12 November 2013

SPEEDY HIRE Plc

("Speedy" or "the Group")

Interim report for the six months to 30 September 2013

Maintaining Our Consistent Strategy

Financial Highlights

- *Revenue increased by 0.4% to £169.8m (2012: £169.1m)*
- *Earnings per share+ increased by 1.8% to 1.12 pence (2012: 1.10 pence)*
- *EBITDA decreased by 2.7% to £32.7m (2012: £33.6m)*
- *3.0% increase in adjusted+ profit before tax to £6.8m (2012: £6.6m)*
- *Profit before tax increased by £0.6m to £5.3m (2012: £4.7m)*
- *Return on capital employed increased to 7.6% (2012: 7.0%)*
- *Net debt to EBITDA+ (trailing 12 months) improves to 1.1x (2012: 1.2x)*
- *Strategic investment in the hire fleet to support key sectors (£12.5m increase in net book value)*
- *Interim dividend increased by 18% to 0.26 pence per share (2012: 0.22 pence per share)*

+ before amortisation

Trading and Operational Highlights

- *Continued focus on active hire markets and increasing service revenue streams*
- *On-going evolution of customer base and improved quality, security and transparency of long-term earnings*
- *Strong growth in infrastructure: revenue from the UK's top 10 infrastructure customers grew by 31% – Group well positioned and growing revenue in its targeted markets of water, waste, energy and transport*
- *Satisfactory UK performance positioned for growth – Speedy's market share remains strong*
- *Full mobilisation of the National Grid contract will provide strong momentum into H2. International division continues to make good progress and is building a strong reputation for expertise and delivery - mobilisation on key projects continuing to plan and will enhance H2 revenues*
- *Rigorous approach to cost management and operational efficiencies continuing to drive improvement in costs and ROCE*

Post Period Activity

- *Advanced acceleration of depot network and logistics strategy plan based on success of existing Multi Service Centres (MSCs)*
- *H2 expected to benefit from post period contracts secured to underpin second half performance*
- *International set for further expansion with the investment in a joint venture in Kazakhstan, announced today, which will enable long-term access to a number of the world's largest oil fields in the Caspian region.*
- *Management team further strengthened through experienced UK and International appointments*

Commenting on the results, Ishbel Macpherson, Chairman, said:

"In the first half of the year Speedy has battled with continued challenging market conditions, in the construction sector in particular.

Whilst we see some signs of recovery in the sector, beyond house-building, we don't expect to benefit from it in the current year. That said, a series of new contract wins and the full mobilisation of the National Grid contact in H1 have made us confident about our momentum going into H2.

The International division made good progress in H1 and this will continue into H2 as further Zadco islands mobilise. We therefore remain confident that the Group continues to trade in line with management expectations for FY14.

Looking further out, we continue to take further steps to build the business for the future. We have strengthened the management team, expanded our international footprint through a joint venture in Kazakhstan and decided to accelerate our UK depot and logistics strategy.

Our foundations are strong, our opportunities exciting and we are well positioned to enjoy the benefits of any economic recovery in the UK."

For further information:

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There will be an analysts' meeting and webcast with conference call facility at 9.30am today. For details please contact Claire Sharman, Hudson Sandler on 020 7796 4133 or csharman@hudsonsandler.com.

Note – Forward looking statements

The information in this release is based on management information.

This report includes statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Except as required by the Listing Rules and applicable law, the Company undertakes no obligation to update, revise or change any forward looking statements to reflect events or developments occurring after the date of this report.

Notes to Editors:

Founded in 1977, Speedy is the leading UK provider of equipment rental and support services to a wide range of clients across the construction, infrastructure, industrial, manufacturing and facilities management sectors - as well as to local trades and industry.

Operating from 258 fixed sites throughout the UK - together with a number of on-site facilities at client locations. The Group also operates in the Republic of Ireland and from an international hub, based in the Middle East.
The Group supplies a range of services including:

- *the provision of small tools and equipment*
- *surveying and measurement instrumentation*
- *lifting and materials handling equipment*
- *low level access equipment*
- *portable compressed air*
- *temporary lighting equipment*
- *temporary power generation*
- *electrical & mechanical pumps*
- *temporary site communications*
- *light plant & general building equipment*

As a differentiation from other general hire companies the Group also provides associated services to manage client risk through the provision of training, asset management and testing, repair, inspection and maintenance (TRIM).

Speedy is accredited nationally to ISO9001 and OHSAS18001 standards. In addition we have ISO14001 (210 depots) and nationally hold HAE SAFE Hire accreditation, as well as Achilles Link-up, UVDB, Building Confidence and F-Pal. Further accreditations include Constructionline, SAFEcontractor, CHAS, LEEA and being ranked a Platinum company in the Business in the Community (BITC) CR Index 2013.

Business review

Overview

Whilst the economic outlook in the UK is improving, the UK construction sector (net of house-building) continues to operate in a challenging environment. Accordingly, Speedy has continued to focus its energies on securing new contract wins across its target markets of infrastructure, industrial services and major contractors. The Group has continued to implement this strategy by focussing on active hire markets, growing service revenue in the UK and building upon its international reputation and experience, especially in the oil & gas sector. Revenue for the first six months of the year increased by 0.4% to £169.8m (2012: £169.1m), with profit before tax (before amortisation) also increased to £6.8m (2012: £6.6m); importantly revenue for the UK's top 10 infrastructure customers grew by 31% and with our top 10 UK customers by 18%.

Speedy has also seen improvement during the period on other key financial metrics with return on capital employed improving to 7.6% (2012: 7.0%) even after investing £43.5m in new hire fleet; an increase of 21% on the prior year. Net debt to EBITDA reduced to 1.1x (September 2012: 1.2x) and the Board is recommending that the interim dividend should be increased by 18% to 0.26 pence per share.

Speedy's UK market share remains strong, with the Group well positioned and growing revenue in its key infrastructure and industrial markets. Mobilisation and performance on the National Grid project has contributed to Speedy's success in securing new contracts within the energy sector which, along with a number of other wins secured at the latter end of H1 or post period end will mobilise in H2.

During H1, a further 3 superstores were opened and regional workshop operations were consolidated into the two existing MSCs. Based upon the success of the programme to date, the Board has taken the decision to accelerate the depot network and logistics strategy plan, with the objective of completing the project two years earlier than originally scheduled. In addition to our existing London and Warrington sites, work has begun on two new MSCs, Glasgow and Tamworth, with Glasgow expected to commence trading in Q3. As Speedy evolves its depot network, it becomes increasingly well positioned to service the needs of its largest clients and their long-term, and often national supply agreements, with an ever more efficient and effective model.

Whilst, with the exception of house-building, we are yet to see any improvement in construction activity, the UK & Ireland division continues to navigate through the economic challenges by focussing on active hire markets, evolving the customer base to improve the quality, security and transparency of long-term earnings across the Group, which will provide a sustainable underpin to our future performance. The International division's growth has continued with the mobilisation of further islands under the Zadco project and in supporting oil & gas maintenance and turnaround opportunities.

UK & Ireland Asset Services

Whilst the economic environment is improving, the six months to 30 September 2013, saw the UK & Ireland division operating in a challenging market, specifically in the construction sector. Although revenue (before planned disposals) in Q1 fell by 2.6% when compared with the prior year, this was principally as a result of the prior period benefitting from high levels of activity on the Olympics site whilst this year has seen the gradual increase of works on our National Grid service contract, which commenced in April 2013. With the National Grid project now fully mobilised and new Q2 non-construction related contract wins (£4.2m in the infrastructure sector and £6.5m in the industrial sector), the rate of revenue (before planned disposals) decline in Q2 reduced to only 1.6%, bringing the overall fall for H1 to 2.1%. Including revenue from planned disposals, H1 revenue declined by 1.1%.

Our targeted market focus continues to provide opportunities for the Group to increase its exposure to a number of specific new sectors. In the industrial sector, Speedy has strengthened and developed its relationships with many of the UK's leading industrial companies and their contractors. As an example in September we secured a 3 + 2 year agreement to support Perenco on the largest 'on-shore' oil & gas project in Europe at Wytch Farm in Dorset.

International Asset Services

Our International division continues to make good progress, increasing the scale of the business and growing its reputation in the region. Speedy's focus was initially in the UAE, building upon relationships and knowledge established in the UK and supporting some of our existing clients who already had operations in the Middle East.

Subsequently, we have increased our presence with new clients in the oil & gas and infrastructure markets, and having now established a presence in Qatar and become partners in a Kazakhstan joint venture, we expect this strong growth to continue into H2 and beyond. In addition to utilising our own strong balance sheet and cashflows to support the International division's future growth, we have also secured a new dedicated $15m bank facility.

H1 revenue has increased by 29.4% to £11.0m (2012: £8.5m). During the period the division generated an operating profit of £0.4m (2012: £0.3m), despite incurring costs of £0.3m for mobilisation on the second Zadco island, establishing a presence in Qatar and putting in place the Kazakhstan joint venture.

Speedy Zholdas, Speedy's joint venture with the J. & J. Denholm Group in Kazakhstan, will provide maintenance and turnaround services at a number of the largest oilfields in the Caspian Region. As part of the transaction, Speedy has acquired a 50% interest in Denholm's existing equipment rental operation for a cash consideration of $4.4m, of which $1.4m has been paid on completion and $3m is payable by equal instalments of $1m on each of the first, second and third anniversaries of completion. Given the seasonality of its business, the joint venture is expected to breakeven in FY14 and provide strong growth in FY15 and beyond.

Investment to support revenue growth continued in the six months to September 2013, including £4.8m to support oil & gas projects and the second Zadco island. Further investment is expected during the second half of the year to support further mobilisation on the Zadco project and the establishment of our first independent depot location at Musaffah in the UAE, which will be completed in April 2014.

Speedy has now established a strong platform in the Middle East through targeting new clients in oil & gas and related industries, which will provide sustainable revenues from major projects to underpin continued growth for the division, with the emphasis remaining on secure, high quality transparent revenues from key clients in selected markets.

Debt facilities

During November, we secured a separate $15m bank facility for the International division to support on-going investment in growth and opportunities in the division. At the half year, Group borrowings were £79.3m (2012: £82.6m) with available headroom of £67.0m. Capital expenditure for the year has been weighted towards the first half, with £43.5m having been invested in the fleet (2012: £36.0m). This has been allocated both to specific strategic capex in the UK to support the infrastructure sector and internationally to the Zadco project.

Depot network and logistics strategy

In 2012, in line with our strategy of becoming the leading Integrated Services Provider in our chosen markets, the Group announced a 5-year depot and logistics plan to transform our network into an integrated distribution model, with express depots and superstores supported by MSCs. Not only does this further improve the Group's ability to service large contractors and national supply agreements, but also improves both asset and logistics utilisation and further reduces the associated costs of running the depot network.

During the first half, the optimisation enhancement of our two existing MSC's, to include regional workshop consolidation and regional integrated logistics has delivered the expected efficiencies and capital benefits through asset consolidation and increased utilisation. These facilities have also enabled Speedy to reduce risk and deliver improvements in service excellence to clients, better supporting their needs with enhanced quality fleet and improving our ability to have the right assets in the right locations.

This logistics model, combined with our strategy, is generating results for both Speedy and its clients. Based on previously reported timings, the full roll out of the restructuring of the national depot network would have been achieved by 2017. However, given the clear benefits, increased utilisation and relatively quick payback (3.5 years), the Board has decided to accelerate this timetable, to be completed in 2015.

The accelerated execution will result in non-recurring costs of between £13m-£15m over the next 18 months, which is primarily the cost of provisioning for redundant properties. In addition, there will be an associated net capital investment of circa £10m, for the fit out of the new depots which will be funded from the cash benefit of improved utilisation of the hire fleet.

Strengthened management team

The scale of the opportunities ahead for Speedy are considerable and the Board is delighted to announce that it has made a number of appointments to strengthen its management team, as it continues its drive towards transitioning Speedy from a hire supply company towards becoming an integrated services provider.

On 2 December 2013, Mark Rogerson MBE, will be joining the Board as Chief Operating Officer and will assume responsibility for both the UK & Ireland and International divisions. Mark brings to Speedy a wealth of experience in both the construction and engineering industries from his recent time at Costain Group PLC. He also enjoys a deep understanding of client facing service industry needs from his 8 years with international services company Serco. At Costain he served on their Operating Board as Managing Director of the Natural Resources Division, where he had responsibility for the major sectors of nuclear, oil & gas, water and waste; sectors which are aligned to Speedy's own target markets of water, waste, energy and transport. During his 8 years with Serco Mark led the Defence and Aviation business, was Senior Vice President on the Board of Serco North America and held the role of Global Operational Efficiency Director; these attributes are again closely aligned with the objectives that Speedy has set itself, in pursuit of becoming a recognised integrated services provider, with a focus on; optimising assets, operational effectiveness and services excellence. Speedy confirms that there are no other disclosures to be made in respect of Mark Rogerson, pursuant to paragraph 9.6.13 of the Listing Rules.

As we continue to build and grow our International presence Speedy is also very pleased to announce that it has also appointed Andy Wright as Managing Director of its MENA operations and he will take up this senior management role from 12 November 2013. Andy has a wealth of experience in the asset rental sector with Aggreko Plc and most recently at Lavendon Group Plc; he has worked in the Middle East for the last three years and was ultimately appointed, MD - International Division.

Further to the above appointments, Mike McGrath will be stepping down from the Board on a date to be finalised. He will leave with our best wishes and sincere thanks for his support and contribution over the last 7 years and we wish him well for the future. In addition David Graham, MD UK & Ireland, left the business in October and we would also like to thank him for his loyal and committed service.

Outlook

The Group continues to focus on building a strong platform for the future by targeting both specific customers and sectors. Early completion of our structural changes will ensure that we are operating at optimal efficiency levels, to drive improved returns from increases in revenue, so as to be ready to extract the full benefit as the economy improves.

With an improving trend in the UK & Ireland in Q2, a strong H1 performance in the International division and new contract wins secured at the end of H1, or post period end, the Group continues to trade in line with the Board's expectations and, supported by a conservative balance sheet, remains well positioned to deliver long-term, sustainable growth.

Financial review

Results

Revenue for the period increased by 0.4% to £169.8m (2012: £169.1m).

Gross margin decreased slightly to 63.5% (2012: 65.8%) reflecting the mix change in revenue, resulting in a gross profit of £107.9m (2012: £111.2m).

Group operating profit before amortisation decreased to £10.2m (2012: £10.4m). Profit before taxation and amortisation increased to £6.8m (2012: £6.6m). After taxation and amortisation, the Group made profit of £4.4m compared to £4.1m during the same period in 2012. Adjusted earnings per share before amortisation were up 1.8% to 1.12 pence (2012: 1.10 pence) with the basic earnings per share after amortisation at 0.86 pence (2012: 0.81 pence).

Segmental analysis

The Group's segmental reporting is segmented as UK & Ireland Asset Services and International Asset Services. The figures in the tables below are presented before corporate costs.

UK & Ireland Asset Services	**6 months ended 30 September 2013 £m**	6 months ended 30 September 2012 £m
Revenue	**158.8**	160.6
EBITDA	**32.9**	34.2
EBITA	**13.1**	13.8

Revenue in UK & Ireland Asset Services totalled £158.8m (of which £2.5m relates to the Ireland operations).

International Asset Services	**6 months ended 30 September 2013 £m**	6 months ended 30 September 2012 £m
Revenue	**11.0**	8.5
EBITDA	**2.6**	2.4
EBITA	**0.4**	0.3

Revenue in International Asset Services increased by 29.4% to £11.0m. The division has continued its trend of improving profitability with an operating profit of £0.4m after accounting for £0.3m costs for mobilisation on the second Zadco island, establishing a presence in Qatar and initial costs for the Kazakhstan joint venture.

Interest and taxation

Interest expense in the period amounted to £3.4m (2012: £3.8m) and includes a charge of £0.7m for the amortisation of the facility arrangement fees.

The tax charge for the period (£0.9m) is an effective tax rate of 17.0% (2012: 12.8%). This has been calculated by reference to the projected charge for the full year ending 31 March 2014 of 24.5%, combined with the impact of the reduction in corporation tax rates on the Group's deferred tax liabilities.

Dividend

The Board has declared an interim dividend of 0.26 pence per share, a total cash cost of approximately £1.3m. This represents a 18% increase on the interim dividend paid in respect of the prior financial year. The FY14 interim dividend will be paid on 31 January 2014 to shareholders on the register on 10 January 2014.

Capex and disposals

Gross capex during the period amounted to £47.9m (2012: £41.3m), of which £43.5m (2012: £36.0m) related to investment in equipment for hire and the balance, principally to investments in IT and property improvements.

Compared to the prior period, investment in hire equipment has increased in order to support focussed sectors and targeted growth in revenue in the UK and International divisions, with capital invested in purchasing assets, running ahead of rental income derived thereafter.

With asset disposal proceeds of £8.1m in the period (2012: £9.1m), Group net capex totalled £39.8m (2012: £32.2m). Asset disposals generated a gain of £0.8m (2012: £1.3m) against their carrying value.

Cash flow and net debt

Cash from operations before changes in hire fleet amounted to £36.3m (2012: £27.9m). Free cash flow (i.e. before dividends and financing activities) amounted to an outflow of £4.7m (2012: outflow £5.0m).

Net debt increased in the period to £79.3m at 30 September 2013 (31 March 2013: £72.4m) with net debt to EBITDA (trailing 12 months) at 1.1x (31 March 2013: 1.0x) and gearing increasing slightly to 32.9% (31 March 2012: 30.6%).

Headroom within the Group's committed £220m bank facility amounted to £67.0m at 30 September 2013 (2012: £66.8m).

On 7 November 2013, the Group secured a $15m revolving credit facility with HSBC to support the International division's investment in growth, bonding and working capital requirements. The facility is co-terminus with the Group's ABL facility which expires in August 2015.

Balance sheet

Net assets at 30 September 2013 totalled £241.0m (31 March 2013: £237.0m), equivalent to 46.5p per share. Net debt/net tangible fixed assets is 0.31x at 30 September 2013 (31 March 2013: 0.30x), underlining the strong asset backing within the business.

Net capex in the period was £17.3m (2012: £9.0m) above the Group's depreciation charge. Net property, plant & equipment of £259.9m at 30 September 2013 is therefore higher than at the beginning of the year (£242.0m). Equipment for hire represents approximately 90% (2012: 88%) of net property, plant & equipment (of which £33.9m (2012: £29.9m) relates to International Asset Services).

Gross trade debtors totalled £86.2m at 30 September 2013 (31 March 2013: £83.2m). Bad debt and credit note provisions totalled £4.1m at 30 September 2013 (31 March 2013: £4.6m), equivalent to 4.8% of the debtor book (31 March 2013: 5.5%). Cash collection remains strong.

Principal risks and uncertainties

The Group faces a number of risks and uncertainties which could have a material impact upon its long-term performance. These risks are both internal and external. The Board has an established set of processes which assists in the identification, evaluation and management of these risks.

The principal risks and uncertainties facing the Group at 31 March 2013 were set out on pages 30 to 31 of the 2013 Annual Report (a copy of which is available from the Group's website at www.speedyhire.plc.uk). These risks remain valid as regards their potential to impact the Group during the second half of the current financial year and no new significant risks have been identified during the current period.

Interim condensed consolidated income statement

	Note	**Six months ended 30 September 2013 £m**	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Revenue	*3*	**169.8**	169.1	340.4
Cost of sales		**(61.9)**	(57.9)	(116.4)
Gross profit		**107.9**	111.2	224.0
Distribution costs		**(18.5)**	(20.0)	(35.4)
Administrative costs		**(80.7)**	(82.7)	(168.2)
Analysis of operating profit				
Operating profit before amortisation		**10.2**	10.4	24.4
Amortisation		**(1.5)**	(1.9)	(4.0)
Operating profit		**8.7**	8.5	20.4
Financial expense	*4*	**(3.4)**	(3.8)	(7.6)
Profit before taxation		**5.3**	4.7	12.8
Taxation	*5*	**(0.9)**	(0.6)	(4.1)
Profit for the financial period		**4.4**	4.1	8.7
Attributable to:				
Equity holders of the Company		**4.4**	4.1	8.7
Earnings per share				
- Basic (pence)	*6*	**0.86**	0.81	1.72
- Diluted (pence)	*6*	**0.85**	0.79	1.70
Non-GAAP performance measures				
EBITDA	*8*	**32.7**	33.6	73.5
Profit before tax and amortisation	*8*	**6.8**	6.6	16.8
Adjusted earnings per share (pence)	*6*	**1.12**	1.10	2.39

Interim condensed consolidated statement of comprehensive income

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Profit for the financial period	**4.4**	4.1	8.7
Other comprehensive income/(loss):			
- Effective portion of change in fair value of cash flow hedges	**0.3**	(0.2)	0.1
- Tax on items taken directly to equity	**0.2**	-	0.3
- Exchange difference on retranslation of foreign operations	**0.2**	0.7	(0.3)
Other comprehensive income, net of tax	**0.7**	0.5	0.1
Total comprehensive income for the financial period	**5.1**	4.6	8.8
Attributable to equity holders of the Company	**5.1**	4.6	8.8

Interim condensed consolidated balance sheet

	Note	**30 September 2013 £m**	30 September 2012 £m	31 March 2013 £m
ASSETS				
Non-current assets				
Intangible assets		**52.7**	56.3	54.2
Property, plant and equipment				
- Hire equipment	*9*	**232.7**	220.2	214.5
- Non-hire equipment	*9*	**27.2**	30.6	27.5
		312.6	307.1	296.2
Current assets				
Inventories		**13.9**	13.3	13.5
Trade and other receivables		**93.5**	94.9	84.3
Cash	*11*	**0.2**	0.2	0.2
		107.6	108.4	98.0
Total assets		**420.2**	415.5	394.2
LIABILITIES				
Current liabilities				
Borrowings	*11*	**(0.4)**	(0.9)	(0.1)
Other financial liabilities	*10*	**(0.4)**	(0.9)	(0.6)
Trade and other payables		**(83.0)**	(84.6)	(67.8)
Provisions		**(0.9)**	(1.7)	(1.2)
Income tax		**(5.2)**	(1.7)	(3.8)
		(89.9)	(89.8)	(73.5)
Non-current liabilities				
Borrowings	*11*	**(79.1)**	(81.9)	(72.5)
Provisions		**(0.6)**	(0.9)	(0.6)
Deferred tax liabilities		**(9.6)**	(9.7)	(10.6)
		(89.3)	(92.5)	(83.7)
Total liabilities		**(179.2)**	(182.3)	(157.2)
Net assets		**241.0**	233.2	237.0
EQUITY				
Share capital		**25.9**	25.9	25.9
Share premium		**190.6**	190.2	190.5
Merger reserve		**1.0**	1.0	1.0
Hedging reserve		**(0.6)**	(1.2)	(0.9)
Translation reserve		**(0.4)**	0.4	(0.6)
Retained earnings		**24.5**	16.9	21.1
		241.0	233.2	237.0

Interim condensed consolidated statement of changes in equity

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	**Total equity £m**
At 1 April 2012	25.9	190.2	1.0	(1.0)	(0.3)	13.7	**229.5**
Total comprehensive (loss)/income	-	-	-	(0.2)	0.7	4.1	**4.6**
Transactions with owners:							
Dividends	-	-	-	-	-	(1.3)	**(1.3)**
Equity settled share-based payments	-	-	-	-	-	0.4	**0.4**
At 30 September 2012	25.9	190.2	1.0	(1.2)	0.4	16.9	**233.2**
Total comprehensive income/(loss)	-	-	-	0.3	(1.0)	4.9	**4.2**
Transactions with owners:							
Dividends	-	-	-	-	-	(1.2)	**(1.2)**
Equity settled share-based payments	-	-	-	-	-	0.5	**0.5**
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**
Total comprehensive income	-	-	-	0.3	0.2	4.6	**5.1**
Transactions with owners:							
Dividends	-	-	-	-	-	(1.6)	**(1.6)**
Equity settled share-based payments	-	-	-	-	-	0.4	**0.4**
Issue of shares under the Sharesave Scheme	-	0.1	-	-	-	-	**0.1**
At 30 September 2013	**25.9**	**190.6**	**1.0**	**(0.6)**	**(0.4)**	**24.5**	**241.0**

Interim condensed consolidated statement of cash flow

	Note	**Six months ended 30 September 2013 £m**	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Cash generated from operations before changes in hire fleet	*12*	**36.3**	27.9	64.0
Purchase of hire equipment		**(42.0)**	(32.4)	(59.0)
Proceeds from sale of hire equipment		**8.1**	9.1	19.5
Cash generated from operations		**2.4**	4.6	24.5
Interest paid		**(2.6)**	(3.8)	(6.3)
Tax paid		**(0.3)**	(0.1)	(0.3)
Net cash flow from operating activities		**(0.5)**	0.7	17.9
Cash flow from investing activities				
Purchase of other property, plant and equipment		**(4.4)**	(5.3)	(10.8)
Disposal of other property, plant and equipment		**0.2**	-	0.8
Acquisition of business		**-**	(0.4)	(0.4)
Net cash flow to investing activities		**(4.2)**	(5.7)	(10.4)
Net cash flow before financing activities		**(4.7)**	(5.0)	7.5
Cash flow from financing activities				
Proceeds from asset based revolving credit facility		**5.9**	5.6	-
Repayment of asset based revolving credit facility		**-**	-	(5.2)
Proceeds from the issue of Sharesave Scheme shares		**0.1**	-	0.3
Dividends paid		**(1.6)**	(1.3)	(2.5)
Net cash flow from financing activities		**4.4**	4.3	(7.4)
Increase in cash		**(0.3)**	(0.7)	0.1
Cash at the start of the period		**0.1**	-	-
Cash/(overdraft) at the end of the period		**(0.2)**	(0.7)	0.1
Analysis of cash				
Cash		**0.2**	0.2	0.2
Bank overdraft		**(0.4)**	(0.9)	(0.1)
		(0.2)	(0.7)	0.1

Notes to the financial statements

1 Basis of preparation

Speedy Hire Plc ('the Company') is a company incorporated and domiciled in the United Kingdom. The interim financial statements of the Company as at and for the six months ended 30 September 2013 comprise the Company and its subsidiaries (together referred to as 'the Group').

The financial statements of the Group for the year ended 31 March 2013 are available from the Company's registered office, or from the website: www.speedyhire.plc.uk.

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 March 2015 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 Facilities. 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 interim financial statements.

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union ("EU") and the Disclosure Transparency Rules (DTR) of the UK FCA. As required by the latter, the interim financial statements have been prepared applying the accounting policies and presentation that were applied in the Company's published consolidated financial statements for the year ended 31 March 2013 except as described below. They do not include all the information required for full annual financial statements, and should be read in conjunction with the Group's consolidated financial statements as at and for the year ended 31 March 2013.

The comparative figures for the financial year ended 31 March 2013 are not the Company's statutory accounts for that financial year. Those accounts which were prepared under IFRS as adopted by the EU (adopted IFRS) have been reported on by the Company's auditors and delivered to the Registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The interim report was approved by the Board of Directors on 11 November 2013.

1 Basis of preparation (continued)

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 March 2013.

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

- Amendments to IAS1 Presentation of Items of Other Comprehensive Income
- IFRS13 Fair Value Measurements
- Amendments to IFRS7 Financial Instruments: Disclosures

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 Interim Financial Statements:

International Accounting Standards (IAS/IFRSs)		Effective date (periods beginning on or after)
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.

Seasonality

In addition to economic factors, revenues are subject to a small element of seasonal fluctuation largely driven by certain UK public holidays and their impact on the billing cycle, resulting in marginally fewer trading days in the second half of the year. In this financial year part of the Easter break fell into the first half of the year, helping to balance the trading impact of the Christmas break in the second half.

Whilst construction activity tends to increase in the summer months, the equipment range helps to mitigate the impact, specifically with heating, lighting and power generation products being more heavily required in the winter months. Overall, the Directors do not feel that these factors have a material effect on the performance of the Group when comparing first half results to those achieved in the second half.

2 Changes in estimates

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

In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2013.

3 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 deliver asset management, with tailored services and a continued commitment to relationship management. International Asset Services deliver major overseas projects and facilities management contracts by providing a managed site support service.

For the six months ended 30 September 2013

	UK & Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Revenue	**158.8**	**11.0**	**-**	**169.8**
Segment result:				
EBITDA	**32.9**	**2.6**	**(2.8)**	**32.7**
Amortisation	**(1.5)**	**-**	**-**	**(1.5)**
Depreciation	**(19.8)**	**(2.2)**	**(0.5)**	**(22.5)**
Operating profit/(loss)	**11.6**	**0.4**	**(3.3)**	**8.7**
Financial expense				**(3.4)**
Profit before tax				**5.3**
Taxation				**(0.9)**
Profit for the financial period				**4.4**
Intangible assets	**52.7**	**-**	**-**	**52.7**
Hire equipment	**198.8**	**33.9**	**-**	**232.7**
Non-hire equipment	**27.1**	**0.1**	**-**	**27.2**
Current assets	**92.1**	**14.1**	**1.2**	**107.4**
Cash	**-**	**-**	**0.2**	**0.2**
	370.7	**48.1**	**1.4**	**420.2**
Liabilities	**(72.9)**	**(5.0)**	**(7.0)**	**(84.9)**
Bank overdraft	**-**	**-**	**(0.4)**	**(0.4)**
Borrowings	**-**	**-**	**(79.1)**	**(79.1)**
Taxation liabilities	**-**	**-**	**(14.8)**	**(14.8)**
Total liabilities	**(72.9)**	**(5.0)**	**(101.3)**	**(179.2)**
Capital expenditure	**43.1**	**4.8**	**-**	**47.9**

3 Segmental analysis (continued)

For the six months ended 30 September 2012

	UK & Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Revenue	160.6	8.5	-	169.1
Segment result:				
EBITDA	34.2	2.4	(3.0)	33.6
Amortisation	(1.9)	-	-	(1.9)
Depreciation	(20.4)	(2.1)	(0.7)	(23.2)
Operating profit/(loss)	11.9	0.3	(3.7)	8.5
Financial expense				(3.8)
Profit before tax				4.7
Taxation				(0.6)
Profit for the financial period				4.1
Intangible assets	56.3	-	-	56.3
Hire equipment	190.3	29.9	-	220.2
Non-hire equipment	30.4	0.2	-	30.6
Current assets	95.0	9.3	3.9	108.2
Cash	-	-	0.2	0.2
	372.0	39.4	4.1	415.5
Liabilities	(73.8)	(5.8)	(8.5)	(88.1)
Bank overdraft	-	-	(0.9)	(0.9)
Borrowings	-	-	(81.9)	(81.9)
Taxation liabilities	-	-	(11.4)	(11.4)
Total liabilities	(73.8)	(5.8)	(102.7)	(182.3)
Capital expenditure	33.7	7.6	-	41.3

3 Segmental analysis (continued)

For the year ended 31 March 2013

	UK & Ireland Asset Services £m	International Asset Services £m	Corporate items £m	Total £m
Revenue	321.4	19.0	-	340.4
Segment result:				
EBITDA	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 period				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
	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

3 Segmental analysis (continued)

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 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.

	Six months ended 30 September 2013		Six months ended 30 September 2012		Year ended 31 March 2013	
	Revenue £m	**Non-current assets £m**	Revenue £m	Non-current assets £m	Revenue £m	Non-current assets £m
UK	**156.3**	**272.3**	157.9	271.3	316.2	259.4
Ireland	**2.5**	**6.3**	2.7	5.7	5.2	5.4
Other countries	**11.0**	**34.0**	8.5	30.1	19.0	31.4
	169.8	**312.6**	169.1	307.1	340.4	296.2

Major customer

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

4 Financial expense

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Interest on bank loans and overdrafts	**1.6**	1.8	5.2
Amortisation of issue costs	**0.7**	0.7	1.4
	2.3	2.5	6.6
Hedge interest payable	**0.3**	0.2	0.5
Other finance costs	**0.8**	1.1	0.5
	3.4	3.8	7.6

5 Taxation

The corporation tax charge for the six months ended 30 September 2013 is based on an effective rate of taxation of 17.0% (2012: 12.8%). This has been calculated by reference to the projected charge for the full year ending 31 March 2014, applying the applicable UK corporation tax rate of 23% (2012: 24%). Deferred tax is provided using the tax rates that are expected to apply to the period in which the liability is settled, based on the tax rates that have been enacted at the balance sheet date, 30 September 2013.

6 Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to equity holders of the Company of £4.4m (2012: £4.1m) and the weighted average number of 5 pence ordinary shares in issue and is calculated as follows:

	Six months ended 30 September 2013	Six months Ended 30 September 2012	Year ended 31 March 2013
Profit (£m)			
Profit for the period after tax – basic earnings	**4.4**	4.1	8.7
Intangible amortisation charge (after tax)	**1.3**	1.4	3.4
Adjusted earnings (after tax)	**5.7**	5.5	12.1
Weighted average number of shares in issue (million)			
At the beginning of the period	**507.2**	506.9	506.9
Change in weighted average number of ordinary shares	**0.8**	-	0.3
At the end of the period – basic number of shares	**508.0**	506.9	507.2
Share options	**1.7**	0.5	0.5
Employee share schemes	**5.5**	5.1	5.6
At the end of the period – diluted number of shares	**515.2**	512.5	513.3
Earnings per share (pence)			
Basic earnings per share	**0.86**	0.81	1.72
Amortisation	**0.26**	0.29	0.67
Adjusted earnings per share	**1.12**	1.10	2.39
Basic earnings per share	**0.86**	0.81	1.72
Share options	**-**	(0.01)	-
Employee share schemes	**(0.01)**	(0.01)	(0.02)
Diluted earnings per share	**0.85**	0.79	1.70
Adjusted earnings per share	**1.12**	1.10	2.39
Share options	**-**	(0.01)	-
Employee share schemes	**(0.01)**	(0.01)	(0.03)
Adjusted diluted earnings per share	**1.11**	1.08	2.36

Total number of shares outstanding at 30 September 2013 amounted to 518,279,639 (2012: 517,252,204).

7 Dividends

The aggregate amount of dividend comprises:

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
2013 final dividend (0.31 pence on 517.9m ordinary shares)	**1.6**	-	-
2013 interim dividend (0.22 pence on 517.2m ordinary shares)	**-**	-	1.2
2012 final dividend (0.26 pence on 517.2m ordinary shares)	**-**	1.3	1.3
	1.6	1.3	2.5

Subsequent to the end of the period, and not included in the results for the period, the Directors have declared an interim dividend of 0.26 pence (2013 interim dividend: 0.22 pence) per share, to be paid on 31 January 2014 to shareholders on the register on 10 January 2014.

8 Non-GAAP performance measures

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

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Operating profit	**8.7**	8.5	20.4
Add back: amortisation	**1.5**	1.9	4.0
Operating profit before amortisation	**10.2**	10.4	24.4
Add back: depreciation	**22.5**	23.2	49.1
EBITDA	**32.7**	33.6	73.5
Profit before tax	**5.3**	4.7	12.8
Add back: amortisation	**1.5**	1.9	4.0
Profit before tax and amortisation	**6.8**	6.6	16.8

9 Property, plant & equipment

	Land & buildings £m	Hire equipment £m	Other £m	Total £m
Cost				
At 1 April 2012	29.8	383.6	61.0	474.4
Foreign exchange	(0.1)	(0.6)	-	(0.7)
Additions	2.7	36.0	2.6	41.3
Acquisitions	-	0.2	-	0.2
Disposals	(0.3)	(21.8)	(0.6)	(22.7)
Transfers to inventory	-	(10.4)	-	(10.4)
At 30 September 2012	32.1	387.0	63.0	482.1
Foreign exchange	0.1	0.3	-	0.4
Additions	3.4	19.9	2.1	25.4
Disposals	(1.8)	(16.6)	(1.6)	(20.0)
Transfers to inventory	-	(14.6)	-	(14.6)
At 31 March 2013	33.8	376.0	63.5	473.3
Foreign exchange	-	(0.2)	-	(0.2)
Additions	2.3	43.5	2.1	47.9
Disposals	(0.1)	(13.2)	(0.4)	(13.7)
Transfers to inventory	-	(9.8)	-	(9.8)
At 30 September 2013	**36.0**	**396.3**	**65.2**	**497.5**
Depreciation				
At 1 April 2012	18.4	173.3	41.7	233.4
Foreign exchange	-	(0.3)	-	(0.3)
Charged in period	1.3	18.2	3.7	23.2
Disposals	(0.2)	(16.2)	(0.4)	(16.8)
Transfers to inventory	-	(8.2)	-	(8.2)
At 30 September 2012	19.5	166.8	45.0	231.3
Foreign exchange	-	0.3	-	0.3
Charged in period	1.8	17.8	6.3	25.9
Disposals	(1.5)	(11.5)	(1.3)	(14.3)
Transfers to inventory	-	(11.9)	-	(11.9)
At 31 March 2013	19.8	161.5	50.0	231.3
Foreign exchange	-	(0.1)	-	(0.1)
Charged in period	1.4	17.9	3.2	22.5
Disposals	-	(8.9)	(0.4)	(9.3)
Transfers to inventory	-	(6.8)	-	(6.8)
At 30 September 2013	**21.2**	**163.6**	**52.8**	**237.6**
Net book value				
At 30 September 2013	**14.8**	**232.7**	**12.4**	**259.9**
At 31 March 2013	14.0	214.5	13.5	242.0
At 30 September 2012	12.6	220.2	18.0	250.8

10 Financial instruments

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

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

Fair value of financial assets and liabilities

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

	30 September 2013		30 September 2012		31 March 2013	
	Carrying amount £m	**Fair value £m**	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Trade and other receivables	**93.5**	**93.5**	89.9	89.9	81.8	81.8
Cash	**0.2**	**0.2**	0.2	0.2	0.2	0.2
Bank overdraft	**(0.4)**	**(0.4)**	(0.9)	(0.9)	(0.1)	(0.1)
Secured bank borrowings	**(79.1)**	**(79.1)**	(81.9)	(81.9)	(72.5)	(72.5)
Interest rate swaps and caps, for hedging	**(0.4)**	**(0.4)**	(0.9)	(0.9)	(0.6)	(0.6)
Trade and other payables	**(56.9)**	**(56.9)**	(53.9)	(53.9)	(40.7)	(40.7)
	(43.1)	**(43.1)**	(47.5)	(47.5)	(31.9)	(31.9)
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).

10 Financial instruments (continued)

The notional contract amounts and the related fair value of the Group's derivative financial instruments can be analysed as follows:

	30 September 2013		30 September 2012		31 March 2013	
	Fair value £m	**Notional amount £m**	Fair value £m	Notional amount £m	Fair value £m	Notional amount £m
Designated as cash flow hedges						
Fixed interest rate swaps	**(0.4)**	**65.0**	(0.9)	70.0	(0.6)	55.0
	(0.4)	**65.0**	(0.9)	70.0	(0.6)	55.0

The weighted average interest rate of the fixed interest rate swaps is 1.442% (2012: 1.575%) and the instruments are for a weighted average period of 16 months (2012: 17 months). The maximum contractual period is 35 months.

Credit risk

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

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

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

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

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

Liquidity risk

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

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

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.

Details of the Group's loan facilities are detailed in note 11.

11 Borrowings

	30 September 2013 £m	30 September 2012 £m	31 March 2013 £m
Current borrowings			
Bank overdraft	**0.4**	0.9	0.1
Non-current borrowings			
Maturing between two and five years			
- Asset backed facilities	**79.1**	81.9	72.5
Total non-current borrowings	**79.1**	81.9	72.5
Total borrowings	**79.5**	82.8	72.6
Less: cash	**(0.2)**	(0.2)	(0.2)
	79.3	82.6	72.4

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. 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 30 September 2013, the undrawn availability was £67.0m (2012: £66.8m).

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

Interest is calculated by reference to the London Inter Bank Offer Rate applicable to the period drawn, plus a margin of 225 to 400 basis points, depending on leverage and on the components of the borrowing base. During the period, the effective margin was 2.79% (2012: 2.85%).

The effective interest rate applicable to cash deposits during the period was 0.70% (2012: 0.70%).

12 Note to the cash flow statement

	Six months ended 30 September 2013 £m	Six months ended 30 September 2012 £m	Year ended 31 March 2013 £m
Cash flow from operating activities			
Profit before tax	**5.3**	4.7	12.8
Financial expense	**3.4**	3.8	7.6
Amortisation	**1.5**	1.9	4.0
Depreciation	**22.5**	23.2	49.1
Profit on disposal of hire equipment	**(0.8)**	(1.3)	(3.9)
(Profit)/loss on disposal of other property, plant and equipment	**(0.1)**	0.3	0.1
Increase in inventories	**(0.4)**	(0.5)	(0.7)
(Increase)/decrease in trade and other receivables	**(9.2)**	(7.2)	3.4
Increase/(decrease) in trade and other payables	**14.0**	4.5	(6.6)
Movement in provisions	**(0.3)**	(1.9)	(2.7)
Equity-settled share-based payments	**0.4**	0.4	0.9
	36.3	27.9	64.0

13 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.

14 Commitments

The Group had contracted capital commitments amounting to £6.5m (2012: £3.7m) at the end of the financial period for which no provision has been made.

15 Related party disclosures

There has been no significant change to nature and size of related party transactions, including the remuneration provided to the key management, from that disclosed in the 2013 Annual Report.

Directors' Responsibilities

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS34 Interim Financial Reporting as adopted by the EU;

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

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

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

L Krige
Group Finance Director
11 November 2013

Independent Review Report by KPMG LLP to Speedy Hire Plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2013 which comprises the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated balance sheet, the interim condensed consolidated cash flow statement, the interim condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

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

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS34 Interim Financial Reporting as adopted by the EU.

Our responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with IAS34 as adopted by the EU and the DTR of the UK FCA.

Nicola Quayle
for and on behalf of KPMG LLP
Chartered Accountants
St James' Square, Manchester, M2 6DS