base and remain committed to our strategy of building profitability despite the continued challenging economic conditions.

Our results are a reflection of our self-help measures and focus on strengthening and differentiating our business. We have continued to move into a wider range of customer segments and to target those market sectors where we see opportunities for growth. We have broadened customer offerings by developing our support services to complement our hire of assets and we have grown our International operations.

We have undertaken an extensive exercise to communicate our strategy to all employees. We have steadily and selectively refreshed our fleet, judiciously invested to improve our IT infrastructure and refined our property portfolio. During the year we also extended the Group's £220m asset-based revolving credit agreement with our syndicate of six banks by a further seven months through to August 2015. We are pleased to receive this extended support from our syndicate members.

The Group's profit before taxation, amortisation and exceptional items was £16.8m (2012: £12.4m). The profit after taxation, amortisation and exceptional items was £8.7m (2012: £1.7m). Revenue for the year to 31 March 2013 was £340.4m (2012: £329.3m). Underlying* revenue for the year to 31 March 2013 of £340.4m was 4.3% above the prior year period (2012: £326.4m).

Our gross margin declined to 65.8% (2012: 67.1%), reflecting the increase in our managed services activities. EBITA (before exceptional costs) increased to £24.4m (2012: £19.6m) with net cash flow generated from operating activities amounting to £17.9m in the year (2012: £17.7m). Return on capital was 7.9% in the year ended 31 March 2013 and compares to 6.0% in the prior year period. We have reduced net debt from £76.3m at the beginning of the year to £72.4m at 31 March 2013, a 5.1% decrease.

"Our results are a reflection of our self-help measures and focus on strengthening and differentiating our business."

Ishbel Macpherson
Non-Executive Chairman

Dividend

We remain committed to a progressive dividend policy as markets recover, but are careful in our approach to cash. The Company paid an interim dividend of 0.22 pence per ordinary share on 25 January 2013, an increase of 10% over the interim dividend of 0.20 pence per ordinary share paid in January 2012.

The Board is recommending an increased final dividend of 0.31 pence per ordinary share (2012: 0.26 pence), reflecting confidence in our continuing progress. If approved by shareholders at the forthcoming AGM, the final dividend will be paid on 14 August 2013 to all shareholders on the register on 14 June 2013 and will bring the total dividend for the year to 0.53 pence per ordinary share.

Governance and the Board

We remain committed to the highest standards of corporate governance. Details of our structures, policies and procedures, including those relating to the role and effectiveness of the Board and compliance with the UK Corporate Governance Code, are set out in the Corporate governance section on pages 36 to 45.

During the year we enjoyed a stable Board. This follows a period during FY2012 when two new Directors joined our Board of seven and we appointed a new General Counsel and Company Secretary. We believe that this period of stability and continuity, together with our determination to improve our effectiveness, has been beneficial.

Our people

This has been a challenging year for our people and the results achieved and confidence we have in the future would not have been possible without them. During the year they have delivered both improved results and implemented strategic projects. On behalf of the Board I would like to recognise their pivotal role in our progress and personally thank Steve Corcoran and all of our people for their contributions, hard work and commitment.

Outlook

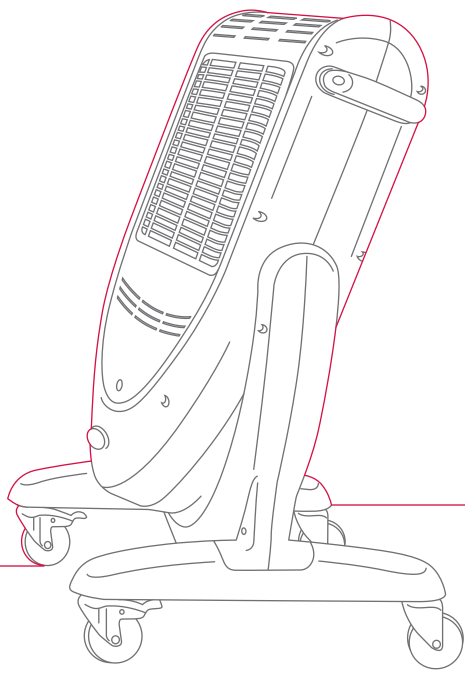
Our strategy and actions have been instrumental in generating this year's momentum and have laid the foundations for future growth. Given the uncertainty in the economy we will continue with our disciplined approach to investment and the cost base to ensure that we are well placed for the future.

Our market-leading position and strong cash flow have positioned the Group to take full advantage of any market upturn and although there is still uncertainty in the economy, and the UK construction sector in particular, we are confident that the actions we have taken have increased our resilience and given us a solid platform upon which to build.

Annual General Meeting

The AGM will be held at the offices of Addleshaw Goddard LLP at 100 Barbirolli Square, Manchester M2 3AB on 18 July 2013 at 10.00am. I look forward to seeing you there.

Ishbel Macpherson
Non-Executive Chairman



* Excluding the accommodation operation disposed of in April 2011, revenue £2.9m and EBITA loss of £0.1m.

The marketplace

What we've focused on

The UK construction industry had a difficult year in 2012, with an overall fall in output driven by lower public sector spending due to capital investment cuts across new public housing, education and healthcare. A proportion of private sector investment was also deferred, delayed or cancelled.

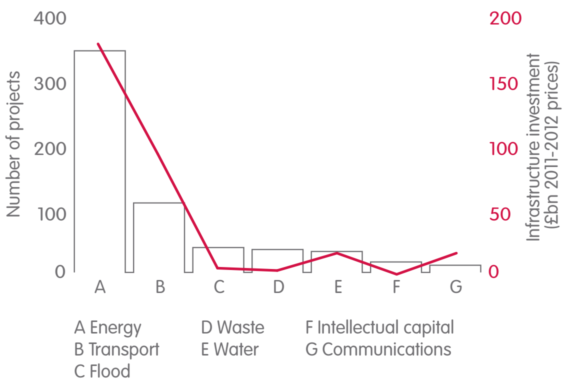
2013 will continue to be challenging although we expect there to be a number of bright spots, particularly in infrastructure and the associated subsectors of energy, road, rail and utilities. The industrial sector is also expected to provide opportunities for growth and private housing should be positively impacted by the Government's 'Help to Buy' scheme.

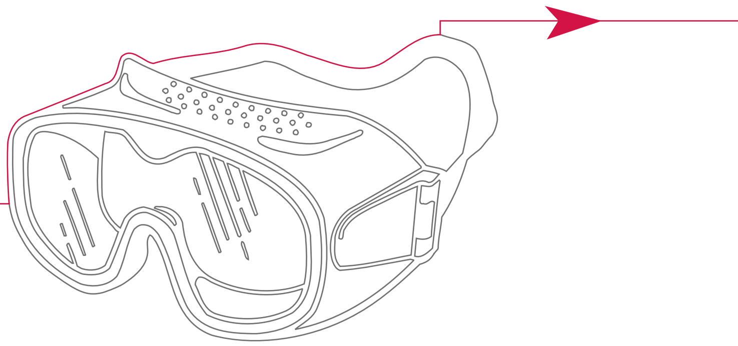
Over the longer term, construction output is expected to recover from 2014 onwards as infrastructure spending increases and the commercial sector returns to growth. Additional capital investment will also help to prevent further falls in public sector output, which accounts for one-third of total construction spend.

The UK Government's infrastructure plan and spend

- An update to the UK Government's Infrastructure Plan was published in December 2012.
- Average annual infrastructure investment has increased from £29bn a year (2005-2010) to £33bn a year (2011-2012), driven by increased investment in energy and transport.
- The infrastructure pipeline now consists of more than 550 projects worth over £300bn to 2015 and beyond. This is an increase of over £45bn in real terms over the pipeline in 2011.

Infrastructure investment pipeline

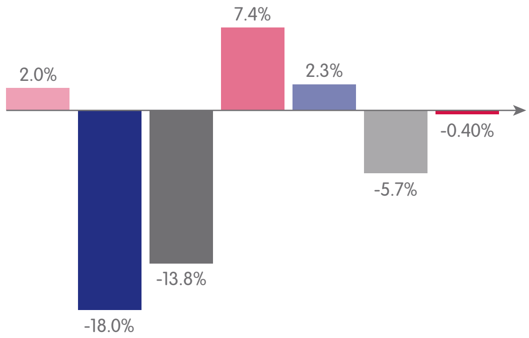




UK construction industry output

2013 forecast growth by sector

Total construction output fell in 2012. It is expected to contract further in 2013, although there will be some areas of growth.



Source: Construction Products Association

- Private housing
- Public housing
- Public non-housing
- Infrastructure
- Industrial
- Commercial
- Repair and maintenance

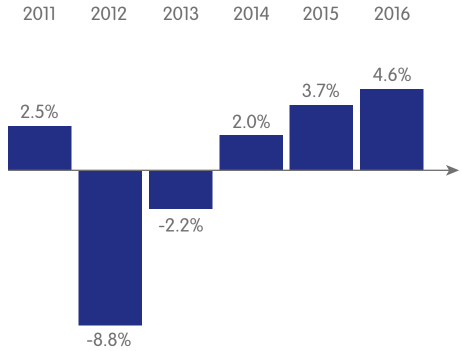
Infrastructure will provide the greatest opportunities with significant activity and considerable capital expenditure on large projects in utilities, transport and energy.

Sizeable investment will continue in the industrial sector, particularly within natural resources and manufacturing.

Private housing starts are expected to rise in 2013.

Construction output (% growth)

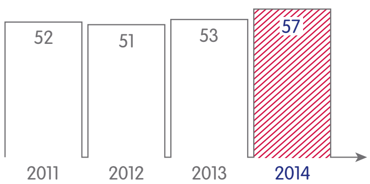
Beyond 2013, forecasts suggest modest growth driven by a strengthening private sector and recovering public sector.



Source: ONS, Construction Products Association

Forecast growth of top 100 construction firms £bn

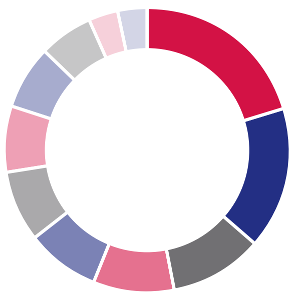
The top 100 construction firms continue to get larger each year. Total turnover for this group is projected to rise by 4% in 2013 and 7% in 2014.



Source: Experian CN Top 100

2012 construction output by region

There continues to be a bias towards activity in London and the South East.



- London 20.5%
- South East 16.0%
- East of England 10.5%
- North West 9.1%
- Scotland 8.4%
- South West 8.0%
- Yorkshire & Humberside 7.5%
- West Midlands 7.2%
- East Midlands 6.1%
- Wales 3.4%
- North East 3.2%

Source: Experian

International infrastructure spend and opportunities

Market summary

> Gulf Cooperation Council project awards scheduled for 2013 include US$32bn in utilities and US$50bn in oil and gas.

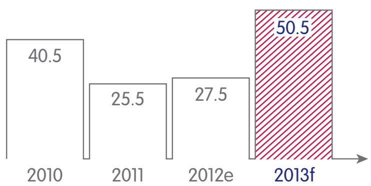
> Key projects include US$14bn fourth refinery in Kuwait and BP's US$15bn Khazzan tight gas scheme in Oman.

> Saudi Arabia is the largest market in the region and the UAE is the second largest. They are expected to grow by 7.5% and 4.8% respectively in 2013.

> The UAE benefits from significant public spending, a growing tourism sector, increased foreign investment and an improved business environment.

> The outlook for the infrastructure sector in Qatar is bullish.

Major Gulf Cooperation Council oil and gas awards (US $bn)



Source: MEED

Our unique business model

Q: Why do clients choose Speedy?
A: To reduce risk

Types of risk

- **Capital risk**
  Avoiding the cost of capital from purchasing assets and the balance sheet and cash flow impact this has.
- **Operating risk**
  Associated with the effects this has on fixed operating costs, especially in respect to property, people and logistics.
- **Legislative and compliance risk**
  In respect of health and safety and environmental matters and the possible consequences such as fines, increased insurance premiums, being precluded from future tenders and damage to reputation.

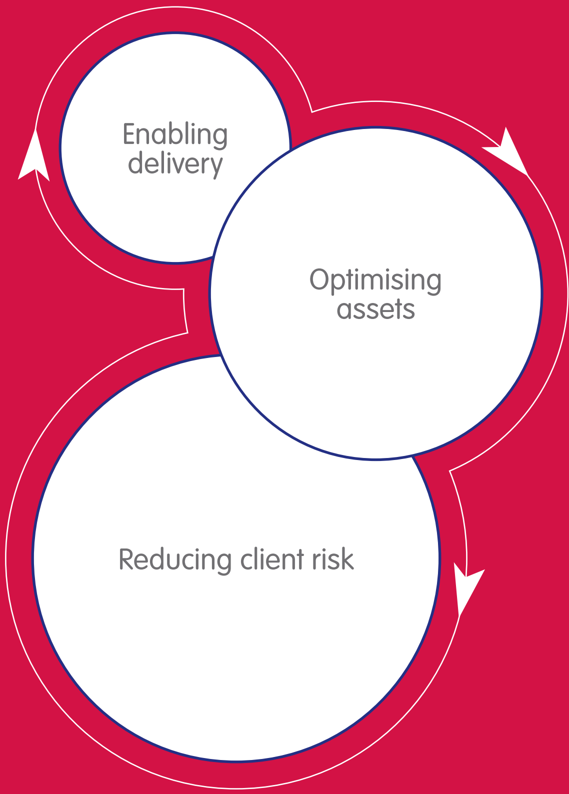
Our clients

Our clients range from international market listed companies through to SMEs working across a whole range of industries.

Contractor clients
We provide our market-leading range of tools, equipment and support services to some of the largest contractors in the UK and internationally, including Balfour Beatty, Carillion and ESNAAD in the Middle East.

End-user clients
In the same way as for our contractor clients, we provide our integrated products and services directly to clients who have their own direct workforce, including Tesco, Whitbread and most recently National Grid.

The Speedy value proposition
Helping clients manage risk



Why clients choose Speedy?

Clients choose Speedy to take advantage of our integrated solutions to reduce their risk. By allowing Speedy to manage elements of clients' non-core provision, Speedy makes it easier, safer, better, faster, more cost-effective and more efficient for clients to manage their core businesses, reducing their risk and enabling their delivery.

Organised for growth

To maintain our steady progress, our business model is focusing on increasing our market share by driving new revenue opportunities in high growth markets and sectors. We are investing in our strategy by putting more resource into our tenders and bids process within these markets. We are strengthening the sector sales teams and have supported this with recruiting the expertise of dedicated sector and client-facing business development directors to continue building inroads to these markets.

Our integrated services offer

Rental
UK's leading provider of integrated equipment rental and support services to a broad range of clients across the infrastructure, industrial, construction and events markets.

Training
We aim to help all our clients work efficiently and safely throughout their organisations. Our experience within many different industries and expert knowledge of tools and equipment enables us to deliver over 200 safety and skills training courses.

TRIM
We are responsible for testing and inspecting over 120,000 of our customers' assets across 4,000 sites nationally, carrying out an impressive 200,000 inspections a year in disciplines such as lifting, electrical, mechanical and building services. In addition we provide repair and maintenance services to improve the reliability, safe use and performance of clients' equipment, to help reduce the risk of equipment failure and downtime.

Partnered services
To ensure that we can provide an extended range of products, we have strategic partners who supply partnered services facilitated, managed and delivered by our team as part of our overall service offering.

Sales
In addition to rental, we also provide thousands of tools and products for sale directly to our clients, who work across a host of construction and industrial trades.

Market focus

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

Industrial
Supporting manufacturing, specifically fast-moving consumer goods, transport and technology, as well as mining, and the oil and gas industry (both onshore and offshore).

Construction
Working with central Government departments and local authorities to support both new build and housing stock repair and maintenance.

Events
Delivering integrated services to the events market covering sports, music, entertainment, trade shows and exhibitions.

Sector focus

Water
The water sector faces many challenges in terms of reducing leakage and replacing antiquated infrastructure in an efficient and cost-effective manner, taking into account capital and operating costs for the next Asset Management Planning cycle.

Waste
There is an ongoing focus on balancing the books versus the recycling/landfill challenge. Businesses and councils alike are faced with difficult and increasingly complex decisions regarding the growing waste conundrum.

Energy
The global problem focused on scarcity, limited resources, and a green future provide challenges for the UK. Finding sustainable and efficient solutions to ensure that the lights don't go out, whilst growing the UK economy is a key priority.

Transport
The UK Government is future-proofing the infrastructure networks to provide safe, fast and efficient networks to cope with ever-increasing commuter volumes, and attracting inward investment to compete on the world stage as a world-class hub for growth.

Our unique business model
continued

Fit for purpose

Our unique business model is focused around transforming Speedy into an integrated services company, fit for purpose and organised for growth. Being fit for purpose reflects our ongoing intent to streamline our people, our processes and our technology to continually drive service excellence and operational effectiveness. Clients expect increasingly high levels of service, consistency, reliability and efficiency in their dealings with Speedy. Our fit for purpose approach ensures that we constantly challenge the way we operate to drive increasingly high standards for our clients. This is demonstrated by our client feedback measures, provided to us directly from our clients, which averaged over 94% satisfaction for FY2013.

Channels

Catalogues
We distribute 100,000 catalogues direct to clients and to our depot network, categorising and detailing every product in our market-leading range.

Website
As well as the facility to search and order our products and services online, our website enables clients to create accounts that track, modify and monitor their orders in real time.

Depot network
We have the largest network of depots in the UK with over 260 nationwide. Our depot staff are highly trained and expert in delivering excellent client service and technical advice.

Direct sales force
With a sales force of around 200 people, we are able to build solid relationships with our larger clients, from medium-sized regional businesses to international organisations.

Investment

Technology
We are implementing technology solutions and systems that enable us to deliver services to our clients in a more controlled and cost-effective way. Information services are vital in the transformation of Speedy into an integrated services company, and our strategy of streamlining our systems will continually drive service excellence and operational effectiveness.

Fleet
Our assets are serviced, tested and maintained to the highest standards. We invest to provide effective levels of availability across our depot network, driven by our target markets and our client needs. We invest in those products which offer the greatest innovation and improved safety for both our employees and our clients, and where we are able to demonstrate an improvement in our impact on the environment, coupled with efficiency and cost savings.

Property
Our property estate continues to evolve with the continuation of the superstore roll-out programme, including six superstores opening during FY2013. As well as reflecting the changing needs of our clients, our implementation of the network strategy and delivery of superstores and multi-service centres is focused on continuing to provide the business with flexible, standardised, modern premises that save energy and reduce our impact on the environment.

People
We are aligning roles to ensure they deliver service excellence. We have upgraded recruitment methods to add quality people to our teams and invested in training and leadership and management development to drive standards. In addition we are unlocking discretionary effort by making Speedy an increasingly great place to work – our employee engagement score has risen from 69% to 75% in FY2013.

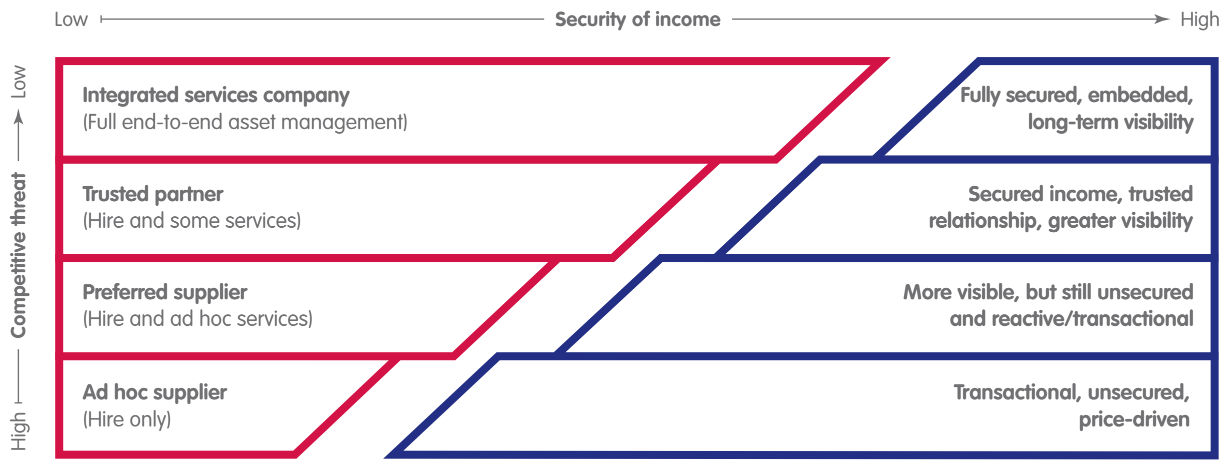
Creating value

How we're creating value

Building an integrated services company

- Embeds us deeper with key clients
- Secures long-term, transparent revenues from valued clients
- Generates rather than consumes cash
- Provides capital for investment
- Delivers a higher return on capital employed (ROCE)

Higher value proposition



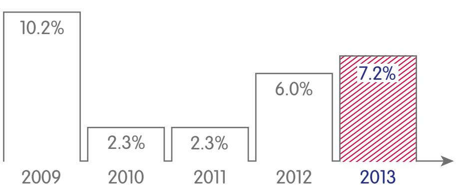
Key KPIs

EBITA* margin

7.2%

Objective:
EBITA* margin of 10% by December 2014

EBITA* margin has increased from 6.0% for FY2012 to 7.2% for FY2013 and Speedy remains on track to achieve the 10% target by December 2014.

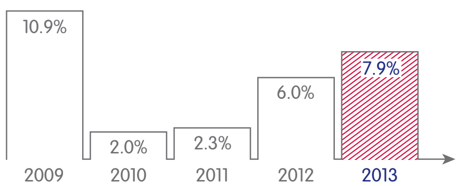


Return on capital employed (ROCE)*

7.9%

Objective:
ROCE of 10% by December 2014

Progress during FY2013 has continued with ROCE increasing by 190bps during FY2013. Speedy remains on track to achieve the 10% target by December 2014.



* Before amortisation and exceptional items.

Chief Executive's review

How Speedy is moving forward

Overview

I am pleased to report another year of good progress for the Group. Underlying* Group revenue for the year to 31 March 2013 increased by 4.3% to £340.4m whilst the corresponding adjusted# profit before tax increased by 35% to £16.8m. The performance is all the more encouraging when considering that prevailing market conditions continued to be difficult. UK GDP was relatively flat at +0.2% and output in UK construction, our largest market, fell by 8.8% in the year to December 2012.

Despite these challenges we improved operating margins across the business. The Group's operating# margin increased to 7.2% from 6.0% in FY2012; in the UK and Ireland it increased to 9.7% from 8.7% and in our International division, which is in only its third year of existence, it rose to 4.2% from an operating loss in FY2012. These improvements, along with the continued progress in ROCE up to 7.9% from 6.0% in FY2012, provide us with encouragement that we are on track to attain our interim targets of 10% EBITA margin and a 10% ROCE run rate by the end of calendar year 2014. However we acknowledge that, whilst we have made good progress, there is still work to do.

A key component of our success has been the continuing focus on the more sustainable infrastructure and industrial markets. At year end we had a revenue split of 49% from construction, 28% from infrastructure and 14% from industrial (the 9% balance being across a number of different activities). This maintains the progress from FY2012 when we had 52%, 27% and 13% respectively. As a business we are now significantly less dependent upon general construction than we were in FY2010, when construction represented 65% of our revenue.

"Our performance this year highlights the work that we are doing in delivering on a consistent strategy across the Group. We will continue to take actions aimed at ensuring that we make further progress even within the current challenging economic climate."

Steve Corcoran
Chief Executive

Not only are we better positioned in our end markets in the UK but also, through the continuation of the strategy started in 2010 to extend our business internationally, we are less dependent on the UK market place with 7.1% of our business now derived from non-UK activity, up from 5.1% in FY2012. The drive towards secured revenues has also seen positive progress and the business now has £87m of contracted revenues and derives 28% of its turnover from service-based activities.

Trading conditions in the UK have remained challenging. In response to this difficult economic environment, we have further reduced our cost base, with a further decrease in headcount of 3.9% and in our transport fleet of 5.6% year-on-year, whilst delivering a 1.9% increase in underlying* UK revenue. We have continued the remodelling of our estate reducing UK depot locations by 19 as we have continued our move towards a three-tiered distribution model of MSCs (multi-service centres), superstores and express stores. At the year end we had two MSCs, 22 superstores, and express stores available throughout the UK.

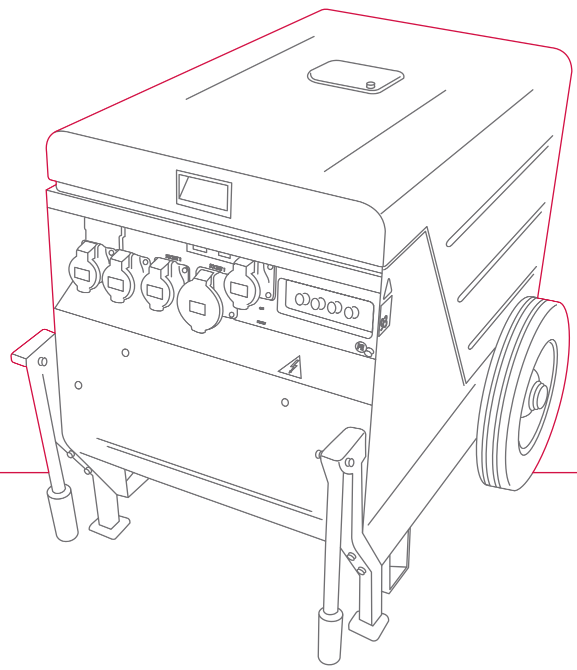
This year we have also been successful in securing a number of managed services contracts, vindicating our position of developing a service-based offering. These contracts incorporate a number of additional services e.g. training, TRIM (test, repair, inspect and maintain) and partnered services, which enhance our overall asset management capabilities whilst providing our clients with better risk management. A major highlight was the award of a three-year (with options to extend) managed services contract from the National Grid. This followed the managed services contract awarded to our International division of a five-year, $50m contract to support ZADCO's UZ 750 project at Abu Dhabi's Upper Zakum Oilfield; both contracts are further detailed on pages 22 and 23. Other significant awards received during the year include a three-year agreement (with options to extend) with Peel Ports in support of Liverpool docks and their Liverpool Two deepwater harbour project; the renewal of our contract with BAE Systems at HM Dockyard, Portsmouth; a five-year trading agreement with BAM Nuttall and a two-year agreement with J Murphy & Sons, all of which demonstrate our differentiated proposition.

* Excluding the accommodation operation disposed of in April 2011, revenue £2.9m and EBITA loss of £0.1m.
# Before amortisation and exceptional items.

Strategy and key priorities for FY2014

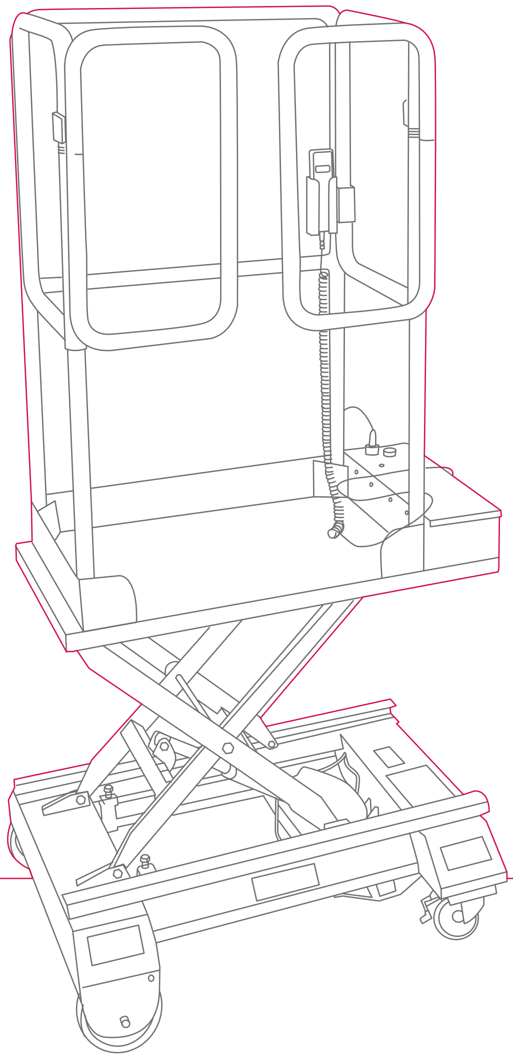
Our growth strategy is to transform Speedy from a supplier-based 'hire company' into an integrated services company. Our research has identified that high-volume users and large clients choose to hire, as opposed to own, assets in order to reduce their risks. As further detailed on page 12 these include clients' capital, operating and legislative and compliance risks.

Based on the premise that hire alone does not fully eliminate or solve these risks for our clients, we aligned our offering with additional services of training and TRIM. Training can reduce mis-use of hired equipment and help avoid loss of production, damage to property and personal injuries. TRIM recognises that it may sometimes be more economic for a customer to buy, rather than hire, an asset and addresses the need (whether for owned or hired equipment) for any asset to be properly tested, repaired, inspected and maintained so that it remains safe and productive. There follows from this a further requirement for hire to maintain productivity whilst an asset is out of commission when undergoing testing, servicing, repair or maintenance. This cycle of service capability – hire, training, TRIM and back to hire – is what differentiates our business from a standard hire offering and establishes Speedy as a recognised services company.



Chief Executive's review
continued

Pure hire companies also tend to be asset-specific, requiring clients to manage multiple suppliers, which fragments their purchasing power, incurs additional administration and processing costs and dilutes their capability to establish consistent service standards. In response we devised our partnered services offering where, in addition to providing our own assets, we can manage the client's own assets and source whatever else the client needs, thus reducing administration, consolidating purchasing power and providing the framework for consistent service standards.



This fully integrated services model is best suited to the high-volume users, who have consciously decided to hire rather than own and who more fully understand risk profile. It is therefore more attractive to the major contracting and engineering groups and the large manufacturing and industrial organisations. That is why we have consistently stated since 2010 that we will target deeper relationships with major users and position ourselves as a client and market-facing organisation; one no longer structured by specific asset type or geographic region.

The successful implementation of this strategy is dependent upon it being understood and embedded within our organisation. To assist in this we have developed, in association with our advisers, The Georgia Group, a leadership message which has been consistently communicated across the business. The details of this are represented on page 2. Evidence of our success in this objective is provided by our most recent internal 'People Matters' survey which has produced a 75% engagement score, and more impressively, a 90% strategy recognition score.

Sustainability

With sustainability an ever-increasing issue, Speedy has developed its One Plan programme. One Plan integrates all operational issues to seek and source more sustainable solutions. This has included the creation of over 100 GO (green option) products which provide clients with the option to choose products that offer an environmental benefit, such as more energy-efficient/less pollutant products. I am pleased to announce that Speedy was recently awarded Platinum status in the Business in the Community (BITC) CR Index and in recognition of our commitment to sustainability we were recipients of the Jaguar Land Rover/BITC 'Big Tick' award for Marketplace Sustainability Leadership and short listed for the national awards to be held on 2 July 2013 at the Royal Albert Hall.

Of course sustainability includes safe practices and at Speedy we recognise that both our clients and ourselves operate in potentially hazardous environments. As such our commitment to health and safety is total and driven by a culture of continuous improvement; this is evidenced by Speedy's five calendar year safety record, where we have seen MAFR improved by 64% from 0.14 to 0.05, our RAFR improving 16% from 0.71 to 0.60 and our AAFR improving by 31% from 6.30 to 4.36. All frequency rates are calculated in a consistent manner, using a stringent measurement of number of accidents x 100,000/(number of hours worked). We consider this to be an encouraging performance when considering the broad breadth of industries and activities in which Speedy is engaged e.g. construction, process engineering and industrial services. However work can and must be done to improve them further.

Our people

All organisations are dependent upon their people. They need to attract, retain and develop quality individuals. There must therefore be an environment where people feel valued and safe irrespective of race, religion, colour, gender or sexual orientation.

Speedy is proud of its people, they are one of our 'pillars' and are an integral part of our differentiation; they represent our 'Spirit', the way we do business. We could not have achieved the success in transforming our business without their dedication, hard work and commitment and on behalf the Board, our shareholders and our management I thank them.

We measure the engagement of our people and have done every year since 2007. We do this through a comprehensive, company-wide and independently audited People Matters survey. I am pleased to report that every year since its inception that report has shown continual progress and our performance this year is no different. Key scores in engagement, living our values (spirit) and leadership, particularly around our updated strategy, have all shown positive improvement. Our people particularly like the work they do at Speedy and see real evidence in us operating in a Safe environment. This provides confidence that 'Speedy is a good place to work', and although we cannot yet claim to be 'a great place to work', we are working on it.

Our succession planning has provided greater transparency and confidence in our talent pool. This has been advanced through our internal talent management and personal development programme. Despite the economic challenges investment in training has been maintained reflecting our drive to ensure we continue the progress in developing our people to become the best in our industry.

Outlook

We continue to trade in uncertain times. However, whilst the expectation for UK construction is for another year of declining activity, we are increasingly confident in our ability to secure business in our target markets of social and economic infrastructure where growth is more predictable.

Our strategy of developing deeper positions with the major users of hired equipment not just in construction but particularly in the industrial and infrastructure markets, is proving successful and especially through our managed services proposition; the success of this differentiated model is evidenced by our recent awards from the National Grid, ZADCO and Peel Ports.

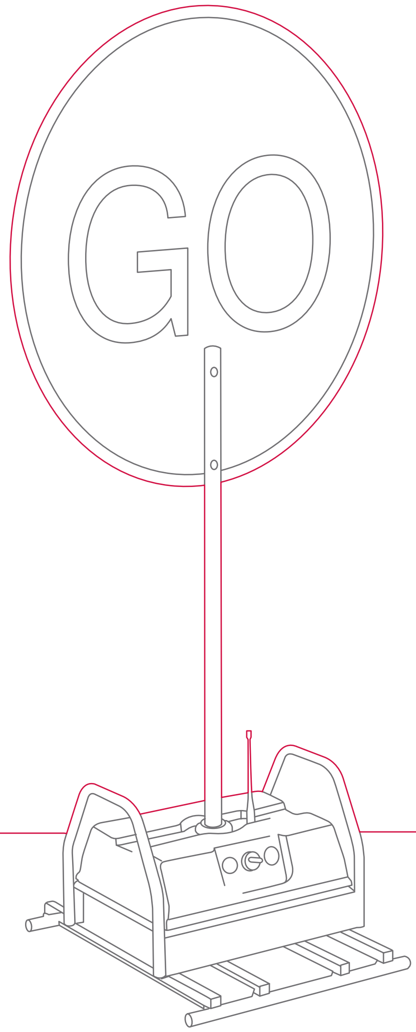
Our International division, which has only existed for three years, continues to build scale in supporting international oil and gas and infrastructure projects. It will become an increasing net contributor to Group earnings over the years ahead, as will our non-hire, service-based operations in the UK.

Therefore, whilst the short-term outlook for UK construction remains challenged and overall UK economic activity subdued, our market-leading position, differentiated proposition and diversified model, underpinned by a strong balance sheet and secure finances, provides confidence that we will deliver another year of progress.

Steve Corcoran
Chief Executive

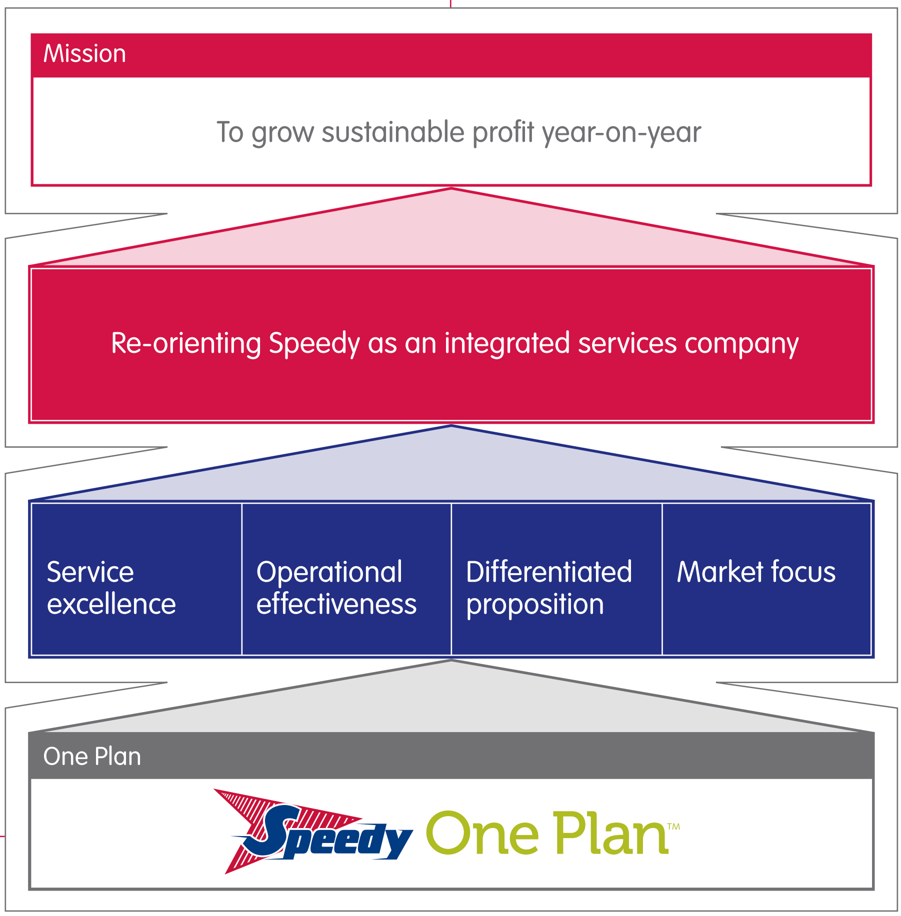
Our strategy

Forward momentum



Strategic focus

Strategic focus	Risks to strategy	Actions for FY2014
1. Service excellence	Failure to extend the existing service excellence offering as we develop additional integrated services could damage our credibility as an integrated services provider.	> A national 'One Way' training programme is being launched in spring 2013, followed by a further national training programme in winter 2013. > Our IT platform now provides 'pre-hire examination' mandatory safety checking which enforces product safety and reduces client downtime.
2. Operational effectiveness	Failure to drive forward planned operational improvements could adversely affect our financial performance.	> We are planning further enhancements to our property portfolio in line with significant logistics improvements to deliver measured improvements in asset turn and quality. > We delivered a number of internal structural changes during April 2013 to optimise our management structures, allowing faster and more responsive decision-making at a lower cost.
3. Differentiated proposition	Clients will continue to focus on our core hire offering and not appreciate the value in an integrated services proposition.	> We are continually refining our sales and marketing activity. We have just launched our first integrated services brochure and we are continuing to invest heavily in sales development. > We are recruiting new Partnered Services partners to extend our range of integrated services offering. > We are rolling out an updated IT platform during FY2014 which should offer significant integration opportunities for our extended supply chain.



Strategic focus	Risks to strategy	Actions for FY2014
4. Market focus	Speedy is not yet an established name in some of the key markets we are targeting. This and the associated specialist knowledge and skills required to service these markets could adversely affect our ability to penetrate these markets.	> We have recruited four Business Development Directors with intimate knowledge of key target markets to expand our knowledge of client requirements, on which we will then build a sustainable business development plan, supported by appropriate personnel, skills, training and product investment.
5. One Plan	The commercial benefits and opportunities that One Plan creates are not understood and therefore not maximised.	> An internal and external communications campaign is planned for the first half of FY2014 to ensure that everyone internally and externally understands what One Plan is, how committed we are as a business to it and why we invest in programmes such as this.

Our strategy in action

National Grid

National Grid owns and manages the grids to which many different energy sources are connected. In Britain they run systems that deliver gas and electricity across the entire country.

On 18 March 2013, Speedy signed an inaugural contract with National Grid to provide a fully managed services contract for plant and machinery, incorporating Speedy products and partner ranges until 2016 with the possibility of two annual extensions through to 2018. The contract, potentially worth £30m over five years, covers National Grid's five gas distribution networks, its gas transmission network and its electricity transmission network in England and Wales. It will be serviced by a centralised team of dedicated personnel at Speedy's headquarters. National Grid awarded the contract on the strength of Speedy's innovative approach, combined with its best-in-class breadth of equipment offering.

BAE

BAE Systems is a global defence, aerospace and security company with products and services covering air, land and naval forces, as well as advanced electronics, security, information technology and support services. Speedy has agreed a new three-year framework contract with a two-year option to provide a wide range of products and services including access, communications, plant, power, traffic and training to BAE's naval base in Portsmouth.

London Bridge

In January 2013 Speedy signed a preferred arrangement with Costain covering the Network Rail London Bridge project in south east London. The project lasts until 2018, and Speedy has an opportunity to supply the contract for the duration. Speedy has a dedicated member of staff on site, who facilitates the provision of products and services including TLS, power, training, rail, TRIM, sales and plant. Speedy won the supply agreement ahead of the competition due to its presentation of its wide range of products and services, enhanced service levels and commercial suitability to the project.

Peel Ports

In January 2013, Speedy signed a three-year contract with Peel Ports, the second largest group of ports in the UK. Peel Ports is strategically located to serve the whole of the United Kingdom. With five major gateways, it handles a broad spectrum of international trade amounting to more than 65m tonnes of cargo a year. Speedy's framework agreement is being implemented in two phases. Phase 1 begins with servicing Peel Ports Mersey division in the North West. Once the concept has been embedded there, phase 2 will roll out across the Peel Ports group on a national scale, with Speedy providing its entire product and service portfolio. The contract was won based on the unique breadth of services that Speedy offers, enabling Peel Ports to strategically benefit from the broader service delivery, quality and commercial positioning that Speedy can provide.

ZADCO

The UZ 750 project is one of the largest offshore oilfield development projects in the Middle East. Operated by ZADCO, a joint venture between Abu Dhabi National Oil Company (ADNOC), Exxon and Japan Oil Development Company, it consists of four artificial islands which will enable advanced directional drilling techniques to increase oil production from the giant Upper Zakum field to 750,000 barrels per day.

As subcontract partner to ESNAAD, the support services arm of ADNOC, Speedy began providing logistics and asset management in support of drilling activities in August 2012. The five-year contract, which has a two-year extension option, is expected to be worth in excess of US$50m in revenues to Speedy over its initial term.

ESNAAD and Speedy are providing all island logistics and maintenance services, including stevedoring, transportation, material handling, asset management and equipment maintenance. At its peak, the contract will employ up to 400 people and require a wide range of equipment.

Group financial review

Steady focused progress, delivering results

"Against a backdrop of challenging economic conditions, Speedy has delivered a resilient performance in the UK and Ireland and improved the scale of the International division. This performance has resulted in solid progress across a number of key financial metrics for the Group, with increased revenue, improved operating margins and enhanced returns."

Lynn Krige
Group Finance Director

Group financial performance

Revenue for the year to 31 March 2013 was £340.4m (2012: £329.3m). Underlying* revenue for the year to 31 March 2013 of £340.4m was 4.3% above the prior year period (2012: £326.4m). Included in turnover were planned fleet equipment sales of £7.2m (2012: £5.1m); excluding these disposals, underlying* revenue was up 3.7%.

The Group reported EBITA of £24.4m (2012: £19.6m before exceptional costs) and there were no exceptional items in FY2013.

The Group's profit before taxation, amortisation and exceptional items was £16.8m (2012: £12.4m). The profit after taxation, amortisation and exceptional items was £8.7m (2012: £1.7m).

On a segmental basis, UK & Ireland revenue* increased 1.9% on the prior year with a corresponding increase in EBITA* of 11.8%. Key project wins in the International division led to an increase of 71.2% in revenue and £1.5m in EBITA. These figures for the segments are stated before corporate costs which are equivalent to 2.2% of gross revenue (2012: 2.3%).

	Revenue (£m)		EBITA (£m)	
	2013	2012	**2013**	2012
UK & Ireland*	**321.4**	315.3	**31.2**	27.9
International	**19.0**	11.1	**0.8**	(0.7)
Corporate costs	**–**	–	**(7.6)**	(7.5)
Total underlying*	**340.4**	326.4	**24.4**	19.7
Disposed accommodation operations	**–**	2.9	**–**	(0.1)
Total	**340.4**	329.3	**24.4**	19.6

* Excluding the accommodation operation disposed of in April 2011, revenue £2.9m and EBITA loss of £0.1m.

First half/second half-year financial performance

In the six months to 30 September 2012, the Group's profit before taxation, amortisation and exceptional items was £6.6m (2012: £4.8m). The equivalent figure for the second half-year was a profit of £10.2m (2012: £7.6m).

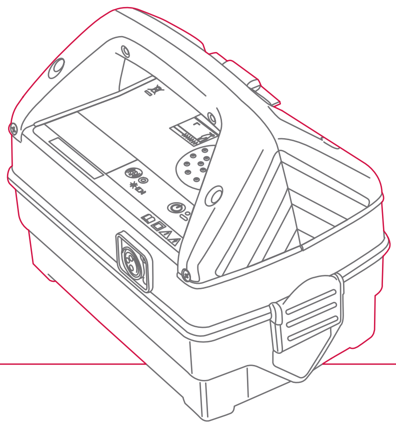
The overall Group EBITA margin (before exceptional items) in the second half-year rose to 8.2% from 6.2% in the first half-year and was comparable to 6.0% in the prior year period.

Interest and hedging

Net interest expense totalled £7.6m (2012: £7.2m before exceptional interest costs), of which £3.8m was incurred in the second half of the year.

Borrowings under the Group's bank facility are priced on the basis of LIBOR plus a variable margin, while the unutilised commitment is charged at 50% of the applicable margin. During the year, the margin payable on the majority of outstanding debt fluctuated between 2.25% and 3.25% depending on the Group's performance with respect to thresholds contained within the facility agreement's leverage covenant and the weighting of lending between receivables and plant and machinery loans. The effective average margin in the year was 2.84%. The current applicable margins are 2.25% on receivables and 3.00% on plant and machinery. This is the bottom of the margin ratchet.

The Group utilises interest rate hedges to manage fluctuations in LIBOR. At the year-end, hedges with a notional value of £55.0m (2012: £65.0m) were in place, equivalent to approximately 76.0% of net debt outstanding. The fair value of these hedges was a liability of £0.6m at year-end and they have varying maturity dates to July 2015. The incremental interest cost arising from these hedges amounted to £0.5m during the year (2012: £0.7m).



Taxation

The Group's income statement shows a tax charge for the year of £4.1m (2012: £1.5m). This corresponds to an effective rate of tax of 32.0% (2012: 31.3% pre-exceptional charges).

Tax paid in the year ending 31 March 2013 amounted to £0.3m (2012: £nil).

Shares, earnings per share and dividends

At 31 March 2013, 517.9m shares were outstanding, of which 10.3m were held in the Employee Benefits Trust.

The basic earnings per share before amortisation and exceptional items was 2.39 pence (2012: 1.72 pence). After amortisation and exceptional costs, it was 1.72 pence (2012: 0.33 pence).

The Board remains committed to the payment of dividends when prudent to do so. Subsequent to the year-end, it has recommended a final dividend of 0.31 pence per share (2012: 0.26 pence) which represents a total cash cost of approximately £1.6m. If approved by shareholders, this gives a total dividend for the year of 0.53 pence per share (2012: 0.46 pence).

Capital expenditure and disposals

Total capital expenditure during the year amounted to £69.8m, of which £59.0m (2012: £64.2m) related to equipment for hire (including £16.6m in the International division) and the balance principally to the evolution of the Group's depot network (six new superstores were opened in the year) and investment in IT.

Hire fleet holding is continually reviewed to support judicious investment in assets for the target markets and to recycle capital in low-utilisation assets from disposals. These generated disposal proceeds of £19.5m (2012: £19.4m), a profit of £3.9m (2012: £4.8m), underlining the appropriateness of the carrying value of the Group's fixed assets. The overall net capital expenditure was £49.5m (2012: £51.4m). At 31 March 2013, the average age of the fleet was estimated at 3.9 years (2012: 4.2 years).

Cash flow and net debt

Cash generation has remained positive, with net cash flow generated from operating activities amounting to £17.9m in the year (2012: £17.7m). Free cash flow (i.e. before dividends and financing activities) decreased to £7.5m (2012: £39.3m). FY2012 benefited from £33.4m net proceeds from the disposal of the accommodation hire operation. Dividend payments in the year amounted to £2.5m (2012: £2.1m).

Accordingly, net debt has fallen from £76.3m at the beginning of the year to £72.4m at 31 March 2013, a £3.9m decrease.

Gearing (net debt divided by shareholders' funds) has improved as the business continues to reduce net debt and at 31 March 2013 had fallen to 30.6% (33.2% at 31 March 2012). Similarly, net debt to EBITDA (before exceptional items) has also reduced to 0.99x (2012: 1.21x). Net debt as a percentage of hire fleet NBV has decreased to 33.8% from 36.3% as at 31 March 2012.

Balance sheet

Net assets at 31 March 2013 totalled £237.0m, a £7.5m increase on the £229.5m reported at 31 March 2012.

Net assets per share amount to 45.8 pence (35.3 pence based on tangible assets). Net property, plant and equipment was £242.0m at 31 March 2013, of which equipment for hire represents approximately 88.6%. Net debt/net property, plant and equipment of 0.30x at 31 March 2013 (2012: 0.32x) underlines the strong asset backing within the business.

Gross trade debtors totalled £83.2m at 31 March 2013 (2012: £86.0m). Bad debt and credit note provisions totalled £4.6m at 31 March 2013 (2012: £5.4m), equivalent to 5.5% of the debtor book (2012: 6.3%). The reduction reflects the improvement in debtor weeks (calculated on a count-back basis) to 8.9 weeks at year-end compared to 9.0 weeks at 31 March 2012.

Capital structure and treasury

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

In September 2012, the Group's £220m asset-based revolving credit agreement was extended by seven months to August 2015. At 31 March 2013 the gross amount utilised under the facility was £83.3m and available headroom under the facility amounted to £75.8m. Average gross borrowings against the facility during financial year ending March 2013 was £102.8m. The facility includes quarterly fixed charge cover, leverage and cash flow cover covenant tests. The Group was compliant with these tests throughout the year.

The Group will continue to maintain a tight focus on cash generation, recognising however the need to invest in order to maintain the quality of its UK hire fleet. Additionally, prudent investment will be provided to help support growth of the Group's operating infrastructure and International operations.

Return on capital

Return on capital (based on EBITA before exceptional items) of 7.9% in the year ended 31 March 2013 compares to 6.0% in the prior year period. Return on capital has benefited from increases in EBITA (before exceptional items) and a reduction in average gross capital employed which was £17.0m lower at £307.6m (2012: £324.6m).

Summary

With the Group's focus on strategic markets, targeted capital investment and rigorous control of our cost base, which is supported by the asset-based bank facility, we have a strong and stable platform to build on in FY2014.

Lynn Krige
Group Finance Director

One Plan

Our commitment to responsible and sustainable business practice

One Plan embodies our commitment to working with our key stakeholders to reduce carbon, increase efficiencies and trade safely and ethically. At Speedy, we are ready to play our part in evolving to meet a new set of social, economic and climate challenges. We will do this through:

Commercial excellence

To be recognised as a sustainable industry leader.

Environmental excellence

Minimising the environmental impact of our activities, and that of our customers.

Social excellence

Creating a positive social impact and keeping people safe.

Speedy One Plan™

Commercial excellence

The built environment sits at the centre of the UK's strategic approach to low-carbon growth and development. At Speedy we put a proactive and innovative approach to these challenges at the heart of our long-term commercial business strategy.

Challenges

The key challenge is to realise the opportunities offered by collaborative working. In the new era of 'intelligent customers', One Plan can maximise the commercial benefits for our customers, our suppliers and for ourselves, by being inclusive and collaborative in its nature. This requires new ways of working and thinking within the industry. Communicating the potential of integrated working, early engagement with the supply chain and making the right decisions for the long-term vision for any project in conjunction with our partners, marks a significant challenge but one where the rewards are high.

Actions

At Speedy we are driven to be the best we can be. Recent work on our second manifesto for industry, which outlines simple measures which we feel can help our sector address the commercial challenges presented by the requirements for low-carbon growth. A newly introduced Supplier Excellence Programme (SEP), alongside our ongoing customer engagement model, is designed to build innovation, maximise asset use and reduce risk throughout the lifetime of a project. At Speedy we will continue to communicate, share our ideas and invest our time and resources in new, more efficient, ways of working.

Results

One Plan continues to enhance our approach to collaborative working, engaging with our stakeholders, sharing best practice and looking to learn through shared expertise and experience. Our excellence in asset management is driving new levels of customer efficiency and performance. Our Green Option (GO) product range is growing significantly, with over 100 products in the range, and with demand ever increasing from our customers we are working with our suppliers on innovative products across all of our major categories.

Benefits

Speedy is already being recognised as not simply a provider of products and services, but also as a provider of solutions; a partner who adds value to our clients' aims and aspirations and understands the holistic requirements of major construction and infrastructure projects. Our brand is increasingly linked to innovation, whole-life cost management and best value.

Environmental excellence

Challenges

As with all UK businesses, Speedy faces the challenges of managing commercial growth while operating with a positive commitment to environmental stewardship. Our key challenges are how to manage, monitor and reduce our energy requirements, improve our transport efficiency and reduce waste and water consumption. Government regulation on greenhouse gas (GHG) reporting is becoming mandatory for main-market-listed companies which, alongside rising energy and landfill tax costs, provides a real incentive to do the right thing. The construction industry is thought to account for approximately 10% of UK greenhouse gas emissions, so we have a significant role to play.

Speedy has been recognised in Business in the Community's annual benchmark of responsible business management, the Corporate Responsibility Index (CR Index). The CR Index is the UK's leading and most in-depth voluntary benchmark of corporate responsibility (CR) and Speedy are delighted to be announced as a Platinum company. Platinum is only awarded to a company that integrates corporate responsibility into its business model and has clear CR responsibilities and incentive structures at board and operational levels. Platinum companies have a structured approach to data collection and social and environmental impact assessment and can demonstrate a number of years of CR performance improvement across key impacts, high level of transparency and stakeholder engagement.

One Plan
continued

Some issues are simply too big to pass on. One Plan is about meeting new commitments to safety, efficiency and sustainability.

Actions

We've measured our carbon footprint for over five years now, reporting it in our One Plan report and also through the Carbon Disclosure Project (CDP). Our major emissions are from our transport fleet, with electricity consumption our only other major carbon impact area. We are targeting reduction in both these areas through our One Plan roadmap; a series of 43 group targets which reflect our approach to sustainability. The Roadmap has ten primary KPIs covering carbon emissions per capita, average fleet emissions and targets for waste. Actions including the introduction of vehicle telematics, a depot network which maximises delivery efficiencies and a range of smaller initiatives such as 'switch off' campaigns are helping shape our approach to the environment.

A sustainability e-learning training module is also being rolled out across the business aiming to positively influence the behaviour of our people at all levels of the Group on the responsible and sustainable business agenda.

Results

Our carbon footprint, on a per capita basis, has reduced year-on-year for the last five years and the initial results of our telematics introduction has also been very positive. Recycling also continues to improve, although we recognise that we have more to do in this area and further efforts are being made to address this. The rationalisation of our depot network, to better fit the requirements of our customers, is also producing a more efficient operation in terms of our energy consumption.

Benefits

The environmental challenges we all face continue to rise in importance and are increasingly on the agenda. Our commercial programmes, including the 'Greener from the Ground Up' education and awareness programme, which takes environmental best practice to site level, our GO product range and our commitment to reducing our internal impact on the environment, reinforce the message that we take our environmental responsibilities seriously. We believe that by each person playing their part, we can make a real difference.

Social excellence

Challenges

One Plan provides the structure for the Group centrally, and our people individually, to add value to the communities in which they operate. We are facing some austere times, with limited employment opportunities and the real threat of losing the skills of a whole generation. Our challenge is to help our communities in a variety of positive ways, at a time when we all face such serious economic challenges. Our social agenda also encompasses the safety and wellbeing of our own people and customers using our equipment, and the training and skills development of our current and future workforce.

Actions

Last year we relaunched 'Safety from the Ground Up', our industry-leading health and safety communication programme, incorporating a more behavioural approach to addressing health and safety at site level. In the face of plateauing health and safety performance in the construction industry, Speedy is taking forward the findings of the Pye Tait Report on Competence in Construction commissioned by the Health and Safety Executive, which addresses 'new competencies' in our industry. We have launched this approach to our customers at events across the UK.

On the skills agenda we continue to train apprentices for future roles within the Group and have our internal 'What Good Looks Like' programme, providing all our people with the skill base to perform above and beyond the requirements of their job roles. Our training function also extends to our prison engagement programme, where a small percentage of our equipment maintenance and repair requirements are used to train inmates at four prisons across the UK. Our programme provides the opportunity for inmates to gain qualifications up to NVQ level two in Performing Manufacturing Operations. Working with like-minded companies and customers on this programme we hope over time to help reduce the level of reoffending on release.

Finally, we have long-standing relationships with charities including the Lighthouse Club, WellChild, and Habitat for Humanity. Throughout the year we also support a variety of events where individuals and teams from across the UK raise money for their own chosen charities.

Results

The relaunched 'Safety from the Ground Up' programme and our activities working with the Prison Service are investments for the long-term. We now provide training places for 200 prisoners every year through our workshops and in excess of £35,000 has been donated to charitable causes, often creating an immediate benefit for the recipients.

Benefits

The benefits to our employees and wider stakeholders are primarily the development of a safe, healthy and well-trained workforce. Our prison programme is greatly valued by our prison partners and is adding to customer engagement. However, other positive impacts can be harder to quantify and we are working with partners including Business in the Community to further research ways in which we can best measure the return on our social investment.

Our recently relaunched 'Safety from the Ground Up' education and awareness campaign focuses on the importance of understanding human factors in improving safety.

Principal risks and uncertainties

Effective management of risks

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

The Board has delegated to the Audit Committee responsibility for reviewing the effectiveness of the Group's internal controls, including the systems established to identify, assess, manage and monitor risks.

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

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

Risk description	Potential impact	Strategy for mitigation
Business continuity	Any interruption to the Group's IT systems or physical infrastructure could have a material adverse effect on the Group's business, communication, capabilities, management of projects and overall financial performance and reporting.	Preventative controls, back-up and recovery procedures are in place for key IT systems. Changes to Group systems are considered as part of wider change management programmes and implemented in phases wherever possible. The Group has critical incident plans in place for all its central UK and International sites. Insurance cover is reviewed at regular intervals to ensure appropriate coverage in the event of a business continuity issue.
Competition	The equipment rental industry is extremely competitive and highly fragmented. Many of the markets in which the Group operates are served by numerous competitors, ranging from national equipment rental companies to local independents. Some of the Group's principal competitors may have greater financial resources, be more geographically diversified in particular regions, have greater brand recognition in certain market sectors and may be better able to withstand adverse market conditions within the industry.	The Group monitors its competitive position closely, with a view to ensuring that it is able to offer its customers the best solution for their requirements. This is underpinned by a long-standing and ongoing commitment to service, safety and innovation across all product categories. Capital expenditure requirements are assessed as part of the budgeting process, and throughout the year via regular forecasts, to ensure strategic product and service initiatives can be delivered. Day-to-day capital expenditure requirements are assessed on a needs basis, with limited long-term future ordering commitments. The Group monitors the performance of its major accounts against market forecasts, strength of client future order books and individual expectations with a view to ensuring that the opportunities for the Group are maximised. Market share is measured and competitors' activities are reported on and reacted to where appropriate. The Group's strategy of moving towards becoming a fully integrated services company further mitigates against this risk.
Customer pricing	Market competition may lead to downward pressure on pricing and therefore margins.	The Group believes that high levels of customer service, product quality and reliability can significantly offset pricing discounts offered by competitors. Our strategic direction to focus on being an integrated services provider rather than purely asset hire demonstrates value to our customers and that sets us apart from price-driven competition. Authorisation protocols are in place to prevent unfavourable customer agreements being entered into and regular management reviews are established to improve visibility of pricing decisions.

Risk description	Potential impact	Strategy for mitigation
Economy	A downturn in construction/industrial activity, or a decline in the desirability of hiring tools and equipment to fulfil such activity, could reduce the prices that the Group can charge for its services and could reduce activity levels. Government expenditure is important across the wider construction industry in the UK. Any reduction in Government expenditure which is not offset by an increase in private sector expenditure could adversely affect the Group.	The Group monitors and assesses market capacity by reference to a number of external sources, together with internal data which reports customer, sector, product and geographical demand. It operates a flexible model that can react to prevailing market conditions. The Group assesses changes in both Government and private sector spending as part of its wider market analysis. The impact on the Group of any such sector reduction in expenditure is assessed as part of the ongoing financial and operational budgeting and forecasting process. Our strategy is to develop a differentiated proposition in our chosen markets and to ensure that we are well positioned with clients and contractors who are likely to benefit from those areas in which increased activity is forecast. This is underpinned by our core hire business where customers will continue to find hiring assets during a downturn more desirable than buying them. The Group has established an International business, which enables it to diversify into markets away from the UK.
Funding	Should the Group be unable to obtain sufficient capital in the future it might not be able to take advantage of strategic opportunities or it might be required to reduce or delay capital expenditure, resulting in the ageing of the fleet and/or availability issues. This could disadvantage the Group relative to its competitors and might adversely impact on its ability to command acceptable levels of pricing.	The Board has established a treasury policy regarding the nature, amount and maturity of committed funding facilities that should be in place to support the Group's activities. In line with the treasury policy, the Group's capital requirements, forecast and actual financial performance and potential sources of finance are reviewed at Board level on a regular basis in order that its requirements can be managed with appropriate levels of spare capacity. Close relationships are maintained with the Group's bankers with a view to ensuring that the Group enjoys a broad degree of support.
International	The International business is growing, which introduces a number of risks that are new to the Group.	The business plan focuses on measured growth at a steady rate, enabling a cautious approach to new challenges. The International business is led by a small expat team carefully selected for the task for their experience within the UK business, supplemented by quality external resource with experience in local tax and legislative requirements. Our expansion into each new territory is based on close relations with local partners that bring experience of working with different cultural practices and customs.
Major customer failure	No single customer currently accounts for more than 10% of revenue or receivables. However, in the event of the loss of a major customer the revenue generated by the Group could be reduced with a corresponding impact on the Group's market position and the Group could experience bad debts in respect of business already transacted.	Credit control processes are in place to monitor the potential for credit defaults and exposures. This is reported on a regular basis to the executive management team and, where necessary, issues are escalated to resolve payment issues as soon as practicable. Visibility of exposure to individual customer groups has improved significantly through the implementation of common business information and credit management systems. The management of the risk of debt default is controlled as part of the day-to-day operations of the business.
Operating costs	Failure to control potential price inflation or to make more effective use of existing resources could have a potential negative effect on financial performance.	The Group has a policy in place to negotiate supply contracts that wherever possible determine fixed prices for a period of time. In most cases, multiple sources exist for each supply, decreasing the risk of supplier dependency and creating a competitive supply-side environment. Increasingly, agreements are structured to reduce the risk of cost increases such as maintenance elements during lease or pre-determined ownership periods.
People	Failing to recruit, retain and motivate the right people could have a significant impact on the business's ability to reach strategic objectives.	Skill and resource requirements for meeting the Group's objectives are actively monitored and action is taken to address identified gaps. Programmes for employee retention and career development are tailored to the needs of the Group. Talent is nurtured through specific programmes and is aligned with succession planning, which is reviewed annually by the Board. The Group regularly reviews remuneration packages and aims to offer competitive reward and benefit packages including appropriate short-and long-term incentive schemes.
Safety	Safety is critical to the Group's operations. Failure to meet customers' safety expectations or regulatory requirements increases the risk of legal, financial and brand damage.	The Group is recognised for its industry-leading position on promoting enhanced health and safety compliance, together with a commitment to product innovation. The Group's systems, health and safety and environment teams measure and promote employee understanding of, and compliance with, procedures that affect safety. Also, customer account managers address any service and safety issues arising in respect of those customers.

UK & Ireland Asset Services

Our performance

What we do

We deliver asset management to our clients through our integrated but specialist product and service operations. We provide tailored solutions, alongside a commitment to long-term relationship management and truly understanding the needs of our customers. Whether a customer wishes to hire, repair or purchase an asset, we can support their needs and provide a specialist solution.

"Our goal is to deliver integrated solutions around our core proposition of hire, enabling our customers to reduce the risks associated with their project delivery. We will do this by providing full end-to-end contract support, either directly or via our partnered services providers, thus ensuring that we fulfil all our customers' needs, safely, reliably and effectively."

David Graham
Managing Director, UK & Ireland Asset Services

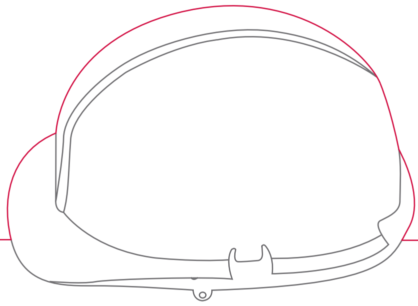
Our customers make an informed choice to outsource aspects of their business to Speedy, whether that is equipment hire, repair services or a more long-term, integrated solution involving full asset management. We aim to develop strong relationships with our customers, to ensure that we are best placed to deliver the solutions that they desire with mutually beneficial results.

In order for us to reach 'preferred' or 'strategic partner' status with customers, those customers demand that we provide quality, consistency and add value to their businesses, undertake strategic investment in fleet, have the largest operational network and an expanding range of services. We strive to deliver against these criteria and provide the offering that our customers both demand and deserve.

Our operations are grouped into five key service lines.

1. **Hire:** our largest operation, primarily comprising of small tools, lifting and materials handling equipment, light plant, power generation, compressors, pumps, surveying and specialist safety and communications equipment.
2. **Partnered Services:** a significant and growing business unit which supports our clients by providing products/assets and services not available directly from Speedy (e.g. cranes or waste management products). This service allows clients to access a broader range of equipment and services through Speedy thereby reducing their administration costs and ensuring consistency of service whilst retaining one single point of contact. It provides Speedy with the ability to create and provide a broad and bespoke package of services to the very largest clients on all projects.
3. **Sales:** responsible for the sale of personal protection equipment, consumables and other miscellaneous equipment. A core range of 270 products are available in-store for immediate delivery/collection, supported by an extended range of over 5,000 products available for next-day delivery via our depot network, direct bulk distribution or the internet.
4. **Training Services:** provides a broad range of statutory and regulatory compliance training courses. With over 200 courses available, our customers have access to a national network of training locations and skilled trainers ensuring that they not only fulfil their duties under the Health & Safety at Work Act and other applicable laws and regulations, but also secure access to our experience and knowledge in order to maximise the productivity of their workforce when using our equipment.
5. **Engineering and Project Management Services:** providing bespoke support service solutions in:

> testing, repair, inspection and maintenance;
> major industrial/petrochemical on-site and shut-down services;
> specialist rail equipment and services;
> fuel management and distribution; and
> project and event management.



Strategy

Our vision, to be the leading integrated services provider in our chosen markets, translates into four key areas of activity. These activities of service excellence, operational effectiveness, differentiated proposition and market focus drive the daily activity of the business. In practical terms, this means building strong relationships and understanding with key customers in those chosen markets and sectors, based on our unrivalled portfolio of products and services, delivered under a single managed contract. These key customers, aligned to these target markets and sectors, are capable of providing secure, transparent, longer-term revenue streams to Speedy. These four key activities are fulfilled in the following ways.

Service excellence

We regularly challenge and evolve our service delivery, investing heavily in upgrading our property network, logistics services, hand-held technology and management information systems, such as our automated pre-hire examination. These drive up the quality of our product and service delivery, improving our reliability and effectiveness and ensuring a better overall service for our customers. Our ePod is one of the most highly advanced deployments of radio frequency identification tag technology in use within the industry and we are consistently extending our use of this and other technologies across our service offering.

Operational effectiveness

We are investing heavily in developing our people, taking over 500 of our senior team through an extensive leadership development programme running throughout FY2014. We already believe we have the best trained, most knowledgeable and most innovative people in the industry, but this continued investment, combined with enhanced training and development for all our team, will further drive our operational effectiveness and strengthen our ability to respond, react and deliver to our customers' ever-changing needs.

Differentiated proposition

We continue to target and identify high-quality, reliable and strategic partners to strengthen our differentiated proposition. We continue to be selective in terms of the types of organisations we partner with, looking for businesses which share our values of As One, Safe, Innovative and Driven. This combination of like-minded partners together with our systems architecture allows Speedy to provide a unique and bespoke service offering to customers of differing sizes across our target markets and sectors.

Market focus

Our market focus within the UK and Ireland is to stay ahead of changing market conditions. We are targeting work across all our chosen sectors to reduce our reliance on the construction industry, as well as delivering secure, longer-term, transparent revenues.

Existing contracts with our largest customers continue to generate significant and growing revenues. Our top 20 customers now account for 22% of total revenues, up from 20% in FY2012.

Strong relationships continue to flourish with some of the UK's largest contractors including Carillion, Balfour Beatty, Interserve and Morgan Sindall.

Priorities for FY2014

Market conditions in FY2013 remained challenging, yet we were able to build on the stable platform created in previous years to deliver positive results. Our key targets for FY2014 are to continue to build on this good work, ensuring the effective delivery of a number of projects aimed at delivering a measurable improvement in our business performance, our asset utilisation and our overall effectiveness.

We have already returned the business to pre-downturn levels of internal efficiency and our intention is to leverage further the value in our asset management expertise by unlocking additional efficiencies within our asset handling and transportation activities during FY2014.

Specific areas of focus during FY2014 will be:

- accelerating our programme of Operational Best Practice, focused on clear, simple and consistent operational processes and procedures, measured using a balanced scorecard and targeted at ensuring consistent customer service and improved asset availability and utilisation;
- accelerating our systems development to facilitate better targeted fleet purchases in response to more accurate management information on target markets and sectors, adapting our core fleet and capabilities in line with those of our strategic partners, to serve fully those target markets and sectors;
- continuing the development of our network of depots, superstores and multi-service centres;
- advancing logistics service improvements, having completed our initial investment in 'in-cab' technology (introduced during FY2013), which is already delivering significant safety and financial benefits; and
- further growing our non-capital/asset-based services in particular training, sales, testing, repairs, inspection and maintenance and fuel management.

UK & Ireland Asset Services
continued

Our markets

Our key markets in the UK and Ireland are infrastructure, utilities, major industrial groups and construction. Market conditions within the UK and Ireland have generally remained challenging, particularly in the construction market with the Office of National Statistics reporting an 8.8% decline in 2012 with a further 2.2% decline forecast in 2013.

Commercial rentals are generally geared towards contractors who hire a wide range of equipment for a combination of new-build, repair and renovation work. Industrial rentals are more usually geared towards businesses conducting routine plant maintenance. They also tend to require specialist equipment, such as power and welding equipment, lifting and material handling equipment and safety products.

We expect that market conditions will remain challenging in FY2014. However, there are some promising signs in the longer term. Average public sector annual infrastructure spending increased to £33bn a year in 2011 and 2012, up from £29bn in previous years. The pipeline going forward now consists of over 550 projects worth over £300bn through to 2015 and beyond, which gives us plenty of potential work to target along with our customers and partners.

Along with infrastructure, the private housing market is also forecast to grow, supported by the UK Government's policies aimed at boosting house building and supporting purchasers of those properties. Whilst private housing is not a key market of the Group, past experience has shown that a growth in the private housing market is usually a good indication of the start of a recovery in other sectors. Construction is also forecast to return to growth by the end of 2014, buoyed by private sector growth and a recovering public sector. Although it will take some time to return to pre-recession levels of spend, we believe that the measures we have taken to date put us in a good position to take best advantage of any economic recovery.

We remain cautiously optimistic given that our other key markets grew in FY2013, and such growth is forecast to continue. These growth markets, and in particular the sectors of rail, highways, water, waste, energy and utilities, will remain our primary focus of growth.

How we performed

Our trading performance for FY2013 was in line with budget. We slightly reduced our staff costs despite targeting a series of quarterly salary increases to reward lower-paid staff. We also targeted pay increases for a number of our specialist teams, further enhancing our core product offering and extending our expertise in our differentiated service offering.

We were successful in winning a number of important agreements in our chosen market sectors which highlight the success of our strategy. In the infrastructure market, we won agreements with Invensys Rail, Peel Ports, Scottish and Southern Energy and Enserve, which are likely to provide at least two years of secure revenue. In the industrial market, we have been awarded agreements with Murco in respect of its Milford Haven Refinery and BAE Systems.

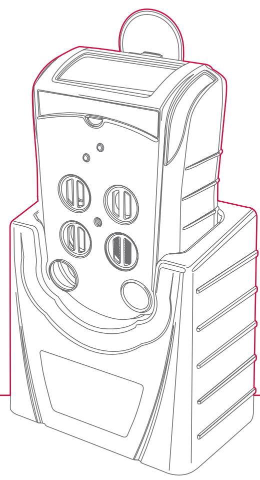
In the industrial market we also benefited from a number of site shutdown projects including those carried out by Valero and Exxon Fawley. In the rail sector, we have expanded our network of rail depots to support this key growth sector. We also secured and benefited from a number of event projects.

We rolled out six new superstores, continuing the investment in our property network and continued to see the operational efficiencies in line with that seen from the development of previous superstores. We completed the full roll-out of our vehicle telematics system, resulting in measured savings in fuel consumption and damages caused by accidents.

We continued our programme of planned disposal of older and lower utilised assets. This programme generated £6.4m of proceeds at a gain over our net book values and ensured that we were able to self-fund an element of our additional capital expenditure to support growth in our target markets.

Turnover in FY2013 was £321.4m, an underlying increase of £6.1m from FY2012. The business delivered an operating profit of £31.2m (FY2012: £27.8m) as the benefits of our increased operational effectiveness showed, along with strong existing and new customer relationships. Further visible opportunities, including our recently agreed contract with National Grid, give us some optimism that FY2014 will provide the opportunity for further growth. Although there remains uncertainty in the construction sector in particular, we are confident that the actions taken by UK & Ireland Asset Services have increased our resilience and given us a solid platform on which to build in FY2014.

David Graham
Managing Director, UK & Ireland Asset Services



International Asset Services

Our performance

What we do

We support our customers in delivering major international projects and facilities management contracts by providing a managed site support service, which combines our core expertise in equipment hire with asset management, site infrastructure and logistics services.

"Our vision for our international business is to be able to support our chosen customers on any major project, anywhere within our chosen markets."

Mike McGrath
Managing Director, International Asset Services

We help our customers manage risk on major international projects and contracts by aiming to deliver the highest safety and quality standards, often in challenging environments, and by tracking and controlling assets through our in-house management information and control systems. We also work with our customers to help them make more efficient and effective use of assets. On major contracts, we frequently implant experienced teams into our customers' operations to work in partnership with their management teams and use our expertise and innovation to deliver measurable efficiency savings.

Strategy

Our ultimate vision is to be able to support our customers on any major project, anywhere in the world. By following our existing customers into new markets, we can then reach out to new customers who can benefit from our services.

We have implemented the first phase of this strategy by investing in our first hub in the Middle East, where there is a high concentration of our existing customers engaged on key projects in the oil and gas, infrastructure and industrial sectors.

Priorities for FY2014

Our first priority is to remain focused on delivering the targets and KPIs in our contracts with existing strategic customers, including Carillion, and to extend our reach to support their businesses as they win projects across the wider region. Our second priority is to sign further, long-term strategic service agreements with a select group of both existing and new customers with leading positions in our chosen markets. Our agreement to support ZADCO's UZ 750 project in Abu Dhabi (see case study on page 23), which we announced in July 2012, is a prime example.

Our markets

We are focusing on two key markets: oil and gas and government-backed infrastructure and industrial projects. The oil and gas market is global and Speedy has a long track record of supporting customers on projects from Europe to East Asia. Our hub in the Middle East not only provides greater access to the oil and gas industry in the region, but also provides a base from which we can extend our range of services to oil and gas projects in Central and East Asia. The infrastructure and industrial sector is more focused on the Middle East region. Governments in the region are accelerating long-term plans to invest in infrastructure as they seek to address structural shortages in water, power and transport and push on with social programmes with new hospitals, schools and universities. Furthermore, governments across the region are pursuing a strategy of industrial diversification with numerous major investment programmes underway.

How we performed

During the year, the business saw a significant increase in activity levels on major oil and gas projects in particular, a trend which we anticipate continuing in the year ahead. As highlighted above, in July 2012 we announced the award of a five-year US$50m contract to provide logistics, asset management and long-term rental services to ZADCO (a joint venture between Abu Dhabi National Oil Company and Exxon) in connection with ZADCO's flagship UZ 750 project off the coast of Abu Dhabi. Mobilisation of the first of four phases of this project commenced in August 2012 and was completed in January 2013. We also supported a total of five major refinery shutdown projects across the Middle East (up from two in FY2012) and successfully extended the provision of specialist compressed air packages for use in pipeline projects across the region to Baker Hughes, Schlumberger, Halliburton and Crest Energy.

Turnover in our third full year of trading was £19.0m (FY2012: £11.1m), with the business delivering an operating profit of £0.8m in the period (FY2012: operating loss of £0.7m) as the benefits of operational gearing continue to show. A healthy pipeline of visible opportunities, together with the anticipated mobilisation of phases two and three of ZADCO's UZ 750 project, provides us with optimism for continued growth in FY2014.

Strong stewardship

"The Board is committed to maintaining high standards of corporate governance and to the development of appropriate structures, policies and procedures throughout the Group."

Dear Shareholder

We strongly appreciate the importance of upholding the principles of good corporate governance, not only for compliance purposes, but because we recognise that good governance reduces risk and adds value to the business. We strive to improve our Board and executive governance structures, along with our general policies and procedures.

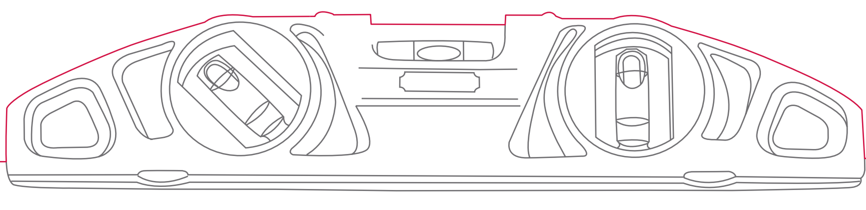
On behalf of the Board I am pleased to present the Governance Report for FY2013. During the year, we have again assessed our full compliance with the UK Corporate Governance Code (the 'Code') and disclosures in this year's Annual Report describe how the main principles are applied. We have also reviewed our UK Corporate Governance Code Compliance Statement, which is available on our website at **www.speedyhire.plc.uk**. We consider that the Code's principles are central to the effective management of the business, to maintaining the confidence of our investors and in the best interests of all of our stakeholders.

We continue to monitor closely developments in relevant legislation, regulation, voluntary codes of practice and institutional guidelines. We seek to embed governance into our routine Board and sub-committee processes through regular reviews and updates of our policies and our sub-committees take account of the latest guidance in their respective areas.

The Board is responsible for providing strong leadership for the Group. We evaluate the composition of the Board to ensure we have the right level and balance of skills, knowledge and experience. I am confident that the Directors have a strong understanding of our business and bring valuable experience and insight to the table. My role as Chairman includes ensuring that we harness the depth and breadth of the expertise of the Directors and we work collaboratively to enable the success of Speedy.

During the year, we concluded an external evaluation of the Board's effectiveness. This exercise revealed a positive picture of a Board that is working well and enabled us to identify priorities to improve further our effectiveness. Details of the measures we have taken to progress these areas and other areas where we have made progress are set out on the following pages.

Ishbel Macpherson
Chairman



Performance evaluation process

During FY2012, the Chairman and Company Secretary engaged the services of specialist performance consultants, SCT Consultants Limited, to provide an independent review of the Board's processes, procedures and effectiveness. SCT Consultants Limited has no other connection with the Company.

The key findings of SCT's review were set out in last year's Annual Report and did not identify any areas of significant weakness in the Board's effectiveness. Most areas examined attracted high ratings whilst also making constructive recommendations to improve and further enhance the Board's effectiveness. During the year the Board has reviewed the progress on areas for improvement and implemented measures including those set out below. Prior to the end of FY2013, the Chairman undertook an internal review of the Board's processes and procedures and determined that good progress continues to be made.

The focus

01. Information flows and strategic decision-making

What we've done

- ✓ Introduction of and streamlining the electronic provision of Board and Committee papers – soft board papers
- ✓ Strict compliance with Board and Committee papers being distributed by an agreed minimum number of days before meetings
- ✓ Ongoing focus on Board and Committee papers being of high quality and an appropriate length
- ✓ Two Board meeting days being specifically dedicated to reviewing and challenging the Group's business model and strategy
- ✓ Inclusion into at least two Board meeting agendas per annum of an extended, 'deep dive', examination of specific issues of strategic importance

02. Succession planning and talent development

What we've done

- ✓ Continued identification of emergency replacements and successors for Board and specific senior management positions
- ✓ Additional identification of pools of talented individuals within divisions across the Group
- ✓ Enhanced leadership and skills training programmes, for senior management and talented individuals
- ✓ Increased exposure for the Board to senior and operational management, through dinners with and presentations to the Board, along with site visits by Directors
- ✓ External recruitment to fill skills gaps, particularly in areas where the Group is targeting to improve or evolve into

03. Risk management framework and processes

What we've done

- ✓ Formal determination by the Board of its risk appetite and the re-appraisal and ongoing monitoring of key risks
- ✓ Inclusion of the internal audit function within an enhanced Risk and Assurance Department
- ✓ Improved planning of the Risk and Assurance Department's work plan, in conjunction with the Audit Committee
- ✓ Revising and embedding the Group's risk management framework into the business, both in respect of day-to-day activity and for new projects
- ✓ Increased scope and frequency of audits by the Risk and Assurance Department of operational sites and support functions

Board of Directors

An experienced and diverse management team

Ishbel Macpherson
Non-Executive Chairman

Appointment to the Board and Committee memberships
Appointed to the Board in July 2007. Became the Non-Executive Chairman and Chairman of the Nomination Committee in January 2011.

Skills and experience
Ishbel is the longest-serving Non-Executive Director on the Board and has vast experience of the Company and its business together with a wealth of City and corporate finance experience. She was formerly an investment banker for over 20 years, who specialised in UK mid-market corporate finance. Ishbel was Head of UK Emerging Companies Corporate Finance at Dresdner Kleinwort Wasserstein from 1999 to 2005. Prior to being appointed as Non-Executive Chairman, Ishbel was Speedy's Senior Independent Director and Chairman of the Remuneration Committee.

Ishbel is considered by the Board to be independent.

External appointments
Senior Independent Director at May Gurney Integrated Services plc and a Non-Executive Director of Dignity plc and Dechra Pharmaceuticals plc.

Steve Corcoran
Chief Executive

Appointment to the Board
Appointed as Chief Executive in April 2005.

Skills and experience
Steve has an unrivalled depth of knowledge of the hire industry and is one of the few chief executives of a listed company to have both decades of experience within the Company he leads and the industry it is in. He has over 25 years' experience in the hire industry. Having joined the Company in 1987, when the business had 13 outlets, he was progressively promoted through the ranks and prior to becoming Chief Executive was the Chief Operating Officer from April 2001.

External appointments
A member of the Construction Plant-hire Association (CPA) Council, the Industry Principals' Council of the Construction Products Association and Chairman of the CBI North West.

Lynn Krige
Group Finance Director

Appointment to the Board
Appointed in September 2011.

Skills and experience
Lynn is a South African-born professional who has extensive experience of working both at a leading accountancy firm and within a major infrastructure company. She was formerly Group Finance Director of John Laing plc (from 2007) as well as holding a number of other roles, including Group Financial Controller, during her 12 years at that organisation. Lynn started her career at Deloitte in South Africa after qualifying as a chartered accountant and brings an international perspective and voice to the Board.

External appointments
Member of the Regeneration and Audit Committee of the Imperial War Museum.

Mike McGrath
Managing Director, International Asset Services

Appointment to the Board
Appointed in April 2006.

Skills and experience
Mike has considerable experience of business acquisitions and disposals, a long association with the Company, and has led the establishment of the International division. He became Managing Director, International Asset Services in 2009. Mike previously held the role of Group Commercial Director from 2006 to 2009, and was Company Secretary on a part-time basis from 2001 to 2006. He has been involved in structuring a number of the major outsourcing arrangements with the Group's larger customers and has been responsible for advising Speedy in relation to the majority of its acquisitions over the last 18 years. Mike was formerly a partner at Pinsent Masons LLP.

Board composition

Executive 43%
Male 71%
Non-Executive 57%
Female 29%
International

Board tenure

0-3 years 29%
8+ years 14%
4-7 years 57%

Michael Averill
Non-Executive Director and Senior Independent Director

Appointment to the Board and Committee memberships
Appointed to the Board in May 2008. Appointed Senior Independent Director and Chairman of the Remuneration Committee in January 2011 and is a member of the Audit and Nomination Committees.

Skills and experience
Michael has extensive leadership credentials and senior management experience at major businesses in the UK and internationally in similar sectors to that of the Company. He previously held the position of Group Chief Executive of Shanks Group plc, a leading international sustainable waste management business, for 13 years until September 2007. Formerly he was Chairman of Enviroco Limited, Chairman of JBM International Limited and a Non-Executive Director of Care UK plc, TDG plc and the Waste and Resources Action Programme (WRAP).

Michael is considered by the Board to be independent.

External appointments
Non-Executive Chairman at Rochford Capital Pty Ltd (Australia) and a Non-Executive Director of Biffa Group Limited.

Chris Masters
Non-Executive Director

Appointment to the Board and Committee memberships
Appointed in July 2011 and is a member of the Audit, Nomination and Remuneration Committees.

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

Chris is considered by the Board to be independent.

External appointments
Non-Executive Chairman at Energy Assets Group plc and a Non-Executive Director at The Crown Agents and Festival City Theatres Trust. He is a fellow of the Royal Society of Edinburgh and Co-chair of the Scottish Science Advisory Council.

James Morley
Non-Executive Director

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

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

James is considered by the Board to be independent.

External appointments
Non-Executive Director at Clarkson plc, Costain Group plc, The Innovation Group plc and BMS Associates.

James Blair
General Counsel and Company Secretary

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

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

Corporate governance

Highlights

> Consistency in the composition of the Board, with no departures or appointments in FY2013

> Ongoing review of the effectiveness of the Board's operation, including the implementation of actions from an independent external performance evaluation

> Continued full compliance with the UK Corporate Governance Code 2010

> Ongoing development and roll-out within the Group of its umbrella Code of Conduct which links into policies on areas such as anti-bribery, hospitality, gifts and sponsorship, whistle-blowing, data protection and competition

> A high level of 29% representation of women Directors on the Board, comprised of the Chairman and Group Finance Director, above the target of 25% of Board positions at FTSE 100 companies to be filled by women by 2015

UK Corporate Governance Code compliance

The Board is committed to maintaining high standards of corporate governance. The Board first reported its compliance with the Combined Code in 2004. Since then it has continued to comply in full with the Combined Code (now the UK Corporate Governance Code) and to develop further its approach to corporate governance and the effective management of risk in the context of an evolving business.

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

Throughout the year ended 31 March 2013, the Company has been in full compliance with the provisions set out in the UK Corporate Governance Code 2010. The revisions to the Code published by the Financial Reporting Council in 2012 take effect for financial years commencing on or after 1 October 2013. We are voluntarily reporting on some aspects of these changes in this Annual Report and will report fully on the UK Corporate Governance Code 2012 in our Annual Report for FY2014.

Directors

The Board

In the year ended 31 March 2013, the Board met eight times, including an off-site meeting solely to discuss strategy. The Board also meets as required on an ad hoc basis to deal with urgent business, including the consideration and approval of transactions. The table to the right lists the Directors' attendance at the Board meetings and Committee meetings during the year ended 31 March 2013.

Board and Committee attendance

	Board(8)	Audit Committee(4)	Nomination Committee(2)	Remuneration Committee(4)
Executive Directors				
Steve Corcoran	8	2	–	–
Lynn Krige	8	4	–	–
Mike McGrath	8	–	–	–
Non-Executive Directors				
Ishbel Macpherson	8	4	2	4
Michael Averill	7	4	2	3
Chris Masters	8	3	1	3
James Morley	8	4	2	4

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

The Board has approved a schedule of matters reserved for decision by it. This schedule, which forms part of the UK Corporate Governance Code Compliance Statement formally adopted by the Board on 30 March 2011, most recently reviewed and amended on 11 April 2013, is available for inspection at the Company's registered office and on the Company's website.

The matters reserved for decision by the Board can be subdivided into a number of key areas including but not limited to:

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

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

> Group strategy and key transactions;

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

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

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

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

> approving the Group's policies in relation to, inter alia, the environment, health and safety and corporate responsibility.

Matters requiring Board or Committee approval are generally the subject of a proposal by the Executive Directors, which is formally submitted to the Board, together with supporting information, as part of the Board or Committee papers circulated prior to the relevant meeting. The implementation of matters approved by the Board, particularly in relation to matters such as significant acquisitions or other material projects, sometimes includes the establishment of a sub-committee comprising at least one Non-Executive Director.

The posts of Chairman and Chief Executive are held by Ishbel Macpherson and Steve Corcoran, respectively. In addition to the Chairman, the Board includes three independent Non-Executive Directors: Michael Averill, Chris Masters and James Morley. Together they bring a strong and independent Non-Executive element to the Board. The Senior Independent Director is Michael Averill.

The Audit Committee is chaired by James Morley. Its other members are Michael Averill and Chris Masters. As recommended by paragraph C.3.1 of the UK Corporate Governance Code, the Chairman, Ishbel Macpherson, is not a member of the Audit Committee although she often attends by invitation.

The Remuneration Committee is chaired by Michael Averill. Its other members are Chris Masters and James Morley.

The Nomination Committee is chaired by Ishbel Macpherson. Its other members are Michael Averill, Chris Masters and James Morley.

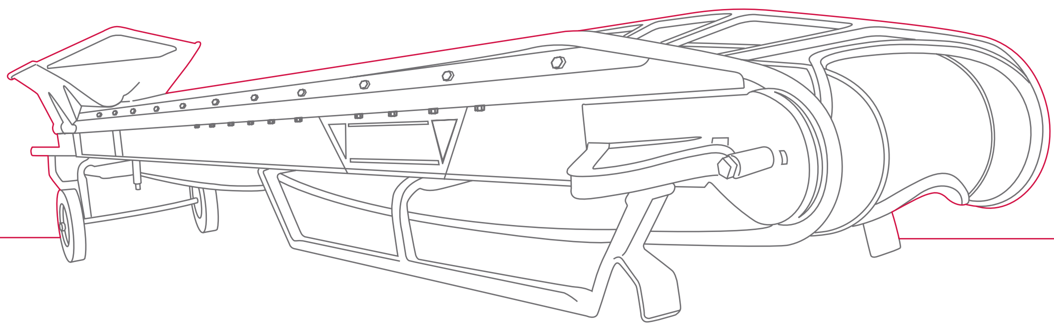
The Chairman and other Non-Executive Directors meet at least twice a year without the Executive Directors present. In addition, the Chairman regularly briefs the other Non-Executive Directors on relevant developments regarding the Company and Group as necessary. The Senior Independent Director, Michael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

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

On resignation, concerns (if any) raised by an outgoing Non-Executive Director are circulated by the Chairman to the remaining members of the Board.

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

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



Corporate governance
continued

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

Board balance and independence
Currently there are, in addition to the Chairman, three Non-Executive Directors on the Board out of a total of seven Directors and their respective experience, details of which are set out on pages 38 and 39, clearly indicates that they are of sufficient calibre and number for their views to carry appropriate weight in the Board's decisions.

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

The Board is both balanced and diverse, including on gender, experience and skills. We have a high level (29%) of representation of women Directors on the Board, above and ahead of the target of 25% of board positions at FTSE 100 companies to be filled by women by 2015. The Board is committed to maintaining and building on its diversity, including appointing women at Board and senior management levels based on merit.

Two members of the Board are also Non-Executive Directors of companies which are customers of the Group. Ishbel Macpherson is a Non-Executive Director of May Gurney Integrated Services plc and James Morley is a Non-Executive Director of Costain Group plc.

The Group's trading with each of these companies is conducted entirely on arm's length terms and in the ordinary and normal course of the Group's business. Additionally, the Board considers that, in each case, the sums involved are not material. These potential conflicts of interest have been approved by the Board in accordance with both Board procedures and the procedures established under the Companies Act 2006. In order to ensure that there can be no possible suggestion of a conflict of interest, it has been resolved by the Board that, in the event that the Board should ever be required to discuss or make decisions in relation to the Group's relationships with these companies, the affected Directors would not take part in, or receive, any material information in relation to those discussions. Neither of these Directors has been involved in any commercial negotiations between the Group and the other companies.

Appointments to the Board
The Board has established a Nomination Committee. Its terms of reference are also included in the UK Corporate Governance Code Compliance Statement referred to above. The Committee meets formally as necessary, but at least twice a year, and met two times during FY2013. The principal functions of the Nomination Committee are to consider and review the structure and composition of the Board and membership of Board Committees. It also considers candidates for Board nomination including job description, re-election to the Board for those candidates retiring by rotation and succession planning generally. A specification for the role of Chairman, including anticipated time commitment, is included as part of the written statement of division of responsibilities between Chairman and Chief Executive. Details of the Chairman's other material commitments are set out on page 38 and are disclosed to the Board in advance and included in a register of the same maintained by the Company Secretary.

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

None of the Directors is a Non-Executive Director or Chairman of a FTSE 100 company.

A more detailed summary of the work of the Nomination Committee during the year is contained on pages 48 and 49.

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

An information pack on market data, including information and activities in relation to competitors, the construction industry and the Group's markets generally, is compiled for each Board meeting. This information is drawn from a number of respected sources and provides a current updated summary of trends in the Group's markets.

The Board also recognises the importance of ongoing training and education, particularly regarding new laws and regulations which relate to or affect the Group. The Chairman regularly reviews and agrees with each Director their training and development needs. Such training and education is obtained by the Directors individually through the Company, through other companies of which they are Directors or through associated professional firms.

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

The Chairman and the Company Secretary meet on a regular basis to discuss corporate governance and other issues including, inter alia, information flows, induction and training programmes for Directors and operational management.

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

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

Performance evaluation

During the year ended 31 March 2012, the Chairman and Company Secretary engaged the services of specialist performance consultants SCT Consultants Limited to carry out a detailed and independent review of the Board's processes, procedures and effectiveness. The key findings of this review were set out in last year's Annual Report and during the year the Board has reviewed progress on areas for improvement and implemented measures, including those set out on page 37, and prior to the year ending 31 March 2013 the Chairman has undertaken an internal review of the Board's processes and procedures.

Re-election

Under the Company's Articles of Association, all Directors are subject to election by shareholders at the first AGM following appointment and all Directors are subject to retirement by rotation provisions requiring re-election at intervals of no more than three years. Biographical details of all the Directors, including those subject to re-election, are included in this report in order to enable shareholders to take an informed decision on any re-election resolution. The letters of appointment of each of the Non-Executive Directors and the Chairman confirm that appointments are for specified terms and that reappointment is not automatic. Ishbel Macpherson commenced her second three-year term in 2010. Michael Averill commenced his second three-year term in 2011. James Morley commenced his second three-year term in 2012. Chris Masters commenced his first three-year term in 2012.

Directors' remuneration

Level and make-up of remuneration

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

The policy of the Board is that the remuneration of the Non-Executive Directors should be consistent with the levels of remuneration paid by companies of a similar size. The levels of remuneration also reflect the time, commitment and responsibilities of each role including, where relevant, Chairmanship of Board Committees.

It is the policy of the Board that remuneration for Non-Executive Directors should not include share options or any other share-based incentives. No current Executive Director serves as a Non-Executive Director elsewhere.

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

Corporate governance
continued

Procedure

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

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

The remuneration of Non-Executive Directors is dealt with by a Committee of the Board specifically established for this purpose comprising the Chief Executive and the Group Finance Director without the presence of the Non-Executive Directors. It is the policy of the Board to review the remuneration of Non-Executive Directors periodically. The remuneration of Non-Executive Directors was not increased during the year ended 31 March 2013. Following a review of time commitments, responsibility levels and Non-Executive Director market data, with effect from 1 April 2013, the Non-Executive Directors' fees were increased as set out in more detail in the Remuneration Report.

The Board's policy is that all new long-term incentive schemes (as defined in the Listing Rules) and significant changes to existing schemes should be specifically approved by shareholders, while recognising that the Remuneration Committee must have appropriate flexibility to alter the operation of these arrangements to reflect changing circumstances.

A more detailed summary of the work of the Remuneration Committee during the year is contained on pages 50 to 61.

Accountability and audit

Financial reporting

The Directors' report and Auditors' report appear on pages 62 to 65 and 66 respectively and comply with the provisions of paragraphs C.1.1 and C.1.3 of the UK Corporate Governance Code.

Internal control

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

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

Audit Committee and auditors

The Board has established an Audit Committee which met four times during the year. The terms of reference of the Audit Committee are set out in full in the UK Corporate Governance Code Compliance Statement. Such terms of reference are compatible with the provisions of paragraph C.3 of the UK Corporate Governance Code. The Board is satisfied that the Chairman of the Audit Committee, James Morley, has appropriate recent and relevant financial experience.

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

The Committee meets on a regular basis with the external auditors and internal audit function, without the Executive Directors being present, to review and discuss issues arising from internal and external audits and to agree the scope and planning of future work.

The effectiveness of the Group's internal audit function is one of the matters reviewed in conjunction with the external auditors.

The Audit Committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors. The policy of the Audit Committee is to ensure auditor objectivity and independence is safeguarded at all times. As further detailed on page 47, the Audit Committee considers that the Company's auditors are independent.

A more detailed description of the work of the Audit Committee during the year is contained in the separate report of the Committee on pages 46 and 47.

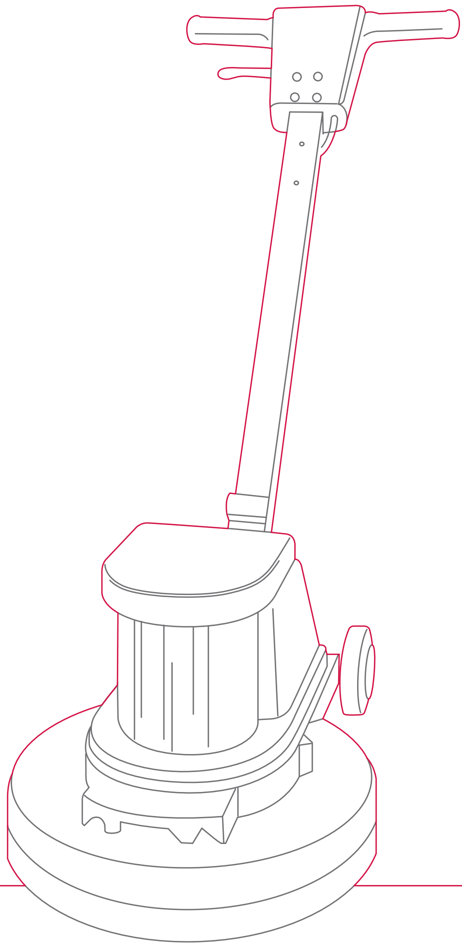
Relations with shareholders

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

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

All Committee Chairs are available at the AGM.

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



Audit Committee report

Audit Committee members and meetings attended

Names	Position	Meetings attended
James Morley (Chairman)	Non-Executive Director	4/4
Michael Averill	Non-Executive Director	4/4
Chris Masters	Non-Executive Director	3/4

The role of the Audit Committee in monitoring the integrity of the Group's financial affairs is important to our shareholders and other stakeholders and accordingly we work with the management team and our external and internal auditors to adopt best practice approaches to policies, processes and controls. A key function of the Audit Committee is to review the effectiveness of the Group's financial reporting and internal controls, together with the procedures for identification, assessment and reporting of key risks.

James Morley
Chairman of the Audit Committee

The Audit Committee presents its report in relation to the financial year ended 31 March 2013.

Composition of the Audit Committee

The Audit Committee comprises three Non-Executive Directors: James Morley (Chairman), Michael Averill and Chris Masters, all of whom are considered by the Board to be independent. Biographies of each of the members of the Audit Committee are set out on page 39.

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

Attendance

The Audit Committee met on four occasions during the year. Details of the attendance at Audit Committee meetings are set out in the table to the left.

Chris Masters was unable to attend one meeting because of a long-standing prior engagement linked to another of his non-executive posts.

Operation and responsibilities of the Audit Committee

The Chairman of the Board, Chief Executive and Group Finance Director, together with representatives from the external auditors and the Head of Risk and Assurance, are invited to attend meetings of the Audit Committee. The external auditors and the Head of Risk and Assurance regularly meet privately with the Audit Committee, to advise them of any matters which they consider should be brought to the Audit Committee's attention without the Executive Directors present. The external auditors and the Head of Risk and Assurance may also request a meeting with the Audit Committee if they consider it necessary.

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

The Audit Committee's duties include, inter alia:

- monitoring the integrity of the Group's Financial Statements and formal announcements relating to the Group's performance;
- monitoring the effectiveness of the external audit process including the appointment, cost and independence of the external auditors;
- reviewing the effectiveness of internal controls and the internal audit function;
- approving the appointment or replacement of the Head of Risk and Assurance; and
- reviewing the Board's process for identifying and managing significant risk in the business.

The Audit Committee undertakes its activities in line with an annual programme of business. The Audit Committee agrees the scope of the external audit work and discusses the results of the full-year audit and half-year review each year with the external auditors and the Group Finance Director and Chief Executive.

In accordance with its annual programme of business, the Audit Committee's terms of reference were reviewed and amendments adopted, so as to take into account the model terms published by ICSA and other relevant guidelines. The terms of reference of the Audit Committee are published on the Company's website at **www.speedyhire.plc.uk** and are available in hard copy form on application to the Company Secretary.

Priorities of the Audit Committee

During the year, the Audit Committee reviewed a number of the Group's policies and procedures including the monitoring of fleet assets at depot level and depot audits in general. The Audit Committee also reviewed the Group's policy for international bad debt provisions, the effectiveness of the processes and controls for debt collection in the United Kingdom and Ireland, for procuring goods and services from third parties within the Group's procurement department, and for engaging with other suppliers of plant and equipment within the Group's supply partner services division.

The Audit Committee kept under review the Group's whistle-blowing procedures to ensure arrangements are in place to enable employees to raise concerns about possible malpractice or wrongdoing by the Group or any of its employees on a confidential basis, and confirmed that they were satisfied with those procedures.

Internal control and risk management

The Board is responsible for the Group's system of internal control and risk management and for reviewing its effectiveness.

During the year the Group established a formal Risk and Assurance Department, which incorporated the existing internal audit activities. The Head of Risk and Assurance reports to the Board and to the Audit Committee. The internal audit function is involved in the assessment of the quality of risk management and internal control. It helps to promote and further develop effective risk management in all areas of the business, including the embedding of risk registers and risk management procedures within individual business areas. The Audit Committee receives reports from the Risk and Assurance Department at each meeting.

Review of the work and independence of the external auditors

The Audit Committee regularly reviews the relationship between the Group and the external auditors and reserves oversight responsibility for monitoring the external auditors' independence and objectivity. This work includes an assessment of their performance and cost-effectiveness, as well as their compliance with ethical, professional and regulatory requirements. The Audit Committee also reviews any major issues which arise during the course of the audit and their resolution, key accounting and audit judgements, as well as any recommendations made to the Board by the auditors and the Board's response. The Audit Committee was also consulted by the Board in respect of the content of this Annual Report and Financial Statements.

The Audit Committee is responsible for ensuring that an appropriate relationship is maintained between the Group and the external auditors. The Group has implemented a policy to control the provision of non-audit services by the external auditors in order to ensure that their objectivity and independence are safeguarded. This policy provides that preference should be given to retaining consultants other than from the external auditors unless strong reasons exist to the contrary. The policy further requires that the provision of any non-audit services by the external auditors costing in excess of £30,000 is subject to prior approval by the Audit Committee. The Audit Committee closely monitors the amount the Company spends with the external auditors on non-audit services.

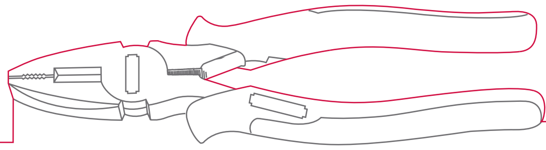
During the year non-audit services were provided to the Group by both the external auditors and other accounting, or consulting, firms and the Group anticipates that this will continue. The amount payable to the external auditors for audit services was £219,600, whilst £76,425 was payable to the external auditors for non-audit services where they were best placed to undertake the work due to their knowledge of the business or as a by-product of the audit function. This involved work relating to certain compliance certificates required as part of the Group's banking facilities, a review of the risk profile relating to collection of payments from customers and a review of the Group's debt facility structure. A split of the audit and non-audit fees is set out in note 4 to the Group Financial statements on page 82.

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

The Group's external audit contract was last tendered in 2001. The Audit Committee continues to monitor the proposed changes by the European Union/Commission in respect of auditor services and retendering and recognises the change made by the UK Financial Reporting Council regarding the retendering of audit services at least once every 10 years for companies in the FTSE 350 and above.

This report was approved by the Board on 14 May 2013.

James Morley
Chairman of the Audit Committee



Nomination Committee report

Nomination Committee members and meetings attended		
Names	Position	Meetings attended
Ishbel Macpherson (Chairman)	Non-Executive Director	2/2
Michael Averill	Non-Executive Director	2/2
Chris Masters	Non-Executive Director	1/2
James Morley	Non-Executive Director	2/2

Following a year when we welcomed two new Directors to our Board of seven we have appreciated a year of stability. We are confident that our current Board is both balanced and diverse in a broad sense, encompassing gender, experience and skills. We are committed to maintaining and building on this, with a focus on enhancing our succession planning.

Ishbel Macpherson
Chairman of the Nomination Committee

The Nomination Committee presents its report in relation to the financial year ended 31 March 2013. Chaired by Ishbel Macpherson, the key function of the Nomination Committee is to review the structure and composition of the Board, to identify and propose to the Board suitable candidates to fill Board vacancies, and to undertake succession planning for Board and senior management positions.

Composition of the Nomination Committee

The Nomination Committee comprises the four Non-Executive Directors: Ishbel Macpherson (Chairman), Michael Averill, Chris Masters and James Morley, all of whom are considered by the Board to be independent. Biographies of the members of the Nomination Committee are set out on pages 38 and 39.

Attendance

The Nomination Committee met on two occasions during the year. Details of the attendance at Nomination Committee meetings are set out in the table to the left.

Chris Masters was unable to attend one meeting because of a long-standing prior engagement linked to another of his non-executive posts.

Operation of the Nomination Committee

The Nomination Committee generally meets on two occasions during the year, although it can meet more regularly if required. The Company Secretary acts as secretary to the Nomination Committee.

The Nomination Committee's duties include, inter alia:

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

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

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

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

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

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

During the year the Nomination Committee undertook all of the duties above and additionally refined its terms of reference and reviewed the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Group to compete effectively. At both meetings the Nomination Committee focused on succession planning for key individuals, including Executive and Non-Executive Directors, and talent management, including identification of the most talented managers across the Group.

The Nomination Committee was not required to identify and propose new candidates to fill Board vacancies, given that the Board benefitted from a year of stability when no vacancies arose, but it does have a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. This will ordinarily involve interviewing suitable candidates who are proposed by external search companies. Careful consideration will be given to ensure any potential appointees have enough time available to devote to the role and that the balance of skills, knowledge and experience on the Board would be maintained if they were appointed. When the Nomination Committee identifies suitable candidates, the Chairman of the Nomination Committee will make a recommendation to the Board, with the Board making the final decision. When dealing with the appointment of a successor to the Chairman, the Senior Independent Non-Executive Director will normally chair the Nomination Committee instead of the Chairman.

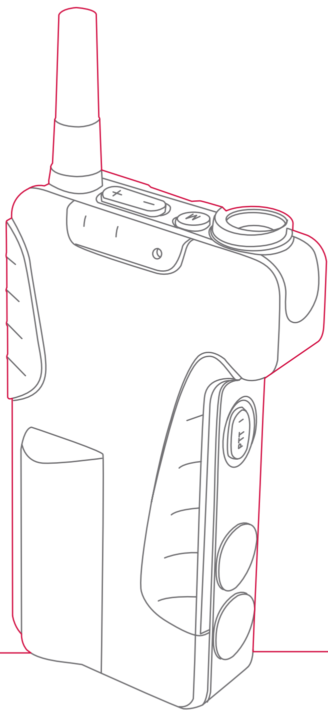
At the invitation of the Chairman, the Chief Executive may attend meetings of the Nomination Committee. The members of the Nomination Committee can, where they judge it necessary to discharge their responsibilities, obtain independent professional advice at the Company's expense.

The terms of reference of the Nomination Committee are published on the Company's is website at **www.speedyhire.plc.uk** and are available in hard-copy form on application to the Company Secretary.

This report was approved by the Board on 14 May 2013.

Ishbel Macpherson
Chairman of the Nomination Committee

Governance



Remuneration report

Dear Shareholder

This report, prepared by the Remuneration Committee (the 'Committee') and approved by the Board for the financial year ended 31 March 2013, sets out the remuneration policy for the Directors of the Company. In response to the UK Government's proposed new legislation regarding the reporting of directors' remuneration, the Committee has agreed to adopt a number of these changes early. The report has therefore been divided into the following two sections:

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

> Implementation Report, which discloses how the remuneration policy has been implemented in the year ended 31 March 2013 (FY2013).

The content of this report has been refreshed to provide investors with greater transparency in relation to our remuneration structure, making it clearer how the remuneration of our Directors, senior managers and other employees is linked to Group performance. An advisory approval of this Remuneration Report will be sought from shareholders at the Annual General Meeting (AGM).

Performance and reward

The Group's remuneration policy has been, and will continue to be, performance-related and retention-focused. Remuneration packages are aimed at reflecting the responsibility and contribution of the individual, whilst ensuring that the Group is able to attract, retain and motivate the best people in a competitive marketplace. In return, Executive Directors are expected to demonstrate their commitment and leadership to the Group and take responsibility for their actions and decisions.

The Group's policy is structured so that base salaries are between the lower quartile and median of the relevant market, but with the potential to earn upper-quartile incentive pay for sustained, exceptional performance which is linked to demanding annual and long-term performance conditions, aimed at promoting the long-term success of the Group.

The Committee considers that the remuneration paid to the Executive Directors fairly reflects their strong performance during the year but also recognises the challenges the Group has faced during the current economic climate. Restraint continues to be applied on base salary increases, both Group-wide and, to a greater extent, amongst the senior executive team. The annual bonus paid out at 31.6% of the maximum and the 2009 Performance Share Plan awards lapsed during 2012 as a result of the performance targets not being met.

Remuneration policy for FY2014

One of the Committee's objectives is to ensure that there is stability in our remuneration policy. This has remained fundamentally unchanged since last year, and it is not envisaged that the remuneration packages of the Executive Directors for FY2014 will be substantially different from those in place for FY2013. In particular, the base salary for the Executive Directors may only increase should Group performance exceed certain financial targets during FY2014, and in any event by no more than the increment for other employees.

The Group's annual and long-term incentive arrangements, a key component of the Executive Directors' overall remuneration, are to remain in broadly the same format in FY2014. The annual bonus will once again reward 85% financial performance and 15% non-financial KPIs while the long-term incentives will continue to reward relative total shareholder return (the Performance Share Plan) and challenging real earnings per share growth targets (the Co-Investment Plan). As both of these plans expire in 2014 the Committee will continue to monitor and evaluate legislative reforms, guidance and emerging best practice in order to determine appropriate long-term incentive arrangements for shareholder approval at the 2014 AGM.

With respect to remuneration awards made to employees below Executive Director level, the Group has determined that Group employees can receive salary increases of up to 2%, which will be made by way of increases of 1% in July 2013 and potentially a further 1% in October 2013, subject to achievement of performance targets. Directors and senior managers have some discretion to make additional awards to particular employees to reflect exceptional performance, additional responsibilities or changing job roles. The Group's view is that this policy reflects the importance that the Group places in its employees and it is right that such pay awards are to be made, notwithstanding the continuing economic uncertainties ahead.

Shareholder engagement

The Committee continues to take an active interest in shareholder views on our executive remuneration policy and is mindful of the concerns of shareholders and other stakeholders. Our voting result at the 2012 AGM was over 99% in favour of the Directors' Remuneration Report resolution. We hope to receive your continued support at the forthcoming AGM.

In conclusion, we firmly believe that our remuneration policy continues to be aligned with the strategic goals of the Group in delivering shareholder value and supporting the long-term success of the Group.

Michael Averill
Chairman of the Remuneration Committee

Remuneration policy report

This part of the Directors' Remuneration Report sets out the remuneration policy for the Group.

Policy overview

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

> the need to attract, retain and motivate Executive Directors and senior management;

> internal pay and benefits practice and employment conditions within the Group as a whole; and

> periodic external comparisons to examine current market trends and practices and equivalent roles in similar companies taking into account their size, business complexity, international scope and relative performance.

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

> base salary;

> annual bonus;

> long-term incentives;

> pension arrangements; and

> benefits.

The key principles of the policy are:

> base salaries between lower quartile and median, but with the potential to earn upper-quartile rewards for sustained exceptional performance provided that stretching and demanding performance conditions, designed to promote the long-term success of the Group, are met;

> a reward structure that balances short-term and long-term performance; and

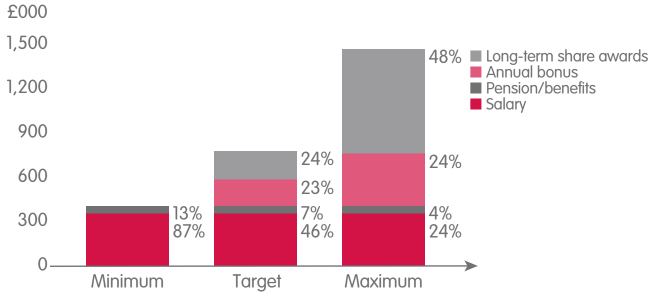
> competitive incentive arrangements underpinned by a balance of financial and operational performance metrics and linked to corporate and individual performance, ensuring a focus on business performance and alignment with the interests of shareholders.

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

Remuneration scenarios for Executive Directors

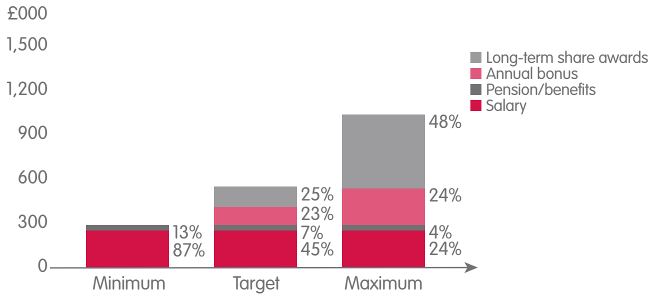
The charts below show how the composition of the Executive Directors' remuneration packages varies at three performance levels, namely, at minimum (i.e. fixed pay), target and maximum levels, under the policy set out in the table overleaf.

Chief Executive Officer



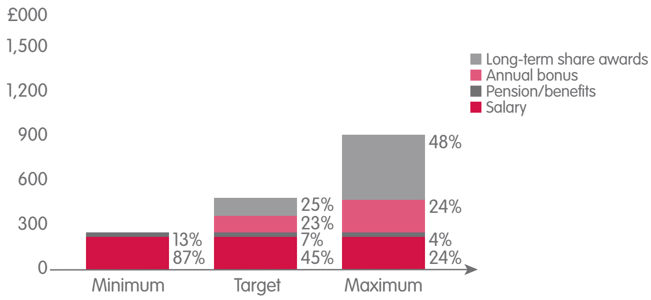
NB Chart labels show proportion of the total package comprised of each element.

Group Finance Director



NB Chart labels show proportion of the total package comprised of each element.

MD, International Asset Services



NB Chart labels show proportion of the total package comprised of each element.

The charts above assume:

> no Co-Investment Plan awards at 'target' performance and a 100% of salary Co-Investment Plan award at maximum performance (i.e. a 2:1 match on half of maximum bonus which must be deferred); and

> a 100% of salary Performance Share Plan award in line with the maximum award (notwithstanding recent grants have been lower than this).

Remuneration report
continued

FY2014 Executive Director Policy Table

The table below summarises the FY2014 remuneration policy for Executive Directors and any changes from the prior year:

Element maximum	Purpose and link to strategy	Operation	Maximum	Performance targets	Changes for FY2014
Salary	> Reflects the value of the individual and their role > Reflects skills and experience over time > Provides an appropriate level of basic fixed income avoiding excessive risk arising from over-reliance on variable income	> Normally reviewed annually, effective 1 April > Paid in cash on a monthly basis; pensionable > Comparison against companies with similar characteristics and sector comparators taken into account in review > Targeted between lower quartile and median	> Generally limited to increases no greater than the average increase awarded to the general workforce	> n/a	> There have been only limited Executive Director salary increases since 2008 > For FY2014, base salaries may increase at same increments as other employees if certain targets are met, see below
Bonus	> Incentivise delivery of specific Group, divisional and personal annual goals > Maximum bonus only payable for achieving demanding targets > Deferred share element aids retention and alignment with shareholder interests	> Up to 50% of base salary paid in cash; above 50% deferred and paid in shares linked to the Co-Investment Plan > Non-pensionable > Clawback provisions apply	> 100% of salary p.a.	> Group profit before tax > Personal and strategic KPIs	> None proposed
Long-Term Incentive Plans; Performance Share Plan & Co-Investment Plan	> Aligned to main strategic objectives of delivering long-term value creation > Encourage co-investment > Align Executive Directors' interests with those of shareholders > Retention	> Annual grant of performance shares > Opportunity to voluntarily defer up to half of the bonus (in addition to compulsory deferred elements) and obtain future matching share awards	**Performance Share Plan** > 100% of salary maximum award p.a. **Co-Investment Plan** > Matching shares, based on compulsory deferral of bonus over 50% of base salary plus any additional investment of bonus, up to 2:1 p.a.	**Performance Share Plan** > Performance measured over three years > Relative total shareholder return (TSR) targets **Co-Investment Plan** > Real EPS growth	**Performance Share Plan** > None proposed during FY2014, but will need to replaced at 2014 AGM **Co-Investment Plan** > None proposed during FY2014, but will need to replaced at 2014 AGM
Pension	> Provide competitive retirement benefits	> Defined contribution > Payable on retirement > Executive Directors offered cash in lieu of pension	> Monthly employer contribution of between 10% and 20% of basic salary p.a., depending on length of service	> n/a	> For consistency with the Group's auto-enrolment requirement for employees to match the 1% of salary Group pension contribution, Executive Directors will be required to contribute a minimum of 1% of salary (by salary sacrifice) from 1 July 2013
Other benefits	> Provide insured benefits to support the individual and their family during periods of ill health or death > Car allowance to facilitate effective travel	> Benefits provided through third-party providers > Car allowance paid on a monthly basis	> n/a	> n/a	> None proposed
Share ownership guidelines	> To provide alignment of interests between Executive Directors and shareholders	> Executive Directors are required to build and maintain a shareholding equivalent to one year's base salary through the retention of vested share awards or through open market purchases	> n/a	> Aim to hold a shareholding equal to 100% of base salary	> None proposed

How employees' pay is taken into account

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

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

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

How shareholders' views are taken into account

The Committee considers shareholder feedback received in relation to the AGM each year at a meeting immediately following it. This, plus any other feedback received during the year, is then considered as part of the Group's annual review of remuneration policy. At the 2012 AGM, over 99% of our shareholders voted in favour of the Directors' Remuneration Report, which the Committee considers is strong support for its policies.

Detailed remuneration policy

Base salary

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

	1 April 2013 £000	1 April 2012 £000
S Corcoran	**355**	355
L Krige	**250**	250
M McGrath	**220**	220

Recognising the importance of the Executive Directors to deliver the Group's strategy, the Remuneration Committee has approved a possible staggered pay rise for the Executive Directors linked to the achievement of Group profit targets during FY2014. Two increases of 1% of annual salary may be made in July 2013 and October 2013, if certain targets are achieved by the Group. If all targets are met the maximum amount paid to each Executive Director during FY2014 would be equivalent to a 1.3% pay increase. If this maximum annual increase is achieved, the Executive Directors' salaries at the end of FY2014 would be: Steve Corcoran – £362,000; Lynn Krige – £255,000; Mike McGrath – £224,000. No pay rises will take place if the targets are not achieved by the Group. Other Group employees are participating in a similar staggered pay rise linked to achievement of Group budget but will receive a 1% increase in July 2013 without the Group being required to meet any targets.

Benefits in kind and pension

The Group operates a policy whereby Executive Directors and senior management are offered a car or cash alternative (as appropriate), health insurance and life cover and pension contributions, or cash in lieu of pension contributions (further details of which are set out on page 58). As previously disclosed, Lynn Krige could also claim relocation costs incurred up to a pre-agreed limit and during FY2012 no such amounts were claimed. During FY2013 £46,945 has been claimed for reimbursement of such costs.

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

Payments under the Annual Bonus Plan are non-pensionable.

Performance-related annual bonus

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

For FY2013, the maximum bonus opportunity was 100% of salary, in line with previous years. The bonus opportunity was split as follows: (i) 85% of the bonus was payable by reference to performance against a challenging range of adjusted profit before tax targets; and (ii) 15% was payable for performance against key strategic objectives.

Outstanding performance will be required for a maximum bonus to become payable, with no bonus payable unless a number of financial (i.e. adjusted profit before tax) and non-financial thresholds are achieved. A clawback provision will be applied in specified circumstances. Details of the annual bonus targets and payments for FY2013 are set out on page 59.

For FY2014 the Committee feels that the performance-related annual bonus structure remains appropriate and it is not proposed that there should be any material changes.

Remuneration report
continued

Long-Term Incentive Plans

The two main share-based long-term incentive plans operated for senior executives are: (i) the Performance Share Plan; and (ii) the Co-Investment Plan. As set out below, the Performance Share Plan is linked to the Company's relative total shareholder return (TSR) performance and the Co-Investment Plan is linked to the Company's earnings per share (EPS) performance to date. The Committee considers that the combination of these measures will encourage shareholder value creation and improved financial performance. Benefits under the Performance Share Plan and the Co-Investment Plan are non-pensionable. As both the Performance Share Plan and the Co-Investment Plan expire in 2014 the Committee will continue to monitor and evaluate legislative reforms, guidance and emerging best practice in order to determine appropriate long-term incentive arrangements for shareholder approval at the 2014 AGM.

Performance Share Plan

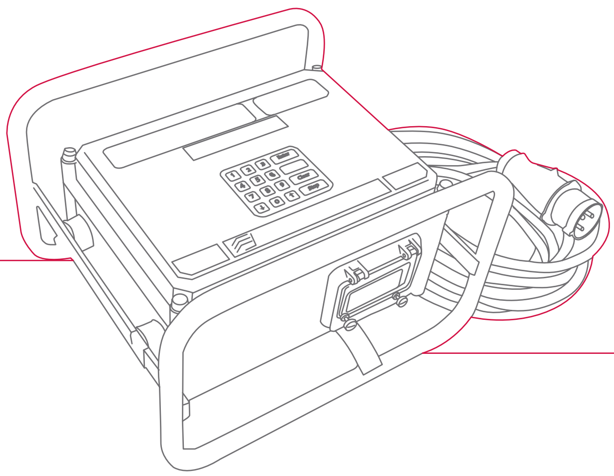
The key features of the Performance Share Plan are as follows:

> the normal maximum award that can be made each year is over shares worth up to 100% of salary. However, in FY2011, FY2012 and FY2013 the Committee agreed that the maximum award should be capped at 70% of salary. To encourage the continued recovery of the Group's profitability and share price, the Committee has agreed that the FY2014 awards which will be granted in June 2013 will increase to 85% of salary award level;

> FY2014 awards will vest subject to: (i) TSR performance measured over a three-year period beginning with the date of the grant; and (ii) continued employment. The structure of targets will be consistent with the awards granted in FY2013 (details of the FY2013 awards are set out on page 59 and details of past awards are set out on page 60); and

> The number of shares under award may be increased by the value of dividends paid, to the extent that awards vest.

TSR has been used as the primary performance measure for the Performance Share Plan awards as it is currently considered a robust measure of the Company's long-term performance. The Committee will ensure that appropriate verification from its independent remuneration consultants is sought as to the extent to which the performance conditions are satisfied.



Co-Investment Plan

The key features of the Co-Investment Plan are as follows:

> Executive Directors are required to defer any annual bonus over 50% of basic salary into Company shares (they can choose to defer and invest the rest of their bonus);

> deferral is for three years;

> matching shares are awarded by the Committee, which vest at the end of the three-year deferral period if: (i) pre-determined performance criteria are satisfied; (ii) the deferred shares are retained; and (iii) the individual remains employed by the Group. The maximum matching, which is only awarded for exceptional performance, may be on a 2:1, or 200% basis, by reference to the gross amount of bonus deferred, although no awards have been made since 2008; and

> to date, performance has been based on EPS growth over the deferral period. For previous awards, to obtain the maximum match, EPS growth of greater than Consumer Price Index (CPI) plus 12.5% per annum, calculated on a compound basis, was required. A match of 1:1 would be earned if EPS growth were greater than CPI plus 7.5% per annum, also calculated on a compound basis (with no awards vesting if EPS growth equalled CPI plus 7.5% per annum or less and straight-line vesting between 7.5% and 12.5% per annum).

During FY2014, Executive Directors will be invited to defer part or all of their FY2013 annual bonuses into the Co-Investment Plan. The performance targets will be consistent with the past awards.

All-employee share plans (SAYE scheme)

Options may be granted over shares in the Company under the Speedy Sharesave Scheme (the 'UK SAYE scheme'), in which all eligible employees (including Executive Directors) are entitled to participate and which has been approved by HM Revenue & Customs. At the end of a three-year period, participants have the right, if they choose, to use funds accumulated under the savings contract linked to the SAYE scheme to purchase shares in the Company at up to a 20% discount to the price of the Company's shares at the date employees are invited to join the scheme.

The Committee has also established an Irish Revenue-approved Irish Sharesave Scheme (the 'Irish SAYE scheme') to enable Irish employees of the Group to participate in a comparable manner to their UK counterparts and which has been approved by the Irish Revenue.

The Committee is keen to encourage employee share ownership at all levels in the Group and grants are made under the SAYE schemes on a regular, normally annual, basis. As an all-employee scheme, no performance targets are attached to options granted under the SAYE schemes.

Dilution

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

The Committee monitors the position prior to making awards under these schemes to ensure that the Company remains within this limit. As at the date of this Report, 2.10% of the 5% limit and 3.70% of the 10% limit have been used.

Share ownership guidelines

Executive Directors are expected to build and maintain a shareholding of 100% of salary. Steve Corcoran and Mike McGrath are meeting this requirement in full. Lynn Krige currently has shares with a value equal to approximately 8% of her salary due to her having been more recently appointed, although it is intended that this holding will increase as part of the deferral of the FY2013 annual bonus into shares under the Co-Investment Plan.

Long-term service awards

Consistent with the Group's approach of recognising the contribution of its employees at all levels in the business, the Group operates a long-term service award scheme under which employees serving 10, 20 and 25 years receive a range of additional benefits, including additional days of annual holiday entitlement (and including the employee's birthday for reaching 20 years' service). Employees serving 20 years receive an additional £1,000 in basic salary and those serving 25 years a further increase of £1,000 and an award of shares in the Company to the value of £1,000.

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

Service contracts

It has been the Committee's general policy that the service contracts of Executive Directors (none of which are for a fixed term) should provide for termination of employment by giving 12 months' notice or by making a payment of an amount equal to 12 months' basic salary and pension contributions in lieu of notice together with any accrued bonus entitlement. The Group's policy in the future will be for bonuses to not be included in any new joiner's termination payments. It is also the Committee's general policy that no Executive Director should be entitled to a notice period or payment on termination of employment in excess of the levels set out in his or her service contract.

In determining amounts payable on termination, the Committee also considers, where it is able to do so, appropriate adjustments to take into account accelerated receipt and the Executive Director's duty to mitigate his or her loss.

The service contracts of Steve Corcoran, Lynn Krige and Mike McGrath contain express provisions relating to their duty to mitigate their loss and for accelerated receipt in the event of termination.

Subject to the above, no Executive Director has the benefit of provisions in his or her service contract for the payment of pre-determined compensation in the event of termination of employment.

Provision	Detailed terms
Contract dates	S Corcoran – 7 January 2002 M McGrath – 10 March 2006 L Krige – 29 September 2011
Notice period	12 months
Termination payment	Base salary plus pension contributions. Any bonus accrued up to cessation may also be payable.

Remuneration report
continued

Non-Executive Directors

The remuneration of the Non-Executive Directors is set by the Executive Directors. The policy of the Board is that the remuneration of the Non-Executive Directors should be consistent with the levels of remuneration paid by companies of a similar size with due regard to their expected time commitment and responsibility in performing their duties. Non-Executive Directors receive an annual fee and are reimbursed expenses incurred in performing their duties. They do not receive any performance-related bonuses, pension contributions, share awards or other forms of benefit, but they are expected to build and maintain a shareholding of 100% of fees.

Following a review of time commitments, responsibility levels and Non-Executive Director market data, with effect from 1 April 2013, the base fee for Non-Executive Directors was increased from £34,000 to £37,000, the Chairmen of the Audit and Remuneration Committees will be paid £5,000 and the Senior Independent Director will receive an additional fee of £2,500. The Chairman's fee shall remain as per FY2013. Current fee levels are as follows:

	Role	Committee Chairman role	Fee from 1 April 2013 £000	Fee from 1 April 2012 £000
I Macpherson	Chairman	Nomination	105	105
M Averill	Senior Independent Director	Remuneration	44.5	41
J Morley	Non-Executive Director	Audit	42	41
C Masters	Non-Executive Director	–	37	34

The Chairman and Non-Executive Directors do not have contracts of service, but their terms are set out in letters of appointment. Appointments are subject to earlier termination by three months' notice on either side. The letters of appointment, copies of which are available for inspection at the Company's registered office during normal business hours, specify an anticipated time commitment of 50 days per annum in relation to Ishbel Macpherson, 25 days per annum in relation to Michael Averill, 24 days in relation to James Morley and 21 days per annum in relation to Chris Masters.

Relevant appointment letter and term dates of the Non-Executive Directors are set out below:

	Appointment letter date	Month of last election	Expected month of expiry of current term
I Macpherson	17 July 2007	July 2010	July 2013
M Averill	16 May 2008	July 2011	July 2014
J Morley	31 March 2009	July 2012	July 2015
C Masters	10 June 2011	July 2012	July 2015

Implementation report

Committee role and membership

The Remuneration Committee comprises three Non-Executive Directors: Michael Averill (Chairman), James Morley and Chris Masters. They are all considered by the Board to be independent. Biographies of the members of the Committee are set out on page 39.

Details of their membership of the Committee and attendance at the meetings during the year are as follows:

Name	Position	From	Attendance
M Averill	Committee Chairman	1 May 2008	3/4
J Morley	Non-Executive Director	2 April 2009	4/4
C Masters	Non-Executive Director	1 July 2011	3/4

Chris Masters was unable to attend one meeting because of a long-standing prior engagement linked to another of his non-executive posts. Michael Averill was unable to attend one meeting because of a critical family illness.

In addition to the formal meetings noted above, the Committee convened by teleconference a further three times in the year to discuss matters arising. It remains the Committee's policy that it shall be available to meet on an ad hoc basis when the needs of the Group require it.

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

The Committee's duties include:

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

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

> to review Directors' expenses;

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

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

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

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

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

During FY2013, the Committee reviewed the following matters at its meetings:

> design of the executive remuneration structure for the financial year FY2014;

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

> progress of bonus achievement for FY2013 executive bonuses;

> 25-year long service awards for the financial year FY2013;

> determination of FY2012 bonuses for the Executive Directors and senior managers;

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

> ongoing appropriateness and effectiveness of remuneration and benefits policies;

> performance of external remuneration advisers;

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

> implications of the proposed changes to executive remuneration published by the Department for Business, Innovation & Skills.

The Committee's terms of reference are published on the Group's website at **www.speedyhire.plc.uk** and are available in hard copy on application to the Company Secretary.

Advisers

During the year, the Committee received advice from New Bridge Street (part of Aon plc), an independent remuneration consultancy, in connection with remuneration matters including the provision of general guidance on market and best practice, the development of the Group's performance-related remuneration policy and the production of this report. New Bridge Street has no other connection or relationship with the Group and provided no other services to the Group during FY2013.

The Committee also sought advice from the Group's legal advisers, Pinsent Masons LLP, in connection with the production of this report, the operation of the Performance Share Plan, the Co-Investment Plan and the Sharesave (SAYE) Schemes.

Shareholder voting at AGM

At last year's AGM (2012) the Directors' Remuneration Report received the following votes from shareholders:

	Total number of votes	% of votes cast
For	333,650,118	99.3
Against	2,445,126	0.7
Total votes cast (for and against)	336,095,244	100
Votes withheld*	1,996,853	n/a
Total votes cast (including withheld votes)	338,092,097	–

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

Governance

Remuneration report
continued

Emoluments of the Directors

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

	FY2013 £000	FY2012 £000
Salaries and fees	**1,046**	1,055
Benefits	**87**	31
Annual performance-related bonuses	**261**	–
Pension contributions	**123**	103
Total	**1,517**	1,189

Payments to Executive Directors

	Salaries and fees					Pension contributions	
	Salary £000	Benefits £000	Bonus £000	**Total FY2013 £000**	Total FY2012 £000	**FY2013 £000**	FY2012 £000
S Corcoran	355	15	132	**502**	370	**51**	51
L Krige*	250	60#	97	**407**	133	**38**	19
M McGrath	220	12	32	**264**	221	**34**	33
Total	825	87	261	**1,173**	724	**123**	103

* Appointed on 29 September 2011; values for FY2012 are for the period from appointment to 31 March 2012.
# Includes reimbursement of relocation expenses, as detailed on page 53.

Taxable benefits comprise a car or cash alternative and health insurance.

Individual emoluments of Non-Executive Directors

	FY2013 £000	FY2012 £000
I Macpherson	**105**	105
M Averill	**41**	45
J Morley	**41**	41
C Masters*	**34**	24
Total	**221**	215

* Appointed on 13 July 2011; values for FY2012 are for the period from appointment to 31 March 2012.

Defined contribution pensions

The Committee reviews the pension arrangements for the Executive Directors to ensure that the benefits provided are consistent with those provided by similar companies and take account of changes in relevant legislation.

The Group does not offer a defined benefit pension scheme. Instead, it makes contributions to an approved pension scheme of the Executive Director's choice. Pensions contributions for Steve Corcoran and Mike McGrath range between 10% and 20% of basic salary depending on length of service and a fixed contribution of 15% of basic salary is made for Lynn Krige. Executive Directors are also offered cash in lieu of a pension contribution.

The amount of pension contributions (or cash in lieu) made in respect of each Executive Director is set out above in the emoluments table.

Details of variable pay earned in the year

Annual Bonus Plan
The Annual Bonus Plan provides the framework for an annual incentive for the Executive Directors and eligible senior managers with the aim of promoting the achievement of the corporate strategy and success of the Group.

The bonus opportunity for FY2013 was split as follows: (i) 85% of the bonus was to be payable by reference to performance against a challenging range of adjusted profit before tax targets; and (ii) 15% was to be payable for performance against key strategic objectives.

Outstanding performance was required for a maximum bonus to become payable, with no bonus payable unless a number of financial (i.e. adjusted profit before tax) and non-financial thresholds were achieved. A clawback provision applies in specified circumstances.

Following an assessment of both the financial and strategic targets set at the start of the financial year, Executive Director bonus payments for the year ended 31 March 2013 will range from 15% to 39% of salary compared to the 100% of salary maximum.

Long-term incentive plan awards granted in the year
Under the 2004 Performance Share Plan, the Group's policy is to make annual awards of up to 100% of salary over shares. However, the maximum award for FY2011, FY2012 and FY2013 was capped at 70% of salary. The number of shares awarded is determined according to the average of the mid-market price of the Company's shares at the close of business for the three months immediately preceding the award date. The details of awards made to Executive Directors in the year ended 31 March 2013 are set out below.

Awards were made under the Performance Share Plan on 20 June 2012. No awards were made under the Co-Investment Plan in FY2013.

	Scheme	Basis of award	Number of shares	Vesting period	Performance conditions
CEO	Performance Share Plan	70% of salary	944,651	Three-year performance period commencing on the date of grant and normally subject to participant remaining in employment with the Group. Awards were made in the form of options to acquire shares for an aggregate £1 exercise price for all the award shares, which were subject to performance conditions and continued service.	Relative TSR against the FTSE 250 (excluding investment trusts): 20% of an award will vest at median increasing pro-rata to full vesting at the upper quartile. An underpin also applies to the primary TSR measure, under which the Committee may reduce the number of shares that provisionally vest if the TSR performance is not considered to be truly representative of the Company's underlying performance over the performance period. When considering the Company's underlying performance, the Committee will take account of performance against a range of targets, including operating cash flow, profit against targets, working capital management and share price progression.
Group FD	Performance Share Plan	70% of salary	665,247		
MD, International	Performance Share Plan	70% of salary	585,417		

Long-term incentive plan awards vesting during the year
On 23 June 2013 the awards made on 24 June 2010 under the Company's Performance Share Plan will reach the end of their performance period. The performance conditions are in line with those of the awards made in FY2013.

It is expected that the performance conditions in respect of the awards made in June 2010 will result in partial vesting (i.e. performance between median and upper quartile of the comparator group).

There are currently no outstanding awards under the Co-Investment Plan.

Remuneration report
continued

SAYE schemes

A grant was made under both the UK and the Irish SAYE schemes in December 2012. A total of 443 employees participated in the 2012 grant and as at 31 March 2013 there were, in aggregate, 1440 live accounts spread across 862 participants in the UK and Irish SAYE schemes.

Details of Long-Term Incentive Plan awards outstanding

The options under the Performance Share Plan and the SAYE schemes were granted for nil consideration.

The market price of Speedy Hire Plc ordinary shares at 31 March 2013 was 48.75 pence and the range during the year was 22.25 pence to 49.0 pence per share.

The price of an ordinary share on 20 June 2012, when the Performance Share Plan awards in FY2013 were made, was 24.5 pence.
The price of an ordinary share on 20 December 2012, when the UK SAYE scheme awards were made, was 38.75 pence.

Details of the Executive Directors' interests in the UK SAYE scheme and Performance Share Plan

	Interest at 1 April 2012	Options/awards lapsed during the year	Options/awards granted during the year	**Interest at 31 March 2013**	Exercise price (pence)	Expected date from which exercisable/vested to expiry date (if appropriate)
S Corcoran						
Save As You Earn 2010	26,400	–	–	**26,400**	21	Feb 2014 – July 2014
Save As You Earn 2011	5,280	–	–	**5,280**	15	Feb 2015 – July 2015
Save As You Earn 2012	–	–	4,764	**4,764**	27	Feb 2016 – July 2016
Performance Plan 2009[2]	1,323,697	(1,323,697)	–	**nil**	n/a	n/a
Performance Plan 2010[1,3]	769,977	–	–	**769,977**	nil	Jun 2013 – Sep 2013
Performance Plan 2011[1,3]	785,219	–	–	**785,219**	nil	Jun 2014 – Sep 2014
Performance Plan 2012[1,3]	–	–	944,651	**944,651**	nil	Jun 2015 – Sep 2015
S Corcoran Total	2,910,573	(1,323,697)	949,415	**2,536,291**		
M McGrath						
Save As You Earn 2009	9,012	–	–	**9,012**	29	Nov 2012 – Apr 2013
Save As You Earn 2010	19,028	–	–	**19,028**	21	Feb 2014 – July 2014
Save As You Earn 2011	4,320	–	–	**4,320**	15	Feb 2015 – July 2015
Save As You Earn 2012	–	–	7,411	**7,411**	27	Feb 2016 – July 2016
Performance Plan 2009[2]	856,510	(856,510)	–	**nil**	n/a	n/a
Performance Plan 2010[1,3]	498,220	–	–	**498,220**	nil	Jun 2013 – Sep 2013
Performance Plan 2011[1,3]	508,083	–	–	**508,083**	nil	Jun 2014 – Sep 2014
Performance Plan 2012[1,3]	–	–	585,417	**585,417**	nil	Jun 2015 – Sep 2015
M McGrath Total	1,895,173	(856,510)	592,828	**1,631,491**		
L Krige						
Save As You Earn 2012	–	–	14,294	**14,294**	27	Feb 2016 – July 2016
Performance Plan 2011[1,3]	399,575	–	–	**399,575**	nil	Jun 2014 – Sep 2014
Performance Plan 2012[1,3]	–	–	665,247	**665,247**	nil	Jun 2015 – Sep 2015
L Krige Total	399,575	–	679,541	**1,079,116**		
Total	5,205,321	(2,180,207)	2,221,784	**5,246,898**		

1 Performance Plan awards (other than those granted in 2009 – see note 2) were options to acquire shares for an aggregate £1 exercise price for all the award shares. No consideration was paid for the grant of these options.
2 The 2009 Performance Plan awards were in the form of ExSOP awards, which involved the acquisition of shares jointly by the participant and the trustee of the Company's employee trust and Initial Value Awards. ExSOP awards were subject to a TSR-based performance condition which was not met, resulting in the participants' interests in all of the jointly owned shares being acquired by the trustee co-owner for nominal consideration, in accordance with the terms of their joint ownership of the shares. As the TSR condition was not met, the Initial Value Awards also lapsed.
3 The 2010, 2011 and 2012 Performance Plan awards were subject to a TSR-based performance condition measured over a three-year period beginning on 24 June 2010, 24 June 2011 and 20 June 2012 respectively. 20% of each award will vest if the Company ranks at the median compared to the FTSE 250 (excluding investment trusts) measured over the three-year performance period, with full vesting at the upper quartile (and straight-line vesting between these points). An underpin also applies to this primary TSR measure, under which the Committee may reduce the number of shares that provisionally vest by reference to performance against the relative TSR condition if this performance is not considered to be truly representative of the Company's underlying performance over the performance period. When considering the Company's underlying performance, the Committee will take account of performance against a range of targets including operating cash flow, profit against targets, working capital management and share price progression.

Termination payments

No director left in the year and no compensation for loss of office was paid. The principles governing compensation for loss of office payments are set out on pages 55 and 56.

Directors' interests in shares

The interests of the Directors of Speedy Hire Plc in the issued share capital of Speedy Hire Plc at the beginning and end of the year are shown below:

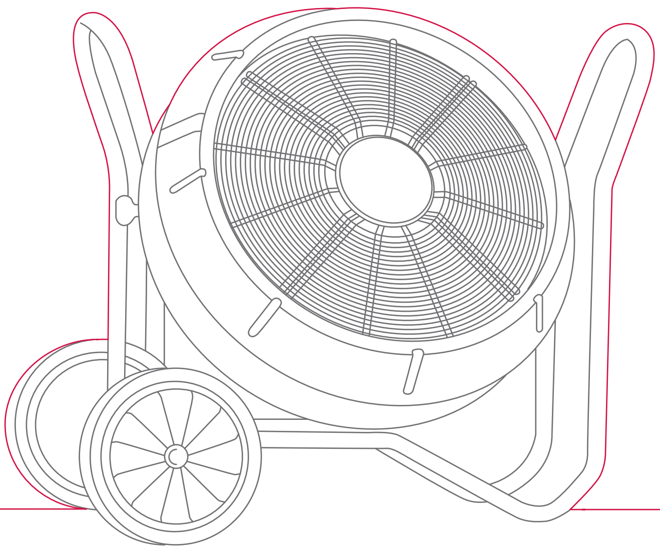
	Total number of shares 1 April 2012	Shares acquired during FY2013	**Total number of shares 31 March 2013**
S Corcoran	2,306,423	nil	**960,987**
M McGrath	1,291,500	nil	**434,990**
L Krige	95,400	nil	**95,400**
I Macpherson	216,940	nil	**216,940**
M Averill	87,349	1,173	**88,522**
J Morley	165,000	nil	**165,000**
C Masters	100,000	75,000	**175,000**

The above holdings of Steve Corcoran and Mike McGrath as reported in the 2012 Annual Report included joint ownership interests in ExSOP awards (in relation to 1,323,697 and 856,510 shares respectively) which had the potential to vest during FY2013. These awards lapsed during the year. The holding for Steve Corcoran at 31 March 2013 has also been corrected for an overstatement by 21,739 shares notified to the Company during FY2013. The increase of 1,173 shares by Michael Averill is attributable to his participation in the Company's dividend reinvestment plan.

There have been no changes in the interests of the Directors in the share capital of Speedy Hire Plc since 31 March 2013.

This report was approved by the Board on 14 May 2013.

Michael Averill
Chairman of the Remuneration Committee



Directors' report

Principal activity

The Company is a public limited company incorporated in England, registered number 927680, with its registered office at Chase House, 16 The Parks, Newton-le-Willows, Merseyside WA12 0JQ.

The principal activity of the Group is the provision of equipment for hire and sale and associated services to the construction, infrastructure, industrial and related industries. The principal activity of the Company is that of a holding company. A fuller description of the business activities is contained within the Business review on pages 10 to 35.

Business review

The Chairman's statement on pages 8 and 9, the Business review on pages 10 to 35, the key performance indicators on pages 5 to 7 and the principal risks and uncertainties on pages 30 and 31 provide a detailed review of the Group's activities, likely future developments and principal risks and uncertainties. All the information detailed in those pages is incorporated by reference into this report and is deemed to form part of this report.

Results and dividends

The consolidated profit after taxation for the year was £8.7m (2012: £1.7m). This is after a taxation charge of £4.1m (2012: £1.5m) representing an effective rate of 32.0% (2012: 31.3%) (pre-exceptional items). An interim dividend of 0.22 pence per share was paid during the year. The Directors propose that a final dividend of 0.31 pence per share be paid, which, if approved, would make a total dividend distribution in respect of the year of 0.53 pence per share (2012: 0.46 pence).

Related party transactions

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

Buy-back of shares

At the Annual General Meeting held on 18 July 2012, a special resolution was passed to authorise the Company to make purchases on the London Stock Exchange of up to 10% of its ordinary shares.

As at 14 May 2013, no shares had been purchased under this authority. Shareholders will be requested to renew this authority at the forthcoming Annual General Meeting in July 2013.

Equal opportunities

In the recruitment of employees and their subsequent career development, individuals are considered having regard to their aptitudes and abilities irrespective of race, sex, marital status, age, religion or disability. In the case of disability, reasonable adjustments are considered to enable employment or continue employment in the event that an employee becomes disabled during employment, as well as to ensure that they are treated in the same manner as any other employee with regard to career development, promotion and training. Managers at all levels are trained and developed to adhere to and promote this goal, including training specifically on diversity matters.

Employee involvement

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

The Board believes in the financial effectiveness of incentive bonuses. It is the Group's policy that employees should be in some form of incentive scheme as soon as practicable after joining the Group and concluding the relevant probationary period. Details of annual incentive arrangements for Executive Directors are summarised in the Remuneration Committee's report on page 50.

The Group has an Employee Charter in place, which sets out various commitments the Group makes to its employees including in respect of pay, engagement and development. The Board sees employee engagement as a key part of its success and this is measured and reported to the Board on a formal basis.

Further involvement is engendered through employee feedback mechanisms including an annual employee opinion survey, a Q&A function provided on the Group's intranet and employee consultative forums in each region.

Payments to suppliers

It is the Group's policy to make suppliers aware of the terms and conditions upon which the Group will trade with them and to abide by those terms. Codes or standards on payment practice are followed where appropriate. The Group had 116 days (2012: 105 days) of purchases outstanding at the end of the financial year (Company: nil days, 2012: nil days).

Financial instruments

The Group holds and uses financial instruments to finance its operations and manage its interest rate and liquidity risks. Full details of the Group's arrangements are contained in note 17 to the Financial Statements.

Going concern

As detailed in note 1 to the Financial Statements (basis of preparation), the Directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Political and charitable donations

The Group made charitable donations amounting to £35,000 (2012: £41,000) during the year. The Company did not make any charitable donations. In accordance with the policy of the Group, no political donations were made during the year.

Principal beneficiaries include The Lighthouse Club and CRASH in the construction sector and wider partnerships with Habitat for Humanity and WellChild. The Group's charities committee meets quarterly to assess applications and make recommendations. Membership comes from across the Group's UK operations and the committee also helps to instigate and support employee fundraising activity, 'in-kind' support through our depot network and community engagement.

Substantial shareholders

As at 10 May 2013, the Company had been notified, including under the Disclosure and Transparency Rules, of the following holders of shares with 3% or more of the total voting rights in the issued share capital of the Company.

Shareholder name	Percentage of voting rights
Schroder Investment Management	12.40
Standard Life Investments	9.76
Aberforth Partners	7.10
Fidelity Worldwide Investment	7.79
Legal & General Investment Management	3.58
River and Mercantile Asset Management	3.31

Directors

The Directors who served during the year and the interests of Directors in the share capital of the Company are set out on pages 58 and 61.

Ishbel Macpherson and Michael Averill are retiring by rotation at the Annual General Meeting and are offering themselves for re-election.

The Group Board unanimously supports the re-election of Ishbel Macpherson and Michael Averill.

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

Disclosure of information to auditors

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

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

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

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

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

> select suitable accounting policies and then apply them consistently;

> make judgements and estimates that are reasonable and prudent;

> state whether they have been prepared in accordance with IFRSs as adopted by the EU; and

> prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

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

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

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

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rule 4.1.12

The Directors confirm that, to the best of their knowledge:

(i) the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(ii) the Business Review includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The names and functions of the Directors of the Company are set out on pages 38 and 39 of the Annual Report.

Directors' report
continued

Auditors

KPMG Audit Plc was reappointed at the Annual General Meeting of the Company held on 18 July 2012 and their appointment expires at the conclusion of this year's Annual General Meeting. KPMG Audit Plc has instigated an orderly wind-down of business. The Board has decided to put KPMG LLP forward to be appointed as auditors and a resolution concerning their appointment will be put to the forthcoming Annual General Meeting in July 2013.

Takeover Directive information

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

Share capital

As at 31 March 2013, the Company's share capital comprised a single class of ordinary shares of 5 pence each. As at 31 March 2013 the authorised share capital of the Company was £35,000,000 comprising 700,000,000 ordinary shares of 5 pence each, and the issued share capital was £25,896,252 comprising 517,925,049 ordinary shares of 5 pence each. There are no special rights or obligations attaching to the ordinary shares.

Restrictions on share transfers

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

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

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

Shares with special rights

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

Restrictions on voting rights

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

Agreements which may result in restrictions on share transfers

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

Appointment and replacement of Directors

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

Each Director must also stand for re-election at the third Annual General Meeting following their last election or re-election. If the number of Directors standing for re-election is less than one-third of the current Board (which excludes any Directors appointed by the Board who are standing for election for the first time) then additional Directors must also stand for re-election in order that one-third of the Board is standing for re-election, save that where the number of Directors is not three or a multiple of three, the number of Directors which is nearest to but does not exceed one-third must stand for re-election. For 2013 this requires that two Directors stand for re-election.

Articles of Association

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

Directors' powers

At the Annual General Meeting to be held on 18 July 2013, shareholders will be asked to renew the Directors' power to allot shares and buy back shares in the Company and to renew the disapplication of pre-emption rights.

Change of control – significant agreements

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

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

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

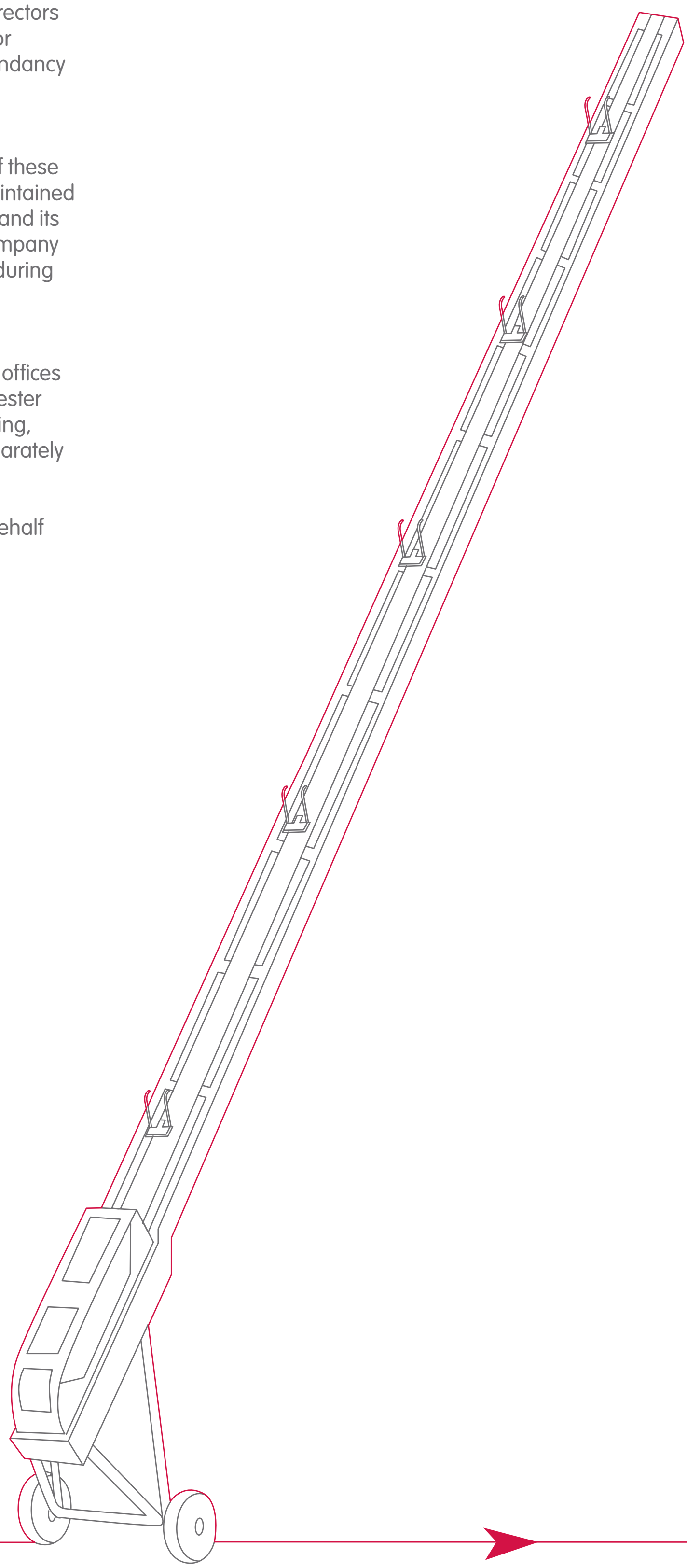
Directors' indemnities
Throughout the financial year and at the date of approval of these Financial Statements, the Company has purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors. As permitted by the Companies Act 2006, the Company has also indemnified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

Annual General Meeting
The Company's Annual General Meeting will be held at the offices of Addleshaw Goddard LLP at 100 Barbirolli Square, Manchester M2 3AB on 18 July 2013 at 10.00am. A formal notice of meeting, an explanatory circular and a form of proxy will be sent separately to shareholders.

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

By order of the Board on 14 May 2013.

James Blair
Company Secretary



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

We have audited the Financial Statements of Speedy Hire Plc for the year ended 31 March 2013 set out on pages 68 to 102. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company Financial Statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 63, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at **www.frc.org.uk/auditscopeukprivate**.

Opinion on Financial Statements

In our opinion:

> the Financial Statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the Group's profit for the year then ended;

> the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the EU;

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

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

> the information given in the Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and

> information given in the Corporate governance statement set out on pages 40 to 45 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

> the parent company Financial Statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or

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

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

> a Corporate governance statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

> the Directors' statement, set out on page 62, in relation to going concern;

> the part of the Corporate governance statement on pages 40 to 45 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and

> certain elements of the report to shareholders by the Board on Directors' remuneration.

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

14 May 2013

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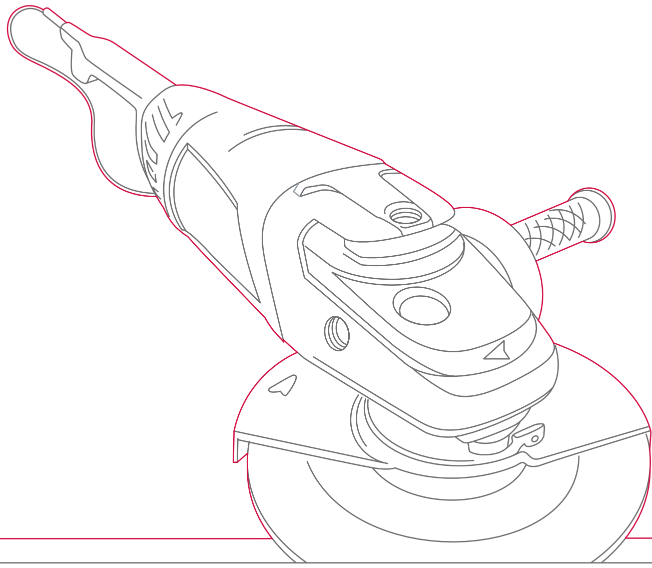

Consolidated income statement
For the year ended 31 March 2013

	Note	Year ended 31 March 2013 £m	Year ended 31 March 2012 Before exceptional items £m	Year ended 31 March 2012 Exceptional items £m	Year ended 31 March 2012 Total £m
Revenue	2	**340.4**	329.3	–	329.3
Cost of sales		**(116.4)**	(108.4)	–	(108.4
Gross profit		**224.0**	220.9	–	220.9
Distribution costs		**(35.4)**	(36.3)	–	(36.3)
Administrative expenses		**(168.2)**	(169.1)	(2.9)	(172.0)
Analysis of operating profit					
Operating profit before amortisation and exceptional items		**24.4**	19.6	–	19.6
Amortisation		**(4.0)**	(4.1)	–	(4.1)
Exceptional costs	3	**–**	–	(2.9)	(2.9)
Operating profit		**20.4**	15.5	(2.9)	12.6
Financial expense	3,7	**(7.6)**	(7.2)	(2.2)	(9.4)
Profit before taxation		**12.8**	8.3	(5.1)	3.2
Taxation	3,8	**(4.1)**	(2.6)	1.1	(1.5)
Profit for the financial year		**8.7**	5.7	(4.0)	1.7
Attributable to:					
Equity holders of the Company		**8.7**			1.7
Earnings per share					
– Basic (pence)	9	**1.72**			0.33
– Diluted (pence)	9	**1.70**			0.33
Non-GAAP performance measures					
EBITDA before exceptional costs	11	**73.5**	63.2		
Profit before tax, amortisation and exceptional costs	11	**16.8**	12.4		
Adjusted earnings per share (pence)	9	**2.39**	1.72		

Consolidated statement of comprehensive income
For the year ended 31 March 2013

	2013 £m	2012 £m
Profit for the financial year	**8.7**	1.7
Other comprehensive income/(loss):		
– Effective portion of change in fair value of cash flow hedges	**0.1**	(0.1)
– Tax on items taken directly to equity	**0.3**	0.1
– Exchange difference on translation of foreign operations	**(0.3)**	(0.4)
Other comprehensive income/(loss), net of tax	**0.1**	(0.4)
Total comprehensive income for the financial year	**8.8**	1.3
Attributable to equity holders of the Company	**8.8**	1.3

Consolidated balance sheet
At 31 March 2013

	Note	2013 £m	2012 £m
ASSETS			
Non-current assets			
Intangible assets	12	**54.2**	58.0
Property, plant and equipment			
– Hire equipment	13	**214.5**	210.3
– Non-hire equipment	13	**27.5**	30.7
		296.2	299.0
Current assets			
Inventories	14	**13.5**	12.8
Trade and other receivables	15	**84.3**	87.7
Cash	18	**0.2**	0.2
		98.0	100.7
Total assets		**394.2**	399.7
LIABILITIES			
Current liabilities			
Borrowings	18	**(0.1)**	(0.2)
Other financial liabilities	17	**(0.6)**	(0.7)
Trade and other payables	16	**(67.8)**	(77.6)
Provisions	19	**(1.2)**	(2.3)
Current tax liabilities		**(3.8)**	(0.3)
		(73.5)	(81.1)
Non-current liabilities			
Borrowings	18	**(72.5)**	(76.3)
Provisions	19	**(0.6)**	(2.2)
Deferred tax liabilities	20	**(10.6)**	(10.6)
		(83.7)	(89.1)
Total liabilities		**(157.2)**	(170.2)
Net assets		**237.0**	229.5
EQUITY			
Share capital	21	**25.9**	25.9
Share premium		**190.5**	190.2
Merger reserve		**1.0**	1.0
Hedging reserve		**(0.9)**	(1.0)
Translation reserve		**(0.6)**	(0.3)
Retained earnings		**21.1**	13.7
Total equity attributable to equity holders of the Company		**237.0**	229.5

The Financial Statements on pages 68 to 96 were approved by the Board of Directors on 14 May 2013 and were signed on its behalf by:

Steve Corcoran
Director

Lynn Krige
Director

Company registered number: 927680

Consolidated statement of changes in equity
For the year ended 31 March 2013

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	**Total equity £m**
At 1 April 2011	25.9	190.2	1.0	(0.9)	0.1	13.1	**229.4**
Total comprehensive income*	–	–	–	(0.1)	(0.4)	1.8	**1.3**
Dividends	–	–	–	–	–	(2.1)	**(2.1)**
Equity-settled share-based payments	–	–	–	–	–	0.9	**0.9**
At 31 March 2012	25.9	190.2	1.0	(1.0)	(0.3)	13.7	**229.5**
Total comprehensive income*	–	–	–	0.1	(0.3)	9.0	**8.8**
Dividends	–	–	–	–	–	(2.5)	**(2.5)**
Equity-settled share-based payments	–	–	–	–	–	0.9	**0.9**
Issue of shares under the Sharesave Scheme	–	0.3	–	–	–	–	**0.3**
At 31 March 2013	25.9	190.5	1.0	(0.9)	(0.6)	21.1	**237.0**

* From consolidated statement of comprehensive income.

Consolidated cash flow statement
For the year ended 31 March 2013

	Note	2013 £m	2012 £m
Cash generated from operations before changes in hire fleet	23	**64.0**	69.7
Purchase of hire equipment		**(59.0)**	(64.2)
Proceeds from sale of hire equipment		**19.5**	19.4
Cash generated from operations		**24.5**	24.9
Interest paid		**(6.3)**	(7.2)
Tax paid		**(0.3)**	–
Net cash flow from operating activities		**17.9**	17.7
Cash flow from investing activities			
Proceeds from disposal of accommodation hire assets, net		**–**	33.4
Purchase of non-hire property, plant and equipment		**(10.8)**	(6.6)
Disposal of other property, plant and equipment		**0.8**	–
Acquisition of business	24	**(0.4)**	(5.2)
Net cash flow (to)/from investing activities		**(10.4)**	21.6
Net cash flow before financing activities		**7.5**	39.3
Cash flow to financing activities			
Repayment of bank loans		**–**	(33.9)
Repayment of previous cash-flow-based loan facility		**–**	(89.8)
Proceeds from asset-based revolving credit facility		**–**	91.2
Repayment of asset-based revolving credit facility		**(5.2)**	(4.0)
Proceeds from the issue of Sharesave Scheme shares		**0.3**	–
Dividends paid		**(2.5)**	(2.1)
Net cash flow to financing activities		**(7.4)**	(38.6)
Increase in cash		**0.1**	0.7
Cash/(overdraft) at the start of the financial year		**–**	(0.7)
Cash at the end of the financial year		**0.1**	–

	2013 £m	2012 £m
Analysis of cash		
Cash	**0.2**	0.2
Bank overdraft	**(0.1)**	(0.2)
	0.1	–

Notes to the financial statements

1 Accounting policies

Speedy Hire Plc is a company incorporated and domiciled in the United Kingdom. The consolidated Financial Statements of the Company for the year ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as the 'Group').

The consolidated and parent company Financial Statements were approved by the Board of Directors on 14 May 2013.

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

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

Further information on the Group's business activities, together with the factors likely to affect its future development, performance and position, is set out in the Chief Executive's Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Group Financial Review above. In addition, note 17 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit risk, liquidity risk and market risk.

The Group signed a £220m asset-based revolving credit facility ('the Facility') on 30 June 2011, which, following an extension agreed during the year ended 31 March 2013, matures in August 2015 and has no prior scheduled repayment requirements.

The Group meets its day-to-day working capital requirements through operating cash flows, supplemented as necessary by borrowings. The Directors have prepared cash flow projections for the period to September 2014 which show that the Group is capable of continuing to operate within its existing loan facilities and can meet the covenant tests set out within the Facility. The key assumptions on which the projections are based include an assessment of the impact of future market conditions on projected revenues and an assessment of the net capital investment required to support the expected level of revenues.

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

Basis of consolidation
Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated Financial Statements from the date that control commences until the date that control ceases.

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

New accounting standards and accounting standards not yet effective
The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board became effective during the year, but have no material effect on the Group's Financial Statements:

> Amendments to IFRS7 Financial Instruments: Disclosures

> Improvements to IFRS 2011

The International Accounting Standards Board ('IASB') and International Financial Reporting Interpretations Committee ('IFRIC') have also issued the following standards and interpretations which have been endorsed by the EU at 31 March 2013 with an effective date of implementation after the date of these Financial Statements:

Notes to the financial statements
continued

1 Accounting policies continued

International Accounting Standards (IAS/IFRSs)

		Effective date (periods beginning on or after)
Amendments to IAS1	Presentation of Items of Other Comprehensive Income	1 July 2012
IFRS13	Fair Value Measurement	1 January 2013
Amendment to IFRS7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRS10 (revised)	Consolidated Financial Statements	1 January 2014
IFRS11 (revised)	Joint Arrangements	1 January 2014
IFRS12 (revised)	Disclosure of Interests in Other Entities	1 January 2014
IAS27 (revised)	Separate Financial Statements (2011)	1 January 2014
IAS28 (revised)	Investments in Associates and Joint Ventures (2011)	1 January 2014
Amendments to IAS32	Offsetting Financial Assets and Financial Liabilities	1 January 2014

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's Financial Statements in the period of initial application.

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

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

Revenue arising from the sale of ex-hire fleet assets and consumable stock is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. Transfer occurs when the product or asset is received at the customer's location.

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

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

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

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

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

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

1 Accounting policies continued

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

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

Leases
Leases in which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. These assets are included in the balance sheet at the lower of the fair value or present value of minimum lease payments at inception and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet.

Lease payments in respect of finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

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

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

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

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

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

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

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

Notes to the financial statements
continued

1 Accounting policies continued

Segment reporting

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

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

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

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

Intangible assets

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

> **Goodwill**

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

For acquisitions on or after 1 April 2010, the Group measures goodwill at the acquisition date as: the fair value of the consideration transferred; plus the recognised amount of any non-controlling interests in the acquiree; plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

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

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

> **Other intangible assets**

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

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

> **Amortisation**

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

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

1 Accounting policies continued

Impairments

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

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

Own shares held by Employee Benefits Trust

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

Inventories

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

Derivative financial instruments

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

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

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

Intra-Group financial instruments

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

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and overnight deposits.

Interest-bearing borrowings

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

Notes to the financial statements
continued

1 Accounting policies continued

Translation of foreign currencies

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

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

Employee benefits

> **Pension schemes**
> The Group offers a stakeholder pension arrangement to employees and in addition makes contributions to personal pension schemes for certain employees. Obligations for contributions to these defined contribution pension plans are recognised as an expense in the income statement as incurred.

> **Share-based payment transactions**
> The Group operates a number of schemes which allow certain employees to acquire shares in the Company, including the Performance Plan, the Co-Investment Plan, and the all-employee Sharesave Schemes. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured, using an appropriate option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to total shareholder return not achieving the threshold for vesting. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no 'true-up' for differences between expected and actual outcomes.

Provisions

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

Exceptional items

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

Significant judgements and estimates

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

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

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

1 Accounting policies continued

Significant judgements and estimates continued

Whether an investment is a subsidiary or associate

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

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

Property, plant and equipment

In relation to the Group's property, plant and equipment (note 13), useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. At 31 March 2013, the carrying value of hire equipment was £214.5m (2012: £210.3m) representing 88.6% (2012: 87.3%) of the total property, plant and equipment. The hire equipment depreciation charge for the year ended 31 March 2013 was £36.0m (2012: £34.2m), which represents 9.5% (2012: 9.2%) of the average original cost of hire equipment. Both useful economic lives and residual values are reviewed on a regular basis.

Onerous lease provision

The Group has a number of properties which are leased but no longer occupied. The future cost of these ongoing lease obligations is provided for by way of an onerous property contract provision (see note 19), and at 31 March 2013 the amount provided was £1.8m (2012: £4.5m). In determining the level of provision required, the Group assesses the likelihood of mitigating future lease costs as a result of break clauses in leases, or the likelihood of sub-letting the property to third parties. In doing so, the Group obtains external professional advice where the amounts involved are material.

Impairment

Goodwill is reviewed annually to assess the requirement for impairment; at 31 March 2013 goodwill was £44.3m (2012: £44.3m). Other intangible assets totalled £9.9m at 31 March 2013 (2012: £13.7m) and are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the carrying value of such assets is not supportable. Impairment testing on goodwill is carried out in accordance with the analyses described in note 12. Such calculations require assumptions relating to the appropriate discount factors and long-term growth prevalent in particular markets as well as short-term business performance. The Directors draw upon experience as well as external resources in making these assumptions. In the year to 31 March 2013, an impairment review was undertaken in respect of intangible assets and property, plant and equipment, applying the basis and key assumptions set out in note 12.

Bad debt provision

The Group monitors the risk profile of debtors regularly and makes a provision for amounts that may not be recoverable. When a trade receivable is not collectable it is written off against the bad debt provision. At 31 March 2013, the provision for bad debt was £2.5m (2012: £2.4m) against a total debtor book of £83.2m (2012: £86.0m).

Notes to the financial statements
continued

2 Segmental analysis

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

UK & Ireland Asset Services are managed separately at below CODM level but have been aggregated into one operating segment as they have similar economic characteristics including the nature of the products and services, the type or class of customer for their products and services and the methods used to distribute their products or provide their services.

For the year ended 31 March 2013	UK & Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Segmental revenue	323.5	27.4	–	350.9
Intra-Group revenue	(2.1)	(8.4)	–	(10.5)
Revenue	321.4	19.0	–	340.4
Segment result:				
EBITDA before exceptional costs	73.8	5.5	(5.8)	73.5
Amortisation	(4.0)	–	–	(4.0)
Depreciation	(42.6)	(4.7)	(1.8)	(49.1)
Operating profit/(loss)	27.2	0.8	(7.6)	20.4
Financial expense				(7.6)
Profit before tax				12.8
Taxation				(4.1)
Profit for the financial year				8.7
Intangible assets	54.2	–	–	54.2
Hire equipment	183.3	31.2	–	214.5
Non-hire equipment	27.3	0.2	–	27.5
Current assets	84.3	11.0	2.5	97.8
Cash	–	–	0.2	0.2
Total assets	349.1	42.4	2.7	394.2
Liabilities	(57.8)	(4.7)	(7.7)	(70.2)
Bank overdraft	–	–	(0.1)	(0.1)
Borrowings	–	–	(72.5)	(72.5)
Taxation liabilities	–	–	(14.4)	(14.4)
Total liabilities	(57.8)	(4.7)	(94.7)	(157.2)
Capital expenditure	53.2	16.6	–	69.8

2 Segmental analysis continued

For the year ended 31 March 2012	UK & Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Segmental revenue	320.0	18.0	–	338.0
Intra-Group revenue	(1.8)	(6.9)	–	(8.7)
Revenue	318.2	11.1	–	329.3
Segment result:				
EBITDA before exceptional costs	66.3	2.5	(5.6)	63.2
Amortisation	(4.1)	–	–	(4.1)
Depreciation	(38.5)	(3.2)	(1.9)	(43.6)
Exceptional restructuring costs	(2.9)	–	–	(2.9)
Operating profit/(loss)	20.8	(0.7)	(7.5)	12.6
Financial expense				(7.2)
Exceptional financial expense				(2.2)
Profit before tax				3.2
Taxation				(1.5)
Profit for the financial year				1.7
Intangible assets	58.0	–	–	58.0
Hire equipment	185.8	24.5	–	210.3
Non-hire equipment	30.5	0.2	–	30.7
Current assets	90.4	5.5	4.6	100.5
Cash	–	–	0.2	0.2
Total assets	364.7	30.2	4.8	399.7
Liabilities	(66.1)	(8.7)	(8.1)	(82.9)
Bank overdraft	–	–	(0.2)	(0.2)
Borrowings	–	–	(76.3)	(76.3)
Taxation liabilities	–	–	(10.8)	(10.8)
Total liabilities	(66.1)	(8.7)	(95.4)	(170.2)
Capital expenditure	60.8	10.0	–	70.8

Intra-Group transactions are undertaken on an arm's length basis.

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

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

Geographical information

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

	Year ended 31 March 2013		Year ended 31 March 2012	
	Revenues £m	**Non-current assets £m**	Revenues £m	Non-current assets £m
UK	**316.2**	**259.4**	312.4	268.6
Ireland	**5.2**	**5.4**	5.8	5.7
Other countries	**19.0**	**31.4**	11.1	24.7
	340.4	**296.2**	329.3	299.0

Major customer

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

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continued

3 Exceptional items

For the year ended 31 March 2013
There were no exceptional items incurred in the year.

For the year ended 31 March 2012
On 30 April 2011, the Group completed its disposal of the accommodation hire operation by UK Asset Services and incurred a number of non-recurring items of expense (£2.9m) including additional asset writedowns and other charges relating to the disposal.

In June 2011, the Group entered into a new asset-based revolving credit facility, replacing the previous cash-flow-based loan facility. Management assessed the impact of this change in line with the guidance contained within IAS39 and concluded that it did represent a significant modification due to changes in the counter-parties. As a result, unamortised fees and transaction costs in relation to the previous cash-flow-based loan facility were written off and treated as exceptional finance costs in the year (£2.2m).

The resulting tax credit in relation to exceptional items amounted to £1.1m, all of which related to current tax.

4 Operating profit

Operating profit is stated after charging/(crediting):

	2013 £m	2012 £m
Amortisation of intangible assets	**4.0**	4.1
Depreciation of owned property, plant and equipment	**49.1**	43.6
Profit on disposal of hire equipment	**(3.9)**	(4.8)
Loss on disposal of other property, plant and equipment	**0.1**	0.7
Operating lease rentals		
– of land and buildings	**12.4**	11.8
– of vehicles	**9.9**	10.4
Auditors' remuneration		
– audit of these Financial Statements	**0.1**	0.1
– amounts receivable by auditors in respect of:		
– audit of financial statements of subsidiaries pursuant to legislation	**0.1**	0.1
– corporate finance services	**0.1**	–

Audit fees relate entirely to the Group's current auditor, KPMG Audit plc. Fees for non-audit services in 2012 relate to the preparation of certain compliance certificates required as part of the Group's banking facilities, a review of the risk profile relating to collection of payments from customers and a review of the Group's debt facility structure.

5 Employees

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

	Number of employees 2013	2012
UK & Ireland Asset Services	**3,194**	3,305
International Asset Services	**246**	188
Central	**336**	351
	3,776	3,844

The aggregate payroll costs of these employees were as follows:

	2013 £m	2012 £m
Wages and salaries	**92.2**	92.6
Social security costs	**8.7**	9.0
Other pension costs	**0.6**	0.6
Share-based payments	**1.0**	1.2
	102.5	103.4

6 Directors' remuneration

	2013 £000	2012 £000
Directors' emoluments		
Basic remuneration, including benefits	**1,133**	1,086
Performance-related bonuses	**261**	–
Payments to former Directors	**–**	6
Company pension contributions to personal pension plans	**123**	103
	1,517	1,195
Emolument of the highest paid Director		
Basic remuneration, including benefits	**370**	370
Performance-related bonuses	**132**	–
Company pension contributions to personal pension plans	**51**	51
	553	421

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

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

7 Financial expense

	2013 £m	2012 £m
Financial expense		
Interest on bank loans and overdrafts	**5.2**	5.2
Amortisation of issue costs	**1.4**	1.0
Total interest on bank loans and overdrafts	**6.6**	6.2
Hedge interest payable	**0.5**	0.7
Other finance costs	**0.5**	0.3
Exceptional amortisation of bank fees following the refinancing in June 2011 (note 3)	**–**	1.7
Exceptional amortisation of bank fees in connection with the amendments in July 2010 to the cash-flow-based loan facility (note 3)	**–**	0.5
	7.6	9.4

8 Taxation

	2013 £m	2012 £m
Tax charged in the income statement		
Current tax		
UK corporation tax on profits for the period at 24% (2012: 26%)	**3.7**	–
Withholding tax	**0.1**	–
Total current tax	**3.8**	–
Deferred tax		
UK deferred tax at 23% (2012: 24%) (note 20)	**0.8**	3.2
Adjustment in respect of prior years	**–**	(0.8)
Impact of rate change	**(0.5)**	(0.9)
Total deferred tax	**0.3**	1.5
Total tax charge	**4.1**	1.5
Tax credited in equity		
Deferred tax		
Net loss on revaluation of cash flow hedges	**–**	(0.1)
Deferred tax on equity-settled share-based payments	**(0.3)**	–
Total deferred tax credited in equity	**(0.3)**	(0.1)

Notes to the financial statements
continued

8 Taxation continued

The tax charge in the income statement for the year is higher than the standard rate of corporation tax in the UK of 24% (2012: 26%) and is explained as follows:

	2013 £m	2012 £m
Profit before tax	**12.8**	3.2
Accounting profit multiplied by the standard rate of corporation tax at 24% (2012: 26%)	**3.1**	0.8
Expenses not deductible for tax purposes	**1.5**	1.7
Non-taxable income	**(0.6)**	(0.4)
Share-based payments	**(0.2)**	0.1
Unrecognised tax losses	**0.3**	0.5
Overseas tax losses arising not subject to tax	**0.5**	0.5
Overseas withholding tax potentially not recoverable	**0.1**	–
Adjustment to deferred taxation relating to future changes in corporation tax rates	**(0.5)**	(0.9)
Adjustment to tax in respect of prior years	**(0.1)**	(0.8)
Tax charge for the year reported in the income statement	**4.1**	1.5
Tax credited in equity (note 20)		
Deferred tax charge	**(0.3)**	(0.1)

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at 31 March 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax liability accordingly.

9 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of £8.7m (2012: £1.7m) and the weighted average number of 5 pence ordinary shares in issue, and is calculated as follows:

	2013	2012
Profit (£m)		
Profit for the year after tax – basic earnings	**8.7**	1.7
Intangible amortisation charge (after tax)	**3.4**	3.1
Exceptional items (after tax)	**–**	4.0
Adjusted earnings (after tax)	**12.1**	8.8
Weighted average number of shares in issue (m)		
At the beginning of the year	**506.9**	506.9
Exercise of share options	**0.3**	–
At the end of the year – basic number of shares	**507.2**	506.9
Share options	**0.5**	0.3
Employee share scheme	**5.6**	4.5
At the end of the year – diluted number of shares	**513.3**	511.7

9 Earnings per share continued

	2013	2012
Earnings per share (pence)		
Basic earnings per share	**1.72**	0.33
Amortisation	**0.67**	0.60
Exceptional costs	**–**	0.79
Adjusted earnings per share	**2.39**	1.72
Basic earnings per share	**1.72**	0.33
Employee share scheme	**(0.02)**	–
Diluted profit per share	**1.70**	0.33
Adjusted earnings per share	**2.39**	1.72
Employee share schemes	**(0.03)**	(0.01)
Adjusted diluted earnings per share	**2.36**	1.71

Total number of shares outstanding at 31 March 2013 amounted to 517,925,049, including 10,206,080 shares held in the Employee Benefit Trust, which are excluded in calculating earnings per share.

10 Dividends

The aggregate amount of dividend comprises:

	2013 £m	2012 £m
2011 final dividend (0.2 pence on 517.2m shares)	**–**	1.0
2012 interim dividend (0.2 pence on 517.2m shares)	**–**	1.1
2012 final dividend (0.26 pence on 517.2m shares)	**1.4**	–
2013 interim dividend (0.22 pence on 517.2m shares)	**1.1**	–
	2.5	2.1

Subsequent to the end of the year and not included in the results for the year, the Directors recommended a final dividend of 0.31 pence (2012: 0.26 pence) per share, bringing the total amount payable in respect of the 2013 year to 0.53 pence (2012: 0.46 pence), to be paid on 14 August 2013 to shareholders on the register on 14 June 2013.

The Employee Benefit Trust established to hold shares for the Performance Plan and Co-Investment Plan has waived its right to the interim and final proposed dividends. At 31 March 2013, the Trust held 10,206,080 ordinary shares (2012: 10,260,251).

11 Non-GAAP performance measures

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

	2013 £m	2012 £m
Operating profit	**20.4**	12.6
Add back: amortisation	**4.0**	4.1
Add back: exceptional costs	**–**	2.9
Operating profit before amortisation and exceptional costs	**24.4**	19.6
Add back: depreciation	**49.1**	43.6
EBITDA before exceptional costs	**73.5**	63.2
Profit before tax	**12.8**	3.2
Add back: amortisation	**4.0**	4.1
Add back: exceptional costs	**–**	2.9
Add back: exceptional finance costs	**–**	2.2
Profit before tax, amortisation and exceptional costs	**16.8**	12.4

Notes to the financial statements
continued

12 Intangible fixed assets

	Goodwill £m	Customer lists £m	Non-compete agreements £m	Brand £m	Supply agreements £m	Total £m
Cost						
At 1 April 2011	93.5	36.2	4.9	4.1	17.9	156.6
Additions	–	–	–	–	1.9	1.9
At 31 March 2012	93.5	36.2	4.9	4.1	19.8	158.5
Additions	–	0.2	–	–	–	0.2
At 31 March 2013	93.5	36.4	4.9	4.1	19.8	158.7
Amortisation						
At 1 April 2011	49.2	21.8	4.9	4.1	16.4	96.4
Charged in year	–	3.0	–	–	1.1	4.1
At 31 March 2012	49.2	24.8	4.9	4.1	17.5	100.5
Charged in year	–	3.2	–	–	0.8	4.0
At 31 March 2013	49.2	28.0	4.9	4.1	18.3	104.5
Net book value						
At 31 March 2013	**44.3**	**8.4**	**–**	**–**	**1.5**	**54.2**
At 31 March 2012	44.3	11.4	–	–	2.3	58.0
At 31 March 2011	44.3	14.4	–	–	1.5	60.2

The amount of goodwill that is tax-deductible is £19.2m (2012: £19.2m).

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

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

The recoverable amounts of the goodwill and intangible assets allocated to CGUs are determined by value-in-use calculations. The value-in-use calculations use cash flow projections based on five-year financial forecasts approved by management. The key assumptions for these forecasts are those regarding revenue growth, net margin and the level of capital expenditure required to support trading, which management estimates based on past experience adjusted for current market trends and expectations of future changes in the market. To prepare value-in-use calculations, the Group uses cash flow projections for a 15-year period, which incorporates a ten-year terminal value. The projections are made up of the FY2014 budget, a subsequent four-year period using the Group's business plan, and a further ten years' income. The final ten years' income is extrapolated at an estimated average long-term nominal growth rate, being an estimate of inflation. The resulting forecast cash flows are discounted back to present value, using an estimate of the Group's weighted average cost of capital, adjusted for risk factors associated with the individual CGU and market-specific risks.

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

	31 March 2013		31 March 2012	
	Pre-tax discount rate	**Terminal value growth rate**	Pre-tax discount rate	Terminal value growth rate
UK Asset Services	**11.7%**	**2.5%**	11.7%	2.5%

For UK Asset Services, the recoverable amount at 31 March 2013, calculated using the discounted forecast cash flows, results in a surplus over carrying value of £122.5m (2012: £41.7m). Impairment calculations are sensitive to changes in key assumptions of revenue growth and discount rate. An increase of 1% in the pre-tax discount rate, with all other assumptions held constant, would reduce discounted cash flows by £28.5m, leaving headroom against carrying value at £94.0m (2012: £19.1m). A decrease of 1% in the forecast revenue growth, with all the other assumptions held constant, would reduce discounted cash flows by £10.2m, leaving headroom against carrying value of £112.3m (2012: £34.0m).

12 Intangible fixed assets continued

For Ireland Asset Services, the carrying value of the property, plant and equipment and other net assets at 31 March 2013 is greater than the recoverable value calculated on a value-in-use basis. However, the carrying value of the assets is estimated to be equal to the fair value less costs to sell. No goodwill or intangible assets have been allocated to Ireland Asset Services.

No goodwill or intangible assets have been allocated to International Asset Services. Value-in-use calculations result in a recoverable amount that is greater than the carrying value of the property, plant and equipment and other net assets at 31 March 2013. An increase of 1% in the pre-tax discount rate or a decrease of 1% in the forecast revenue growth does not result in a shortfall of recoverable amount over carrying value of the property, plant and equipment and other net assets.

13 Property, plant and equipment

	Land and buildings £m	Hire equipment £m	Other £m	Total £m
Cost				
At 1 April 2011	28.0	363.3	57.8	449.1
Foreign exchange	–	0.5	–	0.5
Additions	3.3	69.9	3.3	76.5
Acquisitions	–	8.8	–	8.8
Disposals	(1.5)	(45.4)	(0.1)	(47.0)
Transfers to inventory	–	(13.5)	–	(13.5)
At 31 March 2012	29.8	383.6	61.0	474.4
Foreign exchange	–	(0.3)	–	(0.3)
Additions	6.1	55.9	4.7	66.7
Acquisitions	–	0.2	–	0.2
Disposals	(2.1)	(38.4)	(2.2)	(42.7)
Transfers to inventory	–	(25.0)	–	(25.0)
At 31 March 2013	33.8	376.0	63.5	473.3
Depreciation				
At 1 April 2011	16.6	177.6	35.0	229.2
Foreign exchange	–	0.3	–	0.3
Charged in year	2.6	34.2	6.8	43.6
Acquisitions	–	5.5	–	5.5
Disposals	(0.8)	(34.6)	(0.1)	(35.5)
Transfers to inventory	–	(9.7)	–	(9.7)
At 31 March 2012	18.4	173.3	41.7	233.4
Foreign exchange	–	–	–	–
Charged in year	3.1	36.0	10.0	49.1
Disposals	(1.7)	(27.7)	(1.7)	(31.1)
Transfers to inventory	–	(20.1)	–	(20.1)
At 31 March 2013	19.8	161.5	50.0	231.3
Net book value				
At 31 March 2013	**14.0**	**214.5**	**13.5**	**242.0**
At 31 March 2012	11.4	210.3	19.3	241.0
At 31 March 2011	11.4	185.7	22.8	219.9

The net book value of land and buildings comprises freehold properties of £nil (2012: £0.1m), and short leasehold properties of £14.0m (2012: £11.3m).

At 31 March 2013, the net carrying amount of leased hire equipment was £nil (2012: £nil).

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

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14 Inventories

	2013 £m	2012 £m
Finished goods and goods for resale	**13.5**	12.8

The amount of inventory expensed in the year amounted to £41.5m (2012: £43.0m), included within cost of sales. No provision in respect of writedown in inventory is held at the year-end or prior year-end.

15 Trade and other receivables

	2013 £m	2012 £m
Trade receivables	**78.6**	80.6
Other receivables	**3.2**	5.1
Prepayments and accrued income	**2.5**	2.0
	84.3	87.7

There are £36.7m (2012: £31.6m) of trade receivables that are past due at the balance sheet date that have not been provided against. There is no indication as at 31 March 2013 that debtors will not meet their payment obligations in respect of trade receivables recognised in the balance sheet that are past due and unprovided. The ageing of trade receivables (net of impairment provision) at the year-end was as follows:

	2013 £m	2012 £m
Not past due	**43.8**	49.0
Past due 0–30 days	**20.4**	21.0
Past due 31–120 days	**11.6**	9.8
More than 120 days past due	**2.8**	0.8
	78.6	80.6

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

	2013 £m	2012 £m
At 1 April	**2.4**	4.1
Impairment provision charged to the income statement	**4.6**	5.5
Written off in the year	**(4.5)**	(7.2)
At 31 March	**2.5**	2.4

16 Trade and other payables

	2013 £m	2012 £m
Trade payables	**32.6**	37.5
Other payables	**8.1**	7.0
Accruals	**27.1**	33.1
	67.8	77.6

17 Financial instruments

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

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

17 Financial instruments continued

Fair value of financial assets and liabilities

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

	31 March 2013		31 March 2012	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Trade and other receivables	**81.8**	**81.8**	85.7	85.7
Cash	**0.2**	**0.2**	0.2	0.2
Bank overdraft	**(0.1)**	**(0.1)**	(0.2)	(0.2)
Secured bank borrowings	**(72.5)**	**(72.5)**	(76.3)	(76.3)
Interest rate swaps and caps, used for hedging	**(0.6)**	**(0.6)**	(0.7)	(0.7)
Trade and other payables	**(40.7)**	**(40.7)**	(44.5)	(44.5)
	(31.9)	**(31.9)**	(35.8)	(35.8)
Unrecognised gain/(loss)		**–**		–

Basis for determining fair values

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

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

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

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

Interest rates used for determining fair value

The interest rate used to discount estimated cash flows, where applicable, has been estimated at 11.7% (2012: 11.7%).

Fair value hierarchy

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

Credit risk

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

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

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

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

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

Notes to the financial statements
continued

17 Financial instruments continued

Liquidity risk

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

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

At 31 March 2013, the Group had available loan facilities amounting to £220m (2012: £220m), as detailed in note 18. Of these facilities £136.7m remained unutilised at 31 March 2013 (2012: £136.6m). Details of the repayment profile of the drawn facilities at the year-end is included in note 18.

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

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

	Undiscounted cash flows – 31 March 2013			
At 31 March 2013	**2014 £m**	**2015 £m**	**2016 £m**	**Total £m**
Revolving credit	**–**	**–**	**72.4**	**72.4**
Interest payments	**4.6**	**4.6**	**1.9**	**11.1**
	4.6	**4.6**	**74.3**	**83.5**

	Undiscounted cash flows – 31 March 2012			
At 31 March 2012	2013 £m	2014 £m	2015 £m	Total £m
Revolving credit	–	–	76.3	76.3
Interest payments	5.8	5.8	4.4	16.0
	5.8	5.8	80.7	92.3

Market risk

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

> **Foreign exchange risk**
The Group is exposed to foreign exchange risk on the translation of the results of its subsidiaries which are resident in the Republic of Ireland (Speedy Hire (Ireland) Limited and Waterford Hire Services Limited), United Arab Emirates (Speedy International Asset Services Equipment Rental LLC), Egypt (Speedy International Asset Services LLC Limited), Oman (Speedy International Asset Services LLC Limited) and Qatar (Speedy International Asset Services LLC Limited). It is the Group's policy to review the net investment in all companies on a regular basis, and to hedge against potential foreign exchange exposures where considered appropriate. At 31 March 2013, Speedy Hire (Ireland) Limited had net liabilities of £8.5m (2012: £7.0m), Waterford Hire Services Limited had net assets of £1.5m (2012: £1.5m), Speedy International Asset Services Equipment Rental LLC (United Arab Emirates) had net liabilities of £7.0m (2012: £4.3m), Speedy International Asset Services Equipment Rental LLC (Egypt) had net liabilities of £0.5m (2012: £0.2m), Speedy International Asset Services Equipment Rental LLC (Oman) had net assets of £0.5m (2012: £0.3m) and Speedy International Asset Services Equipment Rental LLC (Qatar) had net assets of £nil, and no hedging instruments are in place to cover potential movements in foreign currency.

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

17 Financial instruments continued

Market risk continued

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

Group and Company	31 March 2013 Fair value £m	31 March 2013 Notional amount £m	31 March 2012 Fair value £m	31 March 2012 Notional amount £m
Designated as cash flow hedges				
Fixed interest rate swaps	**(0.6)**	**55.0**	(0.7)	62.5
Interest rate caps	**–**	**–**	–	2.5
	(0.6)	**55.0**	(0.7)	65.0

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

The weighted average interest rate on the fixed interest rate swaps is 1.495% (2012: 1.690%) and the instruments are for a weighted average period of 14 months (2012: 20 months). The maximum contractual period is 27 months.

Sensitivity analysis

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

At 31 March 2013 it is estimated that a general increase of 1% in interest rates would decrease the Group's profit before tax by approximately £0.4m. Interest rate swaps have been included in this calculation.

Capital management

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

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

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

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

18 Borrowings

	2013 £m	2012 £m
Current borrowings		
Bank overdraft	**0.1**	0.2
Non-current borrowings		
Maturing between two and five years		
– Asset-based revolving credit facilities	**72.5**	76.3
Total non-current borrowings	**72.5**	76.3
Total borrowings	**72.6**	76.5
Less: cash	**(0.2)**	(0.2)
Net debt	**72.4**	76.3

Notes to the financial statements
continued

18 Borrowings continued

The Facility is secured by a fixed and floating charge over all the assets of the Group and the overdraft and asset-based revolving credit facility are rated pari passu.

In June 2011, the Group entered into a £220m asset-based revolving credit facility to replace the previous £210m cash-flow-based loan facility which was due to mature in June 2012. The Facility is sub-divided into:

(i) A secured overdraft facility, provided by Barclays Bank Plc, which secures by cross-guarantees and debentures the bank deposits and overdrafts of the Company and certain subsidiary companies up to a maximum of £5m.

(ii) An asset-based revolving credit facility of up to £215m. The availability of this facility is dependent upon the Group's hire equipment and trade receivables and, at 31 March 2013, the undrawn availability was £75.8m (2012: £69.3m).

The Facility is for £220m, but is reduced to the extent that ancillary facilities are provided and is repayable in August 2015, with no prior scheduled repayment requirements.

Interest is calculated by reference to the London Interbank Offer Rate applicable to the period drawn, plus a margin of 225 to 400 basis points, depending upon leverage and on the components of the borrowing base. During the year, the effective margin was 2.84% (2012: 2.97%).

The effective interest rate applicable to cash deposits during the year was 0.7% (2012: 0.7%).

Analysis of consolidated net debt

	At 31 March 2012 £m	Non-cash movement £m	Cash flow £m	**At 31 March 2013 £m**
Cash at bank and in hand	0.2	–	–	**0.2**
Borrowings	(76.5)	(1.4)	5.3	**(72.6)**
	(76.3)	(1.4)	5.3	**(72.4)**

19 Provisions

	Onerous property contracts £m
At 1 April 2011	4.7
Created in the year	3.6
Provision utilised in the year	(3.9)
Unwinding of discount	0.1
At 31 March 2012	4.5
Created in the year	1.0
Provision utilised in the year	(3.9)
Unwinding of discount	0.2
At 31 March 2013	**1.8**

Of the £1.8m, £1.2m (2012: £2.3m) is due within one year and £0.6m (2012: £2.2m) is due after one year. The key assumption underlying the calculation of the provision relates to the assumed sub-let period. The provision is calculated based on a gross liability to the earlier of three years and the estimated date of sub-let, or break clause, and includes estimated dilapidations at current market rates. The total liability is discounted to current values. If leases on properties which are assumed to be sub-let were not exited/sub-let for a further 12 months beyond the estimated period, the increase required in the discounted provision would amount to £0.9m.

20 Deferred tax

	Property, plant and equipment £m	Intangible assets £m	Share-based payments £m	Other items £m	Total £m
At 1 April 2011	8.6	1.5	(0.1)	(0.8)	9.2
Recognised in income	3.5	–	(0.1)	(1.9)	1.5
Recognised in equity	–	–	(0.1)	–	(0.1)
At 31 March 2012	12.1	1.5	(0.3)	(2.7)	10.6
Recognised in income	(1.0)	(0.5)	(0.6)	2.4	0.3
Recognised in equity	–	–	(0.3)	–	(0.3)
At 31 March 2013	**11.1**	**1.0**	**(1.2)**	**(0.3)**	**10.6**

There are no unrecognised deferred tax liabilities (2012: £nil).

The Group has gross trading losses carried forward at 31 March 2013 amounting to approximately £5.4m (2012: £16.5m). A deferred tax asset of £nil (2012: £2.0m) has been recognised in respect of those losses, which is included in other items above.

The Group also has gross capital losses carried forward at 31 March 2013 amounting to approximately £6.5m (2012: £5.5m). No deferred tax asset has been recognised in respect of these losses.

21 Share capital

	2013 £m	2012 £m
Allotted, called-up and fully paid		
517.9m (2012: 517.2m) ordinary shares of 5 pence each	**25.9**	25.9

During the year, 690,847 ordinary shares of 5 pence were issued on exercise of options under the Speedy Hire Sharesave Scheme (2012: 18,536).

An Employee Benefits Trust was established in 2004 (the 'Trust'). The Trust holds shares issued by the Company in connection with the Performance Plan and Co-Investment Plan. No shares were allotted to the Trust during the year and 54,171 shares were transferred to employees during the year. At 31 March 2013, the Trust held 10,206,080 (2012: 10,260,251) shares, with no shares in joint ownership following the lapse of the 2009 Performance Plan options which were granted as an ExSOP (2012: 6,405,980 shares in joint ownership).

The movement in issued share capital was as follows:

	Number	£m
At 1 April 2011	517,215,666	25.9
Exercise of Sharesave Scheme options	18,536	–
At 31 March 2012	517,234,202	25.9
Exercise of Sharesave Scheme options	690,847	–
At 31 March 2013	**517,925,049**	**25.9**

22 Share incentives

At 31 March 2013, options and awards over 17,613,763 shares (2012: 21,961,544) were outstanding under employee share schemes. The Group operates three share incentive schemes. During the year 690,847 ordinary shares of 5 pence were issued on exercise of options under the Speedy Hire Sharesave Scheme (2012: 18,536).

As at 31 March 2013 options to acquire 8,256,229 (2012: 7,795,175) Speedy Hire Plc shares were outstanding under the Speedy Hire Sharesave Schemes. These options are exercisable by employees of the Group at prices between 15 and 29 pence (2012: 15 and 29 pence) at dates between April 2013 and July 2016 (2012: October 2012 and January 2015). At 31 March 2013, options to acquire 9,357,534 shares (2012: 7,760,389) under the Performance Plan were outstanding. All 6,405,980 awards over shares which existed at 31 March 2012 under the Co-Investment Plan lapsed during the year. Options under the Performance Plan are exercisable at nil cost between June 2013 and June 2016 (2012: September 2012 and June 2016).

Notes to the financial statements
continued

22 Share incentives continued

The number and weighted average exercise price ('WAEP') of share options and awards under all the share incentive schemes are as follows:

	2013		2012	
	WAEP Pence	**Number**	WAEP Pence	Number
Outstanding at 1 April	**8**	**21,961,544**	7	26,883,206
Granted	**11**	**6,217,133**	8	4,564,271
Exercised	**29**	**(690,847)**	23	(18,536)
Lapsed	**3**	**(9,874,067)**	9	(9,467,397)
Outstanding at 31 March	**11**	**17,613,763**	8	21,961,544
Exercisable at 31 March	**29**	**1,321,141**	–	–

Options and awards outstanding at 31 March 2013 have weighted average remaining contractual lives as follows:

	2013 years	2012 years
Exercisable at nil pence	**1.3**	1.0
Exercisable at 15 pence	**1.8**	2.8
Exercisable at 21 pence	**0.8**	1.8
Exercisable at 27 pence	**2.8**	–
Exercisable at 29 pence	**–**	0.5

The fair value of services received in return for share options granted and shares awarded is measured by reference to the fair value of those instruments. The pricing models and inputs used for the outstanding options (on a weighted average basis where appropriate) are as follows:

Speedy Hire Sharesave Schemes

	December 2012	December 2011	December 2010	September 2009	December 2007
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	27p	15p	21p	29p	183p
Share price volatility	41%	87.0%	88.2%	85.7%	25.5%
Option life	3.25 years	3.25 years	3.25 years	3.25 years	3.25 years
Expected dividend yield	1.23%	2.1%	1.4%	3.1%	2.1%
Risk-free interest rate	0.6%	0.5%	1.4%	2.1%	4.5%

Co-Investment Plan

	July 2008
Pricing model used	Stochastic
Exercise price	nil
Share price volatility	–
Option life	3 years
Expected dividend yield	3.7%
Risk-free interest rate	5.2%

Performance Plan

	July 2012	July 2011	July 2010	September 2009	July 2008
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	nil	nil	nil	nil	nil
Share price volatility	46%	91.3%	94.0%	88.0%	29.3%
Option life	3 years	3 years	3 years	3 years	3 years
Expected dividend yield	nil	1.3%	1.5%	3.1%	3.7%
Risk-free interest rate	0.4%	1.0%	1.2%	2.1%	5.2%

23 Note to the cash flow statement – cash from operating activities

	2013 £m	2012 £m
Profit before tax	**12.8**	3.2
Financial expense	**7.6**	7.2
Exceptional financial expense	**–**	2.2
Amortisation	**4.0**	4.1
Depreciation	**49.1**	43.6
Profit on disposal of hire equipment	**(3.9)**	(4.8)
Loss on disposal of other property, plant and equipment	**0.1**	0.7
Increase in inventories	**(0.7)**	(2.6)
Decrease in trade and other receivables	**3.4**	10.0
(Decrease)/increase in trade and other payables	**(6.6)**	5.3
Movement in provisions	**(2.7)**	(0.2)
Equity-settled share-based payments	**0.9**	1.0
Cash from operating activities	**64.0**	69.7

24 Acquisitions

The Group acquired the business and assets of Event Power Services Limited, a supplier of temporary electrical power services to the events industry, on 1 June 2012 for total consideration of £0.4m. The consideration was paid in cash in the year.

	Fair value £m
Intangible assets	**0.2**
Hire equipment assets	**0.2**
Total consideration	**0.4**
Satisfied by:	
Cash consideration	**0.4**

During the year ended 31 March 2012, the Group entered into a strategic supply agreement with Morgan Sindall Group plc. As part of the agreement the Group acquired one depot together with associated hire equipment. The total consideration was £5.2m and was paid in cash.

	Fair value £m
Intangible assets	1.9
Hire equipment assets	3.3
Total consideration	5.2
Satisfied by:	
Cash consideration	5.2

The fair values of the hire equipment assets relates to the value of the equipment, applying fixed asset lives and residual values in line with the Group's own accounting policy.

Disclosure of revenue and profit for the acquisitions that is included in the income statement for each period, together with disclosure of revenue and profit for the acquisitions, as if they had been completed at the beginning of each year, is impractical, due to the acquisitions being fully integrated into the business.

25 Contingent liabilities

The Group has given warranties (including taxation warranties and indemnities) to the purchasers of six businesses disposed of over the last 12 years. These warranties and indemnities expire at various dates up to 12 years from the date of disposal.

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.

Notes to the financial statements
continued

26 Commitments

The Group had contracted capital commitments amounting to £4.5m (2012: £4.2m) at the end of the financial year for which no provision has been made.

The total of future minimum lease payments under non-cancellable operating leases is as follows:

	Land and buildings		Other	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Total future minimum lease payments				
– not later than one year	**13.3**	13.6	**7.1**	7.2
– later than one year and not later than five years	**38.6**	43.5	**9.1**	11.0
– later than five years	**25.7**	27.7	**0.1**	–
	77.6	84.8	**16.3**	18.2

27 Post-balance sheet events

Dividends
The Directors have proposed a dividend of 0.31 pence per share as a final dividend in respect of the year ended 31 March 2013. No charge in respect of the proposed dividend has been made in the income statement for the year, and there were no tax consequences. The total amount payable if the dividend is approved at the AGM is as follows:

	2013 £m	2012 £m
0.31 pence (2012: 0.26 pence) on 517.9m (2012: 517.2m) ordinary shares	**1.6**	1.3

28 Related party disclosures

Key management remuneration
The Group's key management personnel are the Executive and Non-Executive Directors as identified in the Remuneration Report.

In addition to their salaries, the Group also provides non-cash benefits to Executive Directors, and contributes to approved pension schemes on their behalf. Executive Directors also participate in the Group's share option schemes.

Non-Executive Directors receive a fee for their services to the Speedy Hire Plc Board.

Full details of key management personnel compensation and interests in the share capital of the Company as at 31 March 2013 are given in the Remuneration Report.

Company balance sheet
At 31 March 2013

	Note	2013 £m	2012 £m
ASSETS			
Non-current assets			
Investments	30	**93.5**	93.5
Deferred tax asset	35	**1.3**	0.6
		94.8	94.1
Current assets			
Trade and other receivables	31	**359.0**	361.2
Cash	34	**4.4**	–
		363.4	361.2
Total assets		**458.2**	455.3
LIABILITIES			
Current liabilities			
Borrowings	34	**–**	(1.2)
Trade and other payables	32	**(134.0)**	(134.5)
Other financial liabilities	33	**(0.6)**	(0.7)
Income tax		**(2.6)**	(1.7)
		(137.2)	(138.1)
Non-current liabilities			
Borrowings	34	**(76.3)**	(79.3)
Total liabilities		**(213.5)**	(217.4)
Net assets		**244.7**	237.9
EQUITY			
Share capital	36	**25.9**	25.9
Share premium		**190.5**	190.2
Merger reserve		**2.3**	2.3
Hedging reserve		**(0.9)**	(1.0)
Retained earnings		**26.9**	20.5
Total equity		**244.7**	237.9

The Company Financial Statements on pages 97 to 102 were approved by the Board of Directors on 14 May 2013 and were signed on its behalf by:

Steve Corcoran
Director

Lynn Krige
Director

Company registered number: 927680

Company statement of changes in equity
For the year ended 31 March 2013

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Retained earnings £m	**Total equity £m**
At 1 April 2011	25.9	190.2	2.3	(0.9)	19.1	**236.6**
Profit for the financial year	–	–	–	–	2.4	**2.4**
Effective portion of change in fair value of cash flow hedges	–	–	–	(0.1)	–	**(0.1)**
Tax on items taken directly to equity	–	–	–	–	0.1	**0.1**
Total comprehensive income for the year	–	–	–	(0.1)	2.5	**2.4**
Dividends	–	–	–	–	(2.1)	**(2.1)**
Equity-settled share-based payments	–	–	–	–	1.0	**1.0**
At 31 March 2012	25.9	190.2	2.3	(1.0)	20.5	**237.9**
Profit for the financial year	–	–	–	–	7.7	**7.7**
Effective portion of change in fair value of cash flow hedges	–	–	–	0.1	–	**0.1**
Tax on items taken directly to equity	–	–	–	–	0.3	**0.3**
Total comprehensive income for the year	–	–	–	0.1	8.0	**8.1**
Dividends	–	–	–	–	(2.5)	**(2.5)**
Equity-settled share-based payments	–	–	–	–	0.9	**0.9**
Issue of shares under the Sharesave Scheme	–	0.3	–	–	–	**0.3**
At 31 March 2013	25.9	190.5	2.3	(0.9)	26.9	**244.7**

Company cash flow statement
For the year ended 31 March 2013

	Note	2013 £m	2012 £m
Cash generated from operations	40	**1.6**	33.3
Interest received		**17.9**	15.2
Interest paid		**(7.4)**	(7.6)
Tax paid		**(1.3)**	–
Net cash flow from operating activities		**10.8**	40.9
Net cash flow before financing activities		**10.8**	40.9
Cash flow to financing activities			
Repayment of bank loans		**(3.0)**	(33.4)
Proceeds from the issue of Sharesave Scheme shares		**0.3**	–
Dividends paid		**(2.5)**	(2.1)
Net cash flow to financing activities		**(5.2)**	(35.5)
Increase in cash		**5.6**	5.4
Overdraft at the start of the financial year		**(1.2)**	(6.6)
Cash/(overdraft) at the end of the financial year		**4.4**	(1.2)
Analysis of cash/(overdraft)			
Cash		**4.4**	–
Bank overdraft		**–**	(1.2)
		4.4	(1.2)

Notes to the Company financial statements
continued

29 Accounting policies

The Company Financial Statements have been prepared in accordance with the accounting policies set out in note 1, supplemented as below. The Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual income statement or statement of comprehensive income and related notes that form part of the approved Financial Statements. The amount of the profit for the financial year dealt with in the Financial Statements of the Company is disclosed in the Company statement of changes in equity.

Investments in subsidiary undertakings are stated at cost less any provisions for permanent diminution in value. Dividends received and receivable are credited to the Company's profit and loss account to the extent that they represent a realised profit for the Company.

The Company does not have any employees. Directors are paid by other Group companies.

30 Investments

	Investments in subsidiary undertakings £m
Cost	
At 1 April 2011, 31 March 2012 and 31 March 2013	113.3
Provisions	
At 1 April 2011	(18.8)
Impairment	(1.0)
At 31 March 2012 and 31 March 2013	(19.8)
Net book value	
At 31 March 2013	**93.5**
At 31 March 2012	93.5
At 31 March 2011	94.5

The impairment during the year ended 31 March 2012 relates to an investment in Speedy Asset Leasing Ltd, a subsidiary company that did not trade during the year.

Following the impairment testing performed in accordance with IAS36 (see note 12), the Company's carrying value of investment in subsidiary undertakings has been reviewed and no impairment has been made (2012: £1.0m).

The Company's principal subsidiary undertakings are as follows:

	Incorporation and operation	Principal activity	Ordinary share capital held
Speedy Asset Services Limited	UK	Hire services	100%
Speedy Hire (Ireland) Limited	UK	Hire services	100%
Speedy Hire (Ireland) Limited[1]	ROI	Hire services	100%
Speedy Support Services Limited	UK	Provision of group services	100%
Speedy Transport Limited	UK	Provision of group services	100%
Speedy International Asset Services (Holdings) Limited	UK	Hire services	100%
Speedy International Asset Services Equipment Rental LLC[1,2]	UAE	Hire and associated services	49%
Speedy International Leasing Limited[1]	UK	Leasing services	100%
Speedy International Asset Services[1]	Oman	Hire services	70%
Speedy International Asset Services[1]	Egypt	Hire services	99%
Speedy International Asset Services[1,2]	Qatar	Hire services	49%

1 Indirect holding via a 100% subsidiary undertaking.
2 Although the Group holds less than half of the voting rights, it is able to govern the financial and operating policies of the company. The Group therefore consolidates the company.

A full list of the Company's subsidiary undertakings can be found in the Annual Return filed at Companies House.

The Company holds voting rights in each subsidiary undertaking in the same proportion to its holdings in the ordinary share capital of the respective subsidiaries.

31 Trade and other receivables

	2013 £m	2012 £m
Amounts owed by Group undertakings	**357.0**	359.3
Other receivables	**2.0**	1.9
	359.0	361.2

32 Trade and other payables

	2013 £m	2012 £m
Amounts owed to Group undertakings	**132.9**	133.6
Accruals	**1.1**	0.9
	134.0	134.5

33 Financial instruments

The Company financial instruments are stated in accordance with note 17.

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

	31 March 2013		31 March 2012	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m
Trade and other receivables	**359.0**	**359.0**	361.2	361.2
Cash	**4.4**	**4.4**	–	–
Bank overdraft	**–**	**–**	(1.2)	(1.2)
Secured bank borrowings	**(76.3)**	**(76.3)**	(79.3)	(79.3)
Interest rate swaps and caps, used for hedging	**(0.6)**	**(0.6)**	(0.7)	(0.7)
Trade and other payables	**(132.9)**	**(132.9)**	(133.6)	(133.6)
	153.6	**153.6**	146.4	146.4
Unrecognised gain/(loss)		**–**		–

34 Borrowings

	2013 £m	2012 £m
Current borrowings		
Bank overdraft	**–**	1.2
Non-current borrowings		
Maturing between two and five years		
– Asset-based revolving credit facility	**76.3**	79.3
Total non-current borrowings	**76.3**	79.3
Total borrowings	**76.3**	80.5
Less: cash	**(4.4)**	–
Net debt	**71.9**	80.5

The Company borrowings are stated in accordance with note 18.

Both the overdraft and asset-based revolving credit facility are secured by a fixed and floating charge over all the assets of the Group and are rated pari passu.

Notes to the Company financial statements
continued

35 Deferred tax

Company (asset)/liability	Total £m
At 1 April 2011	(0.3)
Recognised in income	(0.2)
Recognised in equity	(0.1)
At 31 March 2012	(0.6)
Recognised in income	(0.4)
Recognised in equity	(0.3)
At 31 March 2013	(1.3)

36 Share capital and share incentives

The Company share capital and share incentives are stated in accordance with notes 21 and 22.

37 Contingent liabilities and commitments

The Company contingent liabilities and commitments are stated in accordance with notes 25 and 26.

38 Post-balance sheet events

The Company post-balance sheet events are stated in accordance with note 27.

39 Related party disclosures

The Company related party disclosures are stated in accordance with note 28.

40 Note to the Company cash flow statement

	2013 £m	2012 £m
Cash flow from operating activities		
Profit before tax	**9.5**	3.7
Financial income	**(17.9)**	(15.2)
Financial expense	**7.3**	9.3
Impairment of investments	**–**	1.0
Decrease in trade and other receivables	**2.2**	50.8
Decrease in trade and other payables	**(0.4)**	(17.3)
Equity-settled share-based payments	**0.9**	1.0
	1.6	33.3

Five-year summary

	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Income statement					
Revenue	**340.4**	329.3	354.2	351.1	482.7
Gross profit	**224.0**	220.9	217.3	208.4	288.0
Analysis of operating profit/(loss)					
Operating profit before amortisation and exceptional costs	**24.4**	19.6	8.3	8.0	49.2
Amortisation	**(4.0)**	(4.1)	(5.5)	(5.5)	(9.2)
Exceptional costs	**–**	(2.9)	(19.3)	(11.1)	(90.7)
Operating profit/(loss)	**20.4**	12.6	(16.5)	(8.6)	(50.7)
Net financial expense	**(7.6)**	(7.2)	(9.0)	(14.2)	(15.8)
Net financial expense – exceptional	**–**	(2.2)	(1.5)	–	(4.6)
Total net financial expense	**(7.6)**	(9.4)	(10.5)	(14.2)	(20.4)
Profit/(loss) before taxation	**12.8**	3.2	(27.0)	(22.8)	(71.1)
Non-GAAP performance measures					
EBITDA before exceptional items	**73.5**	63.2	63.4	68.2	125.1
Adjusted profit/(loss) before tax, exceptional costs and amortisation	**16.8**	12.4	(0.7)	(6.2)	33.4
Balance sheet					
Hire equipment – original cost	**376.0**	383.6	363.3	471.2	514.3
Hire equipment – net book value	**214.5**	210.3	185.7	246.9	283.4
Total equity	**236.6**	229.5	229.4	246.6	167.5
Cash flow					
Cash flow generated from operations[3]	**64.3**	69.7	49.7	62.9	98.1
Free cash flow	**6.2**	39.3	7.4	33.7	31.4
Purchase of hire equipment	**58.8**	64.2	41.8	33.6	58.6
Profit on disposal of hire equipment	**3.8**	4.8	5.0	2.7	6.0
In pence					
Dividend per share[2] (interim and final dividend in year)	**0.53**	0.46	0.40	0.40	3.50
Adjusted earnings/(loss) per share[1,2]	**2.4**	1.7	(0.0)	(1.4)	13.0
Net assets per share[2]	**45.8**	44.4	44.4	47.7	0.52
In percentages					
Gearing	**30.6**	33.2	49.7	48.4	148.3
Return on capital (operating)[1]	**7.9**	6.0	2.3	2.0	10.9
EBITDA margin[1]	**21.6**	19.2	17.9	19.4	25.9
In ratios					
Net debt/EBITDA[1]	**1.0**	1.2	1.8	1.7	2.0
Net debt/net tangible fixed assets	**0.3**	0.3	0.5	0.4	0.8
In numbers					
Employee numbers	**3,776**	3,844	4,124	4,267	5,109
Depot numbers	**264**	283	327	324	399

1 Before amortisation and exceptional items.
2 Adjusted for rights issue.
3 Before changes in hire fleet.

Shareholder information

Annual General Meeting

The Annual General Meeting will be held on Thursday 18 July 2013 at 10.00am at the offices of Addleshaw Goddard LLP at 100 Barbirolli Square, Manchester M2 3AB.

Details of the business of the AGM and the resolutions to be proposed will be sent to shareholders.

Shareholders will be asked to approve the Directors' remuneration report and the re-election of Ishbel Macpherson and Michael Averill to the Board.

Other resolutions will include proposals to renew, for a further year, the Directors' general authority to allot shares in the Company, to allot a limited number of shares for cash on a non-pre-emptive basis and to buy back the Company's own shares.

Share price information/performance

The latest share price is available at **www.speedyhire.plc.uk**. By selecting share price information under the investor information section, shareholders can check the value of their shareholding online or review share charts illustrating annual share price performance trends.

Shareholders can download copies of our Annual Report and Accounts and Interim Accounts from **www.speedyhire.plc.uk**.

Dividend reinvestment plan (DRIP)

You can choose to reinvest dividends received to purchase further shares in the Company through a DRIP. A DRIP application form is available from our registrar, whose contact details are 0871-384-2268 and from overseas +44 (0)121-415-7173. Please note that calls to this number cost 8p per minute plus network extras. Lines are open 8.30am to 5.30pm, Monday to Friday. Alternatively you can write to our registrar at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Electronic communications

You can elect to receive shareholder communications electronically by signing up to Equiniti's portfolio service at **www.shareview.co.uk**. This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent a notification to say when shareholder communications are available on our website and you will be provided with a link to that information.

Enquiries on shareholdings

Any administrative enquiries relating to shareholdings in Speedy, such as dividend payment instructions or a change of address, should be notified direct to the registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Your correspondence should state Speedy Hire Plc and the registered name and address of the shareholder. Information on how to manage your shareholdings can be found at **https://help.shareview.co.uk**.

If your question is not answered by the information provided, you can send your enquiry via secure email from these pages. You will be asked to complete a structured form and to provide your Shareholder Reference, Name and Address. You will also need to provide your email address if this is how you would like to receive your response.

Boiler room fraud

Share scams are often run from 'boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares. While they promise high returns, those who invest usually end up losing their money.

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

1. Get the name of the person and organisation contacting you.
2. Check the FCA Register at **http://www.fsa.gov.uk/register** to ensure they are authorised.
3. Only use the details on the FCA Register to contact the firm.
4. Call the Consumer Helpline on 0800 111 6768 if you suspect the caller is fraudulent.

REMEMBER: if it sounds too good to be true, it probably is!

Forward-looking statements

This Annual Report includes statements that are forward-looking in nature. Forward-looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by the Listing Rules, the Disclosure and Transparency Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring on or after the date of this Annual Report.

Contact details

We are happy to answer queries from current and potential shareholders. Similarly, please let us know if you wish to receive past, present or future copies of the Annual Report and Accounts. Please contact us by telephone, email, fax or via the website.

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Facsimile	01942 327198
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Website	**www.speedyhire.plc.uk**

Registered office and advisers

Registered office

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Registered number: 927680

Company Secretary

James Blair

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Stockbrokers

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EC2V 7AN

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LS1 5AB

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St James Square
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M2 6DS

Bankers

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3 Hardman Street
Spinningfields
Manchester
M3 3AP

The Royal Bank of Scotland PLC
Corporate Banking
1 Spinningfields Square
Manchester
M3 3AP

Bank of America N.A
2 King Edward Street
London
EC1A 1HQ

GE Commercial Finance
Enterprise House
Bankcroft Road
Reigate
RH2 7RT

Public relations – financial

Hudson Sandler
29 Cloth Fair
London
EC1A 7NN

Registrars and transfer office

Equiniti Limited
Aspect House
Spencer House
Lancing
West Sussex
BN99 BDA

Insurance brokers

Jardine Lloyd Thompson Ltd
St James House
7 Charlotte Street
Manchester
M1 4DZ

Awards

2013
Business In The Community – Platinum Award, CR Index

NOEA – Event Innovation of the Year

HAE – Depot Manager of the Year

HAE – Hire Achiever of the Year

2012
Business In The Community – Big Tick reaccreditation for supply chain

Business In The Community – Gold Award, CR Index

RoSPA – Silver Award, occupational safety and health

HAE – Health and Safety Award

HAE – Workshop Manager of the Year Award

IFSEC – Product Innovation Award winner, epod™ (entered via Codegate)

Internal Communications Awards – Internal Newsletter Award Class winner, 'Up to Speed'

NOEA's – Innovation Award winner, Emissions Buster

Green Organisation – Green Hero Award

Construction Products Innovation and Achievement Award – epod™

Construction News Awards – Best Use of Technology, epod™, highly commended

Supply Chain Excellence Awards – Climate Change Award, shortlisted for contribution to environmental improvement

RFID Journal – Innovation Award, epod™, shortlisted

Specialist in Construction Awards – Training Award, shortlisted

National Business Awards – Orange Innovation Award, shortlisted

2011
Green Organisation – Green Hero

Business in the Community CR Index – Silver accreditation

North West Finance Awards – Credit Star Of The Year

Green Organisation – Green Apple Award

HAE – Excellence in Training – Winner

Construction News Awards – Best Use Of Technology – Finalist

European Rental Awards – Best Rental IT Project – Finalist

LDP Regional Business Awards – Green Award – Finalist

HAE – Hire Achiever of the Year – Highly commended

Construction News Awards – Rising Star Award – Finalist

RoSPA – Silver Award for Occupational Health and Safety

Business in the Community – 'Big Tick Award' in the Responsible Supply Chain category

Builder and Engineer Awards – Corporate Social Responsibility – Finalist

Builder and Engineer Awards – Health and Safety – Finalist

2010
Hire Association Europe – Environmental Initiative – Winner

Hire Association Europe – Excellence in Training – Highly commended

Environment and Energy Awards – The Environment Product/Service Award – Highly commended

Environment and Energy Awards – Best Sustainability Communications Campaign Award – Highly commended

Green Organisation – Green Apple Award and Green Hero

Investor Relations Society Best Practice Awards – Best Corporate Website (Small Cap & AIM)

COINS – Innovator of the Year

Builder and Engineer Awards – Energy Efficient Project of the Year

Builder and Engineer Awards – Supplier of the Year

National Business Awards – Finalist: The Orange Innovation Award

2009
Green Apple Award for Environmental Best Practice

Business in the Community – Re-accreditation of 'Big Tick Award' for Responsible Marketing

British Safety Council – International Safety Award

Hire Association Europe – Catalogue of the Year

COINS – Supplier of the Year

2008
Hire Association Europe – Hire Company of the Year (over five outlets)

Hire Association Europe – Best Contribution to Environmental Issues

BSIF Safety Awards – Service Excellence

National Business Awards – Finalist: Business of the Year

Institute of Directors – North West Director of the Year (Steve Corcoran)

European Rental Association – European Rental Person of the Year (Steve Corcoran)

Business in the Community – Reaccreditation of 'Big Tick Award' for Responsible Marketing

Business in the Community – CR Index – Silver ranking

Accreditations

ISO accreditations

ISO 9001: 2008
Speedy Hire Plc
> Speedy Asset Services Ltd
> Speedy Support Services Ltd

OHSAS 18001: 2007
Speedy Hire Plc
> Speedy Asset Services Ltd
> Speedy Support Services Ltd

ISO 14001: 2004
Speedy Hire Plc
> Speedy Asset Services Ltd
> Speedy Support Services Ltd

Industry supplier accreditations

Achilles Building Confidence – construction industry accreditation and verification scheme

Achilles Link Up – rail industry registration and verification scheme

Achilles UVDB – utilities industry pre-qualification scheme

Achilles F-Pal – oil and gas industry pre-qualification scheme

Constructionline – UK register of pre-qualified construction services

SAFEcontractor – contractor accreditation scheme for business

HAE's Safe Hire – HAE hire and rental certification scheme (incorporating CHAS: the contractors' health and safety scheme)

LEEA – Lifting Equipment Engineers' Association Scheme

Memberships

Professional body and trade association memberships

CPA: Contractors Plant Association

LEEA: Lifting Equipment Engineers' Association

RoSPA: The Royal Society for the Prevention of Accidents

HAE: Hire Association of Europe

FORS: Freight Operator Recognition Scheme

PASMA: Prefabricated Access Suppliers and Manufacturers' Association

ALLMI: The Association of Lorry Loader Manufacturers and Importers

NOF Energy

EIC: Energy Industries Council

The Institute of Water

EHA: Event Hire Association

NOEA: National Outdoor Event Association

ESSA: Event Supplier and Services Association

British Water

HBF: Home Builders Federation

Construction Industry Training Board

FTA: Freight Transport Association

BCAS: British Compressed Air Society

TSA: The Survey Association

FCS: Federation of Communication Suppliers

HVCA: Heating and Ventilation Contractors' Association

AIS: Association of Interior Specialists

OPERC: Off-Highway Plant and Equipment Research Centre

Hand-Arm Vibration Working Group

Working Well Together Coordinating Committee

European Rental Association

Business in the Community

FTSE4Good

BIFM: British Institute of Facilities Management

FMA: Facilities Management Association

CBI: Confederation of British Industry

Federation of Communication Services

COMIT: Construction Opportunities for Mobile IT

Additional entry for 2013 – RPA: Rail Plant Association

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This annual report is available at **www.speedyhire.plc.uk**

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A better way

www.speedyhire.plc.com