Seeing the benefits

Speedy

Annual Report and Accounts 2011

Speedy contents

We are now seeing the benefits of our operating rigour and disciplined action, which have demonstrated our ability to work through challenging economic cycles.

It has been a difficult period and the outlook remains challenging in 2011.

At Speedy we are building a long-term service based proposition which will provide a sustainable platform in hire and value added services to drive our performance every day, every quarter and every year.

Steady, sustained recovery is underway. We are well positioned to take advantage of the eventual upturn in trading conditions. We have a solid base on which to build our business and this report aims to define and explain the factors that are important in our pursuit of growth and future success.

Seeing the benefits

Ready for the future	Consolidating our No.1 position	Building relationships with major customers
Managing capital expenditure on our assets Focusing on cash and costs	Managing our network Developing our service offering	Providing a stable income stream Access to subcontractor market

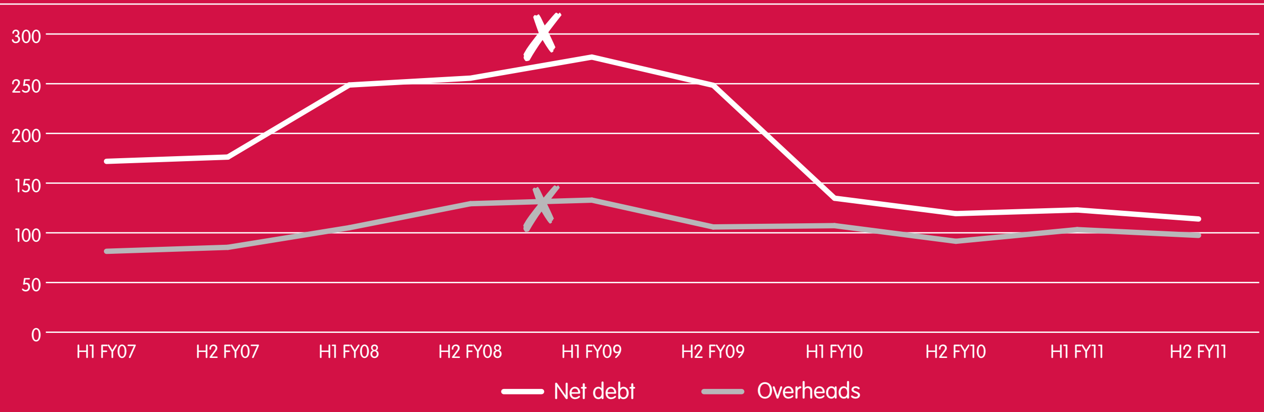
Ready
for the future

Seeing the benefits

Cost: continual drive for efficiencies & savings	Cash flow: maintaining a stable financial base	Asset management: the value of a diverse fleet
We continue to focus on right-sizing our cost base and have been streamlining our senior management and depot structure, seeking efficiencies wherever possible.	Our cash generation has remained strong and is a big contributor to paying down debt. As a result net debt continues to fall, contributing to a strong balance sheet.	Hire fleet investment has increased and as a result there has only been a slight increase in the average age of the hire fleet. Hire fleet investment has been consistently proportional to revenue. We have invested in new equipment using the funds from the disposal of under utilised older assets.
£110m reduction in costs from peak costs during 2008	**£113.9m** net debt down a further £5.4m on last year	**40%** by NBV of the UK's itemised hire fleet is less than three years old

Managing capital expenditure

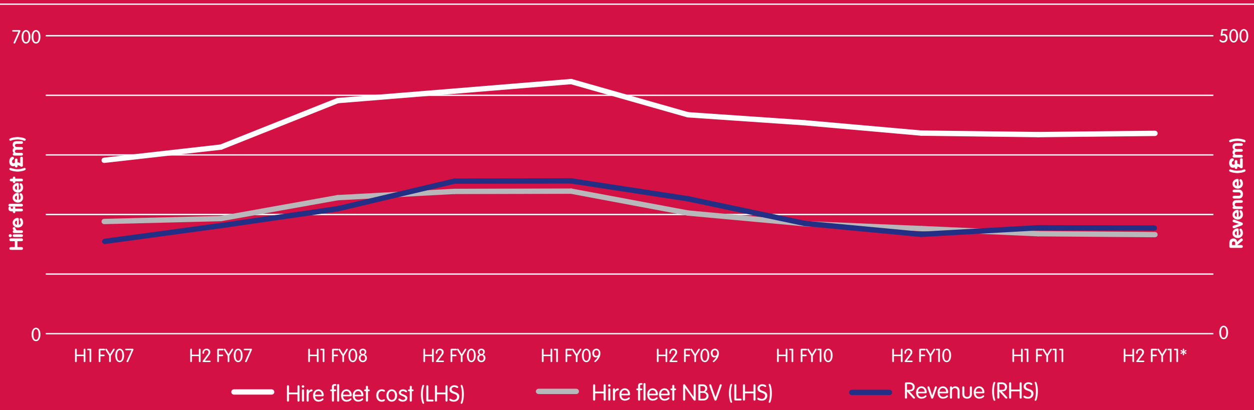
Net debt and Overheads*



✗ Peak annualised overheads estimated at c£137m for the half year ✗ Peak debt of £303m in July 2008

* Overheads are shown for Group less new businesses (International & Advisory) and are before amortisation and exceptional costs

Hire fleet



* Adjusted to include Accommodation assets in hire fleet at net book value before exceptional write down

Consolidating our No.1 Position

Seeing the benefits

Developing our service offering	Transforming the market	Outperforming the market
The core of our business is providing safe and compliant equipment for hire but we now support this with comprehensive safety and skills training, advisory services and test, repair, inspection and maintenance services.	Sustainable seems to be the word in 2011 with both customers and suppliers looking to build stable working relationships. With Government budget cuts, it's likely in 2011 that the private sector will fund a larger percentage of construction projects, changing, even transforming, parts of the market.	The tools, lifting & survey business performed 1.6% better than the market when comparing Q3 v Q4 in 2010. We have also seen considerable growth in International which established a strong foothold overseas. This combined with our Training & Advisory Services division has seen an increase in revenue of over 280%.

Consolidating our networks

In order to extend our service capability we have embarked upon a depot network plan that will see us change the format of our national network of depots over the course of the next few years. This involves the creation of more multi-service centres (MSC's) to expand on the first, which opened in Warrington; the creation of more superstores to add to those now operational in Stoke, Edinburgh and Bristol, and a consolidation of our local depots into an express format.

Multi-Service Centres

Size: 6-10 acres
Service: Full service 24/7
Market Sectors: Construction, Industrial, Infrastructure
Customer Base: Heavy Construction, Mainstream Construction, Civil Engineering

Superstores

Size: 25,000 sq. ft.
Service: Rapid response
Market Sectors: Clean trades, Fit Out
Customer Base: Electrician/ Electrical Engineers, Dry Liners/ Ceiling Fixers, Fit-Out Contractors, Shop/Store Fitters, Service/ Maintenance Engineers.

Express Depot

Size: 5,000 sq. ft.
Service: Principally customer collect
Market Sectors: Local trades, Local Industry
Customer Base: Local trades/ builders, Local industry, Service Maintenance Engineers

Building relationships with major customers

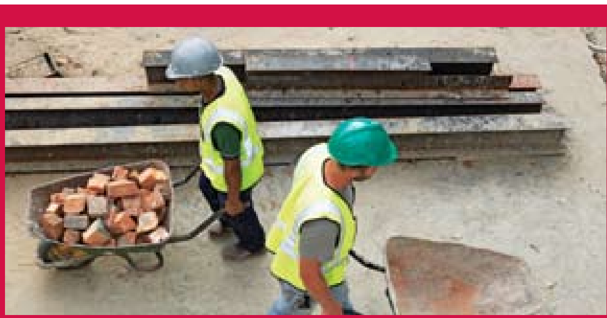
Seeing the benefits

Going for long term contracts	Value in supply chain	Stable income stream
Whilst hire rates may be lower, the average duration of hire is twice as long with major contractors and, with higher volumes generally, this results in yielding higher revenue per contract.	Major contractors will increasingly win more of the projects in the market and will be key to accessing the marketplace by having framework agreements that then cascade to their subcontractors.	As major contractors increasingly move towards winning work in the more sustainable and regulated market areas to secure their own revenue streams, this in return provides a more stable revenue stream for Speedy.

New contracts

Galliford Try Group

Galliford Try Group awarded Speedy a five-year first call supplier agreement in 2010 worth approximately £20m over the term to supply core products through a dedicated desk in Speedy Direct.



Interserve

In January 2011, we were delighted to sign a 24-month renewal of a preferred supplier agreement with Interserve, worth £4.5m to the Group over the course of the contract. Speedy will provide a comprehensive package of equipment and tools on both a regional and national scale.

Mears

A preferred supplier agreement was signed with Mears in February 2011. This is a two-year deal worth approximately £1.5m over the course of the agreement. Speedy provide tools, lifting and survey equipment as well as power and powered access products.

Wilmott Dixon Group

In 2010 we signed a preferred supplier renewal with Wilmott Dixon Group worth approximately £3.5m over the 24 month term.

Winning
new business and targeting value markets

Energy

Decommissioning plans for a four year investment of approximately £12 billion. New build is estimated to be over £32 billion making the Nuclear sector a key market for future growth.

Major investment in future offshore wind and onshore wind farms over the next five years of £90 billion make the renewable energy market more substantial with major projects already scheduled and under way for 2011/12.

Recycling

With the closure of 300 UK landfill sites over the next decade, in order to cope with these closures the Government and private investors are investing an estimated £10-20 billion over the next 10 years to support the sector.

Transport

Long-term investment in rail with a projected spend of £7.8 billion until 2014 excluding High Speed 2 (HS2) (£30bn) & Crossrail (currently £16bn) ensures that this sector remains promising in 2011 and beyond. In addition, the Highways Agency has plans to invest £10 billion over the next five years on road maintenance.

Water

Major investment in the water market to maintain and improve the current UK infrastructure is planned, with AMP5 worth £22bn (excluding capital works) over 2010-15, making this a key market for sustainable spend.

Managing our assets

The restructuring of our UK business into one company has provided greater utilisation of our assets. We now have improved visibility of where equipment is located and can maximise usage across our entire depot network. We have made great steps forward in moving equipment through our workshops at a faster rate, giving increased availability for our customers. In addition, the consolidation of our depot network has enabled specialisation and rationalisation of our kit.

We have carried out our People Matters Survey for the fourth time now and have measured Engagement for the last two surveys. Through our efforts in improving employee communication and feedback, plus a greater emphasis on 'job chats' we have leapt forward in improving our engagement. The lynchpin of motivated employees is our line management. We are investing across all levels with management, Leadership and Senior Leadership Development programmes and introducing people measures more clearly as part of the Speedy Compass (Scorecard).

+7%
employee engagement index
(2011 versus 2010)

Motivated employees

Speedy at a glance

Speedy story

Speedy is a leading service provider offering equipment for both hire and sale, and associated services, to construction, infrastructure, industrial and related industries.

Founded in 1977, we are the UK's largest provider of hire equipment and have grown our turnover to over £300m with over 100,000 customers, over 4,000 employees and a national network of over 325 depots, workshops and offices.

Our customers include organisations such as AMEC, Balfour Beatty, Carillion, ExxonMobil and Thames Water plus many thousands of smaller customers who are just as important to us.

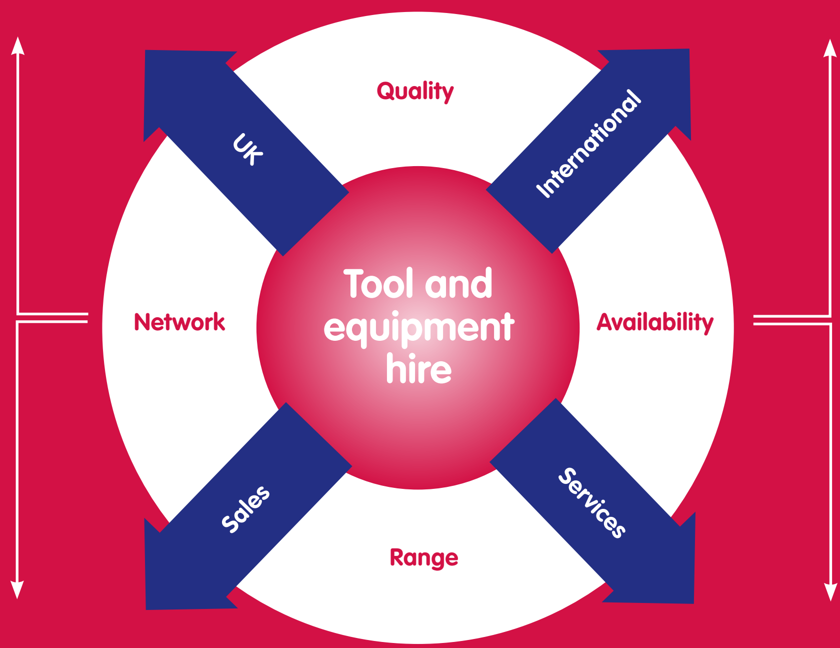
Our mission

To be an international organisation providing multiple services; one that understands our customers in depth and is ready to adapt to their changing needs and markets at any time. We will do this through superior knowledge, integrated systems and operational effectiveness.

Our strategy remains unchanged

UK
Continue to build solid relationships to increase our circa 10% market share in the UK hire market.

International
Work closely with key clients and identify ways in which we can support them in their activities overseas, on a 'follow the customer' principle.



Sales
Provide a comprehensive range of consumable items and personal protective equipment for sale as well as advising customers on hire, lease or purchase of their core equipment.

Services
Extend our core business offering with consultancy, assurance and training services, providing an enhanced portfolio of solutions.

Founded in 1977, we are the UK's largest provider of hire equipment and have grown our turnover to over £300m with over 100,000 customers, over 4,000 employees and a national network of over 325 depots, workshops and offices.

Speedy divisions

UK & Ireland Asset Services

We are committed to providing the most effective fulfillment model in the UK. Our business is characterised by our people, who combine their extensive product and technical knowledge with a real commitment to service excellence.

During the past 12 months we have aligned ourselves to our Customers and the Markets they operate within. This has given us a depth of knowledge that ensures that our service offering is fully aligned to the sectors that our clients serve.

Service performance measures are a key tool for evaluating our effectiveness and driving continuous improvement. Our IT infrastructure provides our employees with real time measures of service and through the 'My Speedy Extranet' we provide visibility and transparency to our clients in relation to our performance.

These and other measures underpin our objective of delivering true asset management to our clients. This ensures that whether a customer wishes to hire, lease or buy an asset, we can deliver a solution that is precisely tailored to their unique needs.

£343.5m
Revenue

International & Advisory Services

International Asset Services

We support our customers in delivering major overseas projects in the oil & gas and infrastructure sectors by providing a managed site support service, which combines our core expertise in equipment hire with asset management, training and logistics services. A key part of our service is helping our customers to make more efficient use of assets, whilst ensuring safe delivery and managing risk effectively.

Training & Advisory Services

We work closely with our customers to provide service solutions that manage risk and reduce costs, whilst ensuring compliance in an environment of ever increasing legislation. We are proud to build on Speedy's long established core brand values of safety, compliance and innovation and support our customers with a comprehensive safety and skills training service and a growing advisory services offering which now includes health and safety, lean site, sustainability and environmental assurance.

£10.7m
Revenue

Speedy figures

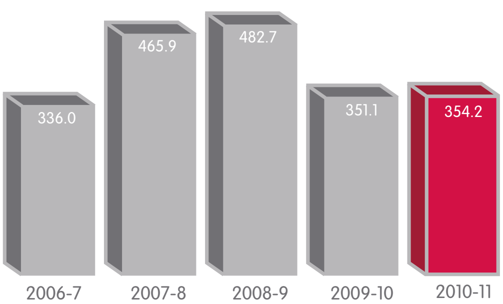
Highlights

- Adjusted loss before tax* reduced from £6.2m in 2010 to £0.7m, demonstrating an improving year on year trend
- Second half adjusted profit before tax* of £9.2m, compared to first half loss of £9.9m
- Revenue up 0.9% to £354.2m (2010: £351.1m) (up 3.6% when adjusted for fleet equipment sales and the disposed Accommodation Hire operation)
- EBITA* up 3.8% at £8.3m (2010: £8.0m), following a first half EBITA* loss of £4.6m (second half profit of £12.9m)
- Loss before tax (post amortisation and exceptional items) of £27.0m (2010: loss £22.8m)
- £10.9m increase in net capex, with net debt reduced by £5.4m to £113.9m (2010: £119.3m)
- Sale of older/under-utilised equipment has raised £16.2m (2010: £22.6m) for reinvestment into new hire fleet
- Post year-end sale of the loss-making Accommodation Hire operation for £34.9m (7.6x FY11 EBITDA pre allocations, recharges and exceptional items)
- Net debt/EBITDA* remains strong at 1.79x (2010: 1.75x) (pro-forma 1.3x when adjusted for Accommodation Hire disposal)
- Final dividend proposed of 0.2 pence per share (2010: 0.2 pence per share)

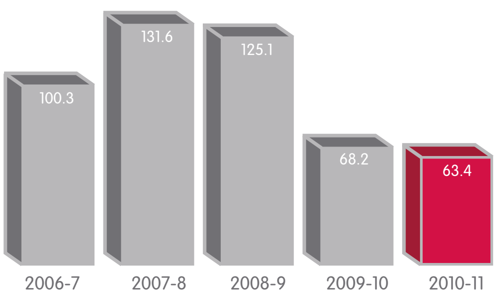
* Pre-amortisation and exceptional items

Financial KPIs

Revenue £m

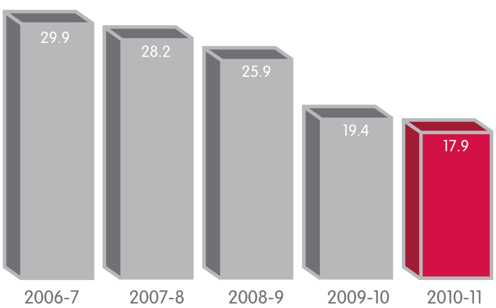


EBITDA* £m



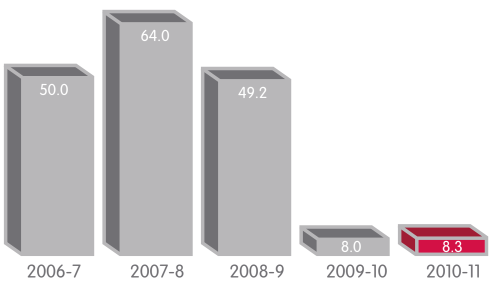
* Pre-amortisation and exceptional items

EBITDA* as a % of revenue



* Pre-amortisation and exceptional items

Operating profit* £m



* Pre-amortisation and exceptional items

Overview

Non-financial KPIs

Speedy have had publicly reported non-financial KPI's in place since 2007, initially set for three years to 2010. This year we are pleased to report our first year performance against our new five-year targets to 2015. Below are our top five non-financial KPI's. For a full list visit www.speedyhire.plc.uk/overview

→ Marketplace

Number of products in the GO range: target to have 50 products in the range

Target not achieved: 30 products in the range ✗

→ Our People

Employee engagement: target to increase baseline figure of 54% to reach 58%

Target achieved: 61% ✓

→ The Environment

CO_2e per capita: reduce from 8.9 tonnes per capita base line to 8 tonnes per capita

Target achieved: 7.95 tonnes per capita ✓

→ Health & Safety

Reduction in Major Accident Frequency Rate (MAFR): reduce from base line of 0.14 to 0.13

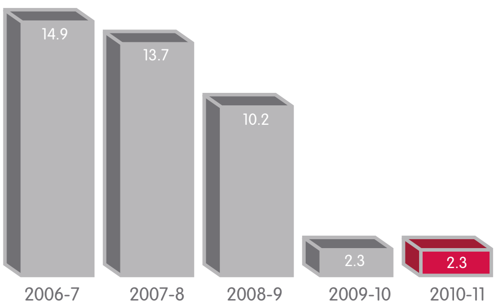
Target achieved: MAFR at 0.11 ✓

→ Our Community

Number of prison workshop rehabilitation training places provided: target to provide 200 places

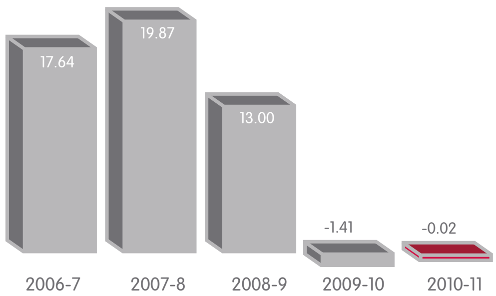
Target achieved: 200 places provided ✓

Group operating margin* %



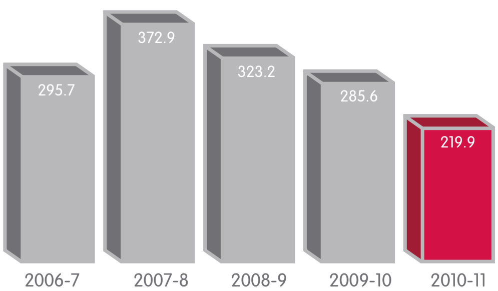
* Pre-amortisation and exceptional items

Earnings per share* pence



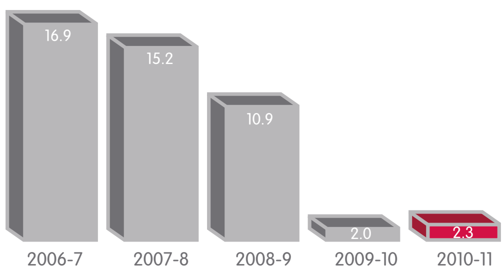
* Pre-amortisation and exceptional items, restated for rights issue where applicable

Net book value of Property, Plant & Equipment* £m



* PPE has reduced in 2010/11 principally as a consequence of the sale of accommodation assets referred to on page 46

Return on capital employed* %



* Pre-amortisation and exceptional items

Understanding our markets

In 2010 we saw our own customers working closely with their competitors; sharing technology, reducing risks and costs and even forming new joint ventures to secure projects.

The UK construction industry output

With construction output in 2009 being down 13.7%, the small recovery in 2010 of +4.6% means the market is still suppressed from the pre-recession levels. With large cuts in public spending as part of the Government's spending review, the outlook for 2011 remains challenging but not without opportunities.

→ The UK construction industry in 2010 showed promising growth in the first three quarters before the seasonal decline in quarter four.

→ During 2010, billions of pounds were saved on effective supply chain management, from resource to waste efficiency which improved the delivery time on construction projects.

£114bn

Construction output for 2010 is £113,754 billion.

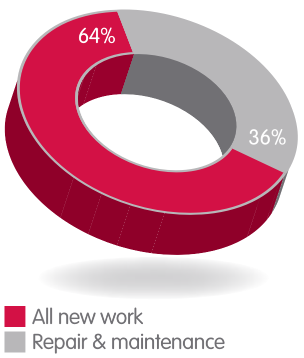
+4.6%

Total construction output was up in 2010 +4.6% compared to 2009.

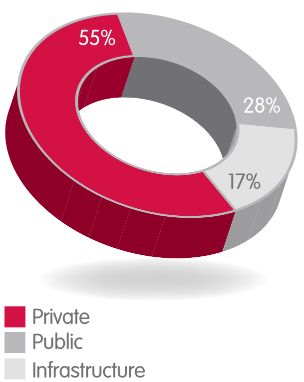
+9.7%

All new work was up +9.7% compared to 2009.

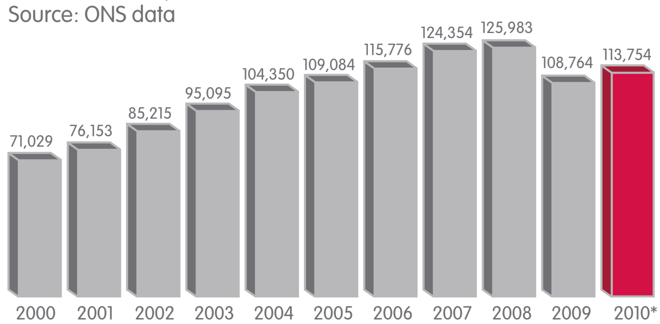
2010 output %



Private/Public sectors 2010 (total) %

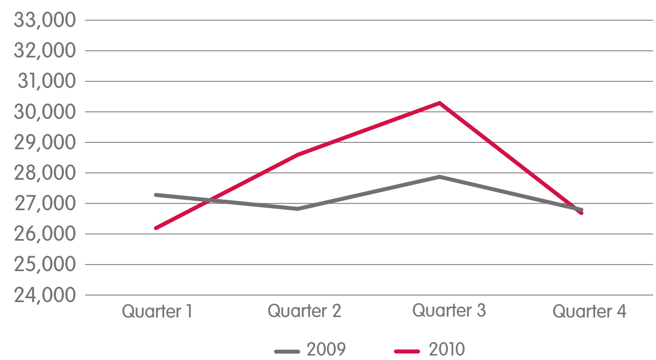


Construction output £m
Source: ONS data



* 2010 revised

Seasonality £m



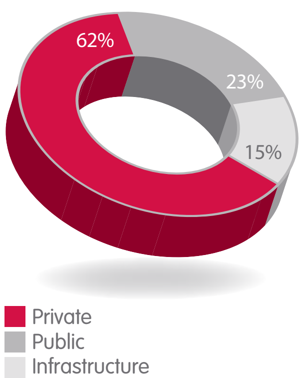
We've seen dramatic changes in the top 50 construction companies, with the larger construction companies now winning the majority of projects; order books for the next 12 months are already promising.

For 2011, we'll start to see changes in the supply chain, as customers acquire suppliers, assets or even their own competitors. Through acquisitions they will strengthen their market share or enter new markets for strategic gain.

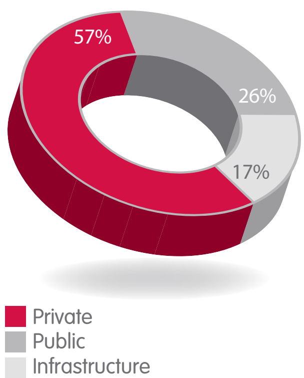
Government spending review

- New work in 2010 showed investment from the Public Sector, with New Housing increasing by +46.4%.
- Private funded projects saw a slight decline compared to 2009 of -0.1%.

2009 %
Source: ONS data



2010 %



Big spenders

Big spenders	v. 2009
New housing public	+46.4%
New housing private	+15.7%
Infrastructure	+25.0%
New work public	+20.6%
Private industrial	+5.8%
Private commercial	-8.5%
Total	**+9.7%**

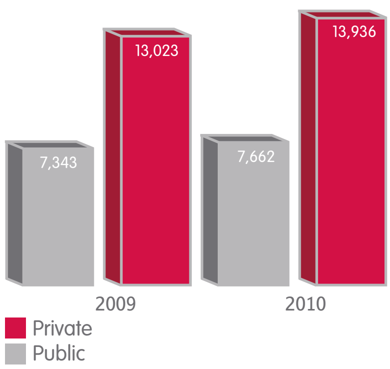
46.4%

Spent on new housing public

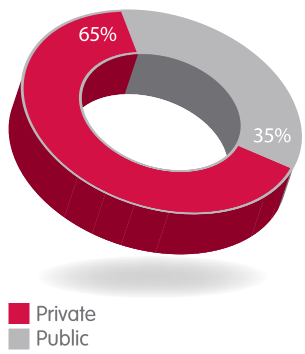
Public vs private spending

- Housing Repair & Maintenance saw an increase of 4.3% in the Public Sector and 7.0% in the Private Sector; overall this sector increased by 6.1%.
- This section of the market was funded 65% by the Private Sector in 2010, previously 64% in 2009.

Housing Repair & Maintenance
£m



Public/Private spending (in Housing Repair & Maintenance) %



Chairman's statement

"We have established a solid platform from which to build and, whilst we remain alert to the continuing uncertainty in the economy, we expect to make further progress in 2011/12."

Ishbel Macpherson
Non-Executive Chairman

Overview

Whilst it has been another challenging year for our sector, I am pleased to report that the business has been stabilised through continued cost management, improvement in pricing and an ongoing investment programme in our depot network, IT trading platform, hire fleet and services. Each of these has contributed to the establishment of a solid base from which to return the business to growth.

Notwithstanding exceptional costs of £20.8m, which contributed to an overall loss before tax of £27.0m, we saw the benefits of these actions in 2010/11 in the reversal of the first half losses to end the year at a broadly breakeven position (profit before tax, amortisation and exceptional items). The year on year revenue comparatives improved throughout the course of the year, with particular progress made in recovering UK hire rates following the declines over the last few years. Our loss before tax (pre-amortisation and exceptional items) was £0.7m, compared to a loss of £6.2m in 2009/10 and a loss of £9.9m in the first half of 2010/11. Our ongoing drive to keep tight control over costs, whilst working to improve revenues, has resulted in a further reduction in like-for-like operating costs of 2.9% year on year. Our EBITDA margin (pre-amortisation and exceptional items) improved during the course of the year, having been 14.0% in the first half and 21.7% in the second half. We also managed the business so as to maximise cash generation, with the result that year end net debt was £5.4m lower than at the previous year end, despite a 52% increase in net capex to £31.7m.

The sale of our loss-making Accommodation Hire operation for £34.9m in cash and the unwinding of its retained working capital, estimated to be approximately £3.6m, will also serve to reduce debt further.

Strategic progress

These results, and particularly the recovery in the second half, where the EBITA margin (pre-exceptional items) increased by 9.9 percentage points compared to the first half, are a reflection of the successful implementation of the Group's strategy of developing close, long-term strategic partnerships with major customers and industrial groups. This has allowed us to gain access to their supply chains at low cost, and offer broader complementary activities in testing, inspection, repair, maintenance, asset management, training and advisory services, both in the UK and increasingly, internationally.

Having taken decisive action in 2009 in response to the global financial crisis and realigned the cost base, the focus in 2010/11 has been on strengthening the balance sheet to prepare the business for growth in line with this strategy as the economy recovers.

During 2010/11 we continued to invest in our network, our IT infrastructure, our assets and in our complementary non-hire services (e.g. testing, training and sales) which differentiate the business and thereby provides it with a platform to broaden its offerings to a wider range of customer segments. Our strategy will continue to underpin the Group throughout 2011/12 as we maintain our focus on cash, costs and customers, whilst recovering growth in our business.

Our priority remains to restore our UK business to full health, investing to refresh the fleet and in the improvement of the efficiency of our property portfolio. We will also continue to develop our fledgling businesses, principally International and Training & Advisory Services, at a measured pace.

Funding

The Group's bank facility, which is a revolving credit facility of £210m, matures in June 2012. In preparation for this, the Group is in advanced discussions with its existing bank group, along with other lenders, regarding its refinancing requirements and expects to secure replacement funding in the near future.

Dividend

The Company paid an interim dividend of 0.2p per ordinary share on 28 January 2011, consistent with the interim dividend paid in 2009/10.

We remain committed to a progressive dividend policy as markets recover, but remain cautious in our approach to cash in the interim. The Board is therefore recommending an unchanged final dividend of 0.2 pence per share. This represents a cash cost of c.£1m. If approved by shareholders at the forthcoming AGM, this will bring the total for the year to 0.4 pence per share.

Governance and board changes

Since the Company listed on the London Stock Exchange in 1993, our Board and executive governance structures have developed and improved. We are fully compliant with the UK Corporate Governance Code and firmly believe that good governance reduces risk and adds value to the business.

The Board has undergone a number of changes in the past year and further changes will take place in the forthcoming year.

Justin Read, the Group Finance Director, has resigned to join the Board of SEGRO plc, as its Group Finance Director. Justin will be leaving on 26 August 2011. A recruitment process for a new Group Finance Director will commence immediately and an announcement will be made once this process has been concluded.

The Board would like to express its gratitude to Justin for his invaluable contribution to the Group over the last three years and to wish Justin every success in his future career.

David Wallis retired at the end of December 2010, having served as Chairman of the Company for over 10 years. Claudio Veritiero, MD of Asset Services, left the Group in October 2010 as part of our cost reduction programme. Michael Averill was appointed as Senior Independent Director on 1 January 2011, at the same time as I became Chairman. Further changes amongst the Non-Executive Directors will take place this year as Peter Atkinson will retire at the forthcoming AGM, having served six years on the Board. The Board has commenced a search for a new Non-Executive Director.

We are most grateful to David, Claudio and Peter for their invaluable contributions and wish them well for the future.

Employees

2010/11 saw another year of tremendous commitment from our people. The quality of our people continues to be a core strength of our business. Our recovery through this year is down to the performance of Steve Corcoran, his team and all the employees who continue to build the business. I would like to thank them all, on behalf of the Board, for their skill, dedication, hard work and loyalty throughout this period of upheaval and difficult economic conditions.

Outlook

In conclusion, whilst we acknowledge that our business has been through a very difficult and unrewarding period for our shareholders, management has aggressively taken action with regard to cash, costs and capex to ensure that the Group has not only survived the short term challenges to its future, but that it is now far stronger as a business and is very well placed for the future.

Whilst April's trading was affected by the impact of the late Easter and the subsequent Royal Wedding public holiday, the new financial year has begun satisfactorily. Although we remain alert to the continuing uncertainty in the economy, which we believe will continue for some time to come in the construction sector in particular, we are confident that the actions we have taken give us a solid platform from which to build and that we will continue to make progress in 2011/12. Our leading market position, our advanced systems, our strong cash flow and our clear market approach, position the Group strongly to take full advantage of the market upturn when economic conditions eventually improve.

Annual General Meeting

The AGM will be held at 11.00am on 13 July 2011 at Mere Court Hotel & Conference Centre, Knutsford, Cheshire. I look forward to seeing you there.

Ishbel Macpherson
Non-Executive Chairman

Chief Executive's review

"With revenues up, rates and margins improving and costs down, we are well set to deliver sustainable growth."

Steve Corcoran
Chief Executive

Overview

The financial year which closed 31 March 2011 signalled the end of the most tumultuous period in the Group's history, with the business recording a profit before tax, amortisation and exceptional items of £9.2m in the second half, reversing a £9.9m loss in the first half. When the financial crisis broke in September 2008 our business was on a significant growth curve, having reported 22.3% revenue growth in the first half of 2008/09, and was still in the process of integrating Hewden Tools which we had acquired in the prior year. The subsequent sharp contraction in construction activity left us with effectively two businesses to restructure as well as an integration to complete. Since that time through aggressive and determined action we have reduced our headcount by 29%, our vehicle fleet by a similar amount and removed 33% of our operational sites. It was this determined action that gave us the confidence to announce at this year's interims that, after a two year period of disappointing results, we were confident that the business had turned the corner. Our second half performance has supported that claim.

Our performance in 2010/11

I am pleased to report that we have reversed our first half losses in the second half of the year, to end the year at a broadly break even position (profit before tax, amortisation and exceptional items), in line with our expectations. Whilst it was a challenging target to turn around a £9.9m first half loss (loss before tax, amortisation and exceptional items), it was satisfying to have delivered on that expectation with a second half performance which delivered a 9.9 percentage point improvement in operating margin (pre-amortisation and exceptional items) and a 54.6% increase in our EBITDA performance (pre-exceptional items) over the six months, at a time when our principal market, construction, continued to be in decline. The achievement is even more encouraging when considering that the performance of our Accommodation Hire operation continued to decline year on year and one of our principal clients, Connaught Plc, fell into administration. It is pleasing to note that after a period of eighteen months of aggressive self-help, in which we merged eleven trading entities into one, established a single UK based Shared Services Centre, completed the move of the entire Group onto a single IT platform and took the robust action against costs as outlined above (which have collectively contributed to an annualised reduction in our operating costs of approximately £110m since June 2008), that we saw the benefits of those initiatives come through in the second half.

Looking ahead into the current year and beyond, in the UK we are benefitting from improving hire rates (closing the year up 10% year on year), increasing demand and a more efficient cost base. Having sold the loss making Accommodation Hire operation, we are confident that we have secured a strong platform that will provide for a sustainable recovery. In addition, we have diversified our business with the continued development of the new International operation, based in the UAE, the specialist Engineering operation to target activity in the Industrial and Rail markets and the Training & Advisory operation to assist clients with their risk management, especially in the use and application of rented plant and machinery. Whilst these operations are at an early stage in their development, we are encouraged by their progress and are confident that they will provide a meaningful contribution and differentiation in the future.

Operating network

Our strategy provides for a reduction in the number of operational outlets as we consolidate a number of operations that exist in the same or adjacent towns and cities into fewer, larger sites. This will support us in the development of a three tier operating model of:

- regional Multi Service Centre's (MSC's), which will act as regional distribution centres as well as hosting our main workshop services and specialist hire facilities (light plant, fencing & safety decking);
- Superstores, which will provide a tools, lifting and survey capability under one roof to serve the major conurbations; we will retain the integrity of independent specialist skills but realise greater efficiency from our transport, administration and maintenance capabilities; and
- Local Tool Hire, where customer needs tend to be more unplanned and reactive. In order to support our local, regional and national customers, and those more transient customers engaged in service, maintenance and FM activities, it is important that we offer full geographic coverage and be close to their operations, especially in areas of specific industrial or economic activity e.g. Grangemouth, Sellafield, Scunthorpe and Fawley.

In pursuit of this strategy, during the year we reduced the overall number of outlets from which we operate from 363 to 327, and opened our ninth Superstore. We have a further eight Superstores in various stages of internal planning or development.

IT trading platform

We have rigorously maintained our commitment to increasing both our investment in, and use of, technology. After a year of further IT investment (£2.6m), 2010/11 was the first full year in which we benefitted from the transfer of all business activities onto a single IT trading platform. When combined with the consolidation of the UK Hire operations into one trading entity, we now have full transparency of all our assets, customers and trading activities.

The benefits from this investment are already evident, with greater visibility over our hire fleet availability, its location and operational status helping to drive improvements in utilisation (Q4 utilisation in the UK was up 12% year on year) and thereby reduce capex needs. With the availability of improved information and reporting, we are able to analyse better our performance, as well as to identify older or under-utilised assets. These can then be disposed of and the cash proceeds (£16.2m in 2010/11) made available to be re-cycled for re-investment into new assets in areas of greater demand. This capability has enabled us to replenish the fleet, whilst reducing the need for traditional levels of additional debt or capital.

We are confident that our extensive investment in IT, which was maintained throughout the downturn, will provide the platform to drive margin growth, improve return on capital employed and enhance our overall customer service (which already enjoys a 92.7% recommendation score). The advancements in our systems also provide flexibility to adopt new services and activities in support of our clients' risk management, as well as enhancing our international growth capability.

Disposal of Accommodation Hire operation

Since the year end, we have announced the disposal of our Accommodation Hire operation for £34.9m (retaining the working capital estimated to be £3.6m) to Elliott Group, a wholly owned subsidiary of Algeco Scotsman which is the world's leading provider of rented, temporary accommodation. As a part of the disposal both parties have entered into a three year exclusive partnering agreement which will see us support each other in the provision of our respective fleet services. Elliott will become the provider of accommodation services and toilet hire to Speedy throughout the UK, with Speedy supporting Elliott's requirements in the provision of tools and equipment, such as power generation, lighting and compaction equipment. In addition, we will also further expand our service based revenues through the provision of engineering support to maintain Elliott's c.1,650 strong generator fleet for an initial period of three years from May 2011. The disposal is a sensible move with clear commercial benefit to the Group as it removes our only established, non market leading and loss making operation from the business, whilst enabling two market leaders to offer their respective customers access to a more comprehensive offering.

Chief Executive's review
continued

Contractual revenue stream with major businesses and their downstream contractors

Despite the challenging market conditions that have persisted, the business has continued in its objective to secure closer relationships with the UK's major construction, engineering and infrastructure groups. We are convinced that this has proven to be the right strategy evidenced by the fact that:

- we have broadened our customer base into non-construction markets such that non-construction now accounts for around 53% of Group revenue. In construction, 58.5% of our revenues are secured with the major contractors directly;
- at a time of heightened financial uncertainty, larger clients offer far greater debt security and, more importantly, workload security;
- with the conditions facing UK construction forecast to remain difficult, spending on infrastructure, especially in markets associated with water, waste, energy and transport, are expected to be more resilient and these activities tend to be the domain of the major contractors and specialist trades;
- work in these markets is more visible, sustainable and securely funded;
- the trust of major clients gives access to and influence over their sub-contractor base; and
- forecasts suggest there will be further consolidation in our end markets, with the major contractors taking more market share. Stronger relationships with them ensure that we are able to gain market share from this consolidation process.

Our improved knowledge and understanding of end markets has also enabled us to secure work directly with the end users themselves. For example, in the water sector we have won hire contracts with Thames Water and Wessex Water and services contracts from United Utilities and Severn Trent Water. In the energy sector, we have also secured significant new business awards from Murco, Chevron and Exxon for integrated site based supply.

Outside of infrastructure we have also successfully targeted large capital projects. These projects are subject to extensive financial and commercial due diligence, which provides us with confidence that the funding structures are secure and the projects themselves more sustainable. With large capital commitments in highly complex engineering and construction programmes, these projects require careful planning and highly skilled project management. They therefore also tend to be the domain of the major contractors. Our success in understanding these issues is evidenced by our award this month of the integrated on-site facilities with Brookfield Multiplex at the new £750m Glasgow South hospital.

Cash and finance

Our business is a strong generator of cash and the capacity to use this to pay down debt has been one of the great achievements during the recent difficult years.

We entered the downturn with peak net debt at July 2008 of £303.2m and we finished the 2010/11 year with net debt of £113.9m (before receipts from the disposal of the Accommodation Hire operation). Since the start of the recession we have reduced debt by almost £190m. Whilst approximately £100m of this was with the support of our shareholders through a Rights Issue in July 2009, we have paid off a further £90m through funds internally generated, despite total cash costs of £26.8m associated with bank facility amendment fees, property closures, redundancy costs and other activities associated with our restructuring programme. This equates to a total cash generation through the period of £116.8m.

At the end of the financial year we have net debt to EBITDA at less than two times and net debt to net tangible fixed assets at only 0.52x. We have a strong balance sheet, which leaves us well placed as we move forward to capitalise on the strength of our cash generation to fund further capital investment as trading conditions continue to improve.

Strategy

Our strategy is to develop a service led capability; one that is built around customer intimacy by gaining a real understanding of our customers and their markets. As we know them better, we are more able to develop services that are specifically designed for them and support the requirements they have to maintain their own differentiation to their clients. Success is evident in that for the year ended 31 March 2011 over 28% of our revenues have been derived from non-rental services. These activities are less dependent upon capital and provide far greater engagement with our customers, whilst providing clear differentiation from those peers who continue to operate a vanilla hire offering. It is our firm view that, without the addition of value added service capabilities, hire in isolation will continue to see price erosion and eventually become a commodity based activity. Service is valued, the provision of a product or an asset is not!

To not have a value added offering also fails to understand why customers have turned to hire in the first place. Our customers hire to mitigate three risks:

- capital risk: the capital cost to purchase equipment and to replace equipment, together with the balance sheet impact of owning the equipment;
- operating risk: the risk associated with the costs involved in financing land/property rental to operate a plant fleet, the cost of spares and parts in maintaining equipment and the logistics costs associated with transporting, storing and moving equipment; all of these are costs that have to be recovered in customers' tendering/bidding processes but yet are not core activities; and
- legislative risk: the increasing risks associated with legislative compliance, especially in areas of Health and Safety and, increasingly, environmental management and sustainability.

However, hiring alone will not remove these risks. For example, if hired equipment is given to someone who is inadequately trained or who uses it in an inappropriate manner then the customer runs the risk of injury to people or damage to the machinery or property exposing the customer to additional compliance or financial risk. Equally, legislative risk resides if the wrong equipment is specified or is hired where it is not suitable for use in an activity exposed to safety or environmental risk. Customers take more comfort from having access to the experts. We can give guidance on the most suitable product applicable, mitigating risks to the company, individuals and the brand.

It is an appreciation and understanding of issues like these and the drivers for hire, that has led us to establish our Training & Advisory service, our test, repair, inspection and maintenance capability and our consumable and equipment sales offering. This ensures that our customers have access to the support mechanisms and the range of service requirements to enable them better to manage the risks associated with plant and machinery in their own operations. By developing these services we also enhance the capability to shift our business from a rented asset provider to a plant services outsourcer.

This move is not a radical shift from what we do, but an evolutionary extension of what we have traditionally provided, both in support of our own business and also in an ad-hoc way to our clients. Now encompassed in our service business, they are being increasingly recognised by customers as a real value add extension in our offering and, as such, a clear business differentiation. When accompanied with the benefits afforded from our industry leading IT capability, we are increasingly able to offer our clients a compelling proposition. It is of particular relevance to those clients who are large, regular users of hired equipment and they therefore value what we do.

Our business is now in a strong position, although it has been through a very difficult period which has not provided our shareholders a satisfactory return in recent times. We are confident that the aggressive action taken to right-size the business has provided us with a secure platform from which to rebuild. Our decisions, whilst having to be appropriate for the environment in which we found ourselves, have always been accompanied with a clear view for the needs of the business over the longer term.

Our prime focus has been on ensuring that we had a strong and healthy balance sheet throughout the downturn, even if that was at the expense of short term profitability. This action was driven by a clear focus on the 3 C's of cash, costs and customers. This has ensured that the Group has not only survived the severe short term challenges to its future, but has emerged far stronger and is now very positively positioned for future growth.

Current trading and prospects

As a result of the aggressive and determined action taken by management in pursuit of our strategy, Group revenue (excluding fleet equipment sales) has improved year on year by 3.6% after adjusting for the drag effect of the Accommodation Hire operation. The improvement was 3.2% for the core UK Tools, Lifting and Survey operations. Our Power business, which was loss making in the earlier part of 2010/11, traded profitably in the second half and, with the fledgling operations in International, Engineering (a part of UK Asset Services) and Training & Advisory also progressively moving towards profitability, we are confident that our recovery is well under way. However, we are not complacent since 2011/12 will not be without its challenges:

- the construction market is forecast to remain difficult, with output expected to fall a further 0.8% this year;
- the 1% increase in National Insurance contributions which came into effect in April 2011 will add to our operating cost as we remain very much a people business, employing almost 3,800 people in the UK;
- fuel costs remain persistently high and are forecast to remain so for the foreseeable future; every penny increase in fuel per litre increases our costs by c.£80,000 annually;
- local authorities are expected to increase the business rates to offset spending cuts and other financial challenges; with over 300 outlets in the UK, business rates cost us £4.0m in 2010/11; and
- the April period was down year on year (as expected) as a result of a late Easter, followed by an additional public holiday for the Royal Wedding leading into the May Day bank holiday; these combined to reduce the number of charging days in the period and resulted in many customers taking an extended break.

We are confident in our ability to deal with these issues with a renewed vigour in the Group. Having successfully restructured the business we are now very firmly focussed on looking forward, whilst maintaining a tight control over the 3 C's of Cash, Costs and Customers. Capex investment will be progressively increased and will continue to be supported through the disposal of underutilised or older assets such that net investment will remain lower than that traditionally seen.

Finally, it is important to recognise the continued commitment of the dedicated people throughout the business. Our people have responded magnificently throughout these difficult times and I am pleased to acknowledge their hard work. With trading improving, rates recovering and return on capital increasing, we look forward with increasing confidence. However, this more positive outlook is tempered with an acknowledgement that in the short term there will continue to be challenges as our business and the country as a whole emerge from recession.

Steve Corcoran
Chief Executive

Principal risks and uncertainties

The Group Board is fully committed to a programme of continual improvement, which includes identifying, evaluating and managing significant risks facing the business and has developed a set of processes to allow it to do so. Ten key risk areas have been identified, the successful management of which is seen as essential to the Group's ability to achieve its corporate goals. A revised risk KPI dashboard has been agreed and will be reviewed by the Board every quarter. Additionally, the Internal Audit Plan is aligned to the key risks. The text below summarises (in alphabetical order) the risks that were identified as key, together with a short description of monitoring/mitigation.

Risk description	Mitigation
1. Attracting and maintaining key staff Lack of staff with appropriate skills hinders our ability to win, mobilise and deliver our business.	Speedy offers competitive benefits packages and provides training at all levels, including a training academy. Skill and resource requirements for meeting the Group's objectives have been identified and action taken to address any gaps. Speedy also offers career development and succession plans.
2. Business continuity Any interruption to the Group's IT systems or infrastructure could have a material adverse effect on the Group's business, communication, capabilities, management of projects and overall financial performance and reporting.	Responsibility for the integrity of the Group's IT systems rests with the Director of Information Technology. Preventative controls and back-up and recovery procedures are in place for key systems and all buildings. 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 for all its UK and international operations. Insurance cover is reviewed at regular intervals to ensure we are covered in the event of a business continuity event.
3. Data and management information To achieve its strategic aims, the business needs to measure and analyse performance in every business area and across all products and services. Leveraging revenue-generating opportunities, exceeding customer expectations, effective decision-making and keeping costs down all require effective systems, MI and KPIs.	The Group has IT systems throughout all business areas, which are the responsibility of the Director of Information Technology. The 'One Speedy' project, which has been running since mid-2009, continues to deliver material data and information benefits and will continue to do so. Ongoing investment is planned to use technology further to improve asset management, data management and customer management information.
4. External influences A downturn in construction/industrial activity, or a decline in the desirability of hiring tools and equipment to fulfil such activity, may reduce the prices that the Group can charge for its services and may 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 continually monitors and assesses market capacity by reference to a number of external sources, together with internal data which reports customer, product and geographical demand. It operates a flexible model that can react to prevailing market conditions. The Group assesses changes in Government spending as part of its wider market analysis. The impact on the Group of any such reduction in expenditure is assessed as part of the ongoing financial and operational budgeting and forecasting process. Our strategy is to develop a broader spectrum of services across different markets and to ensure that we are well positioned with clients who are likely to benefit from those areas in which increased activity is forecast.
5. Failure/insolvency of major customer Whilst no single customer accounts for more that 7% of revenue or receivables, 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 exposures to individual customer groups is improving through the implementation of the business information and credit management systems. Given the diversified customer base, the Group does not maintain credit insurance and management of the risk of debt default is managed as part of the day-to-day operations of the business.

Risk description	Mitigation
6. Finance Should the Group be unable to obtain sufficient capital in the future, it may not be able to take advantage of strategic opportunities, or it may 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 may adversely impact its ability to command acceptable levels of pricing.	The Group's Treasury Policy sets out objectives 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 policy, the Group's capital requirements and potential sources of finance are reviewed at Board level on a regular basis in order that its requirements can be adequately planned for. Close relationships are maintained with the Group's bankers in order to ensure that the Group enjoys a broad degree of support. Short lead times for purchasing hire equipment are maintained in order to manage capital requirements.
7. Increase in 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 to their requirements. Capital expenditure requirements are assessed as part of the budgeting process, and throughout the year via regular forecasts. 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 and individual expectations with a view to ensuring that the opportunities for the Group are maximised. Market share is regularly measured and our competitors' activities are reported on and reacted to where appropriate.
8. International A part of the Group's growth strategy relies on the development of our international business. Speedy's 'follow the customer' international approach requires that these customers identify profitable and consistent project workflow. Additionally, some of our current and target markets are politically volatile. There are also challenges inherent in controlling operations in countries that are a long distance from the UK.	Speedy's international partners are all well-established, multi-national businesses with years of experience of operating abroad. We have a dedicated international business that co-ordinates all foreign activities to ensure that local cultural, political and legal requirements are complied with. We have plans in place to manage the extraction of staff from our international operations when the need arises.
9. Planning and change management To address the material reduction in the size of the hire market since 2008, the Group is executing a strategy that delivers growth and profit though leveraging core competencies better than our competitors, developing new and better ways of operating and entering new markets (for example, the Middle East) where different risks to those faced in the UK and Ireland will emerge. If the strategy is wrong or not executed effectively, or the changes undermine our ability to plan and forecast, the Group may not achieve its objectives.	In-depth and ongoing reviews of business strategy have been undertaken by the Board and its advisors in determining strategy. The change programme has been communicated to all employees to explain the Group's strategy, and plans to deliver the strategy are compared to actual performance. Significant projects are subject to careful evaluation and monitoring at Board level, with risks being subject to ongoing reporting around appropriate mitigation strategies. In 2010 we expanded our programme management office, and created the role of Strategic Programme Director.
10. Safety The Group operates in an industry where safety is a critical consideration. Failure to meet customers' safety expectations or regulatory requirements increases the risk of legal, financial and brand damage. This requires an uncompromising attitude to safety.	The Group is recognised for its industry-leading position promoting enhanced health and safety compliance, together with a commitment to product innovation. The Group's systems and 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

What we do

We deliver asset management for our customers, with tailored services and a continued commitment to relationship management. This means that, whether a customer wants to hire, lease or buy an asset, we can advise them and support their needs.

"Our strategy is built on developing intimate and long-term relationships with our customers. This strategy is underpinned by our focus on consistency of service, quality of equipment and legal and safety compliance."

David Graham
Managing Director, UK Asset Services

Our division is structured to incorporate specialist disciplines, grouped into four key service lines:

- UK Hire: our largest operation, comprising product specialist depots offering small tools, lifting and materials handling equipment, light plant, power generation, compressors, pumps, surveying and specialist safety and communication equipment. Sales teams are organised along market sector lines;
- Engineering Services: this operation was created in 2009 and provides three distinct service offerings:
  - test, repair, inspection and maintenance services;
  - major industrial / petrochemical on-site and shutdown services; and latterly
  - the development of our specialist rail activities; and
- Procure (Resale): responsible for the Groups' sales of personal protection equipment, consumables and, increasingly, equipment sales. Our markets are served in three ways, a resale operation through our depot network, direct bulk distribution to our clients and, increasingly, through Internet sales.

The division also includes our operations in Ireland, which comprises five depots offering the full range of Speedy products into the Irish markets.

Strategy

Our strategy is based on developing strong relationships with our customers, focused on fulfilling their equipment and site infrastructure needs through a range of hire and asset management services.

Our aim is to maximise profitability and returns and to broaden our service offering, so that we are able to support the entire asset cycle. In order for UK Asset Services to reach 'preferred' or 'strategic partner' status, customers demand that we provide quality, consistency and added value to their businesses. Investment in fleet, the UK's largest operational network and an expanding range of services are ensuring we are well placed to meet these requirements.

Our plan is simple:

- be customer intimate: know our customers and their markets;
- give our customers the best service: align our offering and service capability to our customers' needs;
- add value through innovation: extend into other areas of our customers' value chain; and
- safety and sustainability: at the core of our offer.

Priorities for 2011/12

Market conditions in 2010/11 were difficult and challenging, however, despite this we stabilised our business and have created a solid platform from which to move forward. Importantly, we have underpinned our future through extensive IT development leading to completion of the full roll out of Axapta (Speedy's IT platform).

Other developments include enhanced service measurement tools and reporting, simplified and shortened reporting lines and the reorganisation of the sales operation to become market and sector focussed. All of this is now supported by a central asset function that ensures asset quality, coordinates fleet replacement and fleet disposals and is tasked with optimising utilisation.

These and the other actions we have taken represent significant steps toward the completion of the delivery of the benefits of One Speedy (a consistent approach to our customers in the delivery of service excellence).

In the following 12 months our priorities and initiatives include:

- the delivery of improved trading performance, financial returns and asset efficiency combined with strong profit to cash conversion;
- consolidating our leading approach to providing tailored support and on-site facilities to major projects;
- delivering our transition to a market and sector based model for client relationship management, ensuring we are well placed to benefit from the more robust markets in infrastructure, transport, energy, waste and utilities;
- growing our new Sales offer (Procure) through web-based sales and an enhanced in-branch proposition;
- expanding our Industrial, Engineering and Rail operations, by securing additional long-term asset management contracts;
- increasing yield through the application of service measurement, financial control and improved reporting;
- delivering a further improvement in our safety record, reducing accidents in the workplace and risk for all our stakeholders;
- continuing to focus on sustainability and expanding our 'Getting Greener from the Ground Up' programme, to support our clients' carbon reduction programmes; and
- delivering 'My Speedy' (client extranet facility providing real time information reducing administration and transaction costs through the whole supply chain).

Our markets

Our key markets in the UK and Ireland are construction, infrastructure, utilities, and major industrial groups.

Commercial construction rentals are geared towards contractors conducting new-build and repair and renovation work, who hire a wide range of equipment. Industrial rentals are geared towards businesses conducting routine plant maintenance as well as special projects that require power and welding equipment, lifting and material handling equipment and safety products.

Alongside our core market of construction, the sectors that we will focus on in 2011/12 are those where we see both robustness and growth namely, infrastructure, transport, energy, waste and utilities. This focus will be reflected in the assets we add to our fleet, the service offering we provide and the allocation of our human resources.

How we performed

During the period we secured a range of major long-term contract awards, renewals and extensions across a number of sectors by focusing on:

- the largest general contractors who generally have activity and large order books across all robust and growth sectors and provide us with low cost access to their sub-contractors;
- sector clients who put in place long term framework supplier arrangements covering all of their operating and capital investment programmes; and
- sector specific contractors and subcontractors' who tend to specialise in more highly regulated sectors.

Large major contractors

- Balfour Beatty Plc: one-year group wide preferred supplier agreement.
- BAM Nuttall: three-year preferred supplier agreement.
- Galliford Try: five-year preferred supplier agreement.
- Wilmott Dixon Group: renewal of two-year preferred supplier agreement.

Sector clients

- Thames Water: five-year framework agreement.
- Welsh Water: five-year exclusive supplier agreement.

Sector specialists

- J Murphy: two-year renewal of preferred supplier agreement (water/utilities).
- McNicholas Construction Services: two-year renewal of preferred supplier agreement (water/utilities).
- Barratt Group: two-year preferred supplier agreement (housing).
- East Ayrshire Council: two-year framework agreement (public).
- Tesco: two-year framework agreement (commercial).

Industrial

- Rowecord Engineering: two-year preferred supplier agreement.
- Doosan Babcock: one-year preferred supplier agreement.
- Babcock International Group: three-year preferred supplier agreement.

After a weak first half, our second half recovery was primarily driven by the performance of our Tools, Lifting and Survey operations.

Whilst turnover was broadly flat in the second half versus the first half, the key performance improvements came on the back of gross profit improvements of 9.5% and robust cost controls, with overheads falling by £5.9m.

Hire fleet efficiency has improved as a result of improving utilisation and the planned disposal programme. This programme resulted in sales of £7.5m of slow moving/obsolete equipment which generated a gain over net book values.

The Accommodation Hire operation proved to be a considerable drag on our trading performance and, whilst the second half saw some reduction in its losses, market rates and volumes remained depressed.

In contrast, the Power operation, which had a poor first half, did start to recover strongly in the second half, with several major industrial shut downs (which had been delayed or postponed) re-commencing and with an increasing number of off-shore oil and energy projects.

International & Advisory Services

International Asset Services

What we do

We support our customers in delivering major overseas 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 overseas 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 assets. On major contracts, we will 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.

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 will benefit from our services.

We are implementing the first phases of our strategy by investing 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 2011/12

Our first priority is to remain focused on delivering the targets and KPIs in our contracts with strategic customers, including Al Futtaim Carillion and Costain, 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.

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 base in the Middle East not only provides greater access to the oil and gas industry in the region, but 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 and we believe that the recent political issues in a number of countries are only likely to accelerate long-term plans to invest in infrastructure as governments 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 major investment programmes underway.

How we performed

Our focus this year has been implementing the key change programmes that are the cornerstone of our five-year, exclusive strategic services agreement with Al Futtaim Carillion and we have already delivered tangible savings to them. We also signed a similar three-year, exclusive outsourcing contract with Costain who has been established in Abu Dhabi's oil and gas industry for over 35 years, and we have won a number of high-profile projects in the oil and gas sector across the region supporting Baker Hughes, QMENA and other long-established customers of Speedy. Turnover was lower than expected at £8.4m, largely due to delayed starts on a number of major customer projects and, whilst we have maintained our investment in building a team that can deliver our strategy, we have also exercised tight control over our costs to minimise our start-up losses with an EBITA loss of £1.9m. Steady revenue growth throughout the year reduced second half losses to £0.5m (compared to a loss of £1.4m in the first half). A healthy pipeline of visible opportunities provides us with optimism for continued growth in 2011/12.

> "Our ultimate vision for our international business is to support our customers on any major project, anywhere in the world. In addition, our key priorities are to develop and grow our advisory services in conjunction with strengthening our training offering."

Mike McGrath
Managing Director, International Asset Services

Training & Advisory Services

What we do

For many years, Speedy has worked closely with its customers to ensure a safe working environment by providing compliant quality equipment for hire. We now support this with a comprehensive safety and skills training service and a growing advisory services offering.

We are proud to build on Speedy's long established core brand values of safety, skills, compliance and innovation. Our focus is on understanding our customer's business and providing solutions for critical operational issues, including compliance. We are improving the range of training and advisory services that we offer. These now include health and safety, lean site, sustainability, environmental assurance and waste assurance.

Our primary activity in the year has been the delivery of cost effective, high quality training services to Speedy customers and the establishment and growth of new advisory services.

Strategy

We will deliver a comprehensive range of solutions-orientated assurance services, addressing financial risk and compliance, to existing Group customers and to new customers in both traditional and non traditional sectors in the UK and international markets. Our services will broaden and strengthen the Speedy brand and extend customer brand awareness to a wider range of industries.

Priorities for 2011/12

Our short-term priority is to develop and grow our new advisory services in conjunction with strengthening and growing our existing training offering.

We are introducing new advisory services including fire risk assessments, water and air testing, to both traditional and new markets. New initiatives for 2011/12 such as eLearning will help us to grow our training services and attract a wider portfolio of customers.

Our markets

Whilst our focus remains firmly on the delivery of training and advisory services to customers within the Group's traditional markets, we have expanded our customer base into non-traditional markets such as property management companies this year, and we now look to grow our commercial relationships in new sectors including airport authorities and local and central Government in 2011/12.

How we performed

In the past year we focused on expanding our training offering to include over 200 accredited or certified courses, in addition to developing bespoke courses to suit our customers' individual needs. We offer courses from over 100 nationwide training locations and our training services now include National Vocation Qualification (NVQ) training.

We have established new advisory offerings including Health and safety risk assessments and asbestos surveys. Our customer base now includes property management companies and consultants for long term construction projects. Half of our revenue for the 2010/11 financial year has been generated from new advisory services.

Group financial review

"Despite the £10.9m increase in capex, net debt has fallen from £119.3m at the beginning of the year to £113.9m at 31 March 2011."

Justin Read
Group Finance Director

Group financial performance

Revenue in the year to 31 March 2011 of £354.2m was 0.9% above the prior year period (2010: £351.1m), notwithstanding the impact of the loss of a significant contract with Network Rail in December 2010 and the collapse of Connaught PLC, a major customer, in September 2010. Included in turnover are planned fleet equipment sales totalling £5.6m (2010: £8.5m); excluding these disposals, revenue was up 1.8%.

Gross margin improved to 61.3% (2010: 59.4%) and the Group reported EBITA (before exceptional costs) of £8.3m (2010: £8.0m), after deducting depreciation charges of £55.1m (2010: £60.2m).

The Group's loss before taxation, amortisation and exceptional items was £0.7m (2010: loss £6.2m). The loss after taxation, amortisation and exceptional items was £19.3m (2010: loss £18.3m).

Revenue in the UK & Ireland Asset Services division totalled £343.5m (of which £5.9m relates to the Irish operations), which was 1.1% down on the prior year. Despite this £3.9m drop in turnover, the division increased profits at the operating level, with EBITA (before exceptional costs) of £18.9m (2010: £15.0m), after absorbing a £1.7m charge (2010: nil) in connection with the collapse of Connaught PLC. The UK & Ireland Asset Services operating profit margin (before amortisation and exceptional costs) rose to 5.4% from 4.2% in 2010.

Turnover in the fledgling International & Advisory Services segment almost tripled, rising to £10.7m compared to £3.7m in the prior year. £8.4m of the turnover relates to the International Asset Services division (2010: £2.4m). The Training & Advisory Services division reported turnover of £2.3m in the year (2010: £1.3m), largely derived from servicing the training requirements of some of the Group's major customers, in line with our strategy. The operating loss (before amortisation and exceptional items) of this segment amounted to £3.1m (2010: profit £0.5m), reflecting incremental overhead of £6.8m going in to support the growth of these two new businesses.

The figures for the segments reported above are stated before corporate costs. These costs amounted to £7.5m (before exceptional costs) in the year (2010: £7.5m), equivalent to 2.1% of gross revenue (2010: 2.1%), despite a £1.1m increase in share option charges for future awards.

First half/second half financial performance

In the six months to 30 September 2010, the Group's loss before taxation, amortisation and exceptional items was £9.9m (2010: loss £4.8m). The equivalent figure for the second half of the year was a profit of £9.2m (2010: loss £1.4m), notwithstanding turnover that was 0.2% lower. At the UK & Ireland Asset Services EBITA level (before exceptional items) the first half/second half swing was a positive £15.9m.

The overall Group EBITA margin (before exceptional items) in the second half rose to 7.3% from (2.6)% in the first half and 2.3% in the prior year period. Although the first half performance was hampered by the £1.7m charge taken in connection with the collapse of Connaught PLC, underlying performance in the second half has benefitted from improved cost management and better pricing.

Additionally, net interest expense (before exceptional items) was £1.6m lower in the second half as compared with the first half. This largely reflects the run-off of relatively expensive hedges between September 2010 and February 2011, as well as the move to a lower interest margin in November 2010 and lower average net debt in the second half.

Interest and hedging

Net interest expense (before exceptional items) totalled £9.0m (2010: £14.2m), of which £3.7m 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 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 2.5% and 3.0% depending on the Group's performance with respect to thresholds contained within the facility agreement's leverage covenant. The current applicable margin is 3.0%. A small portion of outstanding debt attracts a margin of 7.0%. This relates to borrowings linked to the Group's International operations.

The Group utilises interest rate hedges to manage fluctuations in LIBOR. Typically, it aims to hedge between 40% and 70% of net debt. At the year end, hedges with a notional value of £60m (2010: £110m) were in place, equivalent to approximately 53% 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 out to February 2014. The incremental interest cost arising from these hedges amounted to £2.7m during the year (2010: £3.7m).

Exceptional items

Exceptional items totalled £20.8m before taxation (2010: £11.1m). These costs fall into three areas. Firstly, those relating to restructuring and cost-saving initiatives that were undertaken during the year. These totalled £5.5m (2010: £11.1m) and were principally in respect of the creation of onerous lease provisions for closed depots and redundancies. Secondly, certain items relating to the April 2011 disposal of the Group's Accommodation Hire operation; at 31 March 2011 these assets were shown in the balance sheet as being held for sale and were written down to their fair value net of costs to sell. This treatment created an exceptional item totalling £13.8m (2010: nil). Finally, exceptional financial expense of £1.5m (2010: nil), which relates to additional amortisation of bank and advisor fees incurred in connection with the bank facility amendment process that was completed in June 2010.

The cash cost before taxation of these exceptional items was £5.2m (of which £2.4m was spent in 2011). The total future tax benefit arising from these exceptional items is anticipated to be £5.6m (2010: £2.7m).

Group financial review
continued

Taxation

The Group's income statement shows a tax credit for the year of £7.7m (2010 credit: £4.5m), substantially all of which represents a reduction in the Group's deferred tax liability held on the balance sheet at the year end. Of this amount, £2.1m relates to a pre-exceptional tax credit based on an effective tax rate of 33.3% (2010 credit: 15.4%). The balance represents a credit of £5.6m in respect of the exceptional items referred to above.

Cash tax in the year ending 31 March 2011 amounted to a net payment of £1.3m (2010: net refund of £5.9m) in relation to tax liabilities of prior accounting periods.

Shares, earnings per share and dividends

At the year ending 31 March 2011, 517.2m shares were outstanding, of which 10.3m were held in the Employee Benefits Trust (including 7.6m jointly owned shares).

The basic loss per share before amortisation and exceptional items was 0.02 pence (2010: loss 1.41 pence). After amortisation and exceptional costs, it was 3.81 pence (2010: loss 4.37 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 0.2 pence per share (2010: 0.2 pence) which represents a total cash cost of approximately £1.0m. This gives a total dividend for the year, on a UK GAAP basis, of 0.4 pence per share (2010: 0.4 pence). If approved by shareholders, the final dividend will be paid on 17 August 2011 to all shareholders on the register on 17 June 2011.

Capital expenditure and disposals

Total capital expenditure during the year amounted to £47.9m, of which £43.0m (2010: £33.5m) related to equipment for hire (including £5.0m in the International Asset Services division) and the balance principally to investments in the Group's depot network (3 new Superstores were opened in the year) and IT (Group-wide investment in PDA's). This compares to £43.8m in 2010, an increase of 9.4%. With disposal proceeds of £16.2m (2010: £23.0m), overall net capital expenditure totalled £31.7m (2010: £20.8m) and net capex investment in hire fleet rose 147.9%. The disposal of damaged, older or surplus hire fleet during the year generated profit of £5.0m (2010: £2.7m), underlining the appropriateness of the carrying value of the Group's fixed assets.

A consequence of the increase in hire fleet investment is that there has been only a slight increase in the average age of the Group's hire fleet. At 31 March 2011 the average age was estimated at 4.7 years (2010: 4.2 years). Based on net book value, approximately 40% of the uniquely identifiable fleet is less than three years old. Additionally, over the next three years it is anticipated that only approximately £120m will be required to replace existing hire fleet passing through their useful economic lives.

Cash flow and net debt

Cash generation has remained positive, with net cash flow generated from operating activities amounting to £12.3m in the year (2010: £43.5m). The principal reasons for the year on year reduction were a £14.6m increase in net investment in hire equipment, a £9.1m decrease in trade and other payables (consistent with the objective to improve supplier payment experience) and a £7.2m swing from tax receipt to tax paid.

Free cash flow (i.e. before acquisitions, dividends and financing activities) amounted to £7.4m (2010: £33.7m). There were no acquisitions during the year (2010: nil) and dividend payments amounted to £2.1m (2010: £4.3m).

Accordingly, despite the increase in capex, net debt has fallen from £119.3m at the beginning of the year to £113.9m at 31 March 2011, a £5.4m decrease.

Gearing (net debt divided by shareholders' funds) has remained broadly stable at 49.7% (48.4% at 31 March 2010). Similarly, net debt to EBITDA (before exceptional items) was also stable at 1.79x (2010: 1.75x).

Balance sheet

Net assets at 31 March 2011 totalled £229.4m, a £17.2m decrease on the £246.6m reported at 31 March 2010, principally reflecting the write down of the Accommodation Hire assets which were sold on 30 April 2011. Net assets per share amount to 44.3 pence (32.7 pence based on tangible assets). Net property, plant and equipment was £219.9m at 31 March 2011, of which equipment for hire represents approximately 84.4%. Net debt/net property, plant and equipment of 0.52x at 31 March 2011 (2010: 0.42x) underlines the strong asset backing within the business.

Gross trade debtors totalled £97.8m at 31 March 2011 (2010: £101.0m). Bad debt and credit note provisions totalled £7.2m at 31 March 2011 (£10.6m at 31 March 2010), equivalent to 7.4% of the debtor book (10.5% at 31 March 2010), a reduction which reflects the improvement in debtor weeks (calculated on a count-back basis) to 9.8 weeks at year-end compared to 11.1 weeks at 31 March 2010.

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

Shareholders' funds totalled £229.4m at 31 March 2011 (2010: £246.6m). The year on year decline of £17.2m largely results from a £17.6m reduction in retained earnings, which itself principally reflects the loss for the year, including the Accommodation Hire assets' write-down, and the dividends paid during the year.

Bank funding for the Group is via a committed bank facility provided by seven relationship banks. At 31 March 2011 the amount of the facility was £210m and headroom under the facility amounted to approximately £96m (£140.5m at 31 March 2010 including £12.5m of cash). The facility is a revolving credit facility which matures in June 2012. The facility includes quarterly interest, fixed charge, leverage and cash flow cover tests. Speedy was compliant with these tests throughout the year.

Discussions regarding the refinancing of the Group's bank facility are progressing well. Based on bank responses received so far, the Board is confident that it can secure a replacement term facility at an amount and on blended pricing similar to its existing facility. Heads of terms have been agreed and independent due diligence completed. Documentation of the new facility is in process and completion is expected shortly.

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 International operations.

Return on capital
Return on capital (based on EBITA before exceptional items) totalled 2.3% in the year ended 31 March 2011. This compares to 2.0% in the prior year period. The principal reason for the increase was that, despite EBITA (before exceptional items) remaining broadly stable, average gross capital employed was £36.3m lower at £354.6m (2010: £390.9m).

Sale of accommodation hire operation
On 30 April 2011, the Group completed the sale of the business and fixed assets of its Accommodation Hire operation (formerly known as 'Speedy Space') for £34.9m. Working capital in the operation at the date of sale totalling approximately £3.6m was retained for the benefit of Speedy.

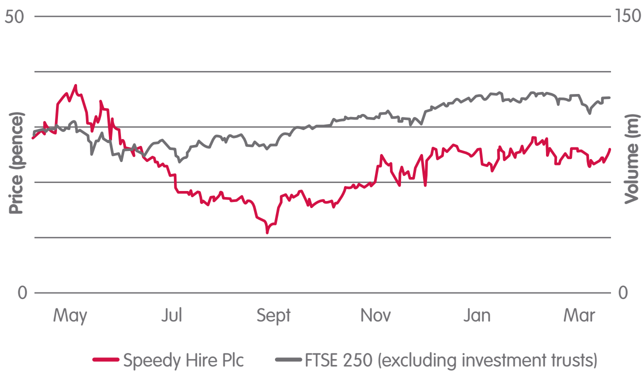
In preparation for the sale, at 31 March 2011 the fixed assets of the Accommodation Hire operation were transferred to assets held for sale and were written down to fair value less costs to sell. This has resulted in an exceptional loss of £13.8m being included within the results for the year to 31 March 2011. This represents the significant portion of the overall exceptional loss that is anticipated to arise as a result of the disposal.

This operation was a part of the UK & Ireland Asset Services division and its financial results are contained within the division's segmental results. During the year the Accommodation Hire operation contributed turnover of £35.5m (2010: £40.6m), EBITDA (before recharges, allocations and exceptional items) of £4.6m (£6.8m) and made a contribution loss (before recharges, allocations and exceptional items) of £4.5m (2010: loss £2.1m). The pro-forma impact of this disposal on Group margins for the year to 31 March 2011 is to increase the Group's EBITA margin (before exceptional items) from 2.3% to 4.0% and its ROCE margin (before exceptional items) from 2.3% to 4.2%.

Justin Read
Group Finance Director

Business review

One-year share price record compared to FTSE 250



Corporate responsibility

One Plan

...for responsible business practice

Over the last six years Speedy has established a pro-active approach to our wider responsibilities, which has been well received by our customers and wider stakeholders and has attracted national recognition. This year we are looking to raise the bar once again.

In 2011 we are launching One Plan. Our goal is to become one of the most respected support services businesses.

We are working with our employees, our customers and our suppliers to ensure that sustainability sits at the heart of everything that they and we do. This means a commitment to reducing carbon, increasing efficiencies, trading safely and ethically and ultimately helping our customers become the organisations they aspire to be.

We're doing this because we understand the world has to change to meet a new set of social, economic and climate challenges.

At Speedy, we are ready to play our part.

CORPORATE RESPONSIBILITY INDEX 2011

Speedy is delighted to announce that it has achieved Silver in Business in the Community's 2011 Corporate Responsibility Index (CRI), the UK's leading voluntary benchmark of corporate responsibility. Achieving Silver means that Speedy conducts effective stakeholder engagement and has the right processes in place in order to identify and manage risks and opportunities.

Corporate responsibility
continued

One Plan
...for responsible business practice

Our Marketplace

In terms of our responsibilities, Speedy sees the marketplace as the place where all the key areas that we can influence converge. In this respect, it is of huge significance to how we conduct our business and the impacts we can have by supporting our customers in their approach to the corporate responsibility agenda, in advocating responsible business practice throughout our supply chain, and in marketing and selling our services to the highest ethical standards. Our approach is one of partnership and we look to engage with key stakeholders in our industry from the Major Contractors Group to the Health and Safety Executive (HSE) and from the Carbon Disclosure Project to charitable and community based organisations. Some of these relationships are covered under separate headings later in this section but the three main aspects of customers, suppliers and wider stakeholders are outlined below.

Our customers
Supporting our customers, not only with equipment and services of the highest quality, but also with a responsible approach to the environment and wider social impacts, is becoming a clear differentiator for the Group. Our GO (Green Option) initiative has the objective of reducing our customers' energy usage and production of waste, therefore providing them with carbon and cost efficiencies. Expert assessment of our product ranges allows us to supply our customers with greener options for key areas of their operations from space and power to lighting and general site design. Our transport logistics are regularly monitored and our depot network and structure reviewed to assess where the greatest efficiencies lie.

Customer Excellence indicators have been established and implemented by our Business and Customer Excellence Team and are reviewed regularly at Board meetings. The feedback culminates in a Customer Nett Promoter score i.e. the proportion of our customers who would recommend Speedy to others. That score has been over 90% for the last 12 months and we are seeking to increase it further.

Investment in our GO product range, national awards for our responsible approach to marketing, and a passion for customer service excellence are providing the foundation for our customer relationships.

Our suppliers

Our message to our suppliers has been consistent and clear, innovate, innovate, innovate. Improved environmental performance, products safer in design and use, a creative approach to delivery patterns, product packaging and more sustainable supply chain activity are huge factors in building customer relations and sales. We are delighted to have some of the best suppliers in our industry working for us and through our Supplier Excellence Programme (SEP) Speedy is looking to an ever increasing partnership approach to the challenges and opportunities which are inherent in our industry.

Our SEP in particular looks to support our suppliers' environmental and corporate responsibility programmes and drive commercial, environmental and social excellence in partnership with our supply chain.

Stakeholder engagement

Creating an environment where our industry, our customers and suppliers can thrive, is not something we can achieve in isolation. Neither is it something we can achieve simply by engaging with our customer base and supply partners. Open dialogue with our employees, communities, investors and wider industry stakeholders is a crucial part of ensuring our corporate responsibility agenda remains relevant and focused.

Therefore all the key aspects of corporate responsibility have been designed and delivered in collaboration with our customers and suppliers. Our award winning Safety from the Ground Up campaign, launched in 2005, set the trend. Designed in collaboration with our customers, suppliers and wider stakeholders, in particular the HSE, it formed the basis of our 'From the Ground Up' communication process, addressing key industry issues at site level. A similar approach supported the design and introduction of our GO product range.

Regular communications with the investment community, our award winning web site and pro-active communications with our charity and community partners also help to shape our business and aspirations for the future.

Speedy's approach to corporate responsibility looks to engage and collaborate with our stakeholders at every opportunity.

Business in the Community AWARDS 2011
Responsible Supply Chain

We are very proud to have received a prestigious 'Big Tick' award from Business in the Community. Out of hundreds of entries, we were among a small cadre of businesses to receive the coveted National Big Tick for our 'Lighting the path to innovation' programme in the Responsible Supply Chain category.

Corporate responsibility
continued

One Plan
...for responsible business practice

Our People

Our commitment to our people is simple and transparent. We aim to keep them safe and healthy, engaged and motivated and recognised and rewarded.

Training
We have invested over £8 million in training our people over the last four years alone and we have created a reporting structure that is simple and effective, supporting the 'can do' culture of innovation and service excellence that we have built the business on. Training covers all aspects of our operations from inductions and health and safety, to technical training and customer service excellence. Speedy's 'What Good Looks Like' programme has established great clarity in 'what a good job looks like', developing a structure to train our people to exceed customer expectations and provide a transparent path to progressing through the organisation.

Communications
Regular communication with our people is a central element of keeping everyone involved, informed and we hope, inspired! Our intranet and email communications provide a quick and effective communication tool. This is supported by Up To Speed, our bi-monthly employee newsletter, which covers all aspects of our performance from commercial excellence to updates on our environmental and social key performance indicators.

People Matters
Annually we use our People Matters survey to take the 'temperature' of the business and we were delighted this year that the percentage of our people returning the survey hit its best ever figure at over 80%. We believe that a series of articles in Up To Speed over the last 12 months documenting the Group's actions against feedback from the previous People Matters survey (Under the heading 'You said – We did') has been a contributing factor in achieving this. It is vital that we engage regularly and effectively with our people who are the heartbeat of our operations and equally importantly listen to what our people say and act accordingly where appropriate.

Spot Rewards
The introduction of 'Spot Rewards' to recognise those employees who have gone above and beyond the call of duty has also been a resounding success. These are rewards given to our people, directly by their line managers, to recognise exceptional performance and provide reward 'on the spot', allowing managers to recognise employee efforts and rewarding our people as appropriate throughout the year. Over £75,000 worth of once in a lifetime experiences have already been awarded to employees who have served our customers, communities or colleagues beyond our normal high standards.

The Group is committed to making the statement 'our people are at the heart of our organisation' a reality in the day to day running of our operations. Spot Rewards are just one of a number of ways in which we look to recognise and reward the passion our people bring to the business.

The Environment

No responsible business can ignore the environmental challenges we all face and we are approaching this as an opportunity rather than a threat. Using internal environmental management to champion cost efficiencies and excellence in energy use, improve waste management and monitoring our use of that increasingly valuable commodity, water, have all helped to establish the internal environmental agenda as important and achievable.

Our responsibilities roadmap, made up of 40 Key Performance Indicators, helps the Group to measure performance in all areas of our approach to Corporate Responsibility and none is more important than our approach to the environment. Current targets, covered annually in our Corporate Responsibility Report, include reducing carbon emissions on a per capita basis, a five year target for nil waste to landfill and operating with a duty of care to the ecology that surrounds our depot network.

We report on our carbon footprint annually and are increasingly asking our suppliers to do likewise as a way of monitoring progress and improvement. Our carbon footprint shows quite clearly that our biggest challenge is based on our transport emissions and we are looking at ways of improving this through the provision of lower emission company vehicles, Group incentives to choose the lowest emission car in any given category (our Star Car programme), and a pro-active approach to new technologies. We were, for example, one of the first hire companies to introduce electric vehicles in major cities.

The environmental challenges we all face are not easy, we know we do not have all the answers, but we are committed to a process of continuous improvement.

GO (Green Option) Product Range

Our biggest external contribution to climate change is our GO product range. At its core the initiative has the simple objective of supplying our customers with expert advice and guidance on the environmental performance of key product ranges such as power and lighting. These ratings are set against average performance for similar products and allow our customers to make informed hire and purchase decisions. To add value to the process our customers are also sent a monthly statement outlining the carbon savings attached to their previous hires.

Wider benefits attached to the programme include our suppliers becoming increasingly aware of our requirements for improved energy efficiency, reduced waste and resource efficiency in the procurement decisions that we make, driving environmental awareness and excellence into our supplier base.

As sponsors of Innovation at this year's Executive Hire Show and previously of the show's Green Zone and also running an internal awards process for green innovation in our supply chain, we are keen to recognise and reward those making most progress on environmental excellence.

Corporate responsibility
continued

One Plan
...for responsible business practice

Health & Safety

Our vision for health and safety, like many of our customers is one of zero harm. To make that vision a reality we realise will take a huge amount of effort and dedication. When we set about a more comprehensive approach to health and safety in 2004 we committed not only to making health and safety part of the DNA of the Group but also to basing our activity on extensive research, engaging with a variety of external stakeholders and supporting our customers and the wider industry in general to improve on health and safety performance.

Our excellence in health and safety management is based on the following key elements;

Knowledge, Experience and Expertise
Our Safety, Health, Environment and Quality (SHEQ) Team is made up of 23 talented individuals with in excess of 200 years of H&S experience between them. The minimum requirement to form part of the team is the Nebosh General Certificate, however all our senior SHEQ Managers have, or have committed to achieving, the NVQ Level 4 Nebosh qualification and two members of the Team including the SHEQ Director, hold the Nebosh Diploma (NVQ6/7) which is equivalent to a degree qualification.

This just forms the foundation of our approach and a programme of ongoing training and development provide the team with fresh skills and competencies both in health and safety and general management skills.

We believe our health and safety policy and management system to be the most comprehensive in the industry.

Influencing behaviours
Internal – Proud as the Group is of its Health and Safety Team, we realise that the excellence we strive for in health and safety management can only be achieved if health and safety forms part of every individual's responsibility within the Group. From the Company induction to driver training, from depot meetings to senior management development, health and safety is integral to everything we do. Internally our programme is called 'Safety Starts Here' and it has been crucial in achieving continuous improvement in our health and safety performance.

External – Speedy's multi-award winning 'Safety from the Ground Up' communications programme continues to target areas of industry-wide concern and focus on getting safety messages to where they are most needed, on-site. Toolbox Talks, the communication process to get safety messages simply and effectively to people working in the industry, remain an important key performance indicator for the Group.

So far, Safety from the Ground Up has covered safety concerns including working from height, hand arm vibration and dust. Issues which have affected in excess of one million construction workers over the last 10 years.

Our Community

Alongside our commitment to commercial, environmental and health and safety excellence sits our commitment to social excellence. Our communities are made up of our people, our customers and our potential customers. We want our brand to reflect the passion and commitment we bring to delivering excellence in all aspects of our operations.

Employee engagement
Through our internal charities committee we help to provide a structure for our people to 'give something back'. We have been delighted at how this has progressed over a short period of time. Whether through activity such as Dragon Boat Racing, which we turned into a family fun day with over 200 of our people attending a fun event at Salford Quays and raising over £12,000 for Help for Heros, or smaller one off requests such as our support for Wellchild, Speedy is always up for a challenge! A recent Wellchild request for support resulted in over 50 Speedy employees volunteering for an activity requiring only five people!

The Lighthouse Club
The Lighthouse Club is the construction industry charity, which provides support for construction workers and their families. Corporately we have supported The Lighthouse Club for many years, producing their quarterly newsletter from internal resources, recycling our mobile phones through their fundraising programme and looking to build support for their excellent activities into our day to day operations.

Last year at our national conference we were delighted to give space and prominence to The Lighthouse Club resulting in over 100 new members for the Lighthouse Club in one day alone.

Our commitment to The Lighthouse Club is an ongoing one.

The Rehabilitation agenda
Speedy has a reputation for tackling big issues head on, as our catalogue says, when others say enough we say bring it on!

The Group is keen to support young people, education and sport and a range of activities look to engage our people in these areas. However, few issues have such a negative impact on all our communities as crime and the fear of crime. Added to this is the great waste of potential talent in prisons across the UK and the high percentage of re-offending.

In partnership with Her Majesty's Prison Service, Speedy runs a small, well resourced programme training prisoners in electrical tool maintenance. The programme is accredited and verified by external training partners up to NVQ Level 2, and we hope that the prison partnerships we hold with four prisons are helping to provide relevant training and opportunities for those prisoners due for release.

Looking ahead

The diverse activity that helps to deliver our commitment to corporate responsibility is now being brought together under one heading – One Plan.

One Plan to continually add value for our customers, One Plan to innovate and to provide options for a more sustainable future, One Plan to support our people, their training needs and future development and One Plan to assure our investors and wider communities that our future growth will be safe, responsible and sustainable wherever and whenever we operate.

Board of Directors

Ishbel Macpherson
Non-Executive Chairman

Ishbel Macpherson joined the Board in July 2007 and became the Senior Independent Director and Chair of the Remuneration Committee in March 2008. Ishbel was appointed to the roles of Non-Executive Chairman and Chair of the Nomination Committee on 1 January 2011, at which time she ceased to be Senior Independent Director and Chair of the Remuneration Committee. Ishbel is an investment banker of over 20 years' standing who has specialised in UK mid-market corporate finance. Ishbel was Head of UK Emerging Companies Corporate Finance at Dresdner Kleinwort Wasserstein from 1999 to 2005 and is presently a Non-Executive Director of GAME Group plc, Hydrogen Group plc, May Gurney Integrated Services plc and Dignity plc.

Steve Corcoran
Chief Executive

Steve Corcoran was appointed Chief Executive of the Company in April 2005 and was previously the Chief Operating Officer from April 2001. Having joined the Company in 1987 when the business had 13 outlets, he has been progressively promoted 'through the ranks'. He has over 25 years' experience in the hire industry and is a member of the CPA Council, the industry's principal trade body, and Vice Chairman of the CBI North West.

Justin Read
Group Finance Director

Justin Read joined the Board in April 2008. Prior to joining Speedy, he worked for 13 years at Hanson PLC, the international building materials company. At the time of leaving Hanson, he held the dual roles of Managing Director, Hanson Continental Europe and Head of Corporate Development. Previously he held a number of other senior roles within Hanson, including Deputy Finance Director, Head of Risk Management and Treasury, and Group Treasurer. He had also been responsible for Hanson's corporate communications and investor relations.

Mike McGrath
Managing Director, International Asset Services

Mike McGrath became Managing Director, International Asset Services in 2009. He 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. Mike has been involved in structuring a number of the major outsourcing arrangements with the Group's larger customers and was 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.

Michael Averill
Non-Executive Director and Senior Independent Director

Michael Averill joined the Board on 1 May 2008. He was appointed Senior Independent Director and Chair of the Remuneration Committee on 1 January 2011. Previously he held the position of Group Chief Executive of Shanks Group plc for 13 years until September 2007. Michael is also Chairman of Enviroco Limited. Previously he was Chairman of JBM International Limited and a Non-Executive Director of Care UK plc, TDG plc and the Waste and Resources Action Programme (WRAP).

Peter Atkinson
Non-Executive Director

Peter Atkinson joined the Board in June 2005. Peter is currently Chief Executive of Macfarlane Group plc, a position which he has held since October 2003. Prior to this he held a number of senior positions within Brambles Industries plc, GKN plc, SC Johnson Wax and Procter & Gamble.

James Morley
Non-Executive Director

James Morley joined the Board on 2 April 2009 and became Chairman of the Audit Committee on 8 May 2009. He is a Chartered Accountant with some 26 years' experience as a board member at both listed and private companies. Most recently, James was Chief Operating Officer of Primary Insurance Group. 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 and The Trade Indemnity Group.

Suzana Koncarevic
General Counsel and Company Secretary

Suzana Koncarevic joined the Company in April 2009. Suzana has a corporate and commercial law background and was formerly a senior legal adviser at United Utilities Group PLC for five years. Prior to that Suzana was a corporate lawyer at Herbert Smith in London and at DLA Phillips Fox in Sydney, Australia.

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 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 20 to 43.

Business review
The Chairman's Statement on pages 20 and 21, the Chief Executive's Review on pages 22 to 25, the Business Review on pages 20 to 43 and the Principal Risks and Uncertainties on pages 26 and 27 provide a detailed review of the Group's activities, likely future developments and principal risks and uncertainties. All the information detailed in these pages is incorporated by reference into this report and is deemed to form part of this report.

Results and dividends
The consolidated loss after taxation for the year was £19.3m (2010: loss £18.3m). This is after a taxation credit of £7.7m (2010: credit £4.5m) representing an effective rate of 33.3% (2010: 15.4%) pre exceptional items. An interim dividend of 0.2 pence per share was paid during the year. The Directors propose that a final dividend of 0.2 pence per share be paid, making a total dividend distribution in respect of the year of 0.4 pence per share (2010: 0.4 pence).

Post-balance sheet events
The following significant events has taken place since the balance sheet date which does not require adjustment to the financial statements, but is important in understanding the Company's current position: the disposal of the accommodation hire operation to Elliott Group Limited, a wholly owned subsidiary of Algeco Scotsman, for £34.9m.

Related party transactions
Except for Director 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 20 July 2010, 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 17 May 2011, no shares had been purchased under this authority. Shareholders will be requested to renew this authority at the forthcoming AGM in July 2011.

Employment of disabled persons
The Group recognises its responsibilities towards disabled persons and gives full and fair consideration to applicants in positions suited to their own particular abilities where appropriate openings exist. Where employees become disabled in the course of their employment, every effort is made to provide them with continuing employment.

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.

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 every employee should be in some form of incentive scheme as soon as practicable after joining the Group and concluding the relevant probationary period. Details of such incentive schemes, including annual bonus arrangements for Executive Directors, are summarised in the Remuneration Committee's report on page 54.

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 85 days of purchases outstanding at the end of the financial year (Company: 29 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 33 of the Financial Statements.

Going concern
As detailed in note 1 of 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 £51,000 (2010: £50,000) during the year. The Company did not make any charitable donations (2010: £35,000). 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 Learning for Life. 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 17 May 2011, the Company had been notified, in accordance with 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	Percentage of voting rights
Schroder Investment Management	13.03
Hermes Pensions Management	10.34
Fidelity Investments	9.81
JO Hambro Capital Management	8.03
Legal & General Investment Management	3.58
NMas1	3.20

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 49 and 61.

Justin Read, Michael Averill and Peter Atkinson are retiring by rotation at the AGM and Justin Read and Michael Averill are offering themselves for re-election. Peter Atkinson will retire from the Group Board on the day of the AGM. The Board has commenced a search for a replacement Non-Executive Director. Justin Read will be stepping down on 26 August 2011, but is still required to be re-elected in order to serve as a Director until that date. The Board commenced a search for Justin's replacement immediately following his resignation.

The Group Board unanimously supports the re-election of Justin Read 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 the 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 rules 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 44 and 45 of the Annual Report.

Directors' report continued

Auditors
KPMG Audit Plc were reappointed at the AGM of the Company held on 20 July 2010 and their appointment expires at the conclusion of this year's AGM. KPMG Audit Plc offer themselves, and are recommended by the Board, for re-appointment under the provisions of Section 489 of the Companies Act 2006.

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 2011, the Company's share capital comprised a single class of ordinary shares of 5 pence each. As at 31 March 2011 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 £25,860,783 comprising 517,215,666 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 the AGM specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the AGM. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the AGM 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 AGM after having been appointed by the Board.

Each Director must also stand for re-election at the third AGM 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 at least one-third is standing.

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

Directors' powers
At the AGM to be held on 13 July 2011, 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
As permitted by the Companies Act 2006, the Company has indemnified each of the Directors who held office during the year.

Annual General Meeting
The Company's AGM will be held at Mere Court Hotel and Conference Centre, Warrington Road, Mere, Knutsford, Cheshire WA16 0RW at 11.00am on Wednesday, 13 July 2011. A formal notice of meeting, an explanatory circular and a form of proxy will be sent separately to shareholders.

By order of the Board on 17 May 2011.

Suzana Koncarevic
Company Secretary

Corporate governance

Highlights

- Following the retirement of David Wallis as Chairman of the Board and Chairman of the Nomination Committee on 31 December 2010, the appointment of Ishbel Macpherson as Chairman of the Board and Chairman of the Nomination Committee (previously Senior Independent Director and Chairman of the Remuneration Committee) on 1 January 2011 and the appointment of Michael Averill as Senior Independent Director and Chairman of the Remuneration Committee on 1 January 2011.
- Ongoing review of the effectiveness of the Board's operation.
- Continued full compliance with the Group Board's Combined Code Compliance Statement.
- Corporate Governance Code Compliance Statement, including terms of reference of the Board and each Committee, available on the Company's website.

Combined Code compliance

The Board is committed to maintaining high standards of corporate governance. The Board first reported its compliance with the new Combined Code in 2004 and since then has continued to comply in full with the Combined Code and to develop further its approach to corporate governance and the effective management of risk in the context of a rapidly growing business.

The following paragraphs explain how the Company has applied the principles of good governance and the code of best practice set out in the last edition of the Combined Code.

Throughout the year ended 31 March 2011, the Company has been in compliance with the provisions set out in the Combined Code.

Directors

The Board

In the year ended 31 March 2011, the Board met nine 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 below lists the Directors' attendance at the Board meetings and Committee meetings during the year ended 31 March 2011.

Board and Committee attendance

	Board	Audit Committee	Nomination Committee	Remuneration Committee
Executive Directors				
Steve Corcoran	9	–	–	–
Mike McGrath	9	–	–	–
Justin Read	9	–	–	–
Claudio Veritiero (resigned on 31 October 2010)	4	–	–	–
Non-Executive Directors				
Michael Averill	9	5	5	6
Peter Atkinson	9	5	5	6
Ishbel Macpherson	9	5	5	6
James Morley	9	5	5	6
David Wallis (retired on 31 Dec 2010)	6	–	5	3

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 a Corporate Governance Code Compliance Statement formally adopted by the Board, is available for inspection at the Company's registered office and on the Company's website.

The Combined Code Compliance Statement was last revised on 22 May 2009 and has now been replaced with a Corporate Governance Code Compliance Statement from the commencement of the 2010/11 financial year. The matters reserved for specific approval 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 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 and Committee approval are generally the subject of a proposal by the Executive Directors 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: Peter Atkinson, Michael Averill and James Morley. Together they bring a strong and independent Non-Executive element to the Board. The Senior Independent Director is Michael Averill.

Corporate governance continued

The Audit Committee is chaired by James Morley. Its other members are Peter Atkinson and Michael Averill. In accordance with the Smith Guidance on Audit Committees, the Chairman, Ishbel Macpherson, is not a member of the Audit Committee.

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

The Nomination Committee is chaired by Ishbel Macpherson. Its other members are Peter Atkinson, Michael Averill 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 General Counsel and Company Secretary, Suzana Koncarevic. 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 its terms are 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 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.

Chairman and Chief Executive

A statement as to the division of the responsibilities of the Chairman and Chief Executive is included in the Combined 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 A.3.1 of the Combined 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 44 and 45, clearly indicates that they are of sufficient calibre and number for their views to carry appropriate weight in the Board's decisions. The Senior Independent Director, Michael Averill, is available to shareholders if they have concerns which contact through the normal channels of Chairman, Chief Executive or Group Finance Director fail to resolve or for which such contact is inappropriate.

The Board considers that all of the Non-Executive Directors are independent, on the basis of the criteria specified in paragraph A.3.1 of the Combined Code and, generally, are free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

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

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 de minimis. 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. None 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 Combined Code Compliance Statement referred to above. The Committee meets formally as necessary, but at least twice a year, and met five times during this financial year. 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 which was revised and updated in May 2009. Details of the Chairman's other material commitments are set out on page 44 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 in the separate report of the Committee on page 65.

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-Executives 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 and the construction industry 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 market.

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

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 Combined Code Compliance Statement.

All Directors have access to the advice and services of the Company Secretary, whose role is to ensure that 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 financial year ended 31 March 2006, the Chairman and Company Secretary engaged the services of specialist performance consultants Linstock to carry out a detailed independent review of the Board's processes and procedures, and in the past five years 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 re-appointment is not automatic. Peter Atkinson commenced a second three-year term in 2008. Ishbel Macpherson and Michael Averill commenced their first three-year terms in 2008. James Morley commenced his first three year term in 2009.

Corporate governance continued

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 Hewitt New Bridge Street (HNBS), 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 Board's policy is that no executive share options should be offered at a discount, save as permitted by the Listing Rules.

Levels of remuneration payable to Non-Executive Directors are regularly benchmarked, with the assistance of external advisers, against 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.

Procedure

The Board has constituted a Remuneration Committee which met six times during the year. Its terms of reference are included in the Combined Code Compliance Statement and are fully compatible with the provisions of paragraph B.2.1 of the Combined 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 HNBS to advise it in relation to the design of appropriate Executive remuneration structures. HNBS 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. The remuneration of the Non-Executive Directors is usually the subject of regular benchmarking reviews with the assistance of HNBS, however, no such benchmarking exercise was necessary in 2010 as there were no salary increases.

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 in the separate report of the Committee on page 54.

Accountability and audit

Financial reporting

The Directors' Report and Auditors' Report appear on pages 46 to 48 and 66 respectively and comply with the provisions of paragraphs C.1.1 and C.1.2 of the Combined 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 KPMG Audit Plc (KPMG) highlighting matters identified in the course of its statutory audit work and 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 internal audit 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 five times during the year. The terms of reference of the Audit Committee are set out in full in the Combined Code Compliance Statement. Such terms of reference are compatible with the provisions of paragraph C.3 of the Combined 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 also 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 KPMG.

The Audit Committee has primary responsibility for making a recommendation on the appointment, re-appointment and removal of the external auditors. The policy of the Audit Committee is to ensure auditor objectivity and independence is safeguarded at all times. The use of the Company's auditors for non-audit services must be pre-approved by the Audit Committee where the total anticipated costs of any particular project exceed £30,000, taking into account factors such as cost, speed and efficiency of delivery in determining whether to approve their appointment. During the year the Company used two additional firms for non-audit-related services. Accordingly, 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 page 64.

Relations with shareholders

Dialogue with institutional shareholders

The Chairman routinely attends brokers' and analysts' presentations in relation to the Company's interim and full-year results. The Chairman, with assistance from the Company's brokers, collates feedback from such presentations and reports 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 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 Combined Code.

Responsible investment disclosure guidelines

Environmental, social and governance risks are considered by the Board as part of the ongoing process of risk assessment. The impact of risk is evaluated not only in financial terms but also according to its effects on employees, operational efficiency and stakeholder relations. For further details regarding the steps which the Board takes through the risk management process in managing and mitigating risk, please see page 53.

Pages 26, 27 and 36 to 43 of the Business Review outline the Company's approach to risk, corporate responsibility and sustainability. For more detail concerning the opportunity which the Board sees in sustainable growth through sound corporate responsibility, please refer to the Speedy Corporate Responsibility Report which is due to be published in September 2011. This report will refer to the KPI targets (running through to 31 March 2012) which have been established for monitoring progress against the Group's environmental, community and workplace strategies, together with an evaluation of performance from previous financial years.

Risk management controls

In 2010, the Group's Head of Internal Audit carried out a full review of enterprise-wide risks to business objectives, so that the Group Board could update its understanding of how well risks were mitigated by the control environment. Risks were identified in a series of workshops held in every key part of the Group and were followed by discussions between the Head of Internal Audit and specialists who could advise on the quality of controls to mitigate the risks identified in the workshops. Physical evidence of the quality of these controls was sought where appropriate. The Enterprise Risk Management (ERM) programme was continuous throughout 2010 and the latest findings were submitted to the Group Board in May 2011.

The results of this work identified that the Group needs to focus on a number of key risk areas, as detailed on pages 26 and 27, under the heading 'Principal risks and uncertainties', in order to maximise its chances of achieving its strategic aims. Each member of the executive team has at least one risk template to manage, which describes the nature of the risk, the events that need to be prevented, the KPIs that measure the probability of these events occurring, the current controls, and a prioritised action plan with names and dates. The updated templates are presented regularly to the Group Board.

The Internal Audit Plan is informed by the ERM programme findings and the findings from these audits feed into the above process of the Group Board review of business risks and controls.

Remuneration report

This report has been prepared by the Remuneration Committee and approved by the Board for the financial year ended 31 March 2011. It has been prepared in accordance with the Companies Act 2006. This report provides the Company's statement of how it has applied the principles of good governance relating to Directors' remuneration and is intended to communicate the Company's policies and practices on executive remuneration. This report will be subject to an advisory shareholder vote at the forthcoming AGM. Information relating to the emoluments and pension contributions of the Directors on pages 60 to 61 and Executive Directors' interests in the Company's Performance Plan, Co-Investment Plan and UK SAYE Scheme on page 62 has been audited.

Reflecting the Board's commitment to maintaining high standards of corporate governance, the Remuneration Committee has complied during the year with the remuneration requirements of the Combined Code.

Remuneration Committee

The Remuneration Committee comprises three Non-Executive Directors: Michael Averill (Chairman of the Remuneration Committee from 1 January 2011), James Morley and Peter Atkinson. Each of James Morley, Peter Atkinson and Michael Averill is considered by the Board to be independent. Biographies of the members of the Remuneration Committee are set out on pages 44 and 45. Ishbel Macpherson was Chairman of the Remuneration Committee from 1 April 2010 until her appointment as Group Chairman on 1 January 2011.

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

The Remuneration Committee's duties include:

- to make recommendations to the Board on the Company's framework and policy for the remuneration of the Chairman, Executive Directors, Group Company Secretary and senior executives;
- to review and determine, on behalf of the Board, the executive remuneration and incentive packages to ensure such packages are fair and reasonable;
- to review and approve Directors' expenses;
- to determine the basis on which the employment of executives is terminated;
- to design the Company'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 their own remuneration; and
- to review regularly the ongoing appropriateness and effectiveness of all remuneration policies.

The Remuneration Committee met on six occasions during the year. Details of the attendance at Remuneration Committee meetings are set out in the Corporate Governance Report on page 49. The Committee reviewed the following matters at those meetings:

- design of executive remuneration structure for the financial year 2011/12;
- Sharesave scheme awards to be made in the financial year 2010/11;
- Directors' shareholding guidelines and progress of achievement in relation to each director;
- Directors' expenses in the financial year 2010/11;
- Group wide remuneration update in relation to pay, bonus and other reward arrangements;
- 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 2010/11 executive bonus;
- 25 year long service awards for the financial year 2010/11;
- the amount of the termination payment made to Claudio Veritiero;
- terms of reference for, and effectiveness of, the Remuneration Committee
- ongoing appropriateness and effectiveness of remuneration and benefits policies;
- performance of external remuneration advisers;
- remuneration policy for high potential employees, other potential successors and for developing future leaders; and
- use of equity for employee share plans in relation to head room limits.

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

Advisers

During the year, the Remuneration Committee received advice from Hewitt New Bridge Street (HNBS, a brand of Aon Hewitt Limited), who are independent remuneration consultants, in connection with remuneration matters including the provision of general guidance on market and best practice and the development of the Group's performance-related remuneration policy. HNBS has no other connection or relationship with the Group. HNBS and Aon Hewitt have provided no other services to the Group during the financial year ended 31 March 2011.

The Committee also sought advice from the Company's legal advisers, Pinsent Masons LLP, in connection with the operation of the Performance Plans, Co-Investment Plans and SAYE Schemes described later in this report.

Remuneration policy and objectives

The remuneration policy with respect to the Executive Directors has been designed to ensure that pay practices at Speedy remain appropriate for both the Company and its shareholders.

The principal objectives of the policy are to attract and retain the best talent to deliver Speedy's strategy and to drive shareholder value within a framework of good corporate governance and the Company's risk profile.

The key principles of this policy are:

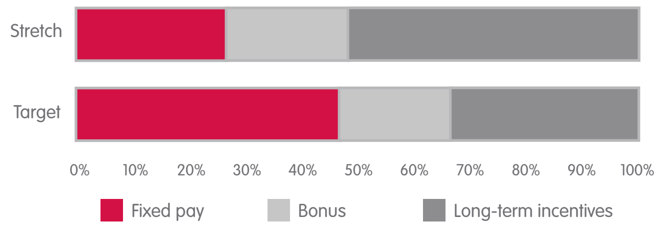
- between lower quartile and median salaries, but with the potential to earn upper quartile rewards for sustained exceptional performance provided stretching and demanding performance conditions are met;
- a reward structure that balances short-term and long-term performance; and
- competitive incentive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

The Committee acknowledges that the principle with respect to lower to median quartile salaries for Executive Directors has become more difficult to maintain given the reduction of the Company's market capitalisation in recent years. However, to counter-balance this effect, Executive Directors' salaries have not increased since 2008.

There is no restriction on the Committee which prevents it from taking into account performance on environmental, social and governance issues. The Committee notes with approval the continued effort being made by the Company in motivating responsible behaviour in relation to these issues by encouraging reduced energy consumption and providing incentives to choose more efficient Company vehicles. In addition, the Committee seeks to ensure that the Company's pay policies do not encourage inappropriate operational risk-taking.

The Committee believes that it is incumbent upon it to ensure that the remuneration policy as it applies to the senior executives is effectively delivered in a manner that takes full account of the Company's specific and developing circumstances. This has proved a particular challenge for the Committee this year, against a backdrop of the continuing difficult economic climate. Additionally, in determining the remuneration arrangements of the Executive Directors, the Remuneration Committee takes into consideration not only the performance of the Executive Directors but also pay and employment conditions elsewhere in the Group, through regular interaction with the Company's HR function and senior operational executives.

As a result, the Remuneration Committee has determined that the remuneration of Executive Directors will provide an appropriate balance between fixed and performance-related pay elements. The chart below illustrates the average mix between the fixed (i.e. salary, benefits and pension) and variable (i.e. bonus, Performance Shares and Co-Investment Plan shares) elements of remuneration of the Executive Directors at an on-target and maximum performance. The Remuneration Committee will continue to review the remuneration policy to ensure it takes due account of best remuneration practice and is aligned to shareholders' interests.



Governance

Remuneration report continued

Components of remuneration

The main components of the remuneration packages of the Executive Directors consist of the following elements:

	Purpose	Delivery	Detailed policy
Basic salary	→ Reflect the value of the individual and his or her role, skills, experience and performance	→ Cash → Monthly → Pensionable	→ Normally reviewed annually on or around 1 April and benchmarked against comparable companies → No increases were made in April 2009 or April 2010 → Executives have been given the opportunity to earn increases in base salary for 2011/12 if certain targets are met, see below.
Annual bonus	→ Incentivise delivery of specific Group, divisional and personal annual goals → Deferred share element aids retention and alignment with shareholders	→ Annual payment (subject to performance) → Cash up to 50% of salary, rest in shares → Performance-related → Non-pensionable	→ For 2011/12 payments based on Group profit before tax performance and project-based KPIs → Bonus potential of up to 100% of salary → Any bonus above 50% of salary paid in shares linked to Co-Investment Plan
Long-term incentives	→ Encourage long-term value creation → Encourage co-investment → Align executives' interests with those of shareholders → Retention	→ Share-based → Annual awards → Shares may be released after three years → Performance-related → Non-pensionable	**Performance Plan** → 70% of salary maximum for 2011/12, vesting based on comparative TSR targets (with an underpin) **Co-Investment Plan** → Matching shares, based on investment of bonus, up to 2:1 → Vesting based on real EPS growth → No awards were made in the past three years and there will be no award in 2011
Benefits	→ To provide competitive benefits → Retention	→ Ongoing	→ Car allowance, medical insurance and life assurance
Pension	→ To provide competitive post-retirement benefits	→ Ongoing → Payable on retirement	→ 10%-20% of basic salary depending on length of service → Executive Directors have been offered cash in lieu of pension
Share ownership guidelines	→ To align the interests of Executive Directors with shareholders	→ Ongoing	→ Must build a shareholding of 100% of salary

Base salary

Base salary for each Executive Director is determined by the Remuneration Committee, taking account of the Director's performance, experience and responsibilities. The Remuneration Committee has regard to salary levels paid by UK listed companies: (i) which operate within the same broad business space as Speedy and with which Speedy competes for key talent; and (ii) market capitalisation and geographic operations. This approach ensures that the best available benchmark data for each Director's specific position is obtained. Comparative pay data is used carefully recognising the risk of an upward ratchet in remuneration caused by over reliance on such data. When determining Executive Directors' base salaries, the Remuneration Committee also has regard to economic factors, remuneration trends and the general level of salary increases awarded throughout the Group.

Recognising the commitment of the Executive Directors to deliver the Company's strategy but the importance of actually delivering it, the Remuneration Committee has approved a possible staggered pay rise for the Executive Directors linked to the achievement of Group profit targets which will take effect in the 2011/12 financial year. Three increases of 1% of annual salary may be made in July 2011, October 2011 and January 2012, if certain targets are achieved by the Group. If all targets are met the maximum amount paid to each director in 2011/12 would be equivalent to a 1.5% pay increase. If this maximum annual increase is achieved, the Executive Directors' salaries at the end of 2011/12 would be: Steve Corcoran – £350,302; Justin Read – £257,575; Mike McGrath – £225,666. 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 with an additional 1% of annual salary paid in April 2011. If all targets are met the maximum amount paid to employees in 2011/12 would be equivalent to a 2.5% pay increase. As Justin Read has resigned with effect from 26 August 2011, he will not receive a pay rise.

Performance-related annual bonus

The Committee's general policy is that every employee in the Group is brought within some form of incentive scheme as soon as practicable after joining the Group. Although, as previously reported, no annual bonus opportunity was earned by the Executive Directors or other senior employees in 2009/10.

Following a review of incentive arrangements, the Remuneration Committee determined that an incentive to deliver against short-term operational drivers of the business was appropriate for 2010/11. However, the maximum bonus opportunity was reduced from 120% of salary to 100% of salary.

For 2010/11, the bonus was based on adjusted profit before tax targets (70%) and a range of key strategic objectives (30%). The threshold level of performance was not achieved and so no bonus was earned for the year.

For 2011/12, the maximum bonus opportunity remains at 100% of salary. The bonus opportunity will be split as follows: (i) 85% of the bonus will be payable by reference to performance against a challenging range of adjusted profit before tax targets; and (ii) 15% will be payable for performance against key strategic objectives relating to revenue, overhead, Group net debt, working capital, e-commerce capability, gross profit margin, and strategic development.

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 claw back provision will be applied for specified circumstances.

As in previous years, if a bonus is earned, any bonus earned over 50% of salary will be subject to a compulsory deferral into shares, with such shares subject to a corresponding matching award under the Co-Investment Plan (see page 62).

As Justin Read has resigned with effect from 26 August 2011, he will not receive a bonus. Non-Executive Directors also do not receive a bonus.

Long-term incentive plan

In line with the overall remuneration policy of the Remuneration Committee, the objectives of the Company's share-based long-term incentive arrangements (which were approved by shareholders in 2004 and 2009) are:

- → to support the Company's strong performance culture and provide exceptional rewards for exceptional performance;
- → to provide a competitive total compensation package;
- → to link rewards to Group performance so that the interests of executives are fully aligned with Speedy's shareholders; and
- → to create an expectation of ownership on the part of executives in accordance with shareholding guidelines established by the Committee, requiring Executive Directors to build up and retain shares in the Company of a value equivalent to 100% of basic salary.

The two main share-based long-term incentive plans operated for senior Executives are (i) the Performance Plan and (ii) the Co-Investment Plan. As set out on page 60, the Performance Plan measures Speedy's TSR performance and the Co-Investment Plan Speedy's EPS performance. The Remuneration Committee considers that the combination of these measures will encourage shareholder value creation and improved financial performance.

Benefits under the Performance Plan and the Co-Investment Plan are non-pensionable.

Remuneration report continued

Performance Plan

The key features of the Performance Plan are as follows:

- for 2011/12, awards of 70% of salary will be granted to the Executive Directors (with the exception of Justin Read who has resigned with effect from 26 August 2011 and, accordingly, will not receive any awards);
- the normal maximum award that can be made each year is over shares worth up to 100% of salary. However, in 2010/11 and 2011/12 the Committee has agreed the maximum award is capped at 70% of salary;
- 2011 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;
- 20% of each award will vest if Speedy ranks at the median compared to the FTSE 250 (excluding investments 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 the 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 relevant 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; and
- see page 63 for details of performance conditions applying to earlier awards.

As stated above, the Committee has recently reviewed the Executive Directors' incentive pay policy, encompassing a review of long-term incentive provision. Following this review, it has been deemed that Performance Plan awards will be made in the forthcoming year, subject to a maximum 70% of salary individual limit. The vesting of the awards will be subject to continued employment and the satisfaction of a TSR-based performance condition with the same structure as that outlined previously for the awards made last year.

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

The 2006, 2007 and 2008 Performance Plan awards have not vested due to performance below the threshold levels.

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 in Speedy 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 Speedy. The maximum matching, which is only awarded for exceptional performance, could be on a 2:1, or 200% basis, by reference to the gross amount of bonus deferred; and
- performance is based on EPS growth over the deferral period. For the last awards made, 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 is earned if EPS growth is greater than CPI plus 7.5% per annum, also calculated on a compound basis (with no awards vesting if EPS growth equals CPI plus 7.5% per annum and straight-line vesting between 7.5% and 12.5% per annum).

As there was no annual bonus payable to the Executive Directors in 2008/09 or 2009/10, there has been no Co-Investment Plan award in 2009 or 2010. As no bonus was earned for 2010/11, there will also be no award in 2011.

The 2006, 2007 and 2008 Co-Investment Plan awards have not vested due to performance below criteria threshold levels.

Dilution

The Performance 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 10 year period. Within this 10% limit, dilution through the Performance Plan and Co-Investment Plan is limited to an amount equivalent to 5% of the Company's issued share capital over a 10 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, 3.13% of the 5% limit and 5.02% of the 10% limit has been used.

Share Ownership Guidelines

Executive Directors must build and maintain a shareholding of 100% of salary. Steve Corcoran and Mike McGrath are meeting this requirement in full. Justin Read has shares with a value equal to approximately 90% of his salary.

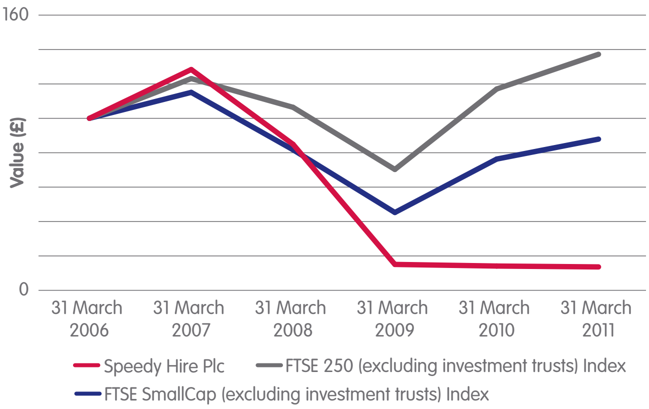
Benefits in kind

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 61). Justin Read also received a housing allowance.

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

Total shareholder return (TSR)

The graph below shows Speedy's performance, measured by TSR, compared with the performance of the FTSE Small Cap Index (excluding investment trusts), also measured by TSR. The graph illustrates the movement of Speedy's TSR, assuming dividends are reinvested on the ex-dividend date, against that of the comparator index for the five-year period to 31 March 2011. The FTSE Small Cap Index (excluding investment trusts) has been used as it is an index in which Speedy is a constituent. However, the chart also shows the FTSE 250 Index (excluding investment trusts) as this provides consistency with previous years and the performance measurement of the Group's executive share incentive plans.



This graph shows the value, by 31 March 2011, of £100 invested in Speedy Hire Plc on 31 March 2006 compared with the values of £100 invested in the FTSE 250 (excluding investment trusts) Index or the FTSE SmallCap (excluding investment trusts). The other points plotted are the values at intervening financial year-ends.

Service contracts

It is the Committee's general policy that the service contracts of Executive Directors (none of which are for a fixed term) should provide for termination of employment by giving 12 months' notice or by making a payment of an amount equal to 12 months' basic salary and pension contributions in lieu of notice together with any accrued bonus entitlement. It is the Company's ongoing policy for bonus 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 their service contracts.

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

The service contracts of Steve Corcoran, Mike McGrath and Justin Read contain express provisions relating to their duty to mitigate their loss and for accelerated receipt in the event of termination. Claudio Veritiero resigned as an Executive Director on 31 October 2010 and received a termination payment in accordance with the provisions of his service agreement, the amount of which is set out below on page 60.

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

The execution dates of the service contracts of the Executive Directors are set out below:

	Contract date
S Corcoran	7 January 2002
M McGrath	10 March 2006
J Read	1 April 2008

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. The levels of Non-Executive Director remuneration are the subject of benchmarking exercises, carried out with the assistance of HNBS, typically at least every two years.

No such benchmarking exercise was considered necessary this year and therefore the Non-Executive Directors' remuneration levels are unchanged from those paid last year. 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.

Remuneration report continued

The Chairman and Non-Executive Directors do not have contracts of service but their terms are set out in letters of appointment. David Wallis retired as a Non-Executive Director and Chairman on 31 December 2010.

Peter Atkinson commenced a second three-year term in July 2008. Ishbel Macpherson commenced her second three year term in July 2010. Michael Averill commenced his first three-year term in July 2008. James Morley commenced his first three year term in July 2009.

Appointments are subject to earlier termination by three months' notice on either side in the case of each of Peter Atkinson, Ishbel Macpherson, Michael Averill and James Morley. 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, 21 days per annum in the case of Michael Averill and James Morley, and 19 days per annum in the case of Peter Atkinson.

The execution dates of the appointment letters of the Non-Executive Directors are set out below:

	Appointment letter date
P Atkinson	3 May 2005
M Averill	16 May 2008
I Macpherson	17 July 2007
J Morley	31 March 2009

Emoluments of the Directors

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

Aggregate emoluments (audited)

	2011 £000	2010 £000
Salaries and fees	**1,175**	1,275
Benefits	**49**	54
Termination Payments	**266**	–
Annual performance-related bonuses	**–**	–
Pension contributions	**159**	155
Total	**1,649**	1,484

A payment of £18,000 was also made to the widow of a former Director (2010: £18,000).

Payments to Executive Directors (audited)

Base salaries for Executive Directors and remuneration levels for Non-Executive Directors were not increased in the year.

	Salaries and fees						Pension contributions	
	Salary £000	Benefits £000	Termination £000	Bonus £000	**Total 2011**	Total 2010	**2011 £000**	2010 £000
S Corcoran	340	15	–	–	**355**	351	**68**	68
M McGrath	220	3	–	–	**223**	230	**31**	29
C Veritiero (resigned 31 October 2010)	118	7	266	–	**391**	213	**30**	30
J Read	250	24	–	–	**274**	273	**30**	28
Total	928	49	266	–	**1,243**	1,067	**159**	155

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 Company 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 range between 10% and 20% of basic salary depending on length of service. 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 on page 60.

Save as set out on page 60, there are no other pension arrangements for the Executive Directors.

Individual emoluments of Non-Executive Directors (audited)

	2011 £000	2010 £000
D Wallis (resigned on 31 December 2010)	**79**	105
P Atkinson	**34**	34
I Macpherson	**57**	41
M Averill	**36**	34
J Morley	**41**	41
Total	**247**	255

Directors' interests in shares and options (audited)

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, or date of appointment where appropriate, are shown below:

	Speedy Hire Plc ordinary shares	
	31 March 2011	31 March 2010*
S Corcoran	**2,186,423**	2,186,423
M McGrath	**1,291,500**	1,291,500
C Veritiero (resigned on 31 October 2010)	**199,608****	986,245
D Wallis (resigned on 31 December 2010)	**187,069*****	187,069
P Atkinson	**42,800**	42,800
I Macpherson	**216,940**	216,940
J Read	**1,204,864**	1,201,307
M Averill	**87,010**	50,000
J Morley	**165,000**	158,236

* Post rights issue.
** As at 31 October 2010.
*** As at 31 December 2010.

This table includes joint ownership interests in ExSOP awards which are included in the table on page 62.

There have been no changes in the interests of the Directors in the share capital of Speedy Hire Plc since 31 March 2011.

Governance

Remuneration report continued

Directors' interests in share options, performance plan and co-investment plan awards
The options under the SAYE Scheme were granted for nil consideration.

The market price of Speedy ordinary shares at 31 March 2011 was 28.75 pence and the range during the year was 19.25 pence to 36.25 pence per share.

The price of an ordinary share on 24 June 2010, when the Performance Plan awards were made, was 26.5 pence.

Details of the Executive Directors' interests in the UK SAYE Scheme, Performance Plan and Co-Investment Plan are as follows:

	Interest at 1 April 2010[1]	Options/awards lapsed during the year	Options/awards granted during the year	**Interest at 31 March 2011[2]**	Exercise price (pence)	Expected date from which exercisable/ vested
S Corcoran						
Save As You Earn 2010	–	–	26,400	**26,400**	21	Feb 2014 – July 2014
Performance Plan 2007[3]	96,273	(96,273)	–	**–**	nil	n/a
Performance Plan 2008[4,5]	181,809	–	–	**181,809**	nil	Jun 2011
Performance Plan 2009[6]	1,323,697	–	–	**1,323,697**	n/a	Sep 2012
Performance Plan 2010[7,5]	–	–	769,977	**769,977**	nil	Jun 2013
Co-Investment Plan 2007[8]	80,812	(80,812)	–	**–**	nil	n/a
Co-Investment Plan 2008[5,9]	342,486	–	–	**342,486**	nil	Jun 2011
S Corcoran Total	2,025,077	(177,085)	796,377	**2,644,369**		
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
Performance Plan 2007[3]	62,204	(62,204)	–	**–**	nil	n/a
Performance Plan 2008[4,5]	117,641	–	–	**117,641**	nil	Jun 2011
Performance Plan 2009[6,5]	856,510	–	–	**856,510**	n/a	Sep 2012
Performance Plan 2010[7]	–	–	498,220	**498,220**	nil	Jun 2013
Co-Investment Plan 2007[8]	114,196	(114,196)	–	**–**	nil	n/a
Co-Investment Plan 2008[5,9]	257,467	–	–	**257,467**	nil	Jun 2011
M McGrath Total	1,417,030	(176,400)	517,248	**1,757,878**		
J Read						
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
Performance Plan 2008[4,5]	133,684	–	–	**133,684**	nil	Jun 2011
Performance Plan 2009[6]	973,307	–	–	**973,307**	n/a	Sep 2012
Performance Plan 2010[7,5]	–	–	566,159	**566,159**	nil	Jun 2013
Co-Investment Plan 2008[5,9]	284,728	–	–	**284,728**	nil	Jun 2011
J Read Total	1,400,731	–	585,187	**1,985,918**		
C Veritiero[10]						
Save As You Earn 2009	9,012	–	–	**9,012**	29	Nov 2010 – Apr 2011
Performance Plan 2008[4,5]	102,934	–	–	**102,934**	nil	Jun 2011
Performance Plan 2009[6]	788,378	–	–	**788,378**	n/a	Sep 2012
Performance Plan 2010[7,5]	–	–	458,589	**458,589**	nil	Jun 2013
Co-Investment Plan 2007[8]	27,431	(27,431)	–	**–**	nil	n/a
Co-Investment Plan 2008[5,9]	208,425	–	–	**208,425**	nil	Jun 2011
C Veritiero Total	1,136,180	(27,431)	458,589	**1,567,338**		
Total	5,979,018	(380,916)	2,357,401	**7,955,503**		

No options were exercised during the year.

1 The interests at 1 April 2010 are stated after adjustment, where relevant, for the 2009 rights issue.
2 Or date of cessation as a Director of the Company, if earlier.
3 Neither the TSR nor the EPS target was met and the awards lapsed.
4 The 2008 Performance Plan awards were subject to a combination of TSR and EPS performance targets. 50% of the award was based on comparative TSR against the FTSE 250 (excluding investment trusts). 20% of this portion of the award will vest at median, with straight-line vesting to upper quartile performance at which point this portion of the award will vest in full. The balance of the award was based on EPS growth targets. 20% of this portion of the award will vest for the achievement of a threshold level of EPS growth, being at least CPI plus 7.5% per annum, calculated on a compound basis, with the entire portion of this award vesting if EPS growth is at least CPI plus 15% per annum, also on a compound basis (with straight-line vesting in between). Neither the TSR nor the EPS targets were met and so these awards will lapse.
5 Performance Plan awards (other than those granted in 2009 – see note 6) and Co Investment Plan matching awards 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.
6 The 2009 Performance Plan awards were in the form ExSOP awards which involve the acquisition of shares jointly by the participant and the trustee of the Company's employee trust. ExSOP awards were subject to the same performance condition as the 2011 Performance Plan awards as detailed on page 58. To the extent the performance condition is satisfied, the participant can benefit from any growth of the shares in excess of a hurdle. Initial Value Awards entitle the holder to a value (in shares or cash) equal to the number of ExSOP shares (if any) in respect of which the performance condition is met multiplied by the share value on the award date or, if lower, the share value when the ExSOP award crystallises.
7 The 2010 Performance Plan awards were subject to the same performance condition as the 2011 Performance Plan awards as detailed on page 58.
8 The EPS target was not met and the awards lapsed.
9 The 2008 Co Investment Plan awards were subject to performance targets based on EPS growth over the deferral period. To obtain maximum matching, EPS growth is required to be greater than CPI plus 12.5% per annum, calculated on a compound basis. A 1:1 match is earned if EPS growth is greater than CPI plus 7.5% per annum, also calculated on a compound basis, (with no awards vesting if EPS growth equals CPI plus 7.5% per annum and straight-line vesting in between 7.5% and 12.5% per annum). The EPS target was not met and so these awards will lapse.
10 Claudio Veritiero's award details are as at 31 October 2010, being the date of his departure.

SAYE Scheme

Options may be granted over shares in Speedy under the Speedy Sharesave Scheme (the 'UK SAYE Scheme'), in which all eligible employees (including Executive Directors) are entitled to participate. 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 Speedy at up to a 20% discount to the price of Speedy's shares at the date employees are invited to join the Scheme.

In November 2007 the Committee established an Irish Revenue-approved Irish Sharesave Scheme (the 'Irish SAYE Scheme') to enable Irish employees of the Group to participate in a comparable tax-favoured manner to their English counterparts, for which shareholder approval was obtained at the 2008 AGM. The Committee is keen to encourage ownership of Speedy's shares by employees at all levels in the Group and grants are made under the SAYE Schemes on a regular, normally annual, basis. A grant was made under both the UK and the Irish SAYE Schemes in December 2010.

492 employees participated in the 2010 grant and as at 31 March 2011 there were, in aggregate, 1314 live accounts spread across 1009 participants in the UK and Irish SAYE Schemes. As all-employee schemes, no performance targets are attached to options granted under the SAYE Schemes.

Long-term service awards

Consistent with the Speedy 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. Members of the 20- and 25-year clubs attend an annual luncheon hosted by the Chief Executive.

These benefits are popular amongst employees and Speedy 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. This report was approved by the Board on 17 May 2011.

Michael Averill
Chairman of the Remuneration Committee

Audit Committee report

The Audit Committee presents a separate report in relation to the financial year ended 31 March 2011.

Composition of the Audit Committee

The Audit Committee comprises three Non-Executive Directors, James Morley (Chairman of the Audit Committee), Peter Atkinson and Michael Averill, 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 pages 44 and 45. James Morley is a chartered accountant with over 26 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 and Trade Indemnity Group. The Board is satisfied that James Morley has recent and relevant financial experience.

Operation of the Audit Committee

The Audit Committee met on five occasions during the year. Details of the attendance at Audit Committee meetings are set out in the Corporate Governance Report on page 49.

The Chairman, Chief Executive and Group Finance Director, together with representatives from the external auditors and the Head of Internal Audit, are invited to attend all meetings of the Committee by the Chairman of the Audit Committee. The external auditors and the Head of Internal Audit 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 Internal Audit 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 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 Internal Audit; and
- reviewing the Board's process for reviewing 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.

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

During the year, the Audit Committee reviewed 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. This includes arrangements to investigate proportionately and independently such matters and for appropriate follow-up action.

Internal control and risk management

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

The Audit Committee undertook a review of the effectiveness of, and the framework for, the Group's system of internal control and risk management, including financial, operational and compliance controls, during the year. In addition to this review, the external auditors provided the Audit Committee with reports of the results of their controls testing as part of the external audit.

Review of the work of the external auditors

Subject to the annual appointment of the external auditors by shareholders, the Audit Committee regularly reviews the relationship between the Group and the external auditors. This review includes an assessment of their performance, cost-effectiveness, objectivity and independence.

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 requires that the provision of any non-audit services in excess of £30,000 by the external auditors are subject to prior approval by the Audit Committee. 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 in 2011. A full breakdown of the audit and non-audit related fees is set out in note 4 to the Group Financial Statements on page 81.

The Audit Committee considered the external auditors' performance during their period in office and reviewed the level of fees charged and considered them 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 do not impair their independence and objectivity. Having considered the results of the Audit Committee's work, the Board is recommending the re-appointment of the external auditors.

This report was approved by the Board on 17 May 2011.

James Morley
Chairman of the Audit Committee

Nomination Committee report

The Nomination Committee presents a separate report in relation to the financial year ended 31 March 2011.

Composition of the Nomination Committee

The Nomination Committee comprises the four Non-Executive Directors: Ishbel Macpherson (the Chairman of the Nomination Committee from 1 January 2011), Peter Atkinson, Michael Averill 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 44 and 45. David Wallis was Chairman of the Remuneration Committee from 1 April 2010 until his retirement from Group Board on 31 December 2011.

Operation of the Nomination Committee

The Nomination Committee met on five occasions during the year. Details of the attendance at Nomination Committee meetings are set out in the Corporate Governance Report on page 49.

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 of 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; and
- the re-appointment of Directors following their retirement by rotation.

During the year, the Nomination Committee reviewed the balance of skills, knowledge and experience of the Board together with the size, structure and composition of the Board, and reviewed the succession plans for the Board including the making of relevant recommendations to the Group Board in relation to the successor to David Wallis, the appointment of a new Non-Executive Director following the retirement of Peter Atkinson at the forthcoming AGM and the re-election of Justin Read and Michael Averill as referred to in the Directors' Report on page 49.

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. As Ishbel Macpherson was a potential successor to David Wallis, Michael Averill chaired those meetings in which the Chairman's succession was discussed.

The Nomination Committee has a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The process in relation to the appointment of a new Group Finance Director and Non-Executive Director to replace Justin Read and Peter Atkinson respectively involves the Nomination Committee interviewing suitable candidates who are proposed by an external search company or existing Board members. Careful consideration is being 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 is maintained. When the Nomination Committee has identified a suitable candidate, the Chairman of the Nomination Committee will make a recommendation to the Board with the Board making the final decision.

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

The terms of reference of the Nomination Committee are published on Speedy's 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 17 May 2011.

Ishbel Macpherson
Chairman of the Nomination Committee

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 2011 set out on pages 68 to 104. 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 47, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of the group's loss 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;
- 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 49 to 53 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 46, in relation to going concern;
- the part of the Corporate Governance Statement on pages 49 to 53 relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

M Newsholme (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St James Square
Manchester
United Kingdom
M2 6DS

17 May 2011

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Consolidated income statement
For the year ended 31 March 2011

	Note	Before exceptional items 2011 £m	Exceptional items 2011 £m	Total 2011 £m	Before exceptional items 2010 £m	Exceptional items 2010 £m	Total 2010 £m
Revenue	2	**354.2**	**–**	**354.2**	351.1	–	351.1
Cost of sales		**(136.9)**	**–**	**(136.9)**	(142.7)	–	(142.7)
Gross profit		**217.3**	**–**	**217.3**	208.4	–	208.4
Distribution costs		**(35.2)**	**–**	**(35.2)**	(37.8)	–	(37.8)
Administrative expenses		**(179.3)**	**(19.3)**	**(198.6)**	(168.1)	(11.1)	(179.2)
Analysis of operating (loss)/profit							
Operating profit before amortisation and exceptional items		**8.3**	**–**	**8.3**	8.0	–	8.0
Amortisation		**(5.5)**	**–**	**(5.5)**	(5.5)	–	(5.5)
Exceptional restructuring costs	3	**–**	**(5.5)**	**(5.5)**	–	(11.1)	(11.1)
Exceptional write down of accommodation assets	3	**–**	**(13.8)**	**(13.8)**	–	–	–
Operating (loss)/profit	4	**2.8**	**(19.3)**	**(16.5)**	2.5	(11.1)	(8.6)
Financial expense	3,7	**(9.0)**	**(1.5)**	**(10.5)**	(14.2)	–	(14.2)
Loss before taxation		**(6.2)**	**(20.8)**	**(27.0)**	(11.7)	(11.1)	(22.8)
Taxation	3,8	**2.1**	**5.6**	**7.7**	1.8	2.7	4.5
Loss for the financial year		**(4.1)**	**(15.2)**	**(19.3)**	(9.9)	(8.4)	(18.3)
Attributable to:							
Equity holders of the parent				**(19.3)**			(18.3)

		Pence	Pence
Earnings per share			
– Basic	9	**(3.81)**	(4.37)
– Diluted	9	**(3.81)**	(4.37)

Non-GAAP performance measures			
EBITDA before exceptional costs	11	**63.4**	68.2
Profit before tax, amortisation and exceptional costs	11	**(0.7)**	(6.2)

Consolidated statement of comprehensive income
For the year ended 31 March 2011

	2011 £m	2010 £m
Loss for the financial year	**(19.3)**	(18.3)
Other comprehensive income:		
Effective portion of change in fair value of cash flow hedges	**2.5**	2.6
Tax on items taken directly to equity	**0.2**	–
Exchange difference on retranslation of foreign operations	**0.6**	(0.5)
Other comprehensive income, net of tax	**3.3**	2.1
Total comprehensive income for the financial year	**(16.0)**	(16.2)
Attributable to equity holders of the parent	**(16.0)**	(16.2)

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Consolidated balance sheet
At 31 March 2011

	Note	2011 £m	2010 £m
ASSETS			
Non-current assets			
Intangible assets	12	**60.2**	65.7
Property, plant & equipment			
Hire equipment	13	**185.7**	246.9
Non-hire equipment	13	**34.2**	38.7
		219.9	285.6
		280.1	351.3
Current assets			
Inventories	14	**10.2**	11.3
Trade and other receivables	15	**97.7**	103.4
Assets classified as held for sale	16	**33.4**	–
Cash and cash equivalents		**0.2**	12.5
		141.5	127.2
Total assets		**421.6**	478.5
LIABILITIES			
Current liabilities			
Borrowings	19	**(1.1)**	(0.2)
Other financial liabilities	18	**(0.6)**	(3.2)
Trade and other payables	17	**(63.3)**	(70.9)
Provisions	20	**(3.5)**	(4.8)
Income tax		**(0.3)**	(1.7)
		(68.8)	(80.8)
Non-current liabilities			
Borrowings	19	**(113.0)**	(131.6)
Provisions	20	**(1.2)**	(2.5)
Deferred tax liabilities	21	**(9.2)**	(17.0)
		(123.4)	(151.1)
Total liabilities		**(192.2)**	(231.9)
Net assets		**229.4**	246.6
EQUITY			
Share capital	22	**25.9**	25.9
Share premium account		**190.2**	190.2
Merger reserve		**1.0**	3.7
Hedging reserve		**(0.9)**	(3.4)
Translation reserve		**0.1**	(0.5)
Retained earnings		**13.1**	30.7
Total equity attributable to equity holders of the parent		**229.4**	246.6

The financial statements on pages 68 to 97 were approved by the Board of Directors on 17 May 2011 and were signed on its behalf by:

Steve Corcoran
Director

Justin Read
Director

Company registered number: 927680

Consolidated cash flow statement
At 31 March 2011

	Note	2011 £m	2010 £m
Cash generated from operations before changes in hire fleet	24	**49.7**	62.9
Purchase of hire equipment		**(41.8)**	(33.6)
Proceeds from sale of hire equipment		**16.2**	22.6
Cash generated from operations		**24.1**	51.9
Net financial expense		**(10.5)**	(14.3)
Tax (paid)/received		**(1.3)**	5.9
Net cash flow from operating activities		**12.3**	43.5
Cash flow from investing activities			
Purchase of other property, plant & equipment		**(4.9)**	(10.2)
Disposal of other property, plant & equipment		**–**	0.4
Net cash flow from investing activities		**(4.9)**	(9.8)
Net cash flow before financing activities		**7.4**	33.7
Cash flow from financing activities			
Finance lease payments		**(0.1)**	(0.1)
Repayment of bank loans		**(18.4)**	(127.5)
Proceeds from rights issue		**–**	105.5
Rights issue costs		**–**	(5.8)
Dividends paid		**(2.1)**	(4.3)
Net cash flow from financing activities		**(20.6)**	(32.2)
(Decrease)/increase in cash		**(13.2)**	1.5
Cash at the start of the financial year		**12.5**	11.0
Cash at the end of the financial year		**(0.7)**	12.5

Analysis of cash		
Cash	**0.2**	12.5
Bank overdraft	**(0.9)**	–
	(0.7)	12.5

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Consolidated statement of changes in equity
For the year ended 31 March 2011

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	**Total equity £m**
At 31 March 2009	2.5	111.0	3.7	(6.0)	–	56.3	**167.5**
Total comprehensive income for the year	–	–	–	2.6	(0.5)	(18.3)	**(16.2)**
Dividends	–	–	–	–	–	(4.3)	**(4.3)**
Equity settled share-based payments	–	–	–	–	–	(0.1)	**(0.1)**
Issue of ordinary shares	22.9	76.8	–	–	–	–	**99.7**
Employee Benefits Trust allotments	0.5	2.4	–	–	–	(2.9)	**–**
At 31 March 2010	25.9	190.2	3.7	(3.4)	(0.5)	30.7	**246.6**
Total comprehensive income for the year	–	–	–	2.5	0.6	(19.1)	**(16.0)**
Dividends	–	–	–	–	–	(2.1)	**(2.1)**
Equity settled share-based payments	–	–	–	–	–	0.9	**0.9**
Transfer to retained earnings*	–	–	(2.7)	–	–	2.7	**–**
At 31 March 2011	25.9	190.2	1.0	(0.9)	0.1	13.1	**229.4**

* Transfer to retained earnings relates to the realised element of the merger reserve. The transfer is being made retrospectively in relation to the disposal of a business which occurred a number of years ago.

Notes to the consolidated financial statements

1 Accounting policies

Speedy Hire Plc is a Company incorporated in the United Kingdom. The consolidated financial statements of the Company for the year ended 31 March 2011 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 17 May 2011.

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.

As highlighted in note 18 to the financial statements, 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 June 2012 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 its bank facility agreement. 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.

The Group has initiated discussions to ensure new debt facilities are available to the Group beyond maturity of the current facility in June 2012. These discussions are progressing well and the Directors anticipate that new facilities will be secured on acceptable terms shortly.

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 above. 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 18 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 and liquidity risk.

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.

Adoption of new accounting standards
The following amendments to existing standards and IFRICs have been adopted. The changes have had no material impact on the financial statements.

→ IFRS 3 Business Combinations (2008) requires some significant changes to the way business combinations are accounted for. All costs associated with business combinations are expensed directly to the Income Statement. Additionally any changes to contingent consideration classified as debt must now be dealt with through the Income Statement subsequent to acquisition.

→ FRS 2 Group Cash-settled Share-based Payment Transactions. The amendments clarify the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

→ Improvements to IFRSs: in April 2009 the International Accounting Standards Board issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The adoption of these amendments, which are effective for accounting periods beginning on or after 1 January 2010, did not have any impact on the reporting of the financial position or performance of the Group.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Accounting standards not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2011, and have not been applied in preparing these consolidated financial statements. None of these will have an effect on the consolidated financial statements of the Group. The key changes are as follows:

- IAS 24 (revised in 2009) – Related Party Disclosures. Effective for annual periods beginning on or after 1 January 2011.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments. Effective for annual periods beginning on or after 1 July 2010.
- Improvements to IFRSs (issued May 2010). Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011.
- Amendments to IFRS 7 – Financial Instruments: Disclosures. Effective for annual periods commencing on or after 1 July 2011.
- IFRS 9 – Financial Instruments. Effective for annual periods commencing on or after 1 January 2013.

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 & 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.

Depreciation of property, plant and equipment is charged to the income statement so as to write off the cost of the assets over the estimated useful lives after taking account of estimated residual values. Residual values 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 15 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
Accommodation and storage units	– between eight and 15 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 software licence (if shorter)
Motor vehicles	– 25% per annum reducing balance

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

Start-up expenses and lease incentives

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

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

1 Accounting policies continued

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.

IAS 12, '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.

Segment reporting
The Group determines and presents operating segments based on the information that internally is provided 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 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.

Notes to the consolidated financial statements continued

1 Accounting policies continued

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.

From 1 April 2010 the Group has applied IFRS 3 Business Combinations (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively and has had no impact. 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 profit or loss. 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 profit or loss.

Goodwill is stated at cost less 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.

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 on the Parent Company and Group financial statements. In particular, the Trust's purchases of shares in the Company are debited directly to equity.

1 Accounting policies continued

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.

Assets classified as held for sale
Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

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 items 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 stated at their nominal amount less impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and overnight deposits.

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

Translation of foreign currencies
Transactions in foreign currencies are initially recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are re-translated 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.

Notes to the consolidated financial statements
continued

1 Accounting policies continued

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 in conformity with IFRS 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. The estimates and associated assumptions are based on historical experience and various 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 and estimates and underlying 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.

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. Assets are assessed on an ongoing basis to determine whether circumstances exist that could lead to potential impairment of the carrying value of such assets.

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 20). 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.

Goodwill is reviewed annually to assess the requirement for impairment. Other intangible assets 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 judgement 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 judgements in the year to 31 March 2011, an impairment review was undertaken in respect of intangible assets and property, plant and equipment, using the basis and key assumptions set out in note 12.

Upon acquisition of a business, its identifiable assets and liabilities are assessed to determine their fair value. The values attributed to assets and liabilities as part of this process are, where appropriate, based on market values identified for equivalent assets, together with management's experience and assessments. Where possible, for example in respect of the acquisition of hire assets, comparison is made to the carrying value of assets of a similar condition and age in the existing business.

In addition, judgement is applied in relation to the classification of assets held for sale.

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 and 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.

The International and Advisory Services segment contains the 'International Asset Services' and 'Training and Advisory' divisions which commenced trading in April 2009 but are not currently material to the Group's operations. These represent all other segments.

For the year ended 31 March 2011	UK & Ireland Asset Services £m	International & Advisory Services £m	Corporate items £m	Total £m
Segmental revenue	349.1	11.0	–	360.1
Intra-group revenue	(5.6)	(0.3)	–	(5.9)
Revenue	343.5	10.7	–	354.2
Segment result:				
EBITDA before exceptional items	69.8	(0.8)	(5.6)	63.4
Amortisation	(5.5)	–	–	(5.5)
Depreciation	(50.9)	(2.3)	(1.9)	(55.1)
Exceptional restructuring costs	(4.6)	(0.2)	(0.7)	(5.5)
Exceptional write down of accommodation assets	(13.8)	–	–	(13.8)
Operating loss	(5.0)	(3.3)	(8.2)	(16.5)
Net financial expense				(10.5)
Loss before tax				(27.0)
Taxation				7.7
Loss for the financial year				(19.3)
Intangible assets	60.2	–	–	60.2
Hire equipment	171.7	14.0	–	185.7
Non-hire equipment	34.0	0.2	–	34.2
Current assets	99.5	4.1	4.3	107.9
Assets held for sale	33.4	–	–	33.4
Cash	–	–	0.2	0.2
Total assets	398.8	18.3	4.5	421.6
Liabilities	(59.4)	(2.6)	(7.1)	(69.1)
Bank overdraft	–	–	(0.9)	(0.9)
Corporate borrowings	–	–	(112.7)	(112.7)
Taxation liabilities	–	–	(9.5)	(9.5)
Total liabilities	(59.4)	(2.6)	(130.2)	(192.2)
Capital expenditure	38.2	5.2	4.5	47.9

Within the International and Advisory Services Segment, revenue, operating loss and net assets of the International operations are £8.4m, £(1.9)m and £15.2m respectively (2010: £2.4m, £0.5m and £10.4m respectively).

UK and 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. Training & Advisory Services offers a comprehensive safety and skills training service and a growing advisory services offering.

Notes to the consolidated financial statements continued

2 Segmental analysis continued

For the year ended 31 March 2010	UK & Ireland Asset Services £m	International & Advisory Services £m	Corporate items £m	Total £m
Segmental revenue	353.4	3.7	–	357.1
Intra-group revenue	(6.0)	–	–	(6.0)
Revenue	347.4	3.7	–	351.1
EBITDA before exceptional restructuring costs	72.0	1.0	(4.8)	68.2
Amortisation	(5.5)	–	–	(5.5)
Depreciation	(57.0)	(0.5)	(2.7)	(60.2)
Exceptional restructuring costs	(7.3)	–	(3.8)	(11.1)
Operating profit/(loss)	2.2	0.5	(11.3)	(8.6)
Net financial expense				(14.2)
Loss before tax				(22.8)
Taxation				4.5
Loss for the financial year				(18.3)
Intangible assets	65.7	–	–	65.7
Hire equipment	237.4	9.5	–	246.9
Non-hire equipment	38.7	–	–	38.7
Current assets	106.0	1.8	6.9	114.7
Cash	–	–	12.5	12.5
Total assets	447.8	11.3	19.4	478.5
Liabilities	(65.5)	(0.9)	(15.7)	(82.1)
Corporate borrowings	–	–	(131.1)	(131.1)
Taxation liabilities	–	–	(18.7)	(18.7)
Total liabilities	(65.5)	(0.9)	(165.5)	(231.9)
Capital expenditure	26.4	7.8	9.6	43.8

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 segmentally. 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 liabilities.

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.

	2011 Revenues £m	**2011 Non-current assets £m**	2010 Revenues £m	2010 Non-current assets £m
UK	**339.9**	**261.1**	342.9	335.3
Ireland	**5.9**	**4.8**	5.8	6.5
Middle East and North Africa	**8.4**	**14.2**	2.4	9.5
	354.2	**280.1**	351.1	351.3

Major customer

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

3 Exceptional items

For the year ended 31 March 2011
In advance of the disposal of the accommodation hire assets from UK Asset Services on 30 April 2011, the assets were transferred to the 'assets held for sale' category, and were written down to fair value less costs to sell, incurring an exceptional charge of £13.8m.

Restructuring and cost saving initiatives resulted in a number of non-recurring items of expense. These included costs in relation to property closures and provision for vacant property (£2.5m) and writing off related fixtures and fittings (£0.1m), and redundancy and related costs (£2.9m).

In June 2010 the Group successfully completed amendments to enhance its banking facility in order to provide greater flexibility for future capital investment, particularly with regard to the International operations. Management have assessed the impact of this modification in line with the guidance contained within IAS 39 and have concluded that it does not represent a significant modification. As part of this process, the Group incurred fees and transaction costs of £3.5m. These costs have been capitalised and are being amortised using the effective interest rate method. This has resulted in £1.5m having been treated as exceptional finance costs in the year.

The resulting tax credit in relation to exceptional items amounted to £5.6m, of which £1.7m related to current tax and £3.9m related to deferred tax.

For the year ended 31 March 2010
As part of the Group's restructuring and cost-saving initiatives, a number of non-recurring items of expense were incurred. Items included costs related to the creation of a new Shared Services Centre (£0.6m), provisions in respect of further property closures including provision for vacant property (£3.9m) and writing off related fixtures & fittings (£0.7m), redundancy and related costs (£3.9m) and re-organisation costs associated with depot and back office restructuring (£2.0m).

The resulting tax credit in relation to exceptional items amounted to £2.7m, of which £2.5m related to current tax and £0.2m related to deferred tax.

4 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2011 £m	2010 £m
Amortisation of intangible assets	**5.5**	5.5
Depreciation:		
of owned property, plant and equipment	**55.0**	60.1
of property, plant and equipment held under hire-purchase and finance leases	**0.1**	0.1
Profit on disposal of property, plant and equipment	**(5.0)**	(2.5)
Impairment of other property, plant and equipment	**0.1**	0.7
Operating lease rentals		
of plant and equipment	**1.6**	1.6
of land and buildings	**13.9**	14.6
of vehicles	**11.3**	12.6
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
other non-audit services	**0.7**	0.4

Non-audit services in 2011 relate to debt advisory services, £0.5m (which are being amortised over the remaining life of the facility) and consultancy work in relation to pricing in the UK, £0.2m (which have been written off in the year). Non-audit services in 2010 relate to work associated with the rights issue in July 2009 and the costs have been applied against the share premium arising on the rights issue.

Notes to the consolidated financial statements
continued

5 Employees

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

	Number of employees	
	2011	2010
UK & Ireland Asset Services	**3,613**	3,714
International & Advisory Services	**190**	41
Central	**321**	512
	4,124	4,267

The aggregate payroll costs of these employees were as follows:

	2011 £m	2010 £m
Wages and salaries	**104.2**	105.0
Social security costs	**9.5**	9.9
Other pension costs	**0.8**	0.7
Share-based payments	**1.0**	(0.1)
	115.5	115.5

6 Directors' remuneration

	2011 £000	2010 £000
Directors' emoluments		
Basic remuneration, including benefits	**1,224**	1,329
Performance-related bonuses	**–**	–
Payments to former Directors	**18**	18
Termination payments	**266**	–
Company pension contributions to personal pension plans	**159**	155
	1,667	1,502
Emolument of the highest paid Director		
Basic remuneration, including benefits	**355**	352
Performance-related bonuses	**–**	–
Company pension contributions to personal pension plans	**68**	68
	423	420

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

	2011 £m	2010 £m
Financial expense		
Interest on bank loans and overdrafts	**(5.7)**	(9.9)
Hedge interest payable	**(2.7)**	(3.7)
Amortisation of bank fees in connection with refinancing in June 2010	**(1.5)**	–
Other finance costs	**(0.6)**	(0.6)
	(10.5)	(14.2)

8 Taxation

	2011 £m	2010 £m
Tax charged/(credited) in the income statement		
Current tax		
UK corporation tax on profits for the period at 28% (2010: 28%)	**–**	–
Adjustment in respect of prior years	**(0.1)**	2.8
Total current tax	**(0.1)**	2.8
Deferred tax		
UK deferred tax at 26% (2010: 28%) (note 21)	**(5.4)**	(4.9)
Adjustment in respect of prior years	**(1.5)**	(2.4)
Impact of rate change	**(0.7)**	–
Total deferred tax	**(7.6)**	(7.3)
Total tax credit	**(7.7)**	(4.5)

Tax charged/(credited) in equity		
Deferred tax		
Net loss on revaluation of cashflow hedges	**(0.2)**	–

The tax credit in the income statement for the year is higher than the standard rate of corporation tax in the UK of 28% (2010: 28%) and is explained as follows:

	2011 £m	2010 £m
Loss before tax	**(27.0)**	(22.8)
Accounting loss multiplied by the standard rate of corporation tax at 28% (2010: 28%)	**(7.6)**	(6.4)
Expenses not deductible for tax purposes	**1.4**	1.9
Non-taxable income	**(0.5)**	(0.7)
Share-based payments	**0.2**	0.1
Unrecognised tax losses	**0.3**	0.2
Overseas tax losses arising not subject to tax	**0.7**	–
Adjustment to deferred taxation relating to future changes in corporation tax rates	**(0.7)**	–
Adjustment to tax in respect of prior years	**(1.5)**	0.4
Tax credit for the year reported in the income statement	**(7.7)**	(4.5)

Tax charged/(credited) in equity (note 21)		
Deferred tax charge	**(0.2)**	–

There are no unrecognised deferred tax liabilities (2010: £nil).

Notes to the consolidated financial statements continued

9 (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity holders of the Parent of £19.3m (2010: loss £18.3m) and the weighted average number of 5 pence ordinary shares in issue during the year ended 31 March 2011 calculated as follows:

	2011	2010
Loss (£m)		
Loss for the year after tax – basic earnings	(19.3)	(18.3)
Intangible amortisation charge (after tax)	4.0	4.0
Exceptional items (after tax)	15.2	8.4
Adjusted (loss)/earnings (after tax)	(0.1)	(5.9)
Weighted average number of shares in issue (million)		
At the beginning of the year	419.1	186.5
Change in weighted average number of ordinary shares	87.8	232.4
Exercise of share options	–	0.2
At the end of the year – basic number of shares	506.9	419.1
Share options	–	–
Employee share scheme	–	–
At the end of the year – diluted number of shares	506.9	419.1
(Loss)/earnings per share (pence)		
Basic (loss)/earnings per share	(3.81)	(4.37)
Amortisation	0.79	0.96
Exceptional costs	3.00	2.00
Adjusted (loss)/earnings per share	(0.02)	(1.41)
Basic (loss)/earnings per share	(3.81)	(4.37)
Share options	–	–
Employee share scheme	–	–
Diluted loss per share	(3.81)	(4.37)
Adjusted (loss)/earnings per share	(0.02)	(1.41)
Share options	–	–
Employee share schemes	–	–
Adjusted diluted (loss)/earnings per share	(0.02)	(1.41)

Total number of shares outstanding at 31 March 2011 amounted to 517,215,666, including 10,274,626 shares held in the Employee Benefit Trust, which are excluded in calculating earnings per share.

10 Dividends

The aggregate amount of dividend comprises:

	2011 £m	2010 £m
2009 final dividend (6.4 pence on 50.7m shares)	**–**	3.2
2010 interim dividend (0.2 pence on 517.2m shares)	**–**	1.1
2010 final dividend (0.2 pence on 517.2m shares)	**1.1**	–
2011 interim dividend (0.2 pence on 517.2m shares)	**1.0**	–
	2.1	4.3

Subsequent to the end of the year and not included in the results for the year, the Directors recommended a final dividend of 0.2 pence (2010: 0.2 pence) per share, bringing the total amount payable in respect of the 2011 year to 0.4 pence (2010: 0.4 pence), to be paid on 17 August 2011 to shareholders on the register on 17 June 2011.

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 2011, the trust held 10,294,626 ordinary shares (2010: 10,410,896), including 7,594,666 jointly owned shares (2010: 7,594,666).

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.

	2011 £m	2010 £m
Operating loss	**(16.5)**	(8.6)
Add back: amortisation	**5.5**	5.5
Add back: exceptional items	**19.3**	11.1
Operating profit before amortisation and exceptional costs	**8.3**	8.0
Add back: depreciation	**55.1**	60.2
EBITDA before exceptional costs	**63.4**	68.2
Profit before tax	**(27.0)**	(22.8)
Add back: amortisation	**5.5**	5.5
Add back: exceptional items	**20.8**	11.1
Profit before tax, amortisation and exceptional costs	**(0.7)**	(6.2)

Notes to the consolidated 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 2009, 31 March 2010 and 31 March 2011	93.5	36.2	4.9	4.1	17.9	156.6
Amortisation						
At 1 April 2009	49.2	15.4	3.0	3.5	14.3	85.4
Charged in year	–	3.0	0.8	0.6	1.1	5.5
At 31 March 2010	49.2	18.4	3.8	4.1	15.4	90.9
Charged in year	–	3.4	1.1	–	1.0	5.5
At 31 March 2011	49.2	21.8	4.9	4.1	16.4	96.4
Net book value						
At 31 March 2011	**44.3**	**14.4**	**–**	**–**	**1.5**	**60.2**
At 31 March 2010	44.3	17.8	1.1	–	2.5	65.7
At 31 March 2009	44.3	20.8	1.9	0.6	3.6	71.2

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 & Advisory Services. All intangible assets are held in the UK (part of the UK and Ireland Asset Services segment) and it is this CGU which is assessed for impairment testing.

Goodwill arising on business combinations after 1 April 2004 has been allocated to the CGUs that are expected to benefit from that business combination.

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 fifteen year period. The projections are made up of the 2011–2012 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, estimated at 2.5% (2010: 2.5%) being an estimate of inflation. The resulting forecast cash flows are discounted back to present value, using the Group's pre-tax discount rate. The discount rate assumptions use an estimate of the Group's weighted average cost of capital. The pre-tax discount rate has been adjusted for Company and market specific risks. The pre-tax discount rate used to discount cash flow forecasts is 12.3% (2010: 12.6%).

At 31 March 2011, the recoverable amount calculated using the discounted forecast cash flows results in a surplus over carrying value of £78.0m (2010: £51.9m). Impairment calculations are sensitive to changes in key assumptions of revenue growth and discount rate. An increase of 1% in the pre-tax discount rate, with all other assumptions held constant, would reduce discounted cash flows by £16.2m, leaving headroom against carrying value at £61.8m. A decrease of 1% in the forecast revenue growth, with all the other assumptions held constant, would reduce discounted cash flows by £10.4m. At 31 March 2010, an increase of 1% in the discount rate, with other assumptions held constant, would have reduced headroom against carrying value to £34.6m. A 1% decrease in the forecast revenue growth, with other assumptions held constant, would have reduced headroom against carrying value to £32.1m.

13 Property, plant & equipment

	Land and buildings £m	Hire equipment £m	Other £m	Total £m
Cost				
At 1 April 2009	28.0	514.3	58.3	600.6
Additions	2.6	33.5	7.7	43.8
Disposals	(3.9)	(49.1)	(9.6)	(62.6)
Transfers to inventory	–	(27.5)	–	(27.5)
At 31 March 2010	26.7	471.2	56.4	554.3
Additions	2.0	43.0	2.9	47.9
Disposals	–	(31.5)	–	(31.5)
Transfers to inventory	–	(12.1)	–	(12.1)
Transfer to assets held for sale	(0.7)	(107.3)	(1.5)	(109.5)
At 31 March 2011	28.0	363.3	57.8	449.1
Depreciation				
At 1 April 2009	15.0	230.9	31.5	277.4
Charged in year	2.8	50.0	7.4	60.2
Impairment (note 3)	0.7	–	–	0.7
Disposals	(3.9)	(42.5)	(9.1)	(55.5)
Transfers to inventory	–	(14.1)	–	(14.1)
At 31 March 2010	14.6	224.3	29.8	268.7
Charged in year	2.5	46.0	6.6	55.1
Disposals	–	(23.9)	–	(23.9)
Impairment (note 3)	0.1	–	–	0.1
Transfers to inventory	–	(8.5)	–	(8.5)
Transfer to assets held for sale	(0.6)	(60.3)	(1.4)	(62.3)
At 31 March 2011	16.6	177.6	35.0	229.2
Net book value				
At 31 March 2011	**11.4**	**185.7**	**22.8**	**219.9**
At 31 March 2010	12.1	246.9	26.6	285.6
At 31 March 2009	13.0	283.4	26.8	323.2

The net book value of land and buildings comprises:

	2011 £m	2010 £m
Freehold properties	**0.3**	0.5
Long leasehold properties	**0.5**	0.6
Short leasehold properties	**10.6**	11.0
	11.4	12.1

At 31 March 2011, the net carrying amount of leased hire equipment was £0.2m (2010: £0.4m).

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

14 Inventories

	2011 £m	2010 £m
Finished goods and goods for resale	**10.2**	11.3

The amount of inventory expensed in the year amounted to £46.5m (2010: £45.3m), included within cost of sales. No provision in respect of writedown in inventory is held at the year end or prior year end.

Notes to the consolidated financial statements continued

15 Trade and other receivables

	2011 £m	2010 £m
Trade receivables	**90.6**	90.4
Other receivables	**4.7**	5.8
Prepayments and accrued income	**2.4**	7.2
	97.7	103.4

There are £40.0m (2010: £45.6m) 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 2011 that debtors will not meet their payment obligations in respect of trade receivables recognised in the balance sheet that are past due and un-provided. The ageing of trade receivables (net of impairment provision) at the year end was as follows:

	2011 £m	2010 £m
Not past due	**50.6**	44.8
Past due 0-30 days	**23.9**	21.0
Past due 31-120 days	**12.9**	17.5
More than 120 days past due	**3.2**	7.1
	90.6	90.4

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

	2011 £m	2010 £m
At 1 April	**6.7**	9.4
Impairment provision charged to the income statement	**7.6**	2.9
Written off in the year	**(10.2)**	(5.6)
At 31 March	**4.1**	6.7

16 Assets held for sale

On 30 April 2011, the Group completed the sale of its accommodation hire assets to Elliott Group Ltd, a subsidiary of Algeco Scotsman, for a total cash consideration of £34.9m. These assets are included within the 'assets held for sale' category as at the balance sheet date, at fair value less costs to sell. A £13.8m exceptional loss was recognised in the income statement (note 3).

17 Trade and other payables

	2011 £m	2010 £m
Trade payables	**23.2**	43.3
Other payables	**6.8**	5.2
Accruals	**33.3**	22.4
	63.3	70.9

18 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. 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.

18 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:

	2011 Carrying amount £m	**2011 Fair value £m**	2010 Carrying amount £m	2010 Fair value £m
Trade and other receivables	**95.3**	**95.3**	101.1	101.1
Cash	**0.2**	**0.2**	12.5	12.5
Bank overdraft	**(1.1)**	**(1.1)**	–	–
Secured bank borrowings	**(112.7)**	**(112.7)**	(131.1)	(131.1)
Finance lease liabilities	**(0.5)**	**(0.5)**	(0.7)	(0.7)
Interest rate swaps, caps and collars, used for hedging	**(0.6)**	**(0.6)**	(3.2)	(3.2)
Trade and other payables	**(30.0)**	**(30.0)**	(48.5)	(48.5)
	(49.4)	**(49.4)**	(69.9)	(69.9)
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, caps and collars.
(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.

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.

Interest rates used for determining fair value

The interest rate used to discount estimated cash flows, where applicable, has been estimated at 12.3% (2010: 12.6%).

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 (ie; as prices) (classified as Level 2 in accordance with IFRS 7).

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 term loan 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 within the same risk profile.

Notes to the consolidated financial statements
continued

18 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 2011, the Group had available loan facilities amounting to £210m (2010: £260m), as detailed in note 19. Of these facilities £96m remained unutilised at 31 March 2011 (2010: £128m). Details of the repayment profile of the drawn facilities at the year end, is included in note 19.

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.

This 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 2011			
At 31 March 2011	**2012 £m**	**2013 £m**	**2014 £m**	**Total £m**
Revolving credit	**–**	**112.7**	**–**	**112.7**
Finance leases	**0.2**	**0.2**	**0.1**	**0.5**
	0.2	**112.9**	**0.1**	**113.2**
Interest payments	**6.4**	**1.6**	**–**	**8.0**
	6.6	**114.5**	**0.1**	**121.2**

	Undiscounted cash flows – 31 March 2010			
At 31 March 2010	2011 £m	2012 £m	2013 £m	Total £m
Term loan	39.7	29.8	–	69.5
Revolving credit	–	–	61.6	61.6
Finance leases	0.3	0.3	0.1	0.7
	40.0	30.1	61.7	131.8
Interest payments	8.1	4.5	1.1	13.7
	48.1	34.6	62.8	145.5

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.

→ **Currency risk**
The Group is exposed to currency 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) and in the United Arab Emirates (Speedy International Asset Services Equipment Rental LLC). It is the Group's policy to review the net investment in all companies on a regular basis, and to hedge against potential exposures to movements in foreign currency where considered appropriate. At 31 March 2011, Speedy Hire (Ireland) Limited had net liabilities of £4.2m (2010: £4.3m), Waterford Hire Services Limited had net assets of £1.5m (2010: £1.5m), and Speedy International Asset Services Equipment Rental LLC had net liabilities of £2.2m (2010: assets £0.5), 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 borrowings are covered by some sort of interest rate hedge.

18 Financial instruments continued

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

Group and Company	**2011 Fair Value £m**	**2011 Notional Amount £m**	2010 Fair Value £m	2010 Notional Amount £m
Designated as cash flow hedges				
Fixed interest rate swaps	**(0.6)**	**52.5**	(1.9)	50.0
Interest rate collars	**–**	**–**	(1.0)	40.0
Interest rate caps	**–**	**7.5**	(0.3)	20.0
	(0.6)	**60.0**	(3.2)	110.0

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 of the fixed interest rate swaps is 2.780% (2010: 5.026%) and the instruments are for a weighted average period of 19 months (2010: 11 months). The maximum contractual period is 34 months.

No collar instruments were in place in the current year. In the prior year, collar instruments bear interest rates between 4.300% and 6.500%, for a weighted average period of seven months.

Capped rate instruments bear a weighted average interest rate of 5.013% (2010: 6.245%) for a weighted average period of seven months (2010: 10 months). The maximum contractual period is 12 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 2011 it is estimated that a general increase of 1% point in interest rates would decrease the Group's profit before tax by approximately £0.9m. Interest rate swaps, caps and collars 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 participation in 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.

Notes to the consolidated financial statements
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19 Borrowings

	2011 £m	2010 £m
Current borrowings		
Bank overdraft	**0.9**	–
Finance leases	**0.2**	0.2
	1.1	0.2
Non-current borrowings		
Maturing between one and two years		
Revolving credit facility	**112.7**	–
Maturing between two and five years		
Term loan	**–**	69.5
Revolving credit facility	**–**	61.6
Finance leases	**0.3**	0.5
Total non-current borrowings	**113.0**	131.6
Total borrowings	**114.1**	131.8
Less: cash at bank and in hand	**(0.2)**	(12.5)
Net debt	**113.9**	119.3

Both the overdraft and syndicated loan facility are secured by a fixed and floating charge over all the assets of the Group and are rated pari passu.

The term and revolving loan facility was originally entered into in June 2007, and was amended and restated in June 2008, March 2009 and June 2010, with all facilities maturing in June 2012. At 31 March 2011, the current facility is sub-divided into:
(i) a secured overdraft facility, provided by Barclays Bank Plc, up to a maximum of £5m;

(ii) syndicated multi-currency revolving facilities, made up of:

(a) A revolving credit 'A facility' of £21.2m; and

(b) A revolving credit 'B facility' (including overdraft) of £188.8m.

The total B facility is for £188.8m, but is reduced to the extent that ancillary facilities are provided.

The revolving credit 'A facility' increased by £18.5m on 1 April 2011. The revolving credit 'B facility' reduced by £18.5m on 1 April 2011.

The revolving credit facilities can be drawn for various periods specified by the Company, up to the maturity date, with interest being calculated for the drawn period by reference to the London Inter Bank Offer Rate applicable to the period drawn, plus a margin which during the year ranged from 250 to 300 basis points (2010: 250 to 400 basis points) for facility B and 700 basis points on facility A. At 31 March 2011, the margin for facility B was 250 basis points.

The effective interest rate applicable to cash deposits during the year was 0.4% (2010: 0.2%). The effective interest rates (before exceptional finance costs) on bank overdraft and revolving credit facilities were 2.7% and 3.4% (2010: 3.0% and 4.1%) respectively.

The Group's bank overdrafts are secured by cross guarantees and debentures given by Group companies in favour of Barclays Bank PLC. The bank loans are secured by a fixed and floating charge over all the assets of the Group.

Analysis of consolidated net debt	At 31 March 2010 £m	Non-cash movement £m	Cash flow £m	**At 31 March 2011 £m**
Cash at bank and in hand	12.5	–	(12.3)	**0.2**
Borrowings	(131.8)	–	17.7	**(114.1)**
	(119.3)	–	5.4	**(113.9)**

20 Provisions

	Onerous property contracts £m
At 1 April 2009	7.9
Created in the year	3.9
Provision utilised in the year	(4.8)
Unwinding of discount	0.3
At 31 March 2010	7.3
Created in the year	2.5
Provision utilised in the year	(5.0)
Unwinding of discount	(0.1)
At 31 March 2011	**4.7**

Of the £4.7m, £3.5m (2010: £4.8m) is due within one year and £1.2m (2010: £2.5m) is due after one year. The key assumption underlying the calculation of the provision relates to the assumed sublet period. The provision is calculated based on a gross liability to the earlier of three years and the estimated date of sublet, or break clause, and includes estimated dilapidations at current market rates. The total liability is discounted at 12.3% (2010: 12.6%). If leases on properties which are forecast to be exited in 2014 are not exited until 2015, the increase required in the discounted provision would amount to £0.1m, after taking account of leases that expire during the additional year.

21 Deferred tax

	Property, plant & equipment £m	Intangible assets £m	Share-based payments £m	Other items £m	Total £m
At 1 April 2009	22.5	3.4	–	(1.6)	24.3
Recognised in income	(5.4)	(1.5)	–	(0.4)	(7.3)
At 31 March 2010	17.1	1.9	–	(2.0)	17.0
Recognised in income	(8.5)	(0.4)	(0.1)	1.4	(7.6)
Recognised in equity	–	–	–	(0.2)	(0.2)
At 31 March 2011	**8.6**	**1.5**	**(0.1)**	**(0.8)**	**9.2**

The Group has trading losses carried forward at 31 March 2011 amounting to approximately £4.9m (2010: £3.7m). A deferred tax asset of £nil (2010: £0.2m) has been recognised in respect of those losses.

The Group also has capital losses carried forward at 31 March 2011 amounting to approximately £5.8m (2010: £7.5m). No deferred tax asset has been recognised in respect of these losses.

In his budget in March 2011, the Chancellor of the Exchequer announced budget changes, which, if enacted in the proposed manner, will have a significant impact on the Group's future tax position. However, as at 31 March 2011, the tax changes announced in the Budget, reducing the main rate of corporation tax from 26% to 23%, was not substantively enacted and as such, in accordance with IAS 12, the changes have not been reflected in the Group's financial statements as at 31 March 2011.

The budget proposed a decrease in the rate of corporation tax from 26% to 23% by 1% each year from April 2012. The effect of the reduction in the tax rate to 23% on the Group's deferred tax liability would be to reduce the deferred tax liability by £1.5m, which would substantively be recognised in the income statement.

The tax change will also impact the amount of future cash tax payments to be made by the Group.

The effect on the Group of these proposed changes to the UK tax system will be reflected in the Group's financial statements in future years, as appropriate, if the proposals are substantively enacted.

Notes to the consolidated financial statements
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22 Share capital

	2011 £m	2010 £m
Allotted, called up and fully paid		
517.2 million (2010: 517.2 million) ordinary shares of 5 pence each	**25.9**	25.9

There were no changes to share capital during the year. During 2010, 458,658,900 ordinary shares of 5p were issued on exercise of the rights issue for a cash consideration of £99.7m, net of £5.8m issue costs.

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. The Company allocated 7,594,666 shares to the Trust in 2010 which are held jointly with the participating employees as part of the ExSOP award arrangements. No shares were transferred to employees during the year (2010: nil). At 31 March 2011, the Trust held 10,294,626 (2010: 10,410,896) shares – including 7,594,666 jointly owned shares.

The movement in issued share capital was as follows:

	Number million	**£m**
As at 1 April 2009	50.9	2.5
Employee Benefits Trust allotments	7.6	0.5
Placing of ordinary shares	458.7	22.9
At 31 March 2010 and 31 March 2011	**517.2**	**25.9**

23 Share incentives

At 31 March 2011, options and awards over 26,883,206 shares (2010: 19,036,681) were outstanding under employee share schemes. The Group operates three share incentive schemes. During the year no options were exercised by employees (2010: nil).

As at 31 March 2011 options to acquire 8,339,678 (2010: 5,014,731) Speedy Hire Plc shares were outstanding under the Speedy Hire Sharesave Scheme. These options are exercisable by employees of the Group at prices between 17 and 183 pence (2010: 29 and 255 pence) at dates between December 2010 and June 2014 (2010: February 2010 and April 2013). At 31 March 2011, options to acquire 11,164,241 (2010: 6,427,284), and awards over 7,379,287 (2010: 7,594,666) shares were outstanding under the Performance and Co-Investment Plans. These options were exercisable at effectively nil cost between March 2011 and September 2013 (2010: June 2011 and December 2012). Awards granted under the Performance Plan as ExSOP awards involve the acquisition of shares jointly by the participant and the trustee of the Company's employee trust on terms that, to the extent certain performance conditions are satisfied, the participant can benefit from any growth of the shares in excess of a hurdle. Initial Value Awards entitle the holder to a value (in shares or cash) equal to the number of ExSOP shares (if any) in respect of which the performance condition is met multiplied by the share value on the award date or, if lower, the share value when the ExSOP award crystallises.

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

	2011 WAEP pence	**2011 Number**	2010 WAEP pence	2010 Number
Outstanding at 1 April	**10**	**19,036,681**	145	1,610,332
Rights adjustment	**–**	**–**	–	4,322,131
	10	**19,036,681**	39	5,932,463
Granted	**8**	**10,606,221**	9	15,645,660
Exercised	**–**	**–**	–	–
Lapsed	**28**	**(2,759,696)**	74	(2,541,442)
Outstanding at 31 March	**7**	**26,883,206**	10	19,036,681
Exercisable at 31 March	**183**	**85,094**	233	75,583

Options and awards outstanding at 31 March 2011 have weighted average remaining contractual lives as follows:

	2011 years	2010 years
Exercisable at nil pence	**1.8**	2.2
Exercisable at 17 pence	**2.8**	–
Exercisable at 29 pence	**1.5**	2.5
Exercisable at 183 pence	**–**	0.8
Exercisable at 255 pence	**–**	0.4

23 Share incentives continued

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

Speedy Hire Share Save Plan	December 2010	September 2009	December 2007	September 2007	December 2006
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	21p	29p	183p	255p	233p
Share price volatility	88.2%	85.7%	25.5%	22.9%	22.9%
Option life	3.25 years	3.25 years	3.25 years	3.25 years	3 years
Expected dividend yield	1.4%	3.1%	2.1%	1.5%	1.3%
Risk free interest rate	1.4%	2.1%	4.5%	5.3%	5.1%

Co-investment Plan	July 2008	July 2007	July 2006
Pricing model used	Stochastic	Stochastic	Stochastic
Exercise price	Nil	Nil	Nil
Share price volatility	–	–	–
Option life	3 years	3 years	3 years
Expected dividend yield	3.7%	1.4%	1.6%
Risk-free interest rate	5.2%	5.8%	4.2%

Performance Plan	July 2010	September 2009	July 2008	July 2007	July 2006
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	Nil	Nil	Nil	Nil	Nil
Share price volatility	94.0%	88.0%	29.3%	23.6%	22.4%
Option life	3 years	3 years	3 years	3 years	3 years
Expected dividend yield	1.5%	3.1%	3.7%	1.4%	1.6%
Risk-free interest rate	1.2%	2.1%	5.2%	5.8%	4.2%

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

	2011 £m	2010 £m
Loss before tax	**(27.0)**	(22.8)
Financial expense, net	**10.5**	14.2
Exceptional write down of accommodation assets	**13.8**	–
Amortisation	**5.5**	5.5
Depreciation	**55.1**	60.2
Profit on disposal of hire equipment	**(5.0)**	(2.7)
Loss on disposal of other property, plant and equipment	**–**	0.2
Exceptional writedown of other property, plant and equipment	**0.1**	0.7
Decrease in inventories	**1.1**	0.9
Decrease in trade and other receivables	**6.4**	0.9
(Decrease)/increase in trade and other payables	**(9.1)**	6.5
Movement in provisions	**(2.6)**	(0.6)
Equity-settled share-based payments	**0.9**	(0.1)
Cash from operating activities	**49.7**	62.9

Notes to the consolidated financial statements continued

25 Contingent liabilities

At the balance sheet date, the Group has given warranties (including taxation warranties and indemnities) to the purchasers of five businesses disposed of over the last twelve 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.

26 Commitments

The Group had contracted capital commitments amounting to £2.0m (2010: £2.7m) 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 & buildings		Other	
	2011 £m	2010 £m	**2011 £m**	2010 £m
Total future minimum lease payments				
– not later than one year	**16.4**	16.2	**9.4**	11.2
– later than one year and not later than five years	**51.7**	50.8	**10.3**	12.0
– later than five years	**35.7**	39.2	**–**	0.1
	103.8	106.2	**19.7**	23.3

27 Post balance sheet events

Dividends
The Directors have proposed a dividend of 0.2 pence per share as a final dividend in respect of the year ended 31 March 2011. 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:

	2011 £m	2010 £m
0.2 pence (2010: 0.2 pence) on 517.2m (2010: 517.2m) ordinary shares	**1.0**	1.0

27 Post balance sheet events continued

Disposal of Accommodation Hire operation
On 30 April 2011, the Group completed the sale of its accommodation hire assets to Elliott Group Ltd, a subsidiary of Algeco Scotsman, for a total cash consideration of £34.9m. These assets are included within the 'assets held for sale' category as at the balance sheet date, together with a £13.8m exceptional loss in the income statement. The disposal will deliver a pro-forma increase in Speedy's operating margin and return on capital, and delivers a reduction in Group borrowings. Working capital in the operation at the date of sale totalling approximately £3.6m was retained for the benefit of Speedy.

The Accommodation Hire operation was reported within the UK & Ireland Asset Services segment. The pro-forma income statement, adjusting for the disposal of the Accommodation Hire operation, is as follows:

	Group 2011 £m	**Disposal[2,3] 2011 £m**	**Pro-forma 2011 £m**	Group 2010 £m	Disposal[2,3] 2010 £m	Pro-forma 2010 £m
Revenue	**354.2**	**35.5**	**318.7**	351.1	40.6	310.5
EBITDA[1]	**63.4**	**4.6**	**58.8**	68.2	6.8	61.4
EBITDA[1] margin	**17.9%**	**13.0%**	**18.4%**	19.4%	16.7%	19.8%
Operating profit[1]	**8.3**	**(4.5)**	**12.8**	8.0	(2.1)	10.1
Operating profit[1] margin	**2.3%**	**(12.7%)**	**4.0%**	2.3%	(5.2%)	3.3%

[1] before amortisation and exceptional costs
[2] disposal of the Accommodation Hire operation
[3] the EBITDA[1] and Operating profit[1] of the Accommodation Hire operation are the contribution before depreciation, amortisation and exceptional items and contribution before amortisation and exceptional items respectively and are stated before allocations and recharges

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 2011 are given in the Remuneration Report.

Company balance sheet
At 31 March 2011

	Note	2011 £m	2010 £m
ASSETS			
Non-current assets			
Investments	30	**94.5**	94.5
Deferred tax asset	35	**0.3**	0.2
		94.8	94.7
Current assets			
Trade and other receivables	31	**412.0**	353.7
Tax receivable		**–**	1.0
		412.0	354.7
Total assets		**506.8**	449.4
LIABILITIES			
Current liabilities			
Bank borrowings	34	**(6.6)**	(2.1)
Trade & other payables	32	**(150.1)**	(84.6)
Other financial liabilities	33	**(0.6)**	(3.2)
Income tax		**(0.2)**	–
		(157.5)	(89.9)
Non-current liabilities			
Borrowings	34	**(112.7)**	(131.1)
Total liabilities		**(270.2)**	(221.0)
Net assets		**236.6**	228.4
EQUITY			
Share capital	36	**25.9**	25.9
Share premium account		**190.2**	190.2
Merger reserve		**2.3**	8.6
Hedging reserve		**(0.9)**	(3.4)
Retained earnings		**19.1**	7.1
Total equity		**236.6**	228.4

The Company financial statements on pages 98 to 104 were approved by the Board of Directors on 17 May 2011 and were signed on its behalf by:

Steve Corcoran
Director

Justin Read
Director

Company registered number: 927680

Company cash flow statement
For the year ended 31 March 2011

	Note	2011 £m	2010 £m
Cash generated from operations	40	**16.2**	33.4
Interest received		**11.7**	13.3
Interest paid		**(10.6)**	(14.9)
Tax received		**(1.3)**	5.9
Net cash flow from operating activities		**16.0**	37.7
Cash flow from investing activities			
Acquisition of minority interest		**–**	(0.2)
		–	(0.2)
Net cash flow before financing activities		**16.0**	37.5
Cash flow from financing activities			
Repayment of bank loans		**(18.4)**	(135.1)
Proceeds from rights issue		**–**	105.5
Rights issue costs		**–**	(5.8)
Dividends paid		**(2.1)**	(4.3)
Net cash flow from financing activities		**(20.5)**	(39.7)
Decrease in cash		**(4.5)**	(2.2)
Cash at the start of the financial year		**(2.1)**	0.1
Cash at the end of the financial year		**(6.6)**	(2.1)

Analysis of cash		
Cash	**–**	–
Bank overdraft	**(6.6)**	(2.1)
	(6.6)	(2.1)

Financial statements

Company statement of changes in equity
For the year ended 31 March 2011

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Retained earnings £m	**Total equity £m**
At 31 March 2009	2.5	111.0	8.6	(6.0)	12.9	**129.0**
Profit for the financial year	–	–	–	–	1.5	**1.5**
Effective portion of change in fair value of cash flow hedges	–	–	–	2.6	–	**2.6**
Total comprehensive income for the year	–	–	–	2.6	1.5	**4.1**
Dividends	–	–	–	–	(4.3)	**(4.3)**
Equity settled share-based payments	–	–	–	–	(0.1)	**(0.1)**
Issue of ordinary shares	22.9	76.8	–	–	–	**99.7**
Employee Benefits Trust allotments	0.5	2.4	–	–	(2.9)	**–**
At 31 March 2010	25.9	190.2	8.6	(3.4)	7.1	**228.4**
Profit for the financial year	–	–	–	–	6.7	**6.7**
Effective portion of change in fair value of cash flow hedges	–	–	–	2.5	–	**2.5**
Tax on items taken directly to equity	–	–	–	–	0.2	**0.2**
Total comprehensive income for the year	–	–	–	2.5	6.9	**9.4**
Dividends	–	–	–	–	(2.1)	**(2.1)**
Equity settled share-based payments	–	–	–	–	0.9	**0.9**
Transfer to retained earnings*	–	–	(6.3)	–	6.3	**–**
At 31 March 2011	25.9	190.2	2.3	(0.9)	19.1	**236.6**

* Transfer to retained earnings relates to the known realised element of the merger reserve. The transfer is being made retrospectively in relation to the disposal of a business which occurred a number of years ago.

Notes to the Company financial statements

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 s408 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.

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	Other investments £m	Total £m
Cost			
At 31 March 2009	113.0	0.1	113.1
Additions	0.2	–	0.2
At 31 March 2010 and 31 March 2011	113.2	0.1	113.3
Provisions			
At 1 April 2009, 31 March 2010 and 31 March 2011	(18.8)	–	(18.8)
Net book value			
At 31 March 2011	**94.4**	**0.1**	**94.5**
At 31 March 2010	94.4	0.1	94.5
At 31 March 2009	94.2	0.1	94.3

Notes to the Company financial statements continued

30 Investments continued

Following the impairment testing performed in accordance with IAS 36 (see note 12), the Company's carrying value of investment in subsidiary undertakings has been reviewed and no impairment has been made (2010: £nil).

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 Centres (Northern) Limited	UK	Hire services	100%
Speedy Hire Centres (Southern) Limited	UK	Hire services	100%
Speedy Hire Centres (Western) Limited	UK	Hire services	100%
Speedy Hire Centres Limited	UK	Hire services	100%
Speedy Hire (Scotland) Limited	UK	Hire services	100%
Speedy Hire (Ireland) Limited	UK	Hire Services	100%
Speedy Hire (Ireland) Limited*	Republic of Ireland	Hire Services	100%
Waterford Hire Services Limited	Republic of Ireland	Hire services	100%
Speedy Hire Direct Limited*	UK	Hire services	100%
Speedy Lifting Limited	UK	Hire services	100%
Speedy LGH Limited	UK	Hire services	100%
Speedy Space Limited	UK	Hire services	100%
Speedy Power Limited	UK	Hire services	100%
Speedy LCH Generators Limited	UK	Hire services	100%
Speedy Pumps Limited	UK	Hire services	100%
Speedy Survey Limited	UK	Hire Services	100%
Speedy Engineering Services Limited	UK	Hire Services	100%
Speedy Support Services Limited	UK	Provision of group services	100%
Speedy Transport Limited	UK	Provision of group services	100%
Allen Investments Limited	UK	Property management	100%
Speedy Asset Leasing Limited	UK	Leasing services	100%
Speedy International Asset Services (Holdings) Limited	UK	Hire services	100%
Speedy International Asset Services Equipment Rental LLC**	UAE	Hire and associated services	49%
Speedy International Leasing Limited	UK	Leasing services	100%
Speedy International Asset Services	Oman	Hire services	70%
Speedy International Asset Services	Egypt	Hire services	100%

* Indirect holding via a 100% subsidiary undertaking.

** 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

	2011 £m	2010 £m
Amounts owed by Group undertakings	**409.5**	348.4
Other receivables	**2.5**	3.1
Prepayments and accrued income	**–**	2.2
	412.0	353.7

32 Trade and other payables

	2011 £m	2010 £m
Trade payables	**–**	0.4
Amounts owed to Group undertakings	**149.0**	81.5
Accruals	**1.1**	2.7
	150.1	84.6

33 Financial instruments

The Company financial instruments are stated in accordance with note 18.

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

	2011 Carrying amount £m	**2011 Fair value £m**	2010 Carrying amount £m	2010 Fair value £m
Trade and other receivables	**412.0**	**412.0**	351.5	351.5
Bank overdraft	**(6.6)**	**(6.6)**	(2.1)	(2.1)
Secured bank borrowings	**(112.7)**	**(112.7)**	(131.1)	(131.1)
Interest rate swaps, caps and collars, used for hedging	**(0.6)**	**(0.6)**	(3.2)	(3.2)
Trade and other payables	**(149.0)**	**(149.0)**	(81.9)	(81.9)
	(143.1)	**(143.1)**	(133.2)	(133.2)
Unrecognised gain/(loss)		**–**		–

34 Borrowings

	2011 £m	2010 £m
Current borrowings		
Bank overdraft	**6.6**	2.1
	6.6	2.1
Non-current borrowings		
Maturing between one and two years		
Revolving credit facility	**112.7**	–
Maturing between two and five years		
Term loan	**–**	69.5
Revolving credit facility	**–**	61.6
Total non-current borrowings	**112.7**	131.1
Total borrowings	**119.3**	133.2
Less: cash at bank and in hand	**–**	–
Net debt	**119.3**	133.2

The Company borrowings are stated in accordance with note 19.

Both the overdraft and syndicated loan 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	Total £m
At 1 April 2009	(0.1)
Recognised in income	(0.1)
At 31 March 2010	(0.2)
Recognised in income	0.1
Recognised in equity	(0.2)
At 31 March 2011	**(0.3)**

36 Share capital and share incentives

The Company share capital and share incentives are stated in accordance with note 22 and 23.

37 Contingent liabilities and commitments

The Company contingent liabilities and commitments are stated in accordance with note 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

	2011 £m	2010 £m
Cash flow from operating activities		
Profit/(loss) before tax	**6.5**	(2.3)
Financial income	**(11.7)**	(13.3)
Financial expense	**10.6**	14.8
Increase in trade and other receivables	**(58.3)**	(31.1)
Increase in trade and other payables	**68.2**	65.4
Equity-settled share-based payments	**0.9**	(0.1)
	16.2	33.4

Five-year summary

	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Income statement					
Revenue	**354.2**	351.1	482.7	465.9	336.0
Gross profit	**217.3**	208.4	288.0	298.4	216.8
Analysis of operating (loss)/profit					
Operating profit before amortisation and exceptional costs	**8.3**	8.0	49.2	64.0	50.0
Amortisation	**(5.5)**	(5.5)	(9.2)	(7.2)	(4.1)
Exceptional costs	**(19.3)**	(11.1)	(90.7)	(10.0)	–
Operating (loss)/profit	**(16.5)**	(8.6)	(50.7)	46.8	45.9
Net financial expense	**(9.0)**	(14.2)	(15.8)	(15.9)	(9.5)
Net financial expense – exceptional	**(1.5)**	–	(4.6)	(0.4)	–
Total net financial expense	**(10.5)**	(14.2)	(20.4)	(16.3)	(9.5)
(Loss)/profit before taxation	**(27.0)**	(22.8)	(71.1)	30.5	36.4
Non-GAAP performance measures					
EBITDA before exceptional items	**63.4**	68.2	125.1	131.6	100.3
Adjusted profit before tax, exceptional costs and amortisation	**(0.7)**	(6.2)	33.4	48.1	40.5
Balance sheet					
Hire equipment – original cost	**363.3**	471.2	514.3	571.7	438.3
Hire equipment – net book value	**185.7**	246.9	283.4	336.1	270.4
Total equity	**229.4**	246.6	167.5	240.1	171.1
Cash flow					
Cash flow generated from operations[3]	**49.7**	62.9	98.1	159.7	148.4
Free cash flow	**7.4**	33.7	31.4	13.3	(4.5)
Purchase of hire equipment	**41.8**	33.6	58.6	85.9	82.3
Profit/(loss) on disposal of hire equipment[1]	**5.0**	2.7	6.0	9.7	7.0
In pence					
Dividend per share[2] (UK GAAP)	**0.4**	0.4	3.5	5.4	4.6
Adjusted earnings per share[1,2]	**(0.0)**	(1.4)	13.0	19.9	17.6
Net assets per share	**0.4**	0.5	0.9	1.3	1.0
In percent					
Gearing	**49.7**	48.4	148.3	106.5	103.0
Return on capital (operating)[1]	**2.3**	2.0	10.9	15.2	16.9
EBITDA margin[1]	**17.9**	19.4	25.9	28.2	29.9
In ratios					
Net debt/EBITDA[1]	**1.8**	1.7	2.0	1.9	1.8
Net debt/Net tangible fixed assets	**0.5**	0.4	0.8	0.7	0.6
In numbers					
Employee numbers	**4,124**	4,267	5,109	4,692	3,573
Depot numbers	**327**	324	399	488	357

[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 Wednesday 13 July 2011 at 11.00am at Mere Court Hotel and Conference Centre, Warrington Road, Mere, Knutsford, Cheshire, WA16 0RW.

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 Justin Read 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 its own shares, and resolutions to amend the articles of association.

Share price information/performance

The latest share price is available at **www.speedyhire.plc.uk**. By selecting 'Our Shares' 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 from a BT landline, other providers' costs may vary. 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 writing to our registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. 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. For further details of the shareholder services offered by our registrars, visit **www.shareview.co.uk**.

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 is 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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Telephone 01942 720000
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Email plc.admin@speedyhire.com
www.speedyhire.plc.uk

Registered office and advisers

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Registered number: 927680

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Suzana Koncarevic

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EC4N 7AR

Stockbrokers
Evolution Securities Limited
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EC2V 7AN

Legal advisers
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Spinningfields
Manchester
M3 3AP

The Royal Bank Of Scotland PLC
Corporate Banking
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Manchester
M3 3AP

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EC1A 7NN

Public relations – trade
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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

2011

Business in the Community – CR Index – Silver ranking

Business in the Community – 'Big Tick Award' for Responsible Supply Chain

Hire Association Europe – Excellence in Training – Winner

Hire Association Europe – Hire Achiever of the Year – Highly commended

RoSPA (Health and Safety) – Silver Achievement Award

2010

Hire Association Europe – Environmental Initiative – Winner

Hire Association Europe – Excellence in Training – High commended

The Environment and Energy Awards – The Environment Product/Service Award – Highly commended

Environment & 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 & Engineer Awards – Energy Efficient Project of the Year

Builder & 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 – Re-accreditation of 'Big Tick Award' for Responsible Marketing

Business in the Community – CR Index – Silver ranking

Accreditations and memberships

ISO Accreditations

ISO 9001
Speedy Asset Services Limited†
Speedy Engineering Services Limited

ISO 14001
Speedy Asset Services Limited*
Speedy Engineering Services Limited

ISO 18001
Speedy Asset Services Limited*
Speedy Engineering Services Limited

ISO 17020
Speedy Asset Services Limited*

Industry supplier accreditations

Achilles Link-up – rail supplier qualification and verification scheme

Achilles UVDB – utilities pre-qualification scheme

Achilles Building Confidence – construction pre-qualification scheme

Constructionline – UK register of pre-qualified construction services

CHAS – The Contractors Health and Safety Scheme

SAFEcontractor – the contractor accreditation scheme for business

SafeHire – HAE Hire and Rental certification scheme

* Partial accreditation only.
† All UK locations accredited.

Professional body and trade association memberships

HAE: Hire Association of Europe

PASMA: Prefabricated Access Suppliers and Manufacturers Association

LEEA: Lifting Equipment Engineers Association

OPERC: Off-Highway Plant and Equipment Research Centre

ERA: European Rental Association

BSC: British Safety Council (International Asset Services)

CBI: Confederation of British Industry (Steve Corcoran member of Construction Council)

FTSE4Good

BITC: Business in the Community

CPA: Contractors Plant Association

British Water Authority

Federation of Communication Services

MPBA: Modular and Portable Building Association

RoSPA: The Royal Society for the Prevention of Accidents

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Printing and paper: this report has been printed in the UK by The Colourhouse. Our printers are accredited with the ISO14001 and hold full FSC chain of custody, they are also carbon neutral. All inks used are vegetable-based. The paper used is Heaven 42 which is fully recyclable and biodegradable and is an FSC mixed sources accredited material, using an Elemental Chlorine Free (ECF) process and partly bleached using a Totally Chlorine Free (TCF) process.

If you have finished reading this report and no longer wish to retain it, please pass it on to other interested readers, return it to Speedy Hire Plc or recycle it. Thank you.

This annual report is available at **www.speedyhire.plc.uk**

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Speedy Hire Plc Annual Report and Accounts 2011

Speedy

www.speedyhire.plc.uk