Sustainable growth

Speedy Hire Plc
Annual Report and Accounts 2021

Speedy
trust us to deliver

Speedy is the UK's leading provider of tools and equipment hire, and services to the construction, infrastructure and industrial markets.

Our hire and services business operates from 200 locations in the UK and Ireland.

We also operate internationally through a joint venture in Kazakhstan.

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OUR VISION

Trusted to be the best company in our sector to do business with and the best to work for.

OUR MISSION

To provide safe, reliable products and services to enable successful delivery of customer projects.

OUR VALUES

'Safe' the first priority in everything we do

'As One' working together to collectively achieve our goals

'Innovative' to continuously improve

'Driven' to deliver a first class customer experience

COMPANY FACTS

3,843
total employees (3,806 FTE)

c.2,250
hire product lines and approximately 300,000 itemised assets for hire

c.23%
of our hire fleet are ECO products providing a range of environmental benefits

40,000
consumable products in our extensive range

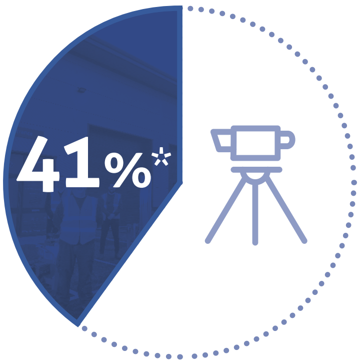
c.50,000
customers in the UK and Ireland, ranging from large national contractors to local trades

Customer satisfaction
we have high levels of customer advocacy with a 92% customer satisfaction score*

*Based on average monthly responses to customer surveys

What we do

Services



Hire

Our services revenues fall into the following categories:

Rehire
We provide a single hire destination service for customers, offering a complete plant, accommodation and equipment range through our partnerships with the industry's leading suppliers.

Testing, inspection and certification
Through our Lloyds British business we ensure our customers remain compliant by providing testing, inspection and certification services for a broad range of market sectors.

Powered access specialist servicing and refurbishment
Through our national Speedy Powered Access division, we provide specialist servicing and refurbishment services for powered access equipment.

Retail sales
We offer c.40,000 consumable products in our extensive range both through a centrally managed procurement team, and at a local level through our network of Speedy Service Centres and within certain B&Q stores.

Fuel Management
Speedy is the only UK plant hire company with its own fully integrated fuel division, providing a competitive fuel supply service. This includes low emission Green D+ HVO (Hydrotreated Vegetable Oil) fuel through a fully managed service, including products that can help customers reduce consumption, minimise deliveries and reduce overall costs.

Training
We provide apprenticeships, NVQs, professional skills and safety training along with other progressive end-to-end training courses.

We hire approximately 2,250 products through our core tools and specialist businesses, which include lifting, survey, power, rail and powered access.

Tools
The latest hand tools and accessories including our extensive range of environmental next generation 'Energise' approved ECO products.

Lifting
A broad range of equipment for any lifting requirements, including hoists, winches, hydraulic cylinders and jacks supported by our Lloyds British business.

Survey
The most technologically advanced and accurate instruments from leading manufacturers in the industry, all fully maintained and calibrated by expert teams at our approved service centres.

Power
An industry leading fleet of the latest energy efficient hybrid and solar generators, compressors and pumps for every size of project, alongside our fuel management service.

Rail
RISQS accredited, providing a range of industry compliant assets that are supported by a project management service.

Powered access
The newly formed 'Speedy Powered Access' division provides an industry leading range of equipment including sustainable hybrid boom lifts, specialist platforms and cherry pickers.

*Approximate Group revenue

Our network

Image:
During FY2021 we opened new Regional Service Centres as part of our network upgrade programme

Our aim is to make it easy for customers to do business with us, through providing a choice of different contact options to suit their needs:

Speedy Direct
Through our central call centre in the North West, with dedicated desks for our major customers

Regional Hubs
Our regional call centres are located throughout the country, with dedicated staff servicing our regional customer base

B&Q outlets
Through a growing number of B&Q stores across the UK

Service Centre Network
Through 200 operational centres across the UK and Ireland

Customer Relationship Centre
Through our central hub in South Wales, dedicated to servicing our SME customers

Online
Through our website and mobile app

Where we operate

INFRASTRUCTURE

- New Build Highways, Rail, Energy, Harbours and Airports
- Frameworks in Water and Sewerage (AMP7), Roads (Highways England), Rail (CP6) and Communications

RESIDENTIAL CONSTRUCTION

- New Build Housing

COMMERCIAL CONSTRUCTION

- New Build Offices and Retail Shopping Centres

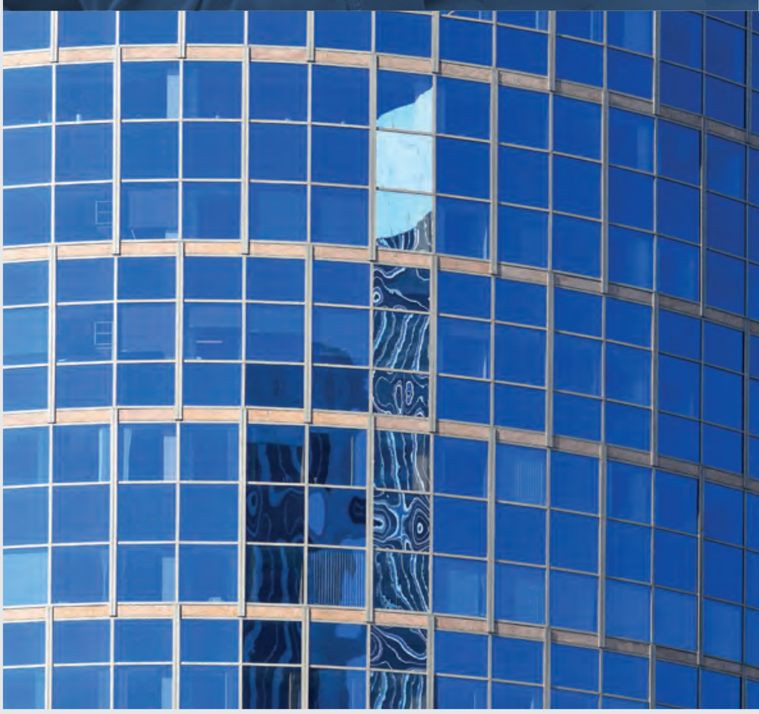
OTHER CONSTRUCTION

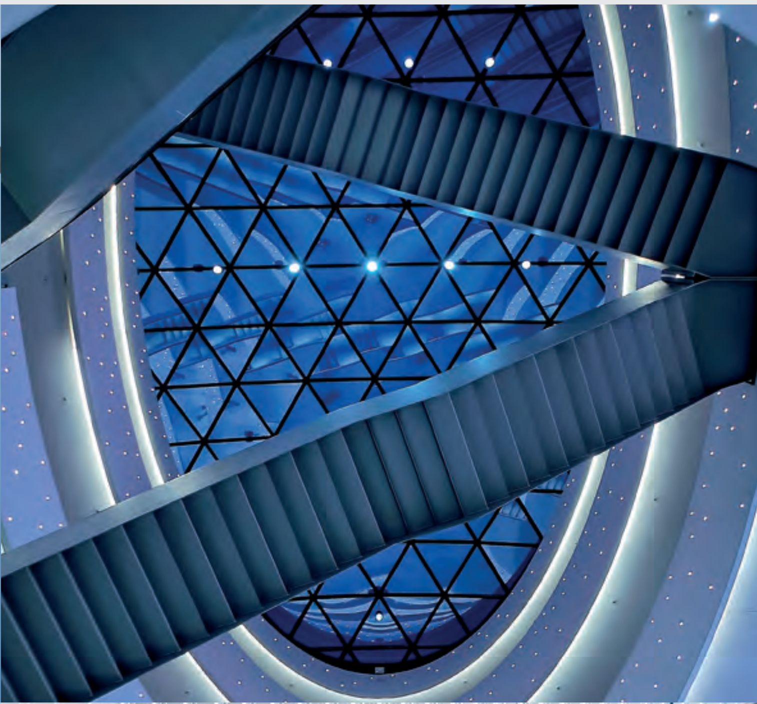
- New Build Education, Health, Warehouses, Leisure and Entertainment, Libraries and Prisons

RMI AND SUPPORT SERVICES*

- Building and Asset Maintenance
- Facilities Management, Building Maintenance, Manufacturing, Production, Industrial Services, Environmental Services, Engineering Services, Defence and Media

*Repair Maintenance Improvement (housing and construction)








Our customer value proposition

PROVIDING A FIRST CLASS CUSTOMER EXPERIENCE IS CORE TO OUR SERVICE OFFERING

We offer customers a single destination to access the most innovative, safe, sustainable and compliant tools and equipment to hire or buy. In addition we have the ability to test and inspect products to maintain compliance, and provide expert training.

As a result, we protect customers against commercial risk, enable the successful delivery of their projects and ensure their people are operating safely on-site.

Hire

We make life easy for our customers with the industry's leading hire product range and nationwide delivery options, ensuring we can support them with all their project needs, wherever they are working.

- 2,250 product lines, including the latest in sustainable ECO tools and equipment
- Specialist plant and equipment hire
- Available from our retail network across the UK and certain B&Q stores
- Four-hour nationwide delivery on 350 of our most popular products

Buy

We provide our customers with quality retail products, tools and accessories from market leading brands.

- c.40,000 products in our extensive range
- 450 essential hire accessories held nationally
- Available from our retail network across the UK and certain B&Q stores
- Central distribution function for bulk orders

Train

We provide a wide range of training programmes ensuring our customers are confident their people are working effectively and safely.

- More than 30 audited training locations across the UK
- Flexible delivery for on-site, off-site and remote learning
- Bespoke vocational and short-course training design and development
- More than 200 off the shelf accredited and certified courses

Test

We ensure equipment remains safe to use and is legally compliant through the provision of testing, inspection and certification services by Lloyds British.

- Testing and inspection including structural and proof load
- Height safety testing, certification and installation
- Examination of equipment covering LOLER, PSSR, COSHH, PUWER
- Crane services including installation, repairs and breakdown

Why invest in Speedy

WE ARE A MARKET LEADING HIRE AND SERVICES COMPANY

We have a clear customer focused growth strategy underpinned by an ambitious award winning Environment, Social, Governance (ESG) programme that drives innovation and sustainability in our sector.

We supply large national customers, including 86 of the UK's top 100 contractors, as well as local trades and industries.

Strong balance sheet

We have a strong balance sheet and significant banking facility headroom, with which to grow the business organically and through value enhancing acquisitions

UK Infrastructure sector

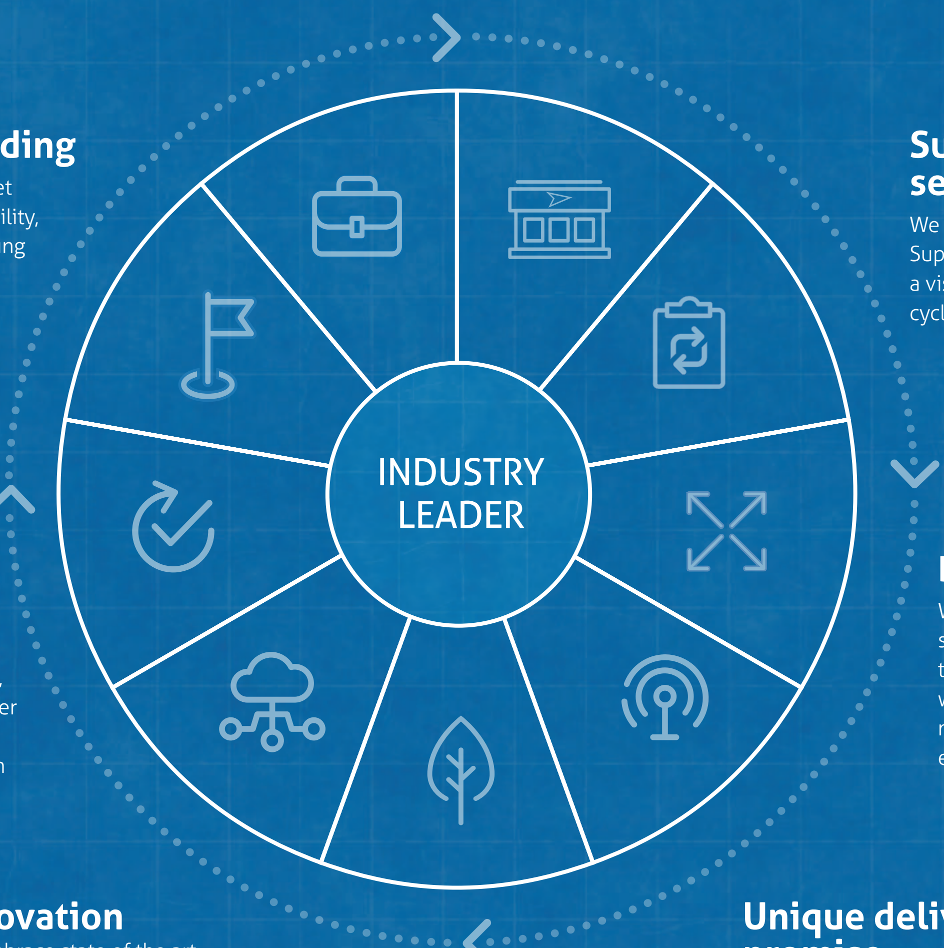
We have significant exposure to the UK Infrastructure sector that the UK government is increasingly committed to supporting following Brexit and the COVID-19 pandemic

Industry leading

We are improving asset utilisation and availability, fundamental to ensuring that we provide great customer service

Support services

We operate in RMI* and Support Services that create a visible, resilient, less cyclical revenue stream



Customer satisfaction

We have high levels of customer advocacy, with a 92%** customer satisfaction score, and an 'Excellent' rating on Trustpilot

Diversification

We aim to grow our services businesses; this diversification will result in us being more resilient to economic downturn

Innovation

We embrace state of the art technology through digital and product innovation, actively working with our suppliers through 'Energise' to deliver award winning, sustainable solutions for customers

ESG Programme

Our ESG programme 'Energise' drives our commitment to keeping our people and customers safe, reducing our impact on the environment, supporting our employees and local communities and operating as an industry leading sustainable company

Unique delivery promise

We provide a unique industry leading national four-hour delivery promise on our 350 most popular products

*Repair Maintenance Improvement (housing and construction)
**Based on average monthly responses to customer surveys

Energise, working together as a responsible business

Responsibility and sustainability have always been at the heart of everything we do at Speedy.

We are refining our approach to sustainability, through our environmental, social and governance (ESG) programme, and how we connect with our people, customers and suppliers, to build a sustainable future.

Aligned with the UN's Sustainable Development Goals (SDGs), our ESG programme 'Energise' represents our ongoing commitment to:

- operating as a responsible business.
- operating as an industry leading sustainable company, by focusing on safety, clear governance and building on our strong track record of product innovation.
- reducing carbon, driving efficiencies, and helping our customers achieve their environmental aspirations and targets.
- our people and local communities, from looking after their wellbeing and improving diversity and gender equality in our business, to supporting charity and community projects across the UK and Ireland.

Energise brings the three core pillars of environmental impact, social responsibility and governance together. It underpins our mission to provide safe, reliable equipment and services to enable the successful delivery of customer projects, and our vision of being trusted as the best company in our sector to do business with and the best to work for.

It's an ambitious ten-year plan with individual key performance indicators (KPIs) that will track our progress, highlight our successes and the need for improvements, and map out our journey for the future.

By harnessing the power of our culture – our Speedy Spirit – Energise is inspiring our people, customers and suppliers to build a more sustainable future. It is enhancing our reputation in our sector as a market leading responsible business.

ENERGISE
Working together as a responsible business

During FY2021 Speedy was the first hire provider to launch a new line of high-performance battery powered lighting towers, the first of their type in the UK, which helps customers to reduce on-site emissions and make significant savings in fuel costs.

During FY2021 Speedy invested over £10m in sustainable products across categories including Lighting, Power, Fuel and Powered Access.

Chairman's Statement

David Shearer
Chairman

I am pleased with these results which demonstrate a strong performance in the second half of the year following the challenges in the first half dealing with the impact of the pandemic.

The Group has adapted well this year continuing to support customers and colleagues in what have been very challenging conditions. We close the year with both revenue and asset utilisation ahead of the corresponding period in 2019 and positioned strongly in both financial and operational terms to meet the needs of our customers as we move into a post COVID world.

COVID-19

The Group managed its cost base and cash resources throughout the COVID-19 pandemic, reducing staff costs through the use of Government support schemes. We froze all capital expenditure unless specifically needed to meet customer requirements and managed working capital tightly. As customers returned to work we resumed our capital expenditure to meet increasing customer demand, taking the opportunity to make significant investments in new sustainable hybrid and electric equipment. We initially closed two thirds of our network in April 2020, by September the network was operating once again at full capacity following a review of our depot footprint. This resulted in the permanent closure of 13 depots and the consolidation of a further 22 depots into larger scale units to meet our customer requirements.

Results

Group revenue, excluding disposals, fell to £359.4m (2020: £402.5m). Whilst revenue declined in the first half of the year, it recovered strongly in the second half as customers returned to work. We have secured new work and contract renewals from larger customers and are growing revenue in the SME market. We are trialling outlets in B&Q stores around the UK with the objective of increasing our exposure to the B2C market.

The Group sold its Middle East assets to our major customer ADNOC Logistics and Services LLC (ADNOC), for a consideration of $18m in March 2021, after successfully turning round that business over the last few years during which time it has been a positive contributor to Group profits. On conclusion of a Transitional Services Agreement (TSA) with ADNOC the Group's operations in the Middle East will be terminated. The Group continues to operate internationally through the Kazakhstan JV.

Our net debt position remains historically low with significant headroom against our committed banking facilities. The strength of our balance sheet and available financial resources will allow us to invest to meet increasing demand and capitalise on growth opportunities as activity levels continue to recover.

Dividend

As a result of the COVID-19 pandemic the Group utilised Government support schemes and implemented cost reduction measures across the business that affected colleagues and other stakeholders. As a consequence the Board resolved not to pay a final dividend for FY2020 nor an interim dividend for FY2021. Following the strong performance in the second half of the year and the robust balance sheet, the Board is recommending a final dividend of 1.40 pence per share for the year ended 31 March 2021. If approved at the forthcoming Annual General Meeting the dividend will be paid on 24 September 2021 to shareholders on the register at close of business on 13 August 2021.

Board and people

During the course of the last year we have made a number of changes to the Board which have enhanced its diversity, broadened its skill base and improved the average tenure of the Board to manage future succession.

Chris Morgan resigned from the Board on 31 July 2020 and we welcomed James Bunn as Chief Financial Officer with effect from 14 September 2020. James has extensive experience in senior finance positions with a particular focus on digital business.

Bob Contreras stepped down from the Board on 17 February 2021, to allow him to exclusively pursue his full-time executive role. On behalf of the Board I would like to express my thanks to both Chris and Bob for their contributions over the last few years and wish them every success in the future.

Shatish Dasani was appointed as a Non-Executive Director and Chairman of the Audit & Risk Committee and a member of the Nomination Committee on 1 February 2021. Shatish has significant experience in senior public company finance roles and will add to the Board's skill set as we implement the next stage of our growth strategy.

Carol Kavanagh will join the Board as a Non-Executive Director and member of the Remuneration Committee with effect from 1 June 2021. Carol has extensive experience in business transformation and people related matters across relevant sectors which will further strengthen the expertise of the Board and broaden its diversity. I am delighted to welcome both Shatish and Carol to the Board.

This year has proved challenging for all of my colleagues, including many who were on furlough leave for a period. I would like to take this opportunity to thank each and every one of the Speedy family for their hard work, dedication, support to the business and each other, and positive spirit throughout this challenging time.

Future

I am pleased that the business has responded well to the challenges of the past year. Through strong leadership, effective management, dedication and resilience the business is able to move forward from a position of strength to take advantage of opportunities as the UK emerges from the pandemic and markets continue to recover.

David Shearer
Chairman

COVID-19: Supporting colleagues and customers through the pandemic

Throughout the COVID-19 pandemic, our first priority was to keep our people and customers safe. We adapted our business to safely support our people, customers and Government frontline services such as the NHS, MOD and emergency services.

In March 2020 we took decisive action to manage the changing situation, embedding new technology to enable colleagues to work from home, and adapting our operational network to continue to support our customers and frontline services.

We initially closed two thirds of our depots, and furloughed up to 50% of staff in order to protect jobs following a significant reduction in customer demand. With all of our retail areas closed, we quickly rolled out our 'call, click, collect' service to enable customers to order online or by phone for delivery or controlled collection from our depot forecourts at pre-arranged time slots. Following updated Government guidelines we began to safely re-open our depot network in June 2020.

During the pandemic we mobilised our teams to source new products essential to supporting our customers, including emergency PPE and safety equipment for our customers to make their sites safe, often stepping in where the customers' regular supplier was unable to assist.

We also supported the mobilisation of Nightingale Hospitals around the UK.

We implemented a robust wellbeing programme specifically designed to support our colleagues through the pandemic. This included weekly Chief Executive communications to ensure all colleagues, working and furloughed, were engaged and up to date on how Speedy were managing through the pandemic. Managers across the business also made regular telephone calls to every furloughed colleague to check in with them and offer support.

Demonstrating our colleagues renowned 'Speedy Spirit', we began to receive spontaneous inspiring stories of how they and their families were supporting their customers and communities during the height of the pandemic. To celebrate this we launched our 'Pride of Speedy' campaign to recognise those who were going above and beyond to support the national effort during this most challenging period.

We were acutely aware of the impact the pandemic could have on the mental health of our colleagues. To support them, we ensured they had access to our range of employee support services, including our 50+ strong Mental Health First Aid volunteers who are trained to support colleagues at any time of crisis, and who we are immensely proud of. In January 2021 we conducted a wellbeing survey with resounding feedback from colleagues saying that the measures we had taken had made them feel safe and supported throughout the pandemic.

By 30 September 2020, no colleagues remained on furlough, and our network was fully operational, supporting customers and government frontline services.

We adapted our business to safely support our people, customers and Government frontline services such as the NHS, MOD and emergency services.

"The resilient performance of our business during this unprecedented period is testament to the dedication and hard work of all my colleagues, the strength of our model, and strong operational delivery"

Russell Down
Chief Executive

Chief Executive's Review

Russell Down
Chief Executive

I am pleased to report results that are ahead of our expectations in what has been an exceptionally challenging year for customers and colleagues alike. These results are testament to the hard work of all our colleagues in supporting us throughout this period whilst maintaining excellent service levels to our customers.

The Group continued to serve customers through the pandemic supporting the NHS and other essential services whilst prioritising the safety and wellbeing of all stakeholders. In April 2020 up to 50% of staff were placed on furlough leave and, whilst we maintained our national coverage, 66% of our depots were initially closed. Following a detailed operational review of trading during the first lockdown, 13 depots were permanently closed and a further 22 depots are being consolidated into six larger improved locations. No colleagues were on furlough beyond 30 September, although c.200 roles were regrettably made redundant during the year.

Our revenues declined initially, falling by 35% in April 2020, but recovered strongly following the first lockdown as existing customers returned to work and we secured work from new customers. In the fourth quarter UK and Ireland core hire revenue was 4% ahead of the prior year. In April and May 2021 core hire revenue was c.2% higher than the comparative period in 2019. The young age profile of the Group's hire fleet allowed us to significantly reduce capital expenditure in the first half year; asset utilisation for the second half year increased to 58.8% (2020: 55.9%).

Infrastructure spending has grown and prospects are strong, particularly on major projects including HS2; our investment in equipment and new colleagues in the rail sector resulted in revenues growing significantly. Our SME revenue has continued to grow, up 10% on the prior year in the second half.

We have entered into a trial with B&Q to grow this segment further and are currently trading out of 16 B&Q stores with significant opportunities for growth. Revenue from regional customers has declined slightly, primarily due to pricing pressure in this competitive segment.

The Group sold its Middle East equipment fleet, stock and other fixed assets to its principal customer, ADNOC, on 1 March 2021 for $18m. Outstanding trade receivables of c.$12m were paid in full on 31 March 2021. The Group entered into a Transitional Services Agreement (TSA) with ADNOC, which will expire on 30 June 2021, to support the transfer of the assets, during which time it is anticipated that the Group's c.600 UAE-based employees' contracts will be terminated and all colleagues offered re-employment by ADNOC. The successful exit from the Middle East operations is an important strategic step for the Group leaving us well positioned to take advantage of the market opportunities in the UK and Ireland as activity levels continue to improve.

Financing and liquidity

Our business model provided strong cash generation and improved liquidity during the pandemic; operating cash flow of £72.9m was 13.0% ahead of prior year (2020: £64.5m). Net debt, excluding lease liabilities, as at 31 March 2021 reduced to £33.2m (2020: £79.3m), following the sale of our operations in the Middle East and excellent cash collections. The Group has significant headroom against its committed banking facilities totalling £180m; leverage at 31 March 2021 was 0.5 times.

Results

Group revenue fell by 10.6% to £363.6m (2020: £406.7m) reflecting the impact of the first lockdown in April and May 2020 and the recovery in activity levels thereafter. Group revenues, excluding disposals, fell by 10.7% to £359.4m (2020: £402.5m).

In the UK and Ireland core hire revenue fell by 11.0%, with first half revenues down 20.5%. In the second half core hire revenue was broadly flat. Services revenue fell by 10.2% reflecting a strong performance from our rehire business offset by lower training revenue due to COVID-19 restrictions.

Gross margin decreased to 53.0% (2020: 55.1%), primarily as a result of lower core hire revenues in the first half year and services mix. Overheads remained tightly controlled reducing in the year as a result of lower activity levels and Government support. EBITA decreased by 35.0% to £25.4m (2020: £39.1m). EBITDA decreased by 15.7% to £90.5m (2020: £107.4m).

There were £7.6m of net exceptional expenses incurred during the year (2020: £12.9m) principally in relation to the depot realignment programme and costs associated with Geason Training.

Adjusted profit before tax decreased to £20.7m (2019: £34.9m). Adjusted earnings per share decreased to 3.22 pence (2020: 5.54 pence).

The Group has a 45% share in a joint venture in Kazakhstan serving the oil and gas market. Share of profits fell to £1.2m (2020: £2.8m) reflecting reduced activity levels in the year due to COVID-19.

The net book value of the Group's hire fleet decreased to £207.2m (2020: £227.1m). The reduction in the size of the fleet reflects the disposal of the Middle East equipment in March 2021 and lower capital expenditure in the first half year. The average fleet age remains low, increasing slightly to 3.6 years (2020: 3.4 years). Asset utilisation in the second half in the UK and Ireland was 58.8% (2020: 55.9%), reflecting continued use of artificial intelligence to manage stocking levels and lower capital expenditure in the first half year. The Group will continue to invest in sustainable products in line with its strategy to reduce the carbon output of the hire fleet through investment in solar, hybrid, electric and hydrogen technology.

Dividend

The Board is committed to a progressive dividend policy with a pay-out ratio of between 33% and 50% of underlying profit after tax.

The Group utilised Government support during the first half year including use of the Coronavirus Job Retention Scheme and the deferral of tax payments and has benefitted from rates relief. In addition, substantial cost reduction measures were implemented during the first half which affected colleagues, landlords and other stakeholders. The Group has no intention of further utilising Government COVID-19 support schemes, no staff were on furlough post 30 September 2020, and all tax deferrals were paid by 30 September 2020. Nevertheless the Board resolved not to pay a final dividend for FY2020 or an interim dividend for FY2021.

The Board is pleased with the recovery of the business post the initial lockdown and has therefore recommended a final dividend of 1.40 pence per share for the year ended 31 March 2021.

Strategy and operational review

Our vision is to be the best company in our sector to do business with and the best to work for. We have continued to win new customers and renew contracts with our existing customers over the past year which is testament to the excellent customer service we provide. We are constantly striving to improve the customer journey and further differentiate our service offering. We are actively listening and communicating with our people and enhancing the employee value proposition in order to attract and retain the best talent.

UK and Ireland

We serve approximately 50,000 customers in the UK and Ireland, including 86 of the UK's 100 largest contractors. Our customers include major infrastructure contractors, housebuilders, industrials and SMEs. More recently we have entered the B2C market through our partnership with B&Q where we are currently trading through 16 stores across the UK. During the year we have extended our contracts with Murphy, Osborne and Balfour Beatty, and won a number of significant new contracts including with Network Plus and MWH. We have also further grown our SME revenues by over 20% in the fourth quarter compared with the same period last year through continued growth in our Customer Relationship Centre (CRC) in South Wales. We have restructured our sales teams and their ways of working to better address customers' needs following the pandemic.

Our customers' key priority is the prompt availability of products for hire. We offer an industry leading unique four-hour delivery service on our most popular products, 'Capital Commitment'. This four-hour promise was originally launched within the M25 in November 2018, has subsequently been extended nationally and now covers our 350 most popular products. The success of Capital Commitment reflects our customer service culture, and the investment we have made in equipment, systems and processes. We will continue to evolve this service promise to ensure that we remain the best company in our sector to do business with.

Services revenues are less capital intensive, have greater visibility and are more recurring in nature than hire revenues. As a result, they are ROCE enhancing for the Group. Our Services categories consist of: rehire; training; testing, inspection and certification; product and consumable sales; and fuel management services. Services revenue has been less affected by the pandemic than our hire business primarily due to an increase in rehire of accommodation and consumable sales including of PPE. Geason Training has performed below expectations during the year due to lower than expected learner enrolments as a result of the pandemic. During the year we resolved the claim from the funding agency and implemented a number of management changes. We are reviewing further initiatives to improve the Group's financial position.

We have extended the use of artificial intelligence to optimise our asset holdings and now produce a dynamic forecast which is updated monthly. Optimal stocking levels are set to ensure we have the right assets, at the right locations, at the right time to satisfy customer demand in the most efficient way. Utilisation rates have consequently increased to record levels with specialist products yet to be added into the system. Our aim is to optimise all elements of the operational support process through data led intelligence.

During the year significant improvements were made to the digital customer journey including more accurate allocation of orders to locations, better online pricing capability, Hand Arm Vibration (HAV) product selector enhancements, online inspection, and the ability to place digital orders for collection from our B&Q locations (including at weekends). We also launched a new cross platform App which makes development quicker and provides a single code base to maintain. Functionality available on the App now includes a mini "MySpeedy" customer dashboard, the ability to view and download invoices, and pay through the App, off hire by scanning the barcode on the asset, and delivery and collection tracking capability.

We anticipate further increases in digital take up following the implementation of automated on-boarding for pay as you go customers (primarily SME and B2C customers) and order approval workflow for customers requiring transaction approvals (regional and major customers).

Our online capability is supported by an omni-channel approach to servicing customers. During the year we completed the rollout of VOIP telephony across our network which provides additional customer facing capability.

ESG

We are committed to reaching net zero emissions before 2050 and during the current financial year will set science-based targets to provide a clearly defined pathway on how we will achieve this.

Our Energise programme, which was launched in October 2019, encompasses our objectives to reduce environmental impacts, improve social responsibility and operate robust governance programmes. A new ESG Director, and an Innovation Director were appointed in April 2021, both of whom are working alongside our HR Director who joined in October 2020 to progress our ESG strategy.

Our principal objective is to reduce the carbon output of our hire and vehicle fleet through the use of solar, hybrid, electric and hydrogen technology. We are working with equipment manufacturers to increase the volume of sustainable products within our hire fleet with this year's capital expenditure budget being weighted towards such products; sustainable products already generate more than 25% of our revenue. Our company car list now consists almost entirely of hybrid and electric vehicles and we are working closely with commercial vehicle manufacturers to introduce hybrid and electric vehicles as soon as practicable. We are already operating a number of electric delivery vehicles on a trial basis including two converted electric London taxis. The carbon output of our equipment fleet is affected by the use of fossil fuels. We are working closely with customers and suppliers to trial the use of hydrogenated vegetable oil (HVO) within our products as a substitute for diesel. Initial trials have shown carbon output to be reduced by up to 90% from the use of HVO and hence we are working with customers to further roll out this product within our network.

We are progressing the people agenda with a focus on wellbeing as well as prioritising equality, diversity and inclusion within the workplace. A significant investment is planned this financial year on graduates and apprentices and we are proud to have joined the 5% club; working towards having 5% of our employees on earn and learn programmes within 5 years.

People

The Group's headcount at 31 March 2021 was 3,843 (2020: 4,065). In the UK and Ireland underlying headcount reduced to 3,253 following c.200 redundancies in the first half year resulting from the operational review undertaken during the first lockdown (2020: 3,464); in addition a further 50 colleagues joined our B&Q instore offering during the year. Modest increases in colleague numbers are expected during the current year as revenue growth continues. The Middle East headcount at 31 March 2021 was 540; it is anticipated that all colleagues will be transferred to ADNOC by the conclusion of the TSA period on 30 June 2021.

We undertook a full survey of all colleagues in March and April 2021. I am pleased to report that once again our response rate (74%) and engagement scores (77%) were strong. Detailed action plans to address the results of the survey are being prepared and will be communicated to colleagues during May.

Our web and App based communications tool, 'The Hub', was introduced following previous surveys and has proved invaluable for communicating with staff during the pandemic. Regional employee forums have been held during the year, with the Chairpersons meeting me and the HR Director in order to address any matters raised.

The Board is committed to ensuring there is regular communication with, and support for colleagues who are participating in the long-term success of the business. I would like to take this opportunity to thank all my colleagues for their ongoing support and dedication during this most challenging of years.

Summary and outlook

I am pleased to report results that are ahead of our expectations in what has been an exceptionally challenging year for customers and colleagues alike. The resilient performance of our business during this unprecedented period is testament to the strength of our model, hard work of all my colleagues and strong operational delivery. Our excellent customer service, including our four-hour commitment, has facilitated a strong recovery in the second half.

We have had an encouraging start to FY2022 with revenue in April and May c.2% ahead of the equivalent period in 2019. Our strong balance sheet and the actions we have taken to develop our digital and ESG offerings give us confidence for the future.

Russell Down
Chief Executive

FY2021 Recognition and achievements

DVSA HS2 accreditation
First UK company to be awarded, recognising our commitment to sustainability in delivering major logistics operations

HAE Hire Awards of Excellence
Best Sustainability and CSR Initiative for the 2nd year running

Network Rail
Route to Gold

RoSPA
Gold Award for Occupational Health and Safety for the 6th year running

Fleet Operators Recognition Scheme (FORS)
Gold Status for the 5th consecutive year

Shortlisted at the UK Fleet Champions Awards
in the 'Company Driver Safety Award' category

Shortlisted for the Operational Excellence Award
at the 2020 Motor Transport Awards

Achieved an 'Excellent' rating
as 4.4 out of 5 on Trustpilot

Financial KPIs

Explanatory notes:
[1] Before exceptional items, see Note 12 to the Financial Statements
[2] Return on Capital Employed: Profit before tax, amortisation and exceptional items divided by the average capital employed (where capital employed equals shareholders' funds and net debt[3]), for the last 12 months
[3] See Note 21 to the Financial Statements
[4] See Note 10 to the Financial Statements

KPI	Why this KPI is important to our strategy	How we have done	FY2020 performance*
Revenue £m	A measure of the work we are undertaking.	**£363.6m**	£406.7m
Revenue (excluding disposals) £m	A measure of our underlying activity with customers having removed planned hire fleet asset disposal income	**£359.4m**	£402.5m
EBITA[1] £m	A measure of the profit we generate from our revenue.	**£25.4m**	£39.1m
EBITA[1] margin %	Highlights how successful Speedy is in maximising its return from the revenue generated.	**7.0%**	9.6%
EBITDA[1] £m	A measure of operating return before depreciation and amortisation.	**£90.5m**	£107.4m
EBITDA[1] margin %	Highlights value generated either through operational efficiency or the quality of the revenue.	**24.9%**	26.4%
Adjusted profit before tax[1] £m	A measure of profit we generate from our revenue activity having accounted for all costs before taxation.	**£20.7m**	£34.9m
Utilisation* %	A measure of how many of our assets are on hire to customers by net book value.	**58.8%**	55.9%
ROCE[2] %	A measure of how well Speedy is delivering a return from the capital invested.	**7.6%**	12.0%
Net debt[3] £m	A measure of the Company's borrowings.	**£33.2m**	£79.3m
Net debt[3] to EBITDA[1] x	A measure of how leveraged the balance sheet is.	**0.5x**	1.0x
NBV of property, plant and equipment £m	As assets are our core revenue generator, this effectively measures the scale of investment to support revenue.	**£233.1m**	£257.6m
Adjusted earnings per share[4] pence	A measure of the return generated for each holder of our ordinary shares.	**3.22p**	5.54p

*Utilisation is calculated for the second half of the financial year, we have restated the comparative figure for consistency

Our strategy

During 2020 we launched a clear customer focused growth strategy; Simplify; Standardise; Grow. This strategy is underpinned by our ambitious award winning Environment, Social, Governance (ESG) programme, Energise.

Simplify
Simplify our business to work smarter and make us the easiest company to do business with

Grow
Grow through our market leading service promise and developing winning customer propositions in all our markets

Standardise
Standardise our approach in order to deliver excellent, consistent customer service

KEY STRATEGIC PRIORITIES FOR FY2022:

- Grow revenue in the B2C market
- Become a more digital business to meet changing customer demand and increase efficiency
- Lead the sustainability agenda through our ambitious ESG programme ‘Energise’ to build on our strong track record in safety and sustainability
- Invest in diversity programmes, learning and development, to attract and retain the best people
- Proactively identify value enhancing hire and service acquisitions

Simplify

Our 'Simplify' strategic pillar is making our business work smarter through improving our systems and simplifying our processes.

We are utilising technology to improve the customer and user experience through closely reviewing the customer journey, including on a digital basis, from point of enquiry through to delivery, collection, invoicing and cash collection.

Simplifying internal processes through new technology will also make us more efficient. State of the art systems, increasing use of artificial intelligence and dynamic management information will improve our performance and colleagues' user experience. It will also enable better decision making to further enhance our service to customers through improved product availability to meet demand.

Upgrading our systems

In the last year we have undertaken a number of system upgrades. We have implemented a new Group telephony system, upgrading all sites across the network to a VOIP (Voice Over Internet Protocol) operated telephone system, enabling an improvement in the user experience and a significant reduction in our telephony costs. The new system allows calls to be re-routed centrally within the Service Centre network to ensure customer calls are dealt with promptly. Using IP (Internet Protocol) technology, the new telephony system provides management information to identify call volumes to monitor Service Level Agreement (SLA) rates to identify future improvements. During this unprecedented year, the system was key to quickly enabling colleagues within our call centres and sales and support functions to work efficiently from home throughout the pandemic.

We have also upgraded our existing credit management system to improve the system speed and performance, and improve the user experience both centrally within our Credit Control team and locally across our Service Centre network. This upgrade allows us to quickly manage customer invoice queries and resolve payment issues, ensuring a higher percentage of invoices are paid on time.

Our new Group telephony system, upgrading all sites across the network to a VOIP

Our current ERP (Enterprise Resource Planning) system, Microsoft AX12 was implemented in 2014. In order to take advantage of recent technological advances and further simplify our processes we are currently upgrading the system to cloud based Microsoft Dynamics365. We have adopted the change management model called PROSCI to engage our people in this change and improve user adoption and maximise Return on Investment (ROI) on this platform. The project includes support from colleagues across the operational, sales and support functions to ensure all risks and issues are captured and addressed through robust testing. The new system is scheduled to go live in FY2022 and brings the benefits of simplifying some of our key business processes and significantly improving the user experience. Later phases will focus on reviewing and digitising our key processes to maximise the full potential of the new system.

Improving our digital offering

During FY2021 we made significant improvements to the digital customer experience on the web and App. We re-configured our website to enable our customers to make more informed buying decisions, and utilised our new state of the art photo capture studio to digitise our top 500 assets and provide the most accurate product and pricing data for our customers online. We have also introduced significant developments and further improvements to the Speedy mobile App including:

- Digital customer onboarding for Pay As You Go customers
- A Service Centre locator
- HAV (Hand Arm Vibration) product selector
- Click and Collect functionality
- Dynamic delivery tracking
- Asset scanning for compliance data and off-hire of equipment
- Ability to check and pay invoices for account customers

These developments are a significant step forward in our web and App functionality, with further enhancements planned during FY2022 to ensure we continue to provide an industry leading digital customer experience.

Standardise

We aim to continuously improve our service, such that a first class customer experience comes as standard.

Our aim is that whenever and wherever our customers do business with us, they can expect a consistent level of quality standards, and receive the same level of experience from point of order through to delivery and collection.

Re-aligning the network

During FY2021 we closed a number of our depots temporarily as a result of the COVID-19 pandemic. This allowed us to review our operations and critically examine the efficiency of our footprint. In the summer of 2020 as our operations began to re-open we began the process of assessing the location of our depots and their product offerings and as a consequence we re-aligned our network to better reflect customer demand and our portfolio of products and services. The re-alignment categorises locations based on customer demand, products and services and physical infrastructure, all within geographical areas. This makes each location more efficient and productive, by optimising product stocking requirements and delivery miles and time. It also reduces our overhead and stocking costs, improves utilisation and the environmental impact of transportation.

Each type of location has a standardised management structure and holds a specific product range. This enables customers to clearly identify the product range by Service Centre type, and ensures colleagues within the location have the right knowledge and expertise to advise on that range. Products are automatically replenished using artificial intelligence that ascertains the level of stock required to fulfil customer demand at any one time by location. This means that the right type of products are increasingly available for customers to collect from each Service Centre.

With dedicated products and services the new footprint, comprising Local Service Centres, Regional Service Centres, Specialist Service Centres and National Support Centres, makes it easier for customers to do business with us.

Supporting this strategy, during FY2021 we opened new state of the art Service Centres in Swindon, Doncaster and Anglia, consolidating smaller Local Service Centre's into bigger locations, providing better service and a broader service offering to customers.

Speedy Powered Access

In November 2020 we merged our existing powered access businesses, Prolift, Platform Sales & Hire and Lifterz, to create a single national offering; Speedy Powered Access, providing customers with a comprehensive range of over 8,500 machines, from 11 dedicated powered access Specialist Service Centres across the UK.

The restructure brings all powered access products and hire processes into our main operating system, making all products available through one new dedicated website: speedypoweredaccess.com, creating an industry leading simpler, standardised powered access proposition for customers.

In addition to core equipment hire, the new business provides training, fleet sales, and maintenance packages to give customers a full end-to-end powered access service.

During the year we completed the full re-branding of the powered access Specialist Service Centres, and are in the process of re-branding our powered access vehicles and extensive fleet of combined assets.

To support customer demand, during FY2021 we invested over £10m. This includes a significant investment in hybrid equipment to help customers reduce pollution and meet carbon zero targets.

Speedy Powered Access is now one of the largest powered access businesses in the UK which, as part of the wider Speedy family, brings wide-ranging benefits for our people and our customers.

Grow

Our business has won customers and secured new work with existing customers during the pandemic.

We have developed our people, products and services to provide innovation and support customers as their demands change. During FY2021 we launched further value adding initiatives specifically designed to drive revenue and profit growth.

Our unique four-hour delivery promise

In May 2018, Speedy became the first hire business to promise same-day delivery on our top 52 products hired before 3pm through the launch of our Capital Commitment service in London. This was enhanced to a national four-hour delivery promise in January 2020.

During September 2020 we significantly enhanced this unique four-hour delivery commitment by extending the product range from our top 52, to our 350 most popular products.

The service was relaunched with this wider product offering after it was paused to customers in March to focus on supporting the NHS throughout the initial stages of the COVID-19 pandemic. Extending the unique four-hour delivery promise is designed to meet the changing demands from customers and provide an enhanced offering as activity and the economy recovers.

Access and lifting products, compressors, generators, hand tools, survey and lighting equipment have all been added to the service, which includes zero and low-emission lighting towers to help customers reduce carbon emissions and cut fuel costs.

Regional customer focus

We supply large national customers, including 86 of the UK's top 100 contractors, as well as local trades and industries.

During FY2021 we grew our network of regional hubs, moving relevant customer accounts from our central call centre into regional trading desks across the UK, as we recognise that not all of our customers want to trade with us in the same way. The regional trading desks complement our multi-channel service capability, adding a valuable contact option for regional customers and major accounts in addition to our network of Service Centres, central call centres, Speedy Direct, the Customer Relationship Centre and trading online.

The regional trading desks have dedicated teams acting as a single point of contact to manage our customers' day-to-day transactions. They are proving to play a key part in our growth strategy, by enabling us to consistently deliver high levels of service for our existing customers, as well as attracting new customers.

By focusing on our regional customers and major accounts, who have bespoke buying behaviours, whilst standardising the customer experience they can expect nationally from the hubs, we will grow our revenue share within these customer groups in the coming months and years.

"Before the COVID-19 pandemic, thousands of our customers across the UK relied on our four-hour delivery promise to ensure they could keep projects on track.

Now more than ever, product delivery and collection are critical capabilities that the industry needs in its supply chain, as projects demand tools and equipment quickly and at short notice"

Russell Down
Chief Executive

B&Q

Speedy and B&Q trial new outlets

During July 2020 we commenced a trial to open Speedy outlets within a number of B&Q stores.

The outlets give B&Q retail and TradePoint customers the option to hire tools and equipment from Speedy as part of their B&Q shopping trip. The offer includes our four-hour national delivery promise on our top 350 products. All Speedy customers can now order and collect products seven days a week, complementing our own national Service Centre network. We offer a wide range of products in store with an offering designed specifically for the retail market.

By 31 March 2021 we were trading from 16 outlets, which combined with our existing retail offering will significantly accelerate our entry into the B2C market during FY2022.

Customers now have the option to hire tools and equipment from Speedy in several B&Q stores.

"Our customers are continuing to adapt and change to new ways of living and shopping, and these new concessions with Speedy are just one way in which we're making it easier for people to improve their homes."

Chris Bargate
Director of Business Development,
B&Q

ESG Report

The Energise KPIs we have committed to are aligned with the United Nations Sustainable Development Goals (UNSDG's 2030).

ENERGISE
Working together as a responsible business

ENERGISE: Working together as a responsible business

We conduct our business in a socially and environmentally responsible manner. We encourage creativity and diversity, respect the law and aim to benefit the communities we work in.

From the introduction of the first electric taxi van in the construction industry and joining the Supply Chain Sustainability School Board, to rolling out our Collective Responsibility safety programme, we're accelerating our approach by embracing new opportunities and leading ground-breaking initiatives.

Our ESG programme is sponsored by Chief Executive, Russell Down. We have appointed an ESG Committee made up of senior members from across the business, who meet regularly to drive continuous improvement in our ESG KPIs, which are aligned with the United Nations Sustainable Development Goals 2030 (UNSDGs).

Leading the industry in safety and sustainability

Responsibility and sustainability have always been at the heart of everything we do at Speedy

We have developed an Environmental, Social and Governance (ESG) framework under our sustainability brand 'Energise', in order to help us deliver sustainable growth.

The ESG framework aligns with our vision of being trusted to be the best company in our industry to do business with and the best to work for.

The commitment to operating efficiently as an industry leading sustainable company builds on our strong track record of safety and carbon-saving innovation. It re-enforces our commitment to people and local communities, from looking after their wellbeing and boosting diversity, equality and inclusivity, to supporting charity and community projects wherever we operate.

It underpins our commitment to strong governance, trading safely and ethically, and supports our Code of Conduct, robust audit functions and processes.

By harnessing the power of our culture, the Speedy Spirit, this comprehensive ESG framework will drive positive change not only across Speedy, but across the wider industry and supply chain.

This report outlines our commitment to reaching net zero emissions before 2050 and setting science-based targets to provide a clearly defined pathway on how we will achieve this. Our Energise programme encompasses our objectives to reduce environmental impacts, improve social responsibility and operate robust governance programmes.

Russell Down
Chief Executive

Training, development and looking after the welfare of our employees is a key part of our ESG programme

Environment

Social

Governance

Our aim is for ECO products to account for the majority of our itemised equipment fleet by 2024.

We won the Hire Award of Excellence (HAE) for sustainability for the second consecutive year.

Minimising our impact on the environment

We have long been committed to providing the energy efficient equipment, logistics and progressive ways of working to aid the construction industry in its quest for a net zero carbon built environment.

In line with the UK Government's commitment to achieve zero net carbon by 2050, we are focused on significantly reducing carbon emissions within our business and throughout the supply chain. We refer to this approach as being 'carbon smart'.

In FY2021, our key carbon reduction achievements include:

- A reduction in carbon output from 26,606 tonnes in 2015 to 19,388 tonnes in FY2021 which equates to an 8% reduction per employee
- A carbon reduction on a per capita basis from approximately 11.00 tonnes in 2015 to 5.00 tonnes in FY2021
- Accreditated under the ESOS Government energy savings scheme
- Attained ISO 50001:2018 for Energy Management in FY2021
- Gold Standard Members of the Supply Chain Sustainability School

Net zero carbon before 2050

At Speedy we recognise the part we play in supporting a transition to a zero-carbon world. As part of our commitment to significantly reduce our carbon emissions, in FY2022 we will set science-based targets to achieve net zero emissions before 2050.

A science-based target (SBT) provides a clearly defined pathway for Speedy to reduce its greenhouse gas emissions, in line with the Paris Agreement to limit climate warming by 1.5°C by 2050, thereby helping to prevent the impacts of climate change and ensuring sustainable business growth. Our SBT will be verified by the Science Based Targets Initiative and will be published over the coming year.

Our move to commit to a SBT reinforces our commitment to be a market leader in sustainability.

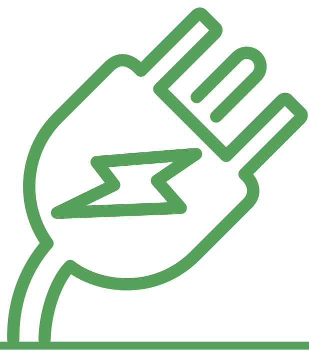
The majority of our carbon footprint, at 79% is related to fuel consumption. We already have several initiatives in place to reduce these emissions, which include:

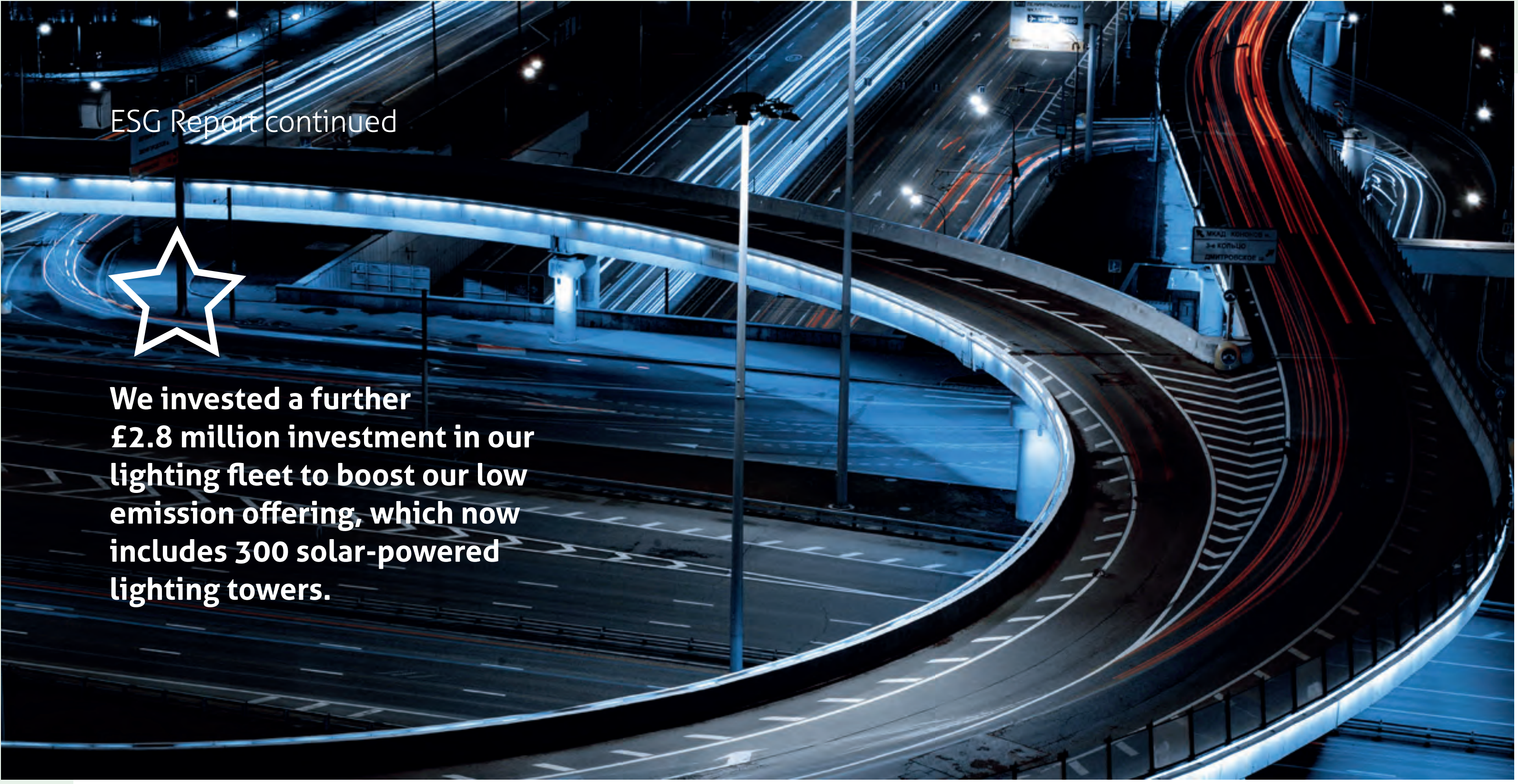
- We have switched our company car fleet list to be mostly Ultra Low Emission Vehicles (ULEVs), with the aim of being 100% electric/hybrid vehicles by 2025.
- Rolling out a low carbon commercial fleet with the majority of our vehicles being electric/hybrid by 2025.
- Switching from diesel to HVO D+, a standard low emission fuel, across parts of our business.

Sustainable products and services

As a key supplier to the sector, we have long recognised the significant role we play in creating a greener supply chain. During the year, Speedy's Chief Operating Officer, Dan Evans, joined the Supply Chain Sustainability School Board to work with industry stakeholders on meeting challenging sustainability targets.

Like us, many of our major national and regional customers have committed to the United Nations Sustainability Development Goals 2030 (UNSDG's) and there is an increasing demand for energy efficient equipment. We are working with our supply chain to develop new cordless, hybrid, solar and hydrogen technologies to meet these needs, along with providing renewable fuel to minimise pollution.





We invested a further £2.8 million investment in our lighting fleet to boost our low emission offering, which now includes 300 solar-powered lighting towers.

In the last year, we have made significant progress in supporting our customers to meet this demand:

- All of our equipment has been classified according to its environmental (ECO) credentials
- Our ECO products represent approximately 23% of our itemised equipment fleet, providing our customers with innovative solutions to reduce carbon. Our aim is for ECO products to account for the majority of our itemised equipment fleet by 2024.
- We have invested over £10m in new electric and hybrid powered access products including new mast booms, scissor lifts and hybrid boom lifts. These products can run for a full day on a single charge in electric-only mode and are suited to indoor or outdoor operation, noise-sensitive sites, or when ultra-low emissions are required.
- We added 200 new generators to create a 2,500-strong fleet, which are all compatible with Hydrotreated Vegetable Oil (HVO D+) fuel. Customers who choose to operate their equipment with HVO D+ fuel have the opportunity to reduce carbon emissions by up to 90% compared to using standard red diesel.
- HVO D+ fuel became our standard low emission fuel. For every 500 litres used, one tonne of CO_2 is saved compared to fossil fuels.
- We were the first UK hire company to launch a new line of high-performance outdoor battery powered lighting towers, which will help contractors reduce on-site emissions and make significant savings in fuel costs. The new Milwaukee fleet will enable customers to save up to £37,000 annually on fuel and repair costs, and up to 62 tonnes of CO_2, for every 20 standard diesel models they replace with these battery-powered tower light alternatives.
- We invested a further £2.5 million investment in our lighting fleet to boost our low emission offering, which now includes 300 solar-powered lighting towers.

Strategy in action:

Speedy and Galliford Try partner to bypass emissions on highway scheme

During the year we partnered with Galliford Try Infrastructure to provide an environmentally friendly temporary power solution to a major highway improvement scheme in Leicester.

Speedy teamed up with hybrid power specialists Off-Grid Energy, to provide the contractor with a bespoke site power solution utilising two diesel generators each linked to a hybrid unit, to help reduce fuel consumption and CO_2 emissions.

In the first 12 months the solution reduced fuel consumption by over 35,000 litres, and cut CO_2 emissions by over 94 tonnes; the approximate annual emissions of 59 diesel cars in the UK. Compared to using a standard generator the solution has also provided a net saving to Galliford Try of over £6,000 over the period.

The site can be powered without the need of a generator when fewer people are using the base. The bespoke configuration also allows the opportunity for at least one of the hybrid units to provide power when certain areas of the site offices are unoccupied.

The power solution provided by Speedy and Off-Grid Energy also benefits from remote monitoring, reducing travel to and from site by engineers to inspect and maintain equipment.

"The system does everything promised by Speedy. We have found this an excellent solution to a generator based system. The product has allowed us to find a commercially viable, and environmentally sustainable alternative. We have been provided with excellent recommendations and service in maximising the product efficiency."

Shaun Beales
Senior Site Agent at Galliford Try Infrastructure

DVSA HS2 accreditation
Recognising our commitment to sustainability in delivering major logistics operations.

Sustainable transport and logistics

We aim to lead the industry in running a low carbon fleet, with a target of ensuring that the majority of our vehicles are electric or hybrid by 2025.

This commitment will play a key role in meeting our own carbon reduction targets, and our commitment to our customers as a key part of their supply chain.

During FY2021 we launched the first electric taxi van used in the construction industry to deliver products across London. We also invested in 64 new hybrid transit vans and are trialling a number of electric vehicles.

Our company car list now consists almost entirely of Ultra Low Emission Vehicles (ULEVs), up from 20% last year. We have a fleet of 450 company cars and estimate future savings of up to 260 tonnes of CO_2 annually from replacing diesel and petrol models. Our aim is for our company car fleet to be 100% hybrid/electric by 2025. To support the transition we are also rolling out electric vehicle charging points across our UK Regional Service Centre network.

We invested in 150 fuel pods (fPod®) that customers can use as temporary fuel stations on-site. The fPod® can hold 5,300 litres to 17,880 litres, depending on the model and is designed to support customers in cutting fuel deliveries and reducing the risk of spills. It uses an intelligent monitoring system that notifies the user and Speedy when refilling is required.

During the year we were awarded the first DVSA HS2 accreditation, recognising our commitment to sustainability in delivering major logistics operations.

Charging point at Speedy's Doncaster Service Centre

Strategy in action:
Hailing the first electric taxi delivery van

During August 2020 we partnered with The London Electric Vehicle Company (LEVC) to trial the first electric taxi delivery van to be used in the construction industry.

The prototype vehicle, which is based on LEVC's VN5 and TX Taxi models, delivers a range of products to customers at sites across London, from power tools and safety equipment to generators and concrete mixers.

The trial aims to prove the new electric taxi van can meet the growing demand for one-tonne, zero emission commercial vehicles across the construction industry, where the market is currently dominated by diesel models.

Speedy and LEVC developed the vehicle at the manufacturer's purpose-built factory in Coventry. The design incorporated a full interior van conversion to accommodate two Euro-sized pallets with a gross payload of over 800kg.

The new electric van will set a new standard for small electric commercial vehicles. LEVC's powertrain technology has already saved 36,000 tonnes of CO_2 from entering the atmosphere through its use in the taxi and shuttle market.

"We are pleased to be joining forces with Speedy, adding another high-profile name to our growing roster of VN5 trial partners. Speedy delivers tools and equipment to construction and infrastructure sites, often in and around large cities: the kind of working day our new flexible, zero-emission capable one-tonne van was built for. We are looking forward to developing our relationship with Speedy."

Joerg Hofmann
LEVC CEO

Our aim is for ECO products to account for the majority of our itemised equipment fleet by 2024.

Total CO_2e emissions
per employee for 2020 was 5.00 tonnes.

Improving air quality

In helping customers reduce project carbon emissions and improve air quality, we have supplied a number of major projects with Green D+ Hydrotreated Vegetable Oil (HVO D+) fuel, Speedy's standard low emission fuel which is the only HVO fuel approved for use in Speedy equipment.

HVO D+ is a renewable fuel that has been produced from vegetable fats, oil and a byproduct of the waste and fish industry. It reduces carbon emissions by up to 90% compared to regular fossil fuel. It can be used in modern vehicles, generators, construction machinery and industrial power systems. For every 500 litres of Green D+ HVO fuel used, one tonne of CO_2 is saved versus fossil fuel. Green D+ HVO fuel is now provided as our standard low emission fuel.

In support of the UK Government commitment to reduce emissions from transport to improve air quality and to support our customers air quality objectives HVO D+ also helps to reduce NOx (Nitrous Oxides) levels by up to 30% and PM (Particulate Matter, PM25 and PM10) by over 86% helping to improve air quality.

95% of our fleet now meets the EuroCat6 standard helping to reduce air pollutant emissions from our vehicles and improve air quality.

Strategy in action:
Carnell partner with Speedy

During the year, Speedy worked with highways maintenance contractor Carnell to trial Speedy HVO D+ fuel, to power lighting equipment and the site compound for a Highways England central reserve barrier upgrade project on the M6.

The scheme, which spans six kilometres between junction 42 and 43, used almost 7,000 litres of the renewable fuel between October 2020 and March 2021, emitting just 0.25 tonnes of CO_2 compared to the 17.73 tonnes expected from standard diesel – the equivalent of three average cars running for a year.

Carnell now expects to increase the use of Speedy HVO D+ fuel on further projects as it works to protect air quality for communities near its schemes.

"Our responsibility for safety extends beyond the physical infrastructure that we're contracted to build and maintain. Switching to low-emission renewable fuel will minimise the impact we have on the communities we build for by ensuring we contribute towards reducing local air pollution. The trial with Speedy has delivered a significant impact on reducing emissions output and we look forward to rolling it out across our project portfolio – powering us to build safer roads while contributing to cleaner air."

Lee Gill
Plant and Transport Director
Carnell

HVO is now provided as our standard low emission fuel

Energy usage

Speedy were first awarded ISO50001 accreditation in 2015 and certified to the 2018 standard in 2020, as a result of our robust energy management systems.

The annual quantity of carbon dioxide equivalent resulting from activities for which the company is responsible, including the combustion of fuel or the operation of any facility, during FY2021 was 19,010 tonnes.

The annual quantity of carbon dioxide equivalent resulting from the purchase of electricity, heat, steam or cooling by the company for its own use during FY2021 was 2,359 tonnes, with 89% of our energy coming from renewable sources.

Figures in kWh, representing the aggregate of the annual quantity of energy consumed from the company's operations, involving the combustion of fuel and the operation of any facility is as follows by region:

UK Mainland: 18,653 tonnes
Northern Ireland and Republic of Ireland: 229 tonnes
MENA: 58 tonnes
Kazakhstan: 70 tonnes
Total: 19,010 tonnes

The methodologies used to calculate the information provided on emissions and energy consumption adopted by Speedy to calculate carbon emissions for FY2021 was provided using the DEFRA calculation for UK and IEA for international figures.

Speedy is continuing to roll out many energy saving initiatives throughout the Service Centre estate including the introduction of LED lighting and improving the energy efficiency of heating systems in buildings. 'Toolbox Talks' are also undertaken with colleagues to ensure they understand the impact of energy usage, waste and savings.

Regular energy audits are conducted on an annual basis as required for the ISO50001 accreditation.

Total CO_2e emissions per employee for FY2021 was 5.00 tonnes.

CO_2e reduction
We have seen a reduction in our CO_2e per employee of 8%.

Recycling and waste reduction

We reduce our waste generation through utilising the waste hierarchy of prevention, reduction, recycling and re-use for our key waste streams such as cardboard, wood, metal, plastic, paper, waste oils, and food waste.

We work with our suppliers to reduce or, in some cases, eliminate packaging which would otherwise be passed on to us to dispose of. We are also reducing our paper use across the Service Centre network through the introduction of electronic PDAs and transacting electronically. We also encourage customers to use the MySpeedy App for paperless transactions.

We participate in the circular economy, working with our suppliers to design out waste and pollution and keep products and materials in use thus reducing resource use, increasing re-use minimising waste disposal. Examples of circular economy approaches include:

- By segregating at source, hard plastics such as barriers, pump action bottles and damaged bowsers have been removed from our DMR (Dry Mixed Recycling) waste stream and are pelletised and sold on as a commodity, in partnership with our suppliers.
- Air filter cleaning enables us to wash and then reuse filters up to three times.

We are also committed to water conservation, working with suppliers to reduce water consumption throughout the business. In FY2022 we will implement measures to accurately measure and report our water consumption to establish a water baseline and therefore set water reduction targets in FY2023.

Speedy Hire Plc Corporate Greenhouse Gas (GHG) Report

Introduction

This GHG Report has been compiled covering the fuels combusted directly by Speedy operations, fugitive refrigerant gases, energy consumed in our UK Mainland activities, Northern and Republic of Ireland operations and our International businesses and includes the business travel and waste disposal activities of our UK Mainland offices and depots.

Combustion of Fuel and Operation of Facilities

Whilst Speedy has been a key supplier to essential services during the pandemic the overall reduction in travel has reduced our mileage and fuel use over the past year.

Electricity, Heat, Steam and Cooling purchased for own use

There has been a significant reduction in the use of electricity and gas over the past 12 months. This is due to the pandemic (depot closures, furloughing of staff and home-working) and continued roll out of energy efficient initiatives such as installing LED lighting at several of our Service Centres. Many operational Support Centres are also part of the lighting exchange scheme.

Our electricity purchased is also 89% renewable and consists of hydro, wind and solar sources.

Scope 3 Business Travel – Rail and Air

There has been a significant reduction in the use of rail and air travel due to the Pandemic. Moving forward we will be encouraging colleagues to reduce travel where possible through optimising video-conferencing and when required to use rail more frequently as a more sustainable source of travel. This year's reporting includes usage from all sources including both direct company bookings and expenses claims.

Waste disposal

Working in partnership with our suppliers, waste mapping exercises have been undertaken to identify our key waste streams to maximise waste reduction and increase recycling and reuse through circular economy principles.

Speedy have achieved zero waste to landfill in FY2021. All our general waste is sent to transfer stations for further processing and the non-recyclables are transported to Refuse-Derived Fuel (RDF) plants for incineration. Incineration from RDF plants is not harmful to the environment as the steam heats low-income houses in the areas (district heating).

In FY2022 we will be working with our waste broker and suppliers to further integrate circular economy principles to reduce waste and maximise recycling and reuse.

The overall CO_2 emitted per employee has reduced to 5.00 tonnes (2019: 5.41 tonnes) in line with our objective of reducing our carbon footprint.

Our electricity purchased is also 89% renewable and consists of hydro, wind and solar sources.

Methodology

We have reported on all of the emission sources required under the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013. We do not have any responsibility for any sources that are not included in our consolidated statement except those quoted in the Omissions section. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), Scopes 1, 2 and 3, and emission factors from the UK Government's GHG Conversion Factors for Company Reporting FY2020. This year's report includes Well to Tank, Transmission and Distribution, and Waste factors also.

Omissions

The combustion of diesel for the testing of equipment/machinery could not be established for this reporting period.

Data confidence

The data used to report the GHG emissions was reviewed and examined and gives a 'High' level of confidence +/- 4.0%. This was established using the 'GHG Protocol guidance on uncertainty assessment in GHG inventories and calculating statistical parameter uncertainty', and has been independently verified.

Global GHG emissions

The GHG emissions are from 1st April 2020 to 31st March 2021. We have seen a reduction in our CO_2e per employee of 8%. A detailed breakdown is provided in the table below compared against the prior year:

	Tonnes of CO_2e	
	Current Reporting Year	Current Reporting Comparison
Emissions From:	**FY2021***	**2019**
Combustion of Fuel and Operation of Facilities	16,650.11	18,735.62
Electricity, Heat, Steam and Cooling purchased for own use	2,359.84	2,985.95
Total Scope 1 and 2 Emissions	**19,009.95**	**21,721.57**
Scope 3 Business Travel – Rail and Air	108.92	373.33
Scope 3 Waste – Recycled / Recovered	44.81	40.53
Scope 3 Waste – Landfill	0.00	0.04
Scope 3 Transmission and Distribution of Electricity	224.69	267.05
Total Scope 3 Emissions	**378.42**	**680.95**
Tonnes CO_2e per employee	**5.00**	**5.41**

*Aligned to financial reporting period

Investing in hybrid technology

Safety and wellbeing of our people and communities

Supporting colleagues through COVID-19.

Throughout the COVID-19 pandemic, our first priority was to keep our people and customers safe. We adapted our business to safely support our people, customers and Government frontline services such as the NHS, police and armed services.

At the end of March 2020 we took immediate and proactive measures to cope with the changing situation. We introduced new technology to enable colleagues to work from home, and adapted the operational network to continue to support customers and frontline services.

Having initially closed two thirds of our depots, and with up to 50% of staff on furlough, in line with customer demand and operating strictly within government guidelines, we began to safely re-open the depot network.

We put into place a robust wellbeing programme specifically designed to support our colleagues through the pandemic. This included weekly communications from Chief Executive Russell Down to ensure all colleagues, working and furloughed, were engaged and up to date on how Speedy were performing. Managers across the business also made regular telephone calls to every single one of our furloughed colleagues to check in with them and offer support.

Demonstrating the renowned 'Speedy Spirit', we began to receive spontaneous and inspiring stories of how colleagues and their families were supporting customers and communities during the height of the pandemic. To celebrate this we launched our 'Pride of Speedy' campaign to recognise those who were going above and beyond to support the national effort during this most challenging period.

We were acutely aware of the potential impact the pandemic would have on the mental health of our colleagues. To support them, we ensured they had access to our range of employee support services, including our 50+ strong Mental Health First Aid volunteers who are trained to support colleagues at any time of crisis, and who we are immensely proud of.

In January 2021 we conducted a wellbeing survey with resounding feedback from colleagues saying they had felt safe and supported throughout the pandemic.

Safety

Our commitment to safety sits at the heart of our business.

Our Health and Safety Policy is constructed with the clear objective of eliminating accidents and injuries at work. This is critical to all of our stakeholders, from our people to our customers, which is why we adopt a 'collective responsibility' mind-set across our operations. This encompasses risk awareness, protocols and training, and making the safety of the workplace and our customers' sites our employees' responsibility.

Through our new Collective Responsibility safety programme, we are delivering effective risk management and leading the way in raising safety standards across the industry by:

- Collaborating with suppliers to develop safe, innovative products. This includes our new App functionality launched with tool manufacturer Hilti, which advises users of the most productive tool for specific tasks that would minimise exposure to harmful vibration levels.
- Increasing awareness of occupational hazards including dust inhalation, hand-arm vibration syndrome and musculoskeletal disorders, providing expert guidance in our Service Centres and through our on-site Toolbox Talks.
- Creating a new event management system 'AVA AIRSWEB', to manage safety incidents, accidents, environmental incidents and hazardous and near miss reporting. Alongside this, it enables us to drive continual improvement through corrective action logging and root cause analysis, in addition to the ability to manage our carbon data and deliver reductions across the business.
- Rolling-out new bespoke training courses in Manual Handling and Certified Authorisation Professional (CAP) in powered access.

Health and safety reporting

We have a robust reporting programme in place, which includes regular audits, reviews and monitoring. This includes:

- Setting annual health and safety performance targets
- Providing monthly reports to the Executive Board on safety performance
- Reporting regularly to key stakeholders on safety performance
- Monitoring safety performance standards through safety inspections, audits and reviews
- Recording and investigating accidents, dangerous occurrences and near misses
- Implementing effective measures to prevent the re-occurrence of incidents

Safety standards
Recognised by Network Rail and RoSPA.

Key reporting measures

0.13
RIDDOR accidents per 100,000 hours worked
(FY2020: 0.31)

0.09
Specified Injury Frequency Rate per 100,000 hours worked
(FY2020: 0.06)

It is recognised that our Specified Injury Frequency Rate has increased, whilst our RIDDOR frequency rate has decreased, providing for an overall reduction in reportable injuries in the period. This is a reflection of the good work that is being undertaken in reviewing our lifting and handling methods, improved vehicle safety standards, reviewing our PPE provision as well as implementing a new accident incident reporting software.

Recognition in safety

FY2021 was another successful year for Speedy. For the sixth consecutive year we were awarded a RoSPA Gold Award, for achieving a high level of safety performance and demonstrating well-developed occupational health and safety management systems.

During the last year our safety standards were recognised by:

- Network Rail – Route to Gold
- RoSPA – Gold Award for Occupational Health and Safety - sixth consecutive year

Strategy in action:

Launch of new accident and incident reporting system

During FY2021 we launched a brand new accident and incident reporting system 'AVA AIRSWEB'. The live App has been auto-uploaded on all company devices, and is also available to colleagues to download onto their own personal devices. It's improved live accident and incident reporting is designed such that colleagues can easily report hazards, near misses, accidents, and promote good safety practice. At Speedy, our people understand that we all play a role in making Speedy safe, and how we report and monitor incidents is an important part of this. Through the delivery of improved incident reporting through the new AVA AIRSWEB system, we will be able to take further preventative measures to enhance the safety of our colleagues.

Strategy in action:

Safety innovation through collaboration

Our Supplier Partnership Programme has been in place for over 10 years, and is a key instrument in bringing suppliers together with customers to discuss key issues facing the industry, and developing solutions in collaboration to address them.

Hand Arm Vibration is a major issue challenging the construction industry and we have a track record in helping minimise this risk from the construction arena by offering help and training around behavioural solutions, and practical help to reduce these hazards.

During FY2021 we were able to take this one step further through digital safety innovation. In conjunction with Balfour Beatty who led the initiative with Speedy, and a number of our key product suppliers, we developed our new HAV Product Selector, a revolutionary service that enables customers to choose the safest and most productive equipment based on the type of activity they are carrying out and the materials being worked with. The HAV Product Selector is a significant new feature introduced to our mobile App and on our website.

When selecting a power tool it is common practice to automatically opt for the tool with the lowest vibration, which will allow users the maximum amount of time to get the job done. With the new HAV Product Selector customers, and more specifically the end user can now make a more informed choice, selecting their equipment based on their exposure action value (EAV), measured specifically for the task in hand, along with the ability to view a short video demonstrating best practice for each piece of kit.

The HAV Product Selector currently features 125 products, some of which sit in multiple activities such as Drilling and Breaking, and additional products are regularly being added such as Routers, Sanders, Rail Drills, and Rail Saws.

In addition to the safety benefits, the HAV Product Selector will also enable customers to increase productivity and reduce costs by having up to the minute access at their fingertips to the latest technological product innovations. Supporting our ambitious ESG agenda in significantly cutting carbon emissions through our product fleet, we are now working on developing data on new safety and sustainability features for the Product Selector in areas including dust, noise pollution and carbon emissions.

The Hub:
Number of news articles posted: **1,324**
Visits: **400,310**
Pages viewed: **994,465**

Our people: Driving forward a progressive, inclusive culture

Our people are committed and highly trained colleagues who want to be part of a progressive, inclusive and sustainable organisation. We aim to provide a good work life balance and support the communities we work in.

Colleague engagement

As a people focused business, colleague engagement is central to our success. We conducted our colleague engagement survey 'People Matters' during March and April this year and were pleased to achieve a response rate of 74%. Our UK engagement score was 77% which is 5% higher than the external benchmark, significantly above the industry average in the UK of 61%, and a 1% improvement on our 2018 survey results.

Our highest areas of engagement versus the benchmark included: trust, performance monitoring, understanding expectations to complete the job and recommending Speedy's products and services.

We saw an increase in scores regarding: communication to the frontline, pay and reward, collaboration across businesses and career development, endorsing the delivery on commitments we made to our colleagues following the last survey in 2018.

Following this year's survey we have refreshed our action plan to further increase colleague engagement. Having launched our internal communications intranet site 'The Hub' in January 2020, we are refreshing the platform to improve content and the user experience. We have also invested in base pay, rolled out simpler incentive plans and have introduced a new talent management and succession planning process that is underpinned by a series of Career Line of Sight programmes.

The survey also captured equality, diversity and inclusivity (EDI) data which our EDI Committee and Speedy Ladies working group will be using to develop new initiatives, which includes our gender diversity commitment of 30% female by 2030.

Our regional employee forums enable an inclusive culture within our business. The forums meet regularly and consist of a representative cross section of colleagues. Meetings are held regularly with the Chief Executive, HR Director and the chairperson of each forum to discuss business performance and address any issues raised by each regional forum. Rob Barclay, the designated Non-Executive Director responsible for employee engagement, also periodically attends this meeting. His attendance ensures the employee voice is heard in the main boardroom.

In January 2020 we launched a brand new online internal communications platform 'The Hub' in order to provide a single destination for every colleague to access all the latest important Speedy company information, business updates and people news. Throughout FY2021, as a secure, online cloud based platform, The Hub has enabled all Speedy colleagues, whether office, depot or field based to receive company news and information directly, via their work and/or personal mobile phones, laptops, desktops and tablets. The Hub has proved extremely valuable throughout the COVID-19 pandemic in ensuring essential safety information is communicated effectively and is easily accessible. It has also promoted the inspirational work undertaken by our colleagues to support their communities and customers.

During FY2021, nine in ten of our colleagues have logged on to The Hub (92%), with the average frequency reaching 11 visits per month.

Mental health and wellbeing

We recognise that mental health and wellbeing is a key issue within the construction industry, particularly as we continue to navigate our way through the COVID-19 pandemic.

Our people feel passionate about the mental health and wellbeing of their colleagues. We have over 50 volunteer Mental Health First Aiders throughout the business, trained to identify potential mental health issues in the workplace, and proactively promote strategies for positive mental health and wellbeing amongst our colleagues. Further support is available to colleagues through our Employee Assistance Programme.

We have set up a Wellbeing Committee which is Chaired by our HR Director and consists of colleagues from across the business to consider all aspects of employee welfare. During FY2021 the committee has developed a number of campaigns and initiatives promoting a healthy approach to mind and body. Here are just some of the initiatives we're delivering:

- Launching an easy-to-access Wellbeing Calendar
- Providing guidance and coaching to employees and managers regarding coping with workload
- Providing mental health and wellbeing training for managers
- Creating fresh wellbeing content on our internal communications platform 'The Hub'

During FY2021, nine in ten of our colleagues have logged on to The Hub (92%), with the average frequency reaching 11 visits per month.

People's Charter
We are committed to the People's Charter with the Supply Chain Sustainability School, which we are audited against annually.

Our regional employee forums, which are joined by our Chief Executive and other Executive Board members, also provide a vital feedback loop and help develop new wellbeing focused programmes.

In October 2020, we conducted our first well-being employee survey, receiving positive feedback on the work we are doing from colleagues. The recommendations resulted in an action plan designed to drive continuous improvement in each area of our company. Actions included:

- Providing mental health and wellbeing training for managers.
- Providing guidance and coaching to employees to help manage workloads and reduce stress.
- Launching an easy-to-access wellbeing events calendar for colleagues to participate in.
- Build on the success of our internal communications through The Hub.

In January 2021 we conducted a second wellbeing survey with resounding feedback from colleagues saying they had felt safe and supported throughout the pandemic.

Personal development

During FY2021 we developed and launched our new 'Career Line of Sight' scheme, which is supporting the learning and development of our people at all levels of seniority.

Career Line of Sight is our promise to colleagues that we will:

- Provide a framework to demonstrate what good looks like.
- Invest in people development through supporting colleagues in progressing their career at Speedy.
- Ensure colleagues who are happy in their current roles are able to continually develop their skills to attain maximum performance within their areas of responsibility.

By supporting and developing our people, we will further strengthen our strategy to Simplify, Standardise and Grow the business. The programme is already in place across our commercial teams, and is now being rolled out across operations.

"Career Line of Sight allows internal progression which has always been close to my heart. As part of our Personal Development Review process, it helps me to support not only those who want to progress to other areas or levels within the business, but also team members to be the best in class in their current job role".

Tony Green
Regional Manager West London

We are committed to developing our skills base, and our internal Training Academy delivers a comprehensive schedule of online, classroom and practical training courses. The training team offers a full range of technical training courses which makes sure our employees are carrying out their roles effectively and safely.

Our learning and development courses are designed to help our employees reach their full potential, and also build the skills and behaviours which will help support Speedy's customer led culture.

All employees have access to a range of externally provided courses, in the form of apprenticeships, which are funded using either the apprenticeship levy or other government funding across the UK. These courses are across Level 2 – Level 7 and examples include:

- Management
- Team Leading
- Customer Service
- Contact Centre Operations
- Improvement Technician

There is an appetite from our people to play an active part in our ESG programme 'Energise' and to meet this, we are developing eLearning courses in ESG for employees at every level of the business.

We are committed to the People's Charter with the Supply Chain Sustainability School, which we are audited against annually.

High potential programme

Employees who have been identified as having the potential, ability and aspiration for leadership positions are invited to join our High Potential Programme. The programme consists of three main strands, two of which provide a management qualification accredited by the Institution of Leadership and Management. The three strands ensure employees at all levels, and stages of their career, have access to development which supports our approach to succession planning for all roles. During FY2021 54 employees took part in these programmes.

This year we introduced a new Senior Leadership Programme which is being delivered by two external providers. The programme is being attended by 12 talented leaders from across the business. The 12 month programme is closely linked to our business strategy, and has been designed to enhance the skills, knowledge and behaviours of those taking part. The programme is made up of a number of modules around leadership and self-awareness, and delegates are required to complete a business project, the outcomes of which will be delivered to the Executive Board in September 2021.

Graduate and apprenticeship schemes

In January 2021 we joined the 5% Club, a group of employers working to create a shared prosperity across the UK, committing to raising the number of apprentices, graduates and sponsored students on formal programmes to 5% of the total workforce by 2025.

This commitment will help ensure that the business has a sustainable future, creating opportunities for young people with new skills that will become the leaders of tomorrow.

"Joining the 5% Club gives us access to lots of fantastic learning and development material and a wealth of best practice from other businesses that share in our commitment to learning. Speedy's increasing pool of trainees, comprising of current colleagues, new recruits and future 'year in industry' students will all reap the benefits of this membership. In return they will support us in driving a culture of continuous learning so every colleague can reach their full potential."

Ellie Armour
Human Resources Director

Career Line of Sight
Our new 'Career Line of Sight' scheme supports the learning and development of our people at all levels of seniority.

During the year we have taken on new graduates on a two year programme. This provides a range of training, personal development and experience to develop a thorough understanding of Speedy and our business in its entirety. The aim for our graduates is to learn relevant skills, knowledge and behaviours to develop a successful career, assisting in effective succession planning for the future growth of the Company. The scheme provides on the job training which includes:

- The chance to study for relevant qualifications where necessary
- Completing business experience modules
- A tailored learning and development programme
- The opportunity to complete projects set by the Executive Board
- Integration onto the High Potential Programme in year two to develop first time manager and leadership skills

In March 2021 we recruited our first graduates onto our new Rotational Graduate Scheme. This three year programme leads on a specialist area with graduates completing 6 x six month placements made up of core, mandatory placements and optional placements that the graduate themselves can select. It includes all the benefits of the two year programme, and through the exposure and experience of working across the business, identifies which area each participant can start building their Speedy career.

Additionally we have c.70 colleagues participating in apprenticeship schemes across the business made up of a mix of new apprentices, who are primarily in engineer based roles, and existing colleagues who are using apprenticeships to up-skill and progress their careers. Our apprentices range from 16-40+ years old and follow various pathways; we don't have a one size fits all approach.

Developing retail skills

We provide a retail offering within our Service Centre network, and during FY2021 commenced a trial to open Speedy outlets within a number of B&Q stores.

Under the leadership of a new UK Managing Director and an Operations Director that both joined Speedy with a wealth of experience from the retail sector, we have successfully developed a people strategy for retail that is attracting both full and part-time colleagues with a background in sales.

We established new ways of resourcing, revised contracts of employment, benefits and pay scales to compliment B&Q arrangements. Flexible working hours are a key component to this success, which has enabled part-time students, returning parents and retirees to consider careers with Speedy. We have also developed a bespoke digital on-boarding and training experience for colleagues that join the retail business.

Working with the B&Q team we have been able to combine our leadership values to ensure we create a one-team culture in stores.

Performance and recognition

We have a consistent Personal Development Review (PDR) process for all colleagues which measures performance against pre-defined objectives, and identifies areas for training and development. The process includes a formal one to one meeting with the colleague's line manager which supports enhanced individual performance and career aspirations.

We run an employee recognition scheme 'Celebrating Excellence'. The scheme empowers all employees to nominate their colleagues for a spot award in recognition of excellent performance. 680 employees received an award during FY2021.

We host an annual Excellence Awards event where outstanding teams and individuals are publicly recognised for their performance. The awards are made over a number of categories including Customer Experience, Leader of the Year and Rising Star, and nominations are received from colleagues within the business. During FY2021 we were unable to run the event due to the COVID-19 pandemic. However, we will be celebrating our people at the event again in July 2021.

Our long service recognition scheme celebrates loyalty for those who have 10, 20 and 25 years' service with the Company. 124 employees reached these milestones during this financial year.

Rewards and benefits

We aim to provide competitive reward and benefits packages that attract, motivate and retain people in the most efficient manner. During FY2021 we benchmarked and adjusted the salaries of further roles across the business which helped to retain the key skills required to compete in the marketplace.

We run a number of incentive and recognition schemes which span all colleagues, most of which are performance related. We also regularly review and update our employee benefits package as we recognise that salary is not the only component that motivates employees.

Group headcount
3,843 employees
(31 March 2020: 4,065).

Charity and community

With over 3,300 colleagues spread across 200 UK locations, we touch the lives of thousands of families and hundreds of local communities. It's a responsibility we don't take lightly, and we recognise our position as an opportunity to be a real force for good. We are committed to supporting national causes alongside those important to the communities we work in.

Our Charity Committee was set up in 2015; during FY2021 we altered the scope and launched the Communities Committee, bringing together newly nominated 'Community Ambassadors' from across the business to shape our charity and community agenda moving forward. Speedy uses the HACT model, which provides a basic assessment of social impact and evidence of value for money to calculate the Social Value Impact (SVI) in the communities we work, employ and train. Our SVI for FY2021 is £3,028,634.24.

From HACT the following gives us our SVI breakdown:

Associated outcome/value	Total	Value (minus deadweight)
Apprentices	81	£151,125
Graduates	10	£122,681
Staff upskilling	33	£31,524
Garth prison part time engineers	25	£24,997
Garth prison full time engineers	2	£24,535
Classroom based training – Speedy people	1,370	£1,764,166
Geason training	861	£883,101

In addition, during FY2021 our people helped to raise more than £21,000 for more than 37 charities, while contributing time and manpower to a wide range of worthy community causes.

In December 2020 we supported the Cash for Kids Christmas appeal through raising c.£8,000 in employee and company donations for children across the UK.

During March 2021 we provided a further £12,000 of donations for colleagues to nominate local charities and community projects that were affected by the pandemic. Colleagues nominated their chosen charities or organisation, outlining how the donation would benefit the organisation. Submissions were reviewed by the Communities Committee and a total of 39 charities and community groups from across the UK shared in the donation sum.

We are proud to support two nominated charity partners; WellChild and The Lighthouse Club. We support WellChild through its Helping Hands programme, which renovates homes and gardens for sick children, helping to make them fun and safe areas for the whole family to enjoy. To help tackle issues in the construction industry we support The Lighthouse Club, the only charity dedicated to providing financial and emotional support to the construction community and their families.

We have been active in the rehabilitation of prisoners since 2006. We currently run a training workshop at HMP Garth in Lancashire for up to 25 inmates with two full time engineers.

Operating as an industry leading sustainable business

The United Nations' Sustainable Development Goals 2030 (UNSDGs) act as a blueprint to achieve a better and more sustainable future for all, with a view of addressing poverty, inequality, climate change, environmental degradation, peace and justice. For businesses, strong corporate governance plays a vital role in this agenda, which is something that Speedy are committed to.

As a business we strive to maintain high standards, reporting with accuracy and transparency and maintaining compliance with the laws, rules and regulations that govern our business, which is also of key importance to us as a publicly listed company.

Our business has robust governance controls and processes in place covering structure and oversight, code of conduct, reporting and the integrity and security of systems. This enables us to make effective decisions, comply with relevant law, rules and regulations whilst meeting the needs of our external stakeholders. We also believe in promoting equality and diversity within the workforce and we work hard to foster that culture within all areas of our business.

We work to leading industry certifications and accreditations to ensure best practice, while maintaining the standards our people, customers and suppliers demand.

Our current certifications include:

- ISO 9001 for quality management
- ISO 17020* for the operation of various types of bodies performing inspections
- ISO 27001 for information security
- ISO 14001 for environmental management
- ISO 50001 for energy management
- OHSAS 18001 for health and safety management

We also remain accredited to schemes that enable us to trade with specific clients and sectors, including:

- Achilles Building Confidence for the construction industry
- Achilles FPal for the oil and gas industry
- Achilles UVBD for the utilities sector
- RISQS for rail industry customers
- LEEA for lifting equipment engineers
- SafeHire for standards in tool and equipment hire

Integral to supporting good governance practices, all relevant colleagues are required to complete Speedy Code of Conduct and cyber security training to ensure working practices across the business are robust and secure. Similarly our practices regarding engagement with third parties maintain a zero tolerance approach to modern slavery and human trafficking. We have in place appropriate policies and procedures to support ethical trading and regularly monitor and audit our suppliers' network, whilst also producing a modern slavery statement each financial year in support of this.

Our Directors' Remuneration Policy was last approved at our 2020 Annual General Meeting with the intention that it operates for a three year period. The primary objective of this policy is to promote the long-term success of the Group which is important for good governance, however, our Remuneration Committee continues to review the policy to ensure it takes due account of remuneration best practice and that it remains aligned with our shareholders' interests.

The business has a robust, independent internal audit function in place and its tax strategy is well publicised.

"We are committed to the delivery of quality standards, and have the governance processes and protocols in place to ensure them."

Sam Westran
Group Head of Quality and Environment

Equality, Diversity and Inclusion

At Speedy, we believe in providing fair and equal reward and recognition for our peoples' contribution, no matter what part of our business they work in, and in promoting equality and diversity, to encourage inclusivity across every aspect of our business. Our recruitment team works to attract applicants from a wide variety of backgrounds, increasing diversity at all levels and in all roles.

During FY2021 we introduced a new Equality, Diversity and Inclusion (EDI) working group. We also introduced a range of EDI questions into our People Matters survey to help us identify how we can move this agenda forward during the coming year.

Under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 we publish our Gender Pay Gap report. We are pleased to report that as a Group we have no significant gender pay bias. We will continue to ensure that employees are rewarded and recognised fairly for their contribution and that they have equal access to opportunities within all areas of the business.

Below is a breakdown by gender of the number of people who were Directors of the Company, senior managers and other employees as at the end of the reporting period:

- Directors – female 16.7%, male 83.3%;
- Senior management team – female 19.8%, male 80.2%;
- All Speedy employees (UK and Ireland) – female 20.1%, male 79.9%.

Our objective is to have 30% female colleagues by 2030. Within our head office at Haydock the breakdown by gender is female 54.7%, male 45.3%.

Human rights and modern slavery

Our Human Rights Policy and Anti-Slavery Policy applies to all employees and commits Speedy to upholding the provision of basic human rights and eliminate any discriminatory practices. The policies emphasise our commitment to human rights in the way we do business, seeking to create and maintain a work culture which allows equal human rights to all persons whilst prohibiting actions contrary to this, such as forced or child labour.

We believe in providing fair and equal reward and recognition for our peoples' contribution – no matter what part of our business they work in.

*Lloyds British National Contracts

Financial Review

James Bunn
Chief Financial Officer

It has been a challenging year for the business as we responded to COVID-19. The financial results have been heavily impacted by the pandemic; however they are testament to the hard work of all our colleagues in supporting the business throughout this period. The start to the new financial year is encouraging; in April and May 2021 revenue is c.2% ahead of the comparative period (April 2019).

Revenues declined initially during the first lockdown, recovering strongly as our customers returned to work. Despite revenue falling by as much as 35% in April 2020, by the fourth quarter like for like core hire revenue was trading ahead of prior year by 4%. Activity recovered across our Major accounts and the mobilisations of recent contract wins including Network Plus, MWH and Horbury increased our market share. Our SME customer base has continued to grow, with revenue up 10% in the second half; we continue to explore further opportunities to grow in this sector which includes a trial with B&Q.

We proactively managed our cost base in the first half with decisive actions including a freeze on discretionary spend, the use of Government support schemes, as well as reducing capital expenditure to the level necessary to meet customer demand. Investment in hire fleet resumed as activity levels recovered during the second half. Following a detailed operational review during the first lockdown 13 depots have been permanently closed and c.200 roles made redundant.The Group entered FY2021 with conservative debt levels. The cautious action taken to preserve cash, including reduced capex and no dividend payments combined with strong cash collections from customers, the Group has operated throughout the year well within existing banking facilities and without any covenant tests being triggered. The disposal of the Middle East assets on 1 March 2021 has further strengthened the Group's net debt position.

We continue to monitor the COVID-19 situation and will respond accordingly. The Group's strong balance sheet and the encouraging trading at the start of the new financial year allows us to take advantage of strategic opportunities as markets emerge from the pandemic.

Group financial performance

Revenue (excluding disposals) for the year to 31 March 2021 decreased by 10.7% to £359.4m (2020: £402.5m). Revenue from disposals was £4.2m (2020: £4.2m); total revenue for the period decreased by 10.6% to £363.6m (2020: £406.7m).

Gross profit was £192.6m (2020: £224.2m), a decrease of 14.1%. The gross margin fell to 53.0% (2020: 55.1%), reflecting reduced hire revenue with largely fixed depreciation charge, the mix impact from reductions in training revenues, and competitive price pressures.

EBITA[1] decreased by 35.0% to £25.4m (2020: £39.1m) and profit before taxation, amortisation and exceptional costs decreased to £20.7m (2020: £34.9m).

The share of profit from the joint venture in Kazakhstan decreased to £1.2m (2020: £2.8m) as result of COVID-19 related reductions in activity.

The Group incurred net exceptional expenses before taxation of £7.6m (2020: £12.9m). Further details are included below.

After taxation, amortisation and exceptional items, the Group made a profit of £9.5m, compared to a profit of £16.8m in 2020.

Segmental analysis

The Group's segmental reporting is split into continuing operations - UK and Ireland, and discontinued operations - International. The figures in the tables below are presented before corporate costs of £4.6m (2020: £3.9m), which have increased 17.9% due to management compensation payments and additional audit fees.

UK and Ireland

	Year ended 31 March 2021 £m	Year ended 31 March 2020 £m	Change %
Revenue (excluding disposals)	**328.1**	367.3	(10.7)
EBITDA[1]	**89.5**	102.7	(12.9)
EBITA[1]	**26.3**	37.3	(29.5)

Excluding disposals, revenue decreased by 10.7% to £328.1m (2020: £367.3m) with a fall across both Hire and Services.

Hire revenue decreased by 11.0%. Hire revenue was significantly impacted by the national lockdown imposed at the end of March 2020, initially falling by 35% in April. Activity levels then progressively recovered as the construction sector reopened with trading ahead of prior year by the fourth quarter. Major and Local sectors both now exceed prior year levels following contract renewals and new contract wins. The Regional sector remains challenging, with competitive pricing.

Services revenues declined by 10.2% in the year as all areas of the business were initially impacted by the first lockdown. A strong performance from the rehire, fuel and consumables businesses throughout the second half resulted in Services revenue for that period being ahead of prior year.

Our training business Geason has continued to perform below expectations during the year due to lower than expected learner enrolments as a result of the pandemic and social distancing impacting course delivery. During the year we resolved the claim from the funding agency and implemented a number of management changes. We are reviewing further initiatives to improve the Group's financial position.

Gross margins reduced from 57.7% to 55.6%. Hire margin decreased to 75.7% (2020: 77.0%) due to reduced activity in the first half with a largely fixed depreciation charge; margin in the first half was 74.8%, increasing to 76.4% in the second half. Expansion of our powered access fleet has improved the national offering to major customers and reduced reliance on lower margin rehire partners. Services margin was impacted by sales mix with strong revenue performance in lower margin services such as rehire and fuel reducing overall margin to 23.2% (2020: 26.0%).

Overheads have reduced due to the mitigating actions taken to manage the cost base in response to the COVID-19 pandemic including the permanent closure of 13 depots and c.200 roles being made redundant, temporary freezing of discretionary spend, alongside Government support received from furlough schemes in the first half (£8.9m) and rates relief (£4.8m). As a result of these actions, there has been an overall 10.0% reduction in overheads compared to the prior year.

Headcount has reduced to 3,303, compared to 3,464 at 31 March 2020 with redundancies from the operational restructure in the first half year and 50 colleagues joining our B&Q instore offering during the year.

Asset utilisation in the second half has increased to 58.8% (2020: 55.9%), as a result of continued use of artificial intelligence to connect customer demand with asset availability and lower capex in the first half. Utilisation rates for the core range of products have improved on prior year as the replenishment and asset rebalancing programme that uses machine learning was launched across the entire network during the first half. Our strategy to simplify and standardise processes within the depot network has enabled utilisation improvement and the expansion of our four-hour customer promise.

The business recovered well in the second half with EBITA for that period of £17.9m, 5.3% down on prior year. It continues to perform well into FY2022 in a competitive market despite the pandemic related disruptions associated with COVID-19.

International

	Year ended 31 March 2021 £m	Year ended 31 March 2020 £m	Change %
Revenue	**31.3**	35.2	(11.1)
EBITDA[1]	**5.2**	8.2	(36.6)
EBITA[1]	**3.7**	5.7	(35.1)

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The Group sold its equipment fleet, stock and other fixed assets relating to its Middle East business to its principal customer ADNOC Logistics and Services LLC (ADNOC), on 1 March 2021, for consideration of $18m. The consideration was paid in cash in full on completion with trade receivables from ADNOC of c.$12m subsequently paid on 31 March. The net proceeds, after working capital payments, have reduced Group borrowings. The transaction included the Group entering into a Transitional Services Agreement (TSA) with ADNOC to 30 June 2021, to support the transfer of the assets, during which time it is anticipated that the Group's c.600 UAE-based employees' contracts will be terminated and all colleagues offered re-employment by ADNOC. On conclusion of the TSA the Group intends to wind up its operations in the Middle East.

International revenue in the Middle East decreased by 11.1% due to the disposal of the assets, COVID-19 related disruptions and the full year effect of contract negotiations in the prior year. Consequently, EBITA fell by 35.1%.

Exceptional items

There were £7.6m net exceptional items incurred during the year (2020: £12.9m).

	Total £m
Property related costs	**(5.6)**
Restructuring costs	**(1.9)**
Disposal of Middle East assets	**0.8**
Training provision	**(0.9)**
	(7.6)

Action has been taken to manage the Group's cost base following the COVID-19 pandemic, and consequently the network has been restructured; 13 depots have been closed and further consolidation of 22 depots is underway to create six larger, customer focused service centres. As a result, £5.6m of property related costs and £1.9m redundancy costs have been incurred during the year.

As noted above, the Group sold its equipment fleet, stock and other fixed assets relating to its Middle East business to its principal customer ADNOC, for a consideration of $18m (£13.0m). The transaction resulted in a gain on disposal of £0.8m.

The training business, Geason, which was acquired in December 2018, was subject to an assurance visit from a funding agency in early 2020, and a subsequent claim was received for amounts overpaid. The claim was settled in October 2020, within the provision held at 31 March 2020. An additional provision has been made for £0.9m to cover legal and other costs associated with ongoing initiatives to improve the Group's financial position.

Interest

The Group's net financial expense, including interest on lease liabilities and before exceptional items, decreased to £5.9m (2020: £7.0m) reflecting lower average gross borrowings throughout the year.

Net debt, excluding lease liabilities, as at 31 March 2021 reduced to £33.2m (2020: £79.3m), following the sale of the Middle East assets and excellent cash collections. Borrowings under the Group's bank facility are priced on the basis of LIBOR plus a variable margin, while any unutilised commitment is charged at 35% of the applicable margin. During the year, the margin payable over LIBOR on the outstanding debt fluctuated between 1.50% and 2.00% dependent on the Group's performance in relation to leverage and the weighting of borrowings between receivables and plant and machinery. The effective average margin in the period was 1.80% (2020: 1.84%).

The Group utilises interest rate hedges to manage fluctuations in LIBOR with varying maturity dates to October 2022. The fair value of these hedges was not material at 31 March 2021.

Taxation

The Group seeks to protect its reputation as a responsible taxpayer, and adopts an appropriate attitude to arranging its tax affairs, aiming to ensure effective, sustainable and active management of tax matters in support of business performance. The Group utilised Government deferral schemes for tax payments of £7.6m during the first half; all amounts deferred were paid prior to 30 September 2020.

The tax charge for the period was £2.8m (2020: £3.9m), with an effective tax rate of 22.7% (2020: 18.8%); the increase in the effective rate includes the impact of exceptional items in the year. The underlying effective tax rate for the continuing operations is 19.6% (2020: 19.7%).

Shares, earnings per share[2] and dividends

At 31 March 2021, 528,180,280 Speedy Hire Plc ordinary shares were outstanding, of which 4,413,516 were held in the Employee Benefits Trust.

Adjusted earnings per share was 3.22 pence (2020: 5.54 pence), a decrease of 41.9%. Basic earnings per share was 1.82 pence (2020: 3.23 pence).

The decision to not pay a FY2020 final dividend reflected our priority at that time of preserving cash. No interim dividend was declared during FY2021 (2020: 0.70 pence). In light of the improvement in trading in the second half of the year, and in recognition of the strength of the balance sheet and cash position at the year end, the Board is recommending a 2021 final dividend of 1.40p per share. The cash cost of this dividend is expected to be c.£7.4m.

Capital expenditure and disposals

Total capital expenditure during the year amounted to £43.7m (2020: £63.2m), of which £36.0m (2020: £55.3m) related to equipment for hire, and £7.7m to other property, plant and equipment (2020: £7.9m).

The Group entered the pandemic with a young fleet age, which allowed for immediate cut-back on discretionary spend without impacting service delivery. Capital expenditure on hire fleet was reduced initially to £7.2m, a level necessary to meet customer demand. The investment in fleet increased to £28.8m in the second half in response to increases in customer activity. This expenditure reflects further investment in the core range ensuring the UK and Ireland business can continue to execute our four-hour delivery promise. Throughout the year the Group has continued to invest in sustainable products in line with its strategy to reduce the carbon output of the hire fleet through investment in solar, hybrid, electric and hydrogen technology.

Despite the capital expenditure constraints during the year, the average age of the fleet remains young in comparison to the industry; 3.6 years (2020: 3.4 years). Total disposal proceeds were £12.2m (2020: £11.7m). During the year we further optimised our stockholdings across the network, applying machine learning to inform decisions on returns and asset utilisation, which highlighted those areas requiring investment. The number of product lines has further reduced, and this has enabled us to continually improve the efficiency of our supply chain. This forward demand planning will help mitigate the potential risk from lead time delays and price inflation.

Balance sheet

The Group continues to have a strong balance sheet, which reflects the decisive action taken during COVID-19, proactive management of the asset fleet and effective control over working capital.

Net assets at 31 March 2021 were £219.2m (2020: £209.9m), equivalent to 41.5 pence per share.

Net property, plant and equipment (excluding IFRS 16 right of use assets) was £233.1m at 31 March 2021 (2020: £257.6m), of which equipment for hire represents 88.9% (2020: 88.2%). Following the disposal of the Middle East assets, the International hire fleet is £nil at 31 March 2021, (2020: £11.4m).

Intangibles increased to £24.7m (2020: £23.1m), due to increased IT development expenditure.

Right of use assets of £59.1m (2020: £64.7m) and corresponding lease liabilities of £65.8m (2020: £72.9m) are recognised at 31 March 2021 following the implementation of IFRS 16 in the prior year.

Throughout the year the business has had a clear focus on cash, in particular customer collections. The successful collaboration between sales and credit control functions, leveraging strong customer relationships, resulted in excellent cash collections. Gross trade receivables totaled £93.3m at 31 March 2021 (2020: £100.7m). Bad debt provisions were £3.5m at 31 March 2021 (2020: £3.9m), equivalent to 3.8% of gross trade receivables (2020: 3.9%). Debtor days were 58.9 (2020: 69.6), of which UK and Ireland were 59.4 (2020: 66.0). Overdue debt has reduced by 26% over the year.

Trade payables were £49.6m (2020: £52.3m). Creditor days were 86.6 (2020: 103.7).

Cash flow and net debt[3]

Cash generated from operations for the year was £72.9m (2020: £64.5m). Free cash flow (being net cash flow before financing activities) increased to £69.7m (2020: £45.2m).

Net debt decreased by £46.1m from £79.3m at the beginning of the year to £33.2m at 31 March 2021. Excluding the impact of IFRS 16, leverage[5] reduced to 0.5x (2020: 1.0x).

The Group's strong cash position resulted in substantial headroom within the Group's bank facility throughout the year with cash and undrawn facility availability of £142.3m at 31 March 2021 (2020: £99.0m). Discussions with a syndicate of banks are at an advanced stage in relation to renewing the facility, which expires in October 2022, on largely similar terms.

Capital allocation policy

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

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

- Organic growth: the Board will invest in capital equipment to support demand in our chosen markets. This investment will be in hire fleet and IT systems to better enable us to serve our customers;
- Regular returns to shareholders: the Board intends to pay a regular dividend to shareholders, with a policy of growing dividends through the business cycle, and a payment in the range of between 33% and 50% adjusted earnings per share;
- Acquisitions: the Board will continue to explore value enhancing acquisition opportunities in specialist hire and services businesses consistent with the Group's existing operations;
- Gearing and treatment of excess capital: the Board is committed to maintaining an efficient balance sheet. The Board has adopted a target gearing in the region of 1.5x net debt to EBITDA through the business cycle, although it is prepared to move outside this if circumstances warrant. The Board will continue to review the Group's balance sheet in light of the policy, and medium term investment requirements, and will return excess capital to shareholders if and when appropriate.

The Group has a strong pipeline of organic growth and acquisition opportunities, which it continues to evaluate on an ongoing basis.

Capital structure and treasury

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

The Group's £180m asset based finance facility and uncommitted accordion of £220m, expire in October 2022. Discussions with a syndicate of banks are at an advanced stage in relation to renewing the facility on largely similar terms.

The average gross borrowings under the facility during the year ended 31 March 2021 decreased to £79.5m (2020: £110.2m). The facility includes leverage and fixed charge cover covenant tests which are only applied if headroom in the facility falls below £18m. The Group had significant headroom against these tests throughout the year.

Return on capital

ROCE[4] is a key performance measure for the Group and decreased to 7.6% (2020: 12.0%) due to the impact of COVID-19 partially offset with lower levels of net debt. The strength of the balance sheet and available financial resources will allow us to invest in growth opportunities as markets continue to recover.

James Bunn
Chief Financial Officer

Explanatory notes:

[1] Before exceptional items, see Note 12 to the Financial Statements
[2] See Note 10 to the Financial Statements
[3] See Note 21 to the Financial Statements
[4] Return on Capital Employed: Profit before tax, amortisation and exceptional items divided by the average capital employed (where capital employed equals shareholders' funds and net debt[3]), for the last 12 months
[5] Leverage: Net debt[3] covered by EBITDA[1]. This metric excludes the impact of IFRS 16.

Principal risks and uncertainties

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

The Board has delegated to the Audit & Risk Committee responsibility for reviewing the effectiveness of the Group's internal controls, including the systems established to identify, assess, manage and monitor risks. These systems, which ensure that risk is managed at the appropriate level within the business, can only mitigate risk rather than eliminate it completely.

Direct ownership of risk management within the Group lies with the senior management teams. Each individual is responsible for maintaining a risk register for their area of the business and is required to update this on a regular basis. The key items are consolidated into a Group risk register which has been used by the Board to carry out a robust assessment of the principal risks.

The principal risks and mitigating controls in place are summarised below.

Risk	Description and potential impact	Strategy for mitigation
COVID-19 pandemic continued 	**Trading performance** The UK and Ireland lockdowns have reduced economic activity. The first of these in 2020 affected Group revenues. Whilst the indications for the future are promising in the UK, the uncertainty leads to difficulty in forecasting. **People** The COVID-19 pandemic may lead to shortages in the workforce as a direct result of illness, social shielding or isolation measures, along with depot closures. This may result in an inability to effectively service our customers' requirements.	As a supplier to industries that have continued to operate, the Group has also continued to trade. Entering the new financial year a significant proportion of revenues have been retained, with trading through the Group's digital platform and by telephone. During the lockdown we suspended hire charges for equipment not in use in order that the impact was minimised. We acted quickly to contain costs and preserve cash, including halting all discretionary spend and consolidating our depot network, temporarily closing sites and servicing our clients from alternative locations, thus ensuring we maintain a national coverage. We previously utilised the Government's coronavirus job retention scheme, furloughing up to 50% of our workforce. We continue to monitor Government guidance and take action to ensure the safety of our colleagues, as we support customers continuing to operate. We have introduced COVID-19 safe ways of working, restricting access to our premises and maintaining social distance. We have increased opportunity for employees who can perform duties from home doing so and intend for this to be offered as a flexible working option where appropriate. This involves the utilisation of our secure and robust infrastructure and technology platforms.

Risk	Description and potential impact	Strategy for mitigation
COVID-19 pandemic continued 	**Supply chain** The supply of goods, services and assets (including the availability of spares) may be disrupted. This may also result in an inability to effectively service our customers' requirements.	Speedy operates one of the youngest hire fleets in the industry and is well placed to provide asset availability as a result of better reliability. The age profile also allows us to optimise capital expenditure management during this period, whilst maintaining customer service. Based on various revenue downturn scenarios, and the measures outlined above, the Board remains confident that the Group can operate within its existing debt facilities and covenant tests during a prolonged period of reduced trading activity, including in the event of a further national lockdown.

Risk	Description and potential impact	Strategy for mitigation

Safety, health and environment

Description and potential impact

Serious injury or death

Speedy operates, transports and provides for rental a wide range of machinery. Without rigorous safety regimes in place there is a risk of injury or death to employees, customers or members of the public.

Environmental hazard

The provision of such machinery includes handling, transport and dispensing of substances, including fuel, that are hazardous to the environment in the event of spillage.

Climate change

There is a risk that Speedy will fail to meet climate change targets generally which in turn may limit our ability to trade with some of our customers. Specifically, the delivery locations for many of our customers require Speedy to operate in designated low emission zones.

Strategy for mitigation

The Group is recognised for its industry-leading position in promoting enhanced health and safety compliance, together with a commitment to product innovation. This is achieved by the Group's health, safety, and environmental teams measuring and promoting employee understanding of, and compliance with, procedures that affect safety and protection of the environment.

We maintain systems that enable us to hold appropriate industry recognised accreditations which have been enhanced further this year with the introduction of a specialist platform for managing data and reporting in relation to Health, Safety and Environment.

The Group has built on its strong position by embracing the ESG agenda with the creation of our Energise programme demonstrating our firm commitment to our responsibility in each of these areas. Robust targets have been set and a director has been appointed to lead the programme, reporting to the Chief Executive.

Speedy has incorporated hybrid and fully electric vehicles into the commercial fleet to ensure we meet and in some cases exceed emission requirements.

All operatives who handle hazardous substances are trained and provided with appropriate equipment to manage small scale spills. In the case of more serious accidents, we have a contract with a third party specialist who would undertake any clean-up operation as necessary.

Risk	Description and potential impact	Strategy for mitigation
Service	**Provision of equipment** Speedy's commitment is to provide well maintained equipment to its customers on a consistent and dependable basis. **Back office services** It is important that Speedy is able to provide timely and accurate management information to its customers, along with accurate invoices and supporting documentation. In both cases, a failure to provide such service could lead to a failure to attract or retain customers, or to diminish the level of business such customers undertake with Speedy.	During the year we have successfully extended our nationwide four-hour service promise under "Trust Speedy to Deliver" to cover a wider range of our assets. Our use of personal digital assistants (PDAs) and online based customer feedback system are fully embedded into our business and these are used to improve the on-site customer experience. Speedy liaises with its customer base and takes into account feedback where particular issues are noted, to ensure that work on resolving those issues is prioritised accordingly. We have introduced a Net Promoter Score metric into our business to drive improvement through dashboard reporting at depot level. During the year we have actively progressed our Enable project to upgrade our AX12 ERP system and plan to move to Microsoft's Dynamics365. This will strengthen our customer service functionality, our back office services and also provides a range of opportunities for future enhancements.

Risk	Description and potential impact	Strategy for mitigation
Revenue and trading performance	**Competitive pressure** The hire market is fragmented and highly competitive. We are continuing to develop strategic relationships with larger customers and also working hard to grow our local and regional accounts. There is a risk that the Group does not have an effective route to market for consumer rentals and this could lead to a missed opportunity that is capitalised upon by our competition. **Reliance on high value customers** There is a risk to future revenues should preferred supplier status with larger customers be lost when such agreements may individually represent a material element of our revenues.	The Group monitors its competitive position closely, to ensure that it is able to offer customers the best solution. The Group provides a wide breadth of offerings, supplemented by its rehire division for specialist equipment. The Group monitors the performance of its major accounts against forecasts, strength of client future order books and individual expectations with a view to ensuring that the opportunities for the Group are maximised. Market share is measured and competitors' activities are reported on and addressed where appropriate. The Group's integrated services offering further mitigates against this risk as it demonstrates value to our customers, setting us apart from purely asset hire companies. No single customer currently accounts for more than 10% of revenue or receivables. We have been successful in growing our SME customer base, which also helps to mitigate this risk. We have entered a trial within B&Q stores which allows the Group to directly access a marketplace that provides significant potential for growth. The Group has restructured its operational management team to include a managing director dedicated to retail based routes to market.

Risk	Description and potential impact	Strategy for mitigation
Project and change management	**Acquisitions** Our strategy includes selective acquisitions that complement or extend our existing business in specialised markets. There is a risk that suitable targets are not identified, that acquired businesses do not perform to expectations or they are not effectively integrated into the existing Group.	The Group has a defined process for monitoring and filtering potential targets, with input from advisors and other third parties. All potential business combinations are presented to the Board, with an associated business case, for approval. Once a decision in principle is made, a detailed due diligence process covering a range of criteria is undertaken. Where necessary, this includes the use of specialist external support. The results of due diligence are presented to the Board prior to formal approval being granted. The use of a cross functional project team ensures effective integration into the Group. These teams work with a blueprint plan, modified as needed to specifically address any risks identified during the due diligence phase. A Programme Management Office function is established with clearly defined governance in place to oversee all change initiatives.
People	**Employee excellence** In order to achieve our strategic objectives, it is imperative that we are able to recruit, retain, develop and motivate employees who possess the right skills for the Group.	Skill and resource requirements for meeting the Group's objectives are actively monitored and action is taken to address identified gaps. Succession planning aims to identify talent within the Group and is formally reviewed on an annual basis by the Nomination Committee, focusing on both short and long-term successors for the key roles within the Group. Programmes are in place for employee induction, retention and career development, which are tailored to the requirements of the various business units within the Group. The Group regularly reviews remuneration packages and aims to offer competitive reward and benefit packages, including appropriate short and long-term incentive schemes.

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Risk	Description and potential impact	Strategy for mitigation
Partner and supplier service levels	**Supply chain** Speedy procures assets and services from a wide range of sources, both UK and internationally based. Within the supply chain there are risks of non-fulfilment. **Partner reputation** A significant amount of our revenues come from our rehire offering, where the delivery or performance is effected through a third party partner. Speedy's ability to supply assets with the expected customer service is therefore reliant on the performance of others with the risk that if this is not effectively managed, the reputation of Speedy and hence future revenues may be adversely impacted.	A dedicated and experienced supply chain function is in place to negotiate all contracts and maximise the Group's commercial position. Supplier accreditations are recorded and tracked centrally through a supplier portal where relevant and set service related KPIs are included within standard contract terms. Regular reviews take place with all supply chain partners. Where practical, agreements with alternative suppliers are in place for key ranges, diluting reliance on individual suppliers.
Operating costs	**Fixed cost base** Speedy has a fixed cost base including people, transport and property. When revenues fluctuate this can have a disproportionate effect on the Group's financial results.	The Group has a purchasing policy in place to negotiate supply contracts that, wherever possible, determine fixed prices for a period of time. In most cases, multiple sources exist for each supply, decreasing the risk of supplier dependency and creating a competitive supply-side environment. All significant purchase decisions are overseen by a dedicated supply chain team with structured supplier selection procedures in place. Property costs are managed by an in-house team of specialists who manage the estate. We operate a dedicated fleet of commercial vehicles that are maintained to support our brand image. Fuel is purchased through agreements controlled by our supply chain processes. The growth of our services offering will help to mitigate this risk as these activities have overheads that are more flexible

Risk	Description and potential impact	Strategy for mitigation
Cyber Security and data integrity	**IT system availability** Speedy is increasingly reliant on IT systems to support our business activities. Interruption in availability or a failure to innovate will reduce current and future trading opportunities respectively. **Data accuracy** The quality of data held has a direct impact on how both strategic and operational decisions are made. If decisions are made based on erroneous data there could be a direct impact on the performance of the Group. **Data security** Speedy, as with any organisation, holds data that is commercially sensitive and in some cases personal in nature. There is a risk that disclosure or loss of such data is detrimental to the business, either as a reduction in competitive advantage or as a breach of law or regulation.	Annual and medium-term planning processes are in place to provide visibility as to the level and type of IT infrastructure and services required to support the business strategy. Business cases are prepared for any new/upgraded systems, and require formal approval. Our planned move to Microsoft's Dynamics 365 cloud based platform reduces the likelihood of system unavailability and will also improve system performance levels. Management information is provided in all key areas from dashboards that are based on real time data drawn from central systems. We have a dedicated data management team which is responsible for putting in place procedures to maintain accuracy of the information provided by data owners across the business. Mitigations for IT data recovery are described below under business continuity as these risks are linked. We have formed a data security governance committee which meets regularly to monitor our control framework and reports on a routine basis to the Audit & Risk Committee. Speedy's IT systems are protected against external unauthorised access. These protections are tested regularly by an independent provider. All mobile devices have access restrictions and, where appropriate, data encryption is applied.

Risk	Description and potential impact	Strategy for mitigation
Funding	**Sufficient capital** Should the Group not be able to obtain sufficient capital in the future, it might not be able to take advantage of strategic opportunities or it might be required to reduce or delay expenditure, resulting in the ageing of the fleet and/or non-availability. This could disadvantage the Group relative to its competitors and might adversely impact its ability to command acceptable levels of pricing.	The Board has established a treasury policy regarding the nature, amount and maturity of committed funding facilities that should be in place to support the Group's activities. The £180m asset based finance facility including an additional uncommitted accordion of £220m, is available through to October 2022. Discussions with a syndicate of banks are at an advanced stage in relation to renewing the facility on largely similar terms. In line with the treasury policy, the Group's capital requirements, forecast and actual financial performance and potential sources of finance are reviewed at Board level on a regular basis in order that its requirements can be managed with appropriate levels of spare capacity.
Economic vulnerability	**Economy** Any changes in construction/industrial market conditions could affect activity levels and consequently the prices that the Group can charge for its services. Any reduction in Government expenditure which is not offset by an increase in private sector expenditure could adversely affect the Group.	The Group assesses changes in both Government and private sector spending as part of its wider market analysis. The impact on the Group of any such change is assessed as part of the ongoing financial and operational budgeting and forecasting process. Our strategy is to develop a differentiated proposition in our chosen markets and to ensure that we are well positioned with clients and contractors who are likely to benefit from those areas in which increased activity is forecast. We consistently monitor our share in each market segment and seek to balance our risk between cyclical areas and those which are more predictable.

Risk	Description and potential impact	Strategy for mitigation
Business continuity	**Business interruption** Any significant interruption to Speedy's operational capability, whether IT systems, physical restrictions or personnel, could adversely impact current and future trading as customers could readily migrate to competitors. This could range from short-term impact in processing of invoices that would affect cash flows to the loss of a major site.	As described in the paragraph above, the Group has continued to operate effectively throughout the COVID-19 pandemic. Management acted promptly in line with our documented plan to establish a crisis management team which co-ordinated the activities required in a rapidly changing environment. Preventative controls, back-up and recovery procedures are in place for key IT systems. Changes to Group systems are considered as part of wider change management programmes and implemented in phases wherever possible. The Group has critical incident plans in place for all its sites. Insurance cover is reviewed at regular intervals to ensure appropriate coverage in the event of a business continuity issue.
Asset holding and integrity	**Asset range and availability** Speedy's business model relies on providing assets for hire to customers, when they want to hire them. In order to maximise profitability and returns on deployed capital, demand is balanced with the requirement to hold a range of assets that is optimally utilised.	Our understanding of customer expectation of the relative timescales for delivery across our range of assets allows us to reduce holdings of less time critical assets by centralising the storage locations, whilst at the same time increasing the breadth of holding across our customer trading locations of those assets most likely to be required on a short notice basis. We regularly monitor our asset status information and use this to optimise our asset holdings. We constantly review our range of assets and introduce innovative solutions to our customers as new products come to market, under our Energise programme.

Viability Statement

The Group operates an annual planning process which includes a five year strategic plan and a one year financial budget. These plans, and risks to their achievement, are reviewed by the Board as part of its strategy review and budget approval processes. The Board has considered the impact of the principal risks to the Group's business model, performance, solvency and liquidity as set out above.

The Directors have determined that three years is an appropriate period over which to assess the Viability statement. The projections for the first three years of the strategic plan are based on detailed action plans developed by the Group with specific initiatives and accountabilities. There is inherently less certainty in the projections for years four and five. The Group has a £180m asset-based finance facility in place through to October 2022. The Strategic Plan makes certain assumptions about the adequacy of facilities and expected renewal on broadly similar terms to meet the Group's capital investment and acquisition strategies.

In making this statement, the Directors have considered the resilience of the Group, its current position, the principal risks facing the business in distressed but reasonable scenarios, including various risks associated with additional global pandemics as set out above, and the effectiveness of any mitigating actions.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to March 2024.

The going concern statement and further information can be found in Note 1 of the financial statements.

Board engagement with our stakeholders

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

Each Director and the Board collectively gives careful consideration to the factors set out above and have acted in a way they consider complies in all respects with their Section 172(1) duties. Details of how the Board discharged its duties are set out in the Strategic Report pages 56 to 59 and should be read in conjunction with information disclosed in the Governance section, on pages 61 to 100.

To help facilitate this before each scheduled Board meeting all Directors receive appropriate reports addressing key matters concerning its customers, suppliers, investors, employees, regulators and the environment and also information regarding the Group, comprising a financial report and briefings from senior executives. The Chief Executive and Chief Financial Officer also brief Directors on results, key issues and strategy. During Board meetings, the Non-Executive Directors regularly make further enquiries of the Executive Directors and seek further information which is provided either at the relevant meeting or subsequently.

This information and any related reports (provided either before or after meetings) are considered in the Board's discussions and in its decision making process when having regard to Section 172 of the Companies Act 2006.

Stakeholder engagement

Engagement with relevant stakeholders is a key consideration of the Board which varies depending on the subject at hand. Pages 57 to 59 detail Speedy's key stakeholders and how we engage with them.

As mentioned above the Board receives reports from management concerning its customers, suppliers and others in a business relationship with the Company which it takes into account in its discussions and also in the Section 172(1) decision making process. The Board has also received training relating to its obligations under Section 172(1) and the consideration of the Company's stakeholders.

Employee engagement

In addition to the Board receiving reports from management concerning its employees the Board engages directly with its employees in a variety of ways. This includes via its Employee Forum (attended periodically by Non-Executive Director, Rob Barclay), via Chief Executive and Chief Financial Officer 'Up to Speed' and 'The Hub' communications and updates. Also in a typical year where COVID-19 restrictions do not apply engagement with employees would additionally be via the Company's annual Expo and Excellence Awards. Further information on employee engagement can be found at pages 33 to 37.

Board decisions and stakeholders

We set out on page 33 an example of how the Directors have had regard to Section 172(1) when discharging their duties and the effect that this regard had on the decisions being made. Speedy's approach to connecting with our people, customers and suppliers, is to build a sustainable future, as detailed on pages 24 to 39 through the Company's Energise programme, whose mission is to provide safe, reliable equipment and services to enable the successful delivery of customer projects, and our vision of being trusted as the best company in our sector to do business with and the best to work for.

Our key stakeholders

Engagement with our key stakeholders plays an essential role throughout the business. It is a multi-layered process with engagement touching all levels of our business from front line operations to the Board and its Committees.

Our key stakeholders and examples of how we engage is detailed in the tables on the following pages. Relevant information from these interactions informs judgements and decision making.

Key stakeholder	Ways we engage	Areas discussed
Customers	• Face to face meetings (where possible), video-conferencing and calls • Speedy website and mobile apps • Social media • Tendering and RfP processes • Monitoring of hires, sales and services • Customer services centres – Speedy Direct • Regional Hubs – our regional call centres are located throughout the country, with dedicated staff servicing our regional customer base • Customer Relationship Centre – through our central hub in South Wales, dedicated to servicing our SME customers • Service Centre network – through 200 operational centres across the UK and Ireland • B&Q – through a presence in a growing number of stores across the UK • Real time customer satisfaction surveys • Product videos and peer reviews • Advertising campaigns • Speedy Expo[1]	• Availability of products and services (including use of AI) • Improved customer service • Range of products and services • Value for money • Access to good services e.g. Speedy App and tracking • Same day service commitment to customers on our top selling products (including Capital Commitment) • 'One Speedy' for first class customer experience • Sustainability solutions • Product development

[1] Due to UK Government social distancing restrictions during FY2021 these events could not take place, however, they are key events in the annual calendar which will be continued COVID-19 restrictions permitting.

Key stakeholder	Ways we engage	Areas discussed
Employees	• Employee forums (including NED attendance) • Annual People Matters Survey and pulse surveys • Launch of Wellbeing surveys • Apprenticeship and graduate programmes (Joining the 5% Club initiative) • Launch of Career Line of Sight • Benchmarking of key roles within the business • 'The Hub' communications platform to enhance employee intranet and engagement • 'Up to Speed' e-communications • Mobile phone and PDA text messaging • Roadshows and senior management meetings held at various UK and Ireland locations • Training Academy schedule of online, classroom and practical training courses • Personal Development Reviews • 'Celebrating Excellence' scheme and Excellence Awards[1] • Long service recognition scheme at 10, 20 and 25 years' service • Speedy Expo[1] • Inclusion in cross functional project teams to inform project development	• Career opportunities • Wellbeing (including mental health) • Training and development (including safety) • Pay and conditions • Colleague engagement

[1] Due to UK Government social distancing restrictions during FY2021 these events could not take place, however, they are key events in the annual calendar which will be continued COVID-19 restrictions permitting.

Key stakeholder	Ways we engage	Areas discussed
Suppliers	• Tendering processes • Visits and meetings (including via video conference) • Supplier conferences • Partnership Programme engages customers, suppliers and peer groups on key sustainability issues • Pioneering use of electric vans reducing CO_2 • Industry trade shows • Product innovation days • Speedy Expo[1]	• Quality management • Cost efficiency • Ethical Trading policy • Long-term relationships • Sustainability as part of our ESG programme • Product development
Investors	• Annual report • Annual General Meeting • RNS announcements • Investor presentations and roadshows • Corporate website • One-on-one meetings • Information requests	• Financial and operating performance • Dividends • Risk information • Access to Management • Future strategy information

[1] Due to UK Government social distancing restrictions during FY2021 these events could not take place, however, they are key events in the annual calendar which will be continued COVID-19 restrictions permitting.


Governance

CONTENTS



Chairman's letter to shareholders

Dear Shareholder

On behalf of the Board I am pleased to present the Governance Report for FY2021. This section of the Annual Report highlights the Company's corporate governance processes (alongside the work of the Board and Board Committees).

During the year Speedy and many other companies have been tested in ways that nobody could have foreseen. This has been reflected in the Board's activities over the last twelve months with more frequent ad-hoc meetings and time devoted to both operational updates and considering the impact of COVID-19 on the business. Overall the inherent strength of Speedy and the swift and decisive action taken by the Board in response to COVID-19 along with the great effort and determination of our staff have ensured we rose to the challenges presented and are well positioned for future growth.

Throughout the COVID-19 crisis, the Board remained committed to high standards of corporate governance, with alternative approaches to meetings via video conference and necessary changes to how the AGM was held allowing us to accommodate the full annual programme. This is essential for effective management and maintenance of investor confidence. I am satisfied that our approach delivers this and will continue to evolve in line with changes in best practice and regulation. I am pleased to confirm, as noted on page 68, that we have been in full compliance with the provisions of the UK Corporate Governance Code 2018 throughout the year.

There are a number of changes to report at Board level during the year: James Bunn was appointed as Chief Financial Officer on 14 September 2020, following Chris Morgan stepping down as Group Finance Director from 31 July 2020. David Garman took over as Senior Independent Director from Bob Contreras from 1 August 2021, Shatish Dasani was appointed as Non-Executive Director and Chairman of the Audit & Risk Committee on 1 February 2021 with Bob Contreras stepping down from the Board on 17 February 2021. Additionally during the year the search and selection for a new Non-Executive Director was undertaken which resulted in the appointment of Carol Kavanagh. Whilst this appointment will take effect on 1 June 2021, I am pleased that it will further strengthen our skills and diversity at Board level moving forwards and am happy to welcome Carol to the Board.

The Board undertook an externally facilitated evaluation last year and reports further on the implementation and effectiveness of its recommendations on page 71. This also takes into account this year's internal Board evaluation led by David Garman, the Senior Independent Director.

In accordance with the Code and the Company's Articles of Association, all Directors serving at the time of the Annual General Meeting will be submitting themselves to annual re-election or where they are a new Director appointed to the Board since the last Annual General Meeting they will retire and seek election. This will include the election of James Bunn, Shatish Dasani and Carol Kavanagh, it being their first AGM following appointment.

The Annual General Meeting will be held at the offices of Addleshaw Goddard LLP, One St Peter's Square, Manchester, M2 3DE on 9 September 2021 at 11:00am and I would like to invite our shareholders to attend (subject to any new UK Government COVID-19 guidance in place at the time of the meeting).

David Shearer
Chairman

Directors' Report

This section contains additional information which the Directors are required by law and regulation to include within the Annual Report and Accounts. This section along with the Chairman's statement on pages 10 and 11, the Strategic Report on pages 1 to 59, the Corporate Governance review on pages 68 to 73 and the reports of the Audit & Risk, Nomination and Remuneration Committees on pages 74 to 100, which are incorporated by reference into this report and are deemed to form part of this report, constitutes the Directors' Report in accordance with the Companies Act 2006.

The Strategic Report was approved by the Board and authorised for issue on 24 May 2021.

Results and dividends

The consolidated profit after taxation for the year was £9.5m (2020: £16.8m). This is after a taxation charge of £2.8m (2020: £3.9m) representing an effective rate of 22.8% (2020: 18.8%). No interim dividend was paid during the year, given the disruption from COVID-19. The Directors propose that a final dividend of 1.4 pence per share be paid, which, if approved at the forthcoming Annual General Meeting, would make a total dividend distribution in respect of the year of 1.4 pence per share (2020: 0.7 pence). The final dividend, if approved, will be paid on 24 September 2021 to all shareholders on the register at 13 August 2021.

Related party transactions

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

Buy-back of shares

At the Annual General Meeting held on 10 September 2020, 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 24 May 2021, no shares had been purchased under this authority. Shareholders will be requested to renew this authority at the forthcoming Annual General Meeting on 9 September 2021.

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 20 to the Financial Statements.

Going concern

The Directors consider that the Group has adequate financial resources and has access to sufficient borrowing facilities to continue operating for the foreseeable future. The Directors continue to assess the various risks and potential impact associated with the COVID-19 pandemic, and recognise the uncertainty of any resultant market impact.

The Directors believe that contingency plans against known risks, and strong progress against strategic goals, will allow the Company to continue to maximise growth opportunities. Accordingly, as detailed in Note 1 to the Financial Statements (Accounting policies), the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Substantial shareholders

As at 20 May 2021, the latest practicable date before the publication of this Annual Report and Accounts, the Company had been notified under the Disclosure Guidance and Transparency Rules of the following holders of shares with 3% or more of the total voting rights in the issued share capital of the Company.

Shareholder name	Percentage of voting rights
Schroders Plc	**12.44**
Polar Capital LLP	**7.03**
Standard Life Aberdeen Plc	**6.98**
M&G Plc	**4.97**
Jupiter Fund Management Plc	**4.93**
Aberforth Partners LLP	**3.87**

Directors

The Directors who served during the year and the interests of Directors in the share capital of the Company are set out on page 98.

In accordance with the Company's Articles of Association and in compliance with the UK Corporate Governance Code, all new Directors submit for election at the first Annual General Meeting following their appointment and all other Directors submit for annual re-election at each Annual General Meeting.

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.

Equal opportunities

The Group employed 3,303 people in the UK and Ireland, and 540 people internationally as at 31 March 2021. Following the sale of the Group's equipment fleet, stock and other fixed assets on 1 March 2021 relating to its Middle East business to ADNOC Logistics and Services LLC ('ADNOC') a transitional services agreement was entered into with ADNOC. This was to support the transfer of the assets over a four month period, during which time it is anticipated that the Group's UAE-based employees' contracts will be terminated and all colleagues be offered re-employment by ADNOC.

The Group has a clear policy that employees are recruited and promoted solely based on aptitude and ability. The Group does not discriminate in any way in respect of race, sex, marital status, age, religion, disability or any other characteristic of a similar nature. In the case of disability, bearing in mind the aptitude of the applicant concerned, all reasonable adjustments are considered to enable employment or continued employment as well as to ensure that any disabled employees receive equal treatment in matters such as career development, promotion and training. Managers at all levels are trained and developed to adhere to and promote this goal, including receiving training specifically on diversity matters. Further information on equal opportunities within the Group is set out on page 39 in the Strategic Report, along with details of the gender balance of those personnel in senior management and their reports.

Employee involvement

The Group actively aims to promote employee involvement in order to achieve a shared commitment from all employees to the success of the businesses in which they are employed. To support this, seven regional employee forums meet quarterly with the chair of each reporting to a group employee forum, again on a quarterly basis. Rob Barclay in his capacity as the designated Non-Executive Director for employee engagement periodically attends the group employee forum quarterly meetings. His attendance has helped ensure the employee voice is heard in the boardroom. This enables a greater understanding of workforce concerns and their consideration in Board decisions, which is illustrated on pages 56 and 58 along with other methods of engagement with the workforce.

The Board believes in the effectiveness of financial incentives. It is the Group's policy that employees should generally be eligible to participate in some form of incentive scheme as soon as practicable after joining the Group, following the conclusion of any relevant probationary period. Details of annual incentive arrangements for Executive Directors are summarised in the Remuneration Committee's Report on pages 80 to 100.

The Group has a people strategy in place aimed at being an employer of choice, as can be seen on pages 35 to 37 of the Strategic Report. The Group makes a number of commitments to its employees, including pay, engagement and development. The Board sees employee engagement as a key part of its success. Further details of how the Board engages with employees and how it has regard for their interests and views can be seen on pages 56 to 58 of the Strategic Report.

Exercise of Board powers

In performing its duty to promote the success of the Company and the wider Group, the Board is committed to effective engagement and the fostering of relationships with all relevant stakeholders which is illustrated on pages 56 to 59. To help facilitate this, monthly management reporting to the Board addresses key matters concerning relevant customers, suppliers, investors, employees, regulators and the environment. These reports are considered in its discussions and influence the Board decision making process allowing regard to the matters within Section 172 of the Companies Act 2006. Further information and a statement on how the Directors have had regard to the matters set out in Section 172 when discharging their duties is disclosed on page 56 of the Strategic Report.

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. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

KPMG LLP was reappointed at the Annual General Meeting of the Company held on 10 September 2020 and its appointment expires at the conclusion of this year's Annual General Meeting. KPMG LLP has expressed its willingness to continue in office. The Board is recommending KPMG LLP be reappointed as auditors and resolutions concerning this and to authorise the Directors to determine the auditors' remuneration will be put to the forthcoming Annual General Meeting on 9 September 2021. The Audit & Risk Committee intends that external audit services will be retendered in FY2022, for commencement of services in FY2023.

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 2021, the Company's share capital comprised a single class of ordinary shares of 5 pence each. As at 31 March 2021 the issued share capital was 528,180,280 comprising 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 Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the Annual General Meeting. All proxy votes are counted and the numbers for, against or withheld in relation to each resolution are announced at the Annual General Meeting and published on the Company's website after the meeting.

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

Appointment and replacement of Directors
The Company's Articles of Association provide that all Directors must stand for election at the first Annual General Meeting after having been appointed by the Board. Thereafter a Director will retire from office at each annual general meeting and submit to re-election.

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

Directors' powers
At the Annual General Meeting to be held on 9 September 2021, 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 ('Trust') for the purpose of satisfying awards made under the Company's Performance Share 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. As at 24 May 2021 the Trust held 4,413,516 shares in the Company (0.84% of the issued share capital).

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 in the event of a bid for the Company or takeover.

Statements made as required under s.430(2B) of the Companies Act 2006 are available on the Company's website.

Directors' indemnities
Throughout the financial year and at the date of approval of the Financial Statements, the Company has purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors. As permitted by the Companies Act 2006 and the Company's articles of association, it is the Company's policy to indemnify its Directors. Qualifying deeds of indemnity are put in place for all Directors on appointment.

Political contributions
No political donations were made during the year (2020: nil).

Carbon and Energy Reporting
All disclosures concerning the Group's carbon and energy consumption (as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018) are included in the ESG section of the Strategic Report on pages 24 to 39.

Annual General Meeting
Subject to the UK Government's guidance and restrictions on travel and public gatherings in relation to COVID-19 in place at that time, the Annual General Meeting will be held at the offices of Addleshaw Goddard LLP, One St Peter's Square, Manchester, M2 3DE on 9 September 2021 at 11:00am. A formal Notice of Meeting, an explanatory circular and a form of proxy will be sent separately to shareholders.

This report was approved by the Board and signed on its behalf by James Bunn, Chief Financial Officer. By Order of the Board on 24 May 2021.

James Bunn
Chief Financial Officer

Statement of Directors' Responsibilities

in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the parent Company financial statements on the same basis. In addition the Group financial statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS").

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 the Group's 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, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the group financial statements, International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS");
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies 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.

Responsibility statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- 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
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Approved by the Board on 24 May 2021 and signed on its behalf by:

David Shearer
Chairman

Board of Directors

1. David Shearer

Non-Executive Chairman

Appointment to the Board and Committee memberships

Appointed to the Board as Non-Executive Chairman on 1 October 2018. Prior to this appointment David was a Non-Executive Director of Speedy from 9 September 2016. David is also Chairman of the Nomination Committee and has previously been a member of each of Speedy's Audit & Risk, Nomination, and Remuneration Committees.

Skills and experience

David is an experienced independent director, corporate financier and turnaround specialist. He is currently Executive Chairman of Esken Limited on an interim basis, and Non-Executive Chairman of Socium Group Holdings Limited and the Scottish Edge Fund. David was previously senior partner for Scotland & Northern Ireland and a UK Executive Board member of Deloitte LLP, Co-Chairman of Martin Currie (Holdings) Limited, Chairman of Mouchel Group plc and Crest Nicholson plc and a Non-Executive Director of City Inn Limited in each case standing down after completing the successful restructuring of these businesses. He was also Non-Executive Chairman of Aberdeen New Dawn Investment Trust plc, Liberty Living Group Plc and Liberty Living Finance plc: Senior Independent Director of Renold plc, STV Group plc, Superglass Holdings plc and Scottish Financial Enterprise, a Non-Executive Director of Mithras Investment Trust plc and a Governor of The Glasgow School of Art.

N

2. Russell Down

Chief Executive

Appointment to the Board

Appointed to the Board as Group Finance Director in April 2015 and promoted to Chief Executive in July 2015.

Skills and experience

Russell was formerly Group Finance Director (from 2008 to 2015) at Hyder Consulting Plc ('Hyder'), the multinational design and engineering consultancy. He spent 17 years in total at Hyder in a number of senior roles, including five years as Group Financial Controller and six years as Regional Finance and Commercial Director for the Middle East operations based in Dubai. Russell is a Fellow of the Institute of Chartered Accountants in England and Wales, having qualified with KPMG LLP, and has previously worked for container leasing company Cronos as Director of Accounting.

3. James Bunn

Chief Financial Officer

Appointment to the Board

Appointed to the Board as Chief Financial Officer on 14 September 2020.

Skills and experience

James was formerly Chief Financial Officer for the UK Digital division of GVC Holdings PLC ('GVC') based in Gibraltar. He joined Ladbrokes PLC in 2012 as Finance Director for its UK Digital business and has subsequently held senior finance positions within Ladbrokes Coral PLC and then, following its acquisition, within GVC. Prior to this, James was employed by TUI Travel PLC from 2001, including as Finance Director: Commercial from 2008 to 2012. He is a member of the Institute of Chartered Accountants in England and Wales.

4. David Garman

Senior Independent Director

Appointment to the Board and Committee memberships

Appointed to the Board in June 2017 as Non-Executive Director and member of the Nomination Committee. Appointed a member of the Remuneration Committee from 9 November 2017. Appointed as Senior Independent Director from 1 August 2020.

Skills and experience

David is currently Senior Independent Director at John Menzies plc, a Non-Executive Director at Troy Income & Growth Trust plc and a Director of several private companies. David has a broad range of industrial experience and was previously Chief Executive of TDG plc (now TDG Limited), a European contract logistics and supply chain management business, an Executive Director of Associated British Foods plc and held a variety of management roles at United Biscuits. He was also the Senior Independent Director at St Modwen Properties Plc and Phoenix IT plc, and a Non-Executive Director at Kewill plc and Victoria plc.

N R

Key to Committees:
- **A** Audit & Risk
- **N** Nomination
- **R** Remuneration
- ■ Committee Chair

5. Rob Barclay

Independent Non-Executive Director

Appointment to the Board and Committee memberships

Appointed to the Board in April 2016 as Non-Executive Director and Chairman of the Remuneration Committee and a member of the Audit & Risk Committee.

Skills and experience

Rob is currently the CEO for the National Timber Group ('NTG'), the UK's leading Independent sawmilling and distribution business. Private equity backed NTG is made up of a number of market leading brands providing valued added solutions to the construction industry. He was formerly the Managing Director UK, Ireland and Middle East of SIG plc, the FTSE 250 market leading supplier of specialist products to the building and construction industry between January 2013 and March 2018. Rob joined SIG in 1997 and held various senior management roles within the business including Managing Director of SIG Distribution, having led its creation by bringing together the Group's UK insulations, interiors, construction accessories and fixings businesses. Prior to joining SIG, Rob was a Regional Manager for a global wood products company based in New Zealand, from where he originates.

A R

6. Rhian Bartlett

Independent Non-Executive Director

Appointment to the Board and Committee memberships

Appointed to the Board on 1 June 2019 as Non-Executive Director and a member of the Audit & Risk, Nomination and Remuneration Committees.

Skills and experience

Rhian is currently Food Commercial Director at J Sainsbury plc, having previously held the position of Director of Fresh Foods. Prior to joining Sainsbury's she worked at Screwfix Direct, a Kingfisher plc Group company, as Customer and Digital Director having previously held the position of Commercial Director. Prior to Screwfix Rhian was Director UK Trading at eBay, held various positions with J Sainsbury plc (including Business Unit Director and Head of On-line Merchandising) and was a Category Manager and Head of Online Marketing at Homebase.

A N R

7. Shatish Dasani

Independent Non-Executive Director

Appointment to the Board and Committee memberships

Appointed to the Board on 1 February 2021 as Non-Executive Director. Shatish is Chairman of the Audit & Risk Committee and a member of the Nomination Committee.

Skills and experience

Shatish is currently a Non-Executive Director and Audit Committee Chair of Renew Holdings plc and SIG plc. He is also a Trustee and Chair of UNICEF UK, the children's charity. Shatish has over 20 years' experience in senior public company finance roles across various sectors, including building materials, general industrial and business services. He was Chief Financial Officer of Forterra plc from 2015 to 2019, during which the company successfully listed on the Main Market in London. Prior to this, he was CFO at TT Electronics plc and has also been alternate Non-Executive Director of Camelot Group plc and Public Member at Network Rail plc. Shatish is a Fellow of the Institute of Chartered Accountants in England and Wales, and has extensive international experience including as regional CFO based in South America.

A N

Corporate Governance

Governance progress

During the year the Company continued to build upon its governance practices in light of the UK Corporate Governance Code 2018 and the agreed key actions from its external Board evaluation in FY2020, to ensure they remain in line with developing best practice and are suitable for a company of its size. These key actions and their status following review at this year's internal evaluation is reported on at page 71.

The Board appointments during the year of James Bunn as Chief Financial Officer and Shatish Dasani as Non-Executive Director and Audit & Risk Committee Chair, together with the subsequent appointment of Carol Kavanagh as a Non-Executive Director with effect from 1 June 2021, will further enhance the Board's diversity and skills, and help balance Board tenure and succession planning.

UK Corporate Governance Code compliance

The Board is committed to maintaining high standards of corporate governance. The Board first reported its compliance with the Combined Code in 2004. Since then, other than as explained in previous annual reports and accounts, it has complied in full with the Combined Code (now the UK Corporate Governance Code) and continued to develop its approach to corporate governance and the effective management of risk in the context of an evolving business. This year the Company is reporting against the UK Corporate Governance Code 2018 (the 'Code'). A copy of the 2018 edition of the Code is available to view on the website of the Financial Reporting Council at www.frc.org.uk. Throughout the year ended 31 March 2021, the Company has been in full compliance with the provisions set out in the Code.

Directors

The Board

The Board comprises a Non-Executive Chairman, the two Executive Directors and four independent Non-Executive Directors.

In the year ended 31 March 2021, the Board met eight times across the annual scheduled programme. The Board also met as required for ad hoc meetings to consider the effects of the pandemic and to deal with other urgent business, including the consideration and approval of matters that are reserved to the Board. The table above lists the Directors' attendance at the scheduled Board meetings and Committee meetings during the year ended 31 March 2021.

During the year, James Bunn was appointed as Chief Financial Officer on 14 September 2020. Chris Morgan stepped down as Group Finance Director on 31 July 2020.

Bob Contreras stepped down from the Board and as Chairman of the Audit & Risk Committee on 17 February 2021, with Shatish Dasani being appointed with effect from 1 February 2021 as Non-Executive Director, Chairman of the Audit & Risk Committee and a member of the Nomination Committee.

Board and Committee attendance at scheduled meetings

	Board (8)	Audit & Risk Committee (6)	Nomination Committee (2)	Remuneration Committee (5)
Executive Directors				
Russell Down	8/8	–	–	–
James Bunn[1]	5/5	–	–	–
Chris Morgan[2]	1/2	–	–	–
Non-Executive Directors				
David Shearer	8/8	0/0	2/2	0/0
David Garman[3]	8/8	3/3	2/2	5/5
Rob Barclay[4]	8/8	6/6	1/1	5/5
Rhian Bartlett	8/8	6/6	2/2	5/5
Shatish Dasani[5]	2/2	0/0	0/0	0/0
Bob Contreras[6]	5/6	6/6	2/2	1/1

[1] James Bunn was appointed as Chief Financial Officer on 14 September 2020.

[2] Chris Morgan stepped down as Group Finance Director on 31 July 2020.

[3] David Garman stepped down as a member of the Audit & Risk Committee effective from 1 August 2020.

[4] Rob Barclay stepped down as a member of the Nomination Committee effective from 1 August 2020.

[5] Shatish Dasani was appointed as Non-Executive Director, Chairman of the Audit & Risk Committee and a member of the Nomination Committee on 1 February 2021.

[6] Bob Contreras stepped down as a member of the Remuneration Committee effective from 1 August 2020 and stepped down from the Board on 17 February 2021.

Directors who are not a member of a Board Committee may attend meetings at the invitation of the relevant Committee Chair.

The Board has approved a schedule of matters reserved for decision by it. That schedule is available for inspection at the Company's registered office and on the Company's website. The matters reserved for decision by the Board can be subdivided into a number of key areas including, but not limited to:

- financial reporting (including the approval of interim and final Financial Statements, interim management statements and dividends);
- approving the form and content of the Group's Annual Report and Financial Statements (following appropriate recommendations from the Audit & Risk Committee) to ensure that it is fair, balanced and understandable overall and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the Group's finance, banking and capital structure arrangements;
- Group strategy and key transactions (including major acquisitions and disposals);
- 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);
- oversight of the Group's risk appetite, risk acceptance and programmes for risk mitigation;
- approval of the Group's risk management and internal control processes (following appropriate recommendations from the Audit & Risk Committee);
- approving the Company's annual Viability Statement;
- 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 Group's Code of Conduct and whistleblowing, the Bribery Act, the environment, health and safety and corporate responsibility.

Matters requiring Board or Committee approval are generally the subject of a proposal by the Executive Directors, which is formally submitted to the Board, together with supporting information, as part of the Board or Committee papers made available prior to the relevant meeting. Where practicable, papers are generally made available via an electronic platform at least five days in advance of such meetings, to allow proper time for review and ensure the best use of the Directors' time. 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, where relevant.

Chairman and Chief Executive

The posts of Chairman and Chief Executive are held by David Shearer and Russell Down, respectively.

A statement as to the division of the responsibilities between the Chairman and Chief Executive is available on the Company's website. The Board considered that the Chairman, on his appointment, met the independence criteria set out in Provision 10 of the Code. The Board has an established policy that the Chief Executive should not go on to become Chairman.

Board balance and independence

The Board currently comprises the Chairman, two Executive Directors and four independent Non-Executive Directors: David Garman, Rob Barclay, Rhian Bartlett and Shatish Dasani. The four Non-Executive Directors bring a strong and independent non-executive element to the Board. The Senior Independent Director is David Garman. The independent Non-Executive Directors and their respective experience, details of which are set out on pages 66 and 67, clearly indicates that they are of sufficient calibre and number for their views to carry appropriate weight in the Board's decisions. The Board considers that each of David Garman, Rob Barclay, Rhian Bartlett and Shatish Dasani are independent on the basis of the criteria specified in Provision 10 of the Code and are free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

Board Committees

The Audit & Risk Committee is chaired by Shatish Dasani. Its other members are Rob Barclay and Rhian Bartlett. Details of its activities during the year are detailed in the Audit & Risk Committee Report on pages 74 to 77.

The Remuneration Committee is chaired by Rob Barclay. The other members are David Garman and Rhian Bartlett. The Committee Chairman's Statement, summary Directors' Remuneration Policy and Directors Remuneration Report are on pages 80 to 100.

The Nomination Committee is chaired by David Shearer. The other members are David Garman, Rhian Bartlett and Shatish Dasani. The Committee therefore satisfies the requirement of Provision 11 of the Code that a majority of its members are to be independent Non-Executive Directors. The report on the activities of the Committee is contained on pages 78 and 79.

The Chairman and other Non-Executive Directors meet after every Board meeting 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 and the other Non-Executive Directors generally meet after every Board meeting without the Chairman present, and also undertake an annual appraisal of the Chairman's performance as part of the Board annual appraisal process.

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

On resignation, written concerns (if any) provided 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, Marsh Ltd, and is reviewed annually.

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

The Board is both balanced and diverse in respect of its experience and skills. The Board remains committed to maintaining and building on its diversity and encouraging that within senior management levels as recruitment opportunities arise. Any succession planning for the Board recognises this and diversity in all its aspects is considered in the shortlisting of candidates.

Appointments to the Board

The Board has established a Nomination Committee. The terms of reference of the Nomination Committee are published on the Company's website. The Committee meets formally as necessary, but at least twice a year. This is detailed in more depth in the Nomination Committee Report on pages 78 and 79. 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, election and re-election to the Board for those candidates standing for annual election or re-election at the Annual General Meeting and succession planning generally, plus ensuring a diverse pipeline.

A specification for the role of Chairman, including anticipated time commitment, is included as part of the written statement of division of responsibilities between the Chairman and Chief Executive. Details of the Chairman's other material commitments are set out on page 66 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 & Risk, 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.

During the year James Bunn and Shatish Dasani were appointed to the Board as Chief Financial Officer and a Non-Executive Director respectively. The search and selection of James Bunn and Shatish Dasani was supported by external recruitment consultants Russell Reynolds Associates who have no other connection with the Company or any of its Directors.

No Director is a Non-Executive Director or Chairman of a FTSE 100 company.

Diversity

The Board recognises the value of diversity in the boardroom and the benefit to the Group's overall performance that diversity across backgrounds, experience, knowledge, skills and gender can bring. In new appointments, the Nomination Committee seeks to select individuals who are best able to meet the recommended requirements of the role and improve overall diversity of the Board.

Information and professional development

Before each scheduled Board meeting all Directors receive reports from the Chief Executive and Chief Financial Officer on results, key issues and strategy. Additionally these reports (and where relevant additional reports from senior executives) address key matters concerning the Company's customers, suppliers, investors, employees, regulators and the environment. During Board meetings, the Non-Executive Directors regularly make further enquiries of the Executive Directors and seek further information which is provided either at the relevant meeting or subsequently. This information and any related reports (provided either before or after meetings) are considered in the Board's discussions and in its decision making process when having regard to Section 172 of the Companies Act 2006.

The Board recognises the importance of tailored induction training on joining the Board and 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, including briefings from external advisers, through other companies of which they are Directors or through associated professional firms or as members of their professional bodies.

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 available for inspection on the Company's website.

All Directors have access to the advice and services of the Company Secretary, whose role is to ensure that information is received by the Board in a timely manner, all procedures are followed and 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

Following the triennial externally facilitated Board evaluation in FY2020, the Board evaluation was conducted internally this year. This was led by the Senior Independent Director. Each of the Directors completed an evaluation questionnaire and the results were reviewed by the Senior Independent Director in a one-to-one meeting with the relevant Board member. The Senior Independent Director presented his findings to the Board for discussion led by the Chairman. The internal evaluation concluded that overall that the Board and its Committees were effective. The evaluation noted that last year's external evaluation had been comprehensive with the agreed recommendations either being implemented during the year or as agreed still to be considered as below.

The reduction in the membership of all Board Committees to three Non-Executive Directors (effective 1 August 2020), would continue to be evaluated, as with the changes in Board membership during the year it was too early to determine the effectiveness of the interaction between the relevant Committee and the balance of the Board. Other changes relating to the:

- Consideration of appointment of a new Chair for the Nomination Committee to increase effective allocation of Chairman of the Board's time; and
- Review of Rhian Bartlett's membership of the Remuneration Committee (to maintain the membership at three),

would both be further reviewed allowing a period for the recently appointed Non-Executive Directors joining the Board and Board Committees to settle into their roles.

The Chairman reviewed the performance and development needs of each of the Executive and Non-Executive Directors. The Non-Executive Directors, led by the Senior Independent Director conducted an evaluation of the Chairman, and the Senior Independent Director discussed the results of that assessment with the Chairman. No actions were considered necessary as a result of the evaluation, and the Board is satisfied with the Chairman's commitment and performance.

Re-election

Pursuant to the Code and under the Company's Articles of Association all Directors must submit to annual re-election (or where they are a new Director appointed to the Board since the last Annual General Meeting they will retire and seek election) at each Annual General Meeting. Biographical details of all the Directors are included in this report in order to enable shareholders to take an informed decision on any election/re-election resolution. The letters of appointment of each of the Non-Executive Directors and the Chairman confirm that appointments are for specified terms and that reappointment is not automatic.

Directors' 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 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 FIT Remuneration Consultants LLP (succeeding Alvarez and Marsal LLP and appointed on 1 October 2020 following the Remuneration Committee's retender of the provision of remuneration advisory services) ('FIT'), reviews the Company's Remuneration Policy on a regular basis 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 service contracts for Russell Down and James Bunn provide for termination by the Company on one year's and nine months' notice respectively. It is the Company's current policy that notice periods on termination of Directors' contracts should not exceed 12 months.

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

The remuneration of the Non-Executive Chairman is dealt with by the Remuneration Committee. The remuneration of other Non-Executive Directors is dealt with by a Committee of the Board specifically established for this purpose, normally comprising the Chief Executive and the Chief Financial Officer, without the presence of the Non-Executive Directors. The remuneration of all Non-Executive Directors is reviewed annually. The remuneration of Non-Executive Directors was scheduled to be reviewed at the end of FY2021 but on agreement by the Non-Executive Directors this has been postponed for a further 12 months. During the year, all Directors, including the Non-Executive Directors, agreed to a 20% reduction in salaries and fees for three months from 1 April 2020. Further details of the remuneration of Non-Executive Directors are set out on page 93.

Procedure

The Board has constituted a Remuneration Committee which met five times during the year. The terms of reference of the Remuneration Committee are published on the Company's website and are fully compatible with Provision 33 of the Code. The Remuneration Committee members are Rob Barclay, David Garman and Rhian Bartlett 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 Chairman, Chief Executive and HR Director attend by invitation but are not present for discussions relating to their own remuneration. The Remuneration Committee has appointed FIT to advise it in relation to the design of appropriate executive remuneration structures. FIT has no other connection with the Company or any of its Directors.

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 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. The Company's current long-term incentive scheme was approved by shareholders in 2014.

A more detailed summary of the work of the Remuneration Committee during the year and the Group's Remuneration Policy, which was approved at the Company's 2020 Annual General Meeting and which will apply until its Annual General Meeting in 2023 is contained on pages 80 to 100.

Accountability and audit

Financial reporting

The Directors' Report and independent auditor's report appear on pages 62 to 64 and pages 101 to 109 respectively and comply with Provisions 27 and 30 of the Code.

Audit & Risk Committee and auditors

The Board has established an Audit & Risk Committee which met six times during the year. The terms of reference of the Audit & Risk Committee are published on the Company's website. Such terms of reference comply with Provision 25 of the Code. The Board is satisfied that the Chairman of the Audit & Risk Committee, Shatish Dasani, has appropriate recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which the Company operates.

In addition to responsibility for the Group's systems of internal control, the Committee is responsible for reviewing the integrity of the Company's accounts, including the half and full-year results, and recommending their approval to the Board.

The Committee meets on a regular basis with the external auditors and internal audit function to review and discuss issues arising from internal and external audits and to agree the scope and planning of future work. The effectiveness of the Group's internal audit function is one of the matters reviewed in conjunction with the external auditors.

The Audit & Risk Committee has primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors. The policy of the Audit & Risk Committee is to ensure auditor objectivity and independence is safeguarded at all times. As further detailed on page 77, the Audit & Risk Committee considers that the Company's auditors are independent.

A more detailed description of the work of the Audit & Risk Committee during the year is contained in the separate report of the Committee on pages 74 to 77.

Internal control

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

The Board, via the Audit & Risk Committee, conducts a review, at least annually, of the Group's systems of internal control. Such a review considers all material controls, including financial, operational and compliance controls and risk management systems, and accords with the recommendations contained in the FRC's guidance on Risk Management, Internal Control and Related Financial and Business Reporting (formerly the Turnbull Guidance). A formal report is prepared by the external auditors, KPMG LLP, highlighting matters identified in the course of its statutory audit work, and is reviewed by the Audit & Risk Committee in the presence of KPMG LLP and, by invitation, the Chief Executive, the Chief Financial Officer, the Director of Finance and the Head of Risk and Assurance. The Committee also considers formal reports prepared and presented by the internal audit function. The findings and recommendations of the Committee are then formally reported to the Board for detailed consideration.

Relations with shareholders

Dialogue with institutional shareholders

The Chief Executive and Chief Financial Officer routinely attend brokers' and analysts' presentations, which include the Company's half and full-year results. The Chairman, Chief Executive and Chief Financial Officer, with assistance from the Company's brokers, collate feedback from such presentations and report the findings to the next meeting of the Board. The Chairman is also available to discuss matters with major shareholders in relation to, inter alia, results, strategy and corporate governance issues. The Senior Independent Director, David Garman, 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 Chief Financial Officer be considered ineffective or inappropriate.

Constructive use of the Annual General Meeting

The Company's Annual General Meeting procedures include, as a matter of course, specifying 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 Annual General Meeting on each substantive separate issue, including in relation to the Annual Report and Accounts and the Directors' Remuneration Report.

All Committee Chairmen will be available for shareholders' questions at the Annual General Meeting subject to the UK Government's guidance and restrictions on travel and public gatherings in relation to COVID-19 in place at the date of the meeting.

The Company's standard procedure is to ensure that the Notice of Annual General Meeting and related papers are sent to shareholders at least 20 working days before the meeting.

Audit & Risk Committee Report

Shatish Dasani
Chairman of the Audit & Risk Committee

The Audit & Risk Committee presents its report in relation to the financial year ended 31 March 2021.

Objectives and terms of reference

The Audit & Risk Committee's key objectives are to provide oversight and governance over the effectiveness of the Group's financial reporting and internal controls, together with the procedures for identification, evaluation and management of key risks. The role of the Audit & Risk Committee in monitoring the integrity of the Group's financial affairs is important to shareholders and other stakeholders, both internal and external. Accordingly, the Committee works closely with management and external and internal auditors to ensure a best practice approach to policies and controls. In addition, a key objective of the Committee is to ensure all financial reporting is fair, balanced and understandable.

The Audit & Risk Committee is satisfied that the Group's internal and external processes are robust and appropriately aligned to delivering good financial reporting and governance. The Directors confirm that they have carried out a comprehensive assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The terms of reference of the Audit & Risk Committee, which include all matters referred to in the UK Corporate Governance Code, are reviewed annually by the Committee and changes proposed to the Board. The current terms of reference can be found at speedyservices.com/investors and are also available in hard copy from the Company Secretary.

During the year, the Committee was renamed as the Audit & Risk Committee in order to highlight its role in relation to risk management.

Composition of the Audit & Risk Committee

The Audit & Risk Committee comprises three Non-Executive Directors: Shatish Dasani (Chairman), Rob Barclay and Rhian Bartlett. All members are considered by the Board to be independent. Biographies of each of the members of the Audit & Risk Committee are set out on page 67. During the year Bob Contreras served as the Chairman of the Audit & Risk Committee before stepping down on 17 February 2021. David Garman stepped down as a member of the Committee on 1 August 2020 following the recommendations from the externally facilitated Board evaluation conducted in FY2020.

The Audit & Risk Committee is chaired by Shatish Dasani, a chartered accountant with over 20 years' experience in senior public company finance roles across various sectors, including building materials, general industrial and business services. His biography is set out on page 67. The Board is satisfied that Shatish Dasani has recent and relevant financial experience and that the Committee as a whole has an appropriate balance of skills, experience, qualifications and sector related knowledge.

Attendance

The Audit & Risk Committee's agenda is linked to events in the Group's financial calendar, and the Committee met on six occasions during the year. Two of these meetings were scheduled in June 2020, specifically to consider the FY2020 annual results. Details of the attendance at Audit & Risk Committee meetings are set out below.

Audit & Risk Committee members and meetings attended

Name	Position	Meetings attended
Shatish Dasani[1] (Chairman)	Non-Executive Director	0/0
David Garman[2]	Non-Executive Director	3/3
Rob Barclay	Non-Executive Director	6/6
Rhian Bartlett	Non-Executive Director	6/6
Bob Contreras[3]	Non-Executive Director	6/6

[1] Shatish Dasani was appointed on 1 February 2021 as a Non-Executive Director and Chairman of the Audit & Risk Committee.
[2] David Garman stepped down effective from 1 August 2020 as a member of the Committee.
[3] Bob Contreras stepped down on 17 February 2021 from both the Audit & Risk Committee and the Board.

Operation and responsibilities of the Audit & Risk Committee

The Chairman, Chief Executive and Chief Financial Officer, together with representatives from the external auditors, the Director of Finance and the Head of Risk and Assurance, are invited to attend meetings of the Audit & Risk Committee, although the Committee reserves time for discussions without any invitees being present. The external auditors and the Head of Risk and Assurance meet privately with the Audit & Risk Committee to advise the Committee of any matters which they consider should be brought to their attention without the Executive Directors present. The external auditors and the Head of Risk and Assurance may also request a meeting with the Committee if they consider it necessary. The Risk and Assurance department carries out the Group's internal audit work. The Chairman of the Committee also holds private meetings both with the Head of Risk and Assurance and the external auditors.

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

The Committee undertakes its activities in line with an annual programme of business. The Audit & Risk Committee's principal duties are:

Internal controls and risk

- monitoring the effectiveness and appropriateness of internal controls;
- evaluating the Board's process for identifying and managing significant risk in the business;
- considering the effectiveness and resourcing of the internal audit function;

- determining and directing the scope of the internal audit programme;
- appointing or replacing the Head of Risk and Assurance;
- reviewing matters reported through the Group's whistleblowing policy; and
- monitoring performance of the Group's senior finance personnel and ensuring their development.

External auditors

- monitoring the effectiveness of the external audit process, including recommending the appointment, re-appointment and remuneration of the external auditors;
- liaising with the external auditors in respect of the rotation of audit partners at appropriate junctures;
- considering and, if appropriate, approving the use of the external auditors for non-audit work in line with its policy;
- considering the independence of the external auditors, taking into account: (i) non-audit work undertaken by them; (ii) feedback from various stakeholders; and (iii) the Audit & Risk Committee's own assessment; and
- monitoring and considering the provisions and recommendations of the UK Corporate Governance Code in respect of external auditors. This involves a review of the scope of the audit, the auditor's assessment of risk, appropriateness of materiality and the key findings.

Financial Statements

- monitoring the integrity of the Group's Financial Statements and formal announcements relating to the Group's performance;
- reviewing the Company's Viability Statement, challenging assumptions made with management and, if thought appropriate, recommending this for approval by the Board and inclusion in the Annual Report and Financial Statements;
- considering liquidity risk and the use of the going concern basis for preparing the Group's Financial Statements; and
- evaluating the content of the Annual Report and Financial Statements, to advise the Board as to whether it may reasonably conclude that the Annual Report and Financial Statements is fair, balanced and understandable overall and provides the information necessary to enable shareholders to assess the performance, business model and strategy of the Group.

As part of its annual programme of business the Audit & Risk Committee regularly receives updates from the external auditors as to developing accounting standards, and members are expected to participate personally in relevant briefing and training sessions during the year.

Significant areas considered during FY2021

During the year, the Audit & Risk Committee considered and discussed with the external auditors the following items:

- the existence and valuation of hire equipment;
- the going concern basis for the preparation of the Financial Statements;
- the estimation and disclosure of exceptional items; and
- the valuation of trade receivables.

The role and response of the Audit & Risk Committee to these, along with any corresponding impact on the Group's Financial Statements, are discussed in more detail in this report.

Existence and valuation of hire equipment

The hire fleet comprises several million individual assets, represents the largest asset on the balance sheet, and underpins the Group's key revenue streams.

The control environment surrounding the management of the hire fleet is critical to maintaining an up to date record of the assets and ensuring that they are correctly valued within the Financial Statements. In order to gain assurance that the control environment is operating in a satisfactory manner, the Committee requires internal audit to review the asset management processes. The findings of these reviews are considered by the Committee at each meeting.

In addition to considering the appropriateness of the Group's depreciation policies, the Committee reviews the valuation of hire equipment taking into consideration a consistent track record of the Group in disposing of hire equipment at close to book value. This also incorporates a thorough review of useful economic lives and residual values.

As a result of the work performed and in conjunction with the assessment made by the external auditors, the Audit & Risk Committee is satisfied that hire equipment assets are appropriately valued.

Going concern basis for the preparation of the Financial Statements

The Group has adopted a going concern basis for the preparation of the Financial Statements. Judgement over the future cash flows of the business (for a period of at least 12 months from signing the accounts) and the available headroom from the Group's borrowing facilities must be applied in concluding whether to adopt a going concern basis of preparation. The Audit & Risk Committee has challenged forecast cash flows, the assumptions applied to derive the cash flows and availability of finance from existing facilities. Whilst the Group responded robustly to the COVID-19 pandemic, the Committee has considered the risks associated with a possible "third wave" in the UK and the resultant market impact. The Committee is satisfied that management will respond robustly if this occurs, as it has done over the last year.

The Group has a £180m asset based finance facility (the 'facility') and an additional uncommitted accordion (£220m) which mature in October 2022 and has no prior scheduled repayment requirements. Discussions with the syndicate of banks are at an advanced stage in relation to renewing the facility on largely similar terms. Throughout the year, the Group has remained in compliance with its financial covenants under the Group's banking facilities.

Based on the expectations of future cash flows and the continued availability of the banking facilities, the Audit & Risk Committee has concluded that the available borrowing facilities are adequate for both existing and future levels of business activity. The Committee therefore considers that it is appropriate to continue to adopt a going concern basis in the preparation of the Financial Statements.

Exceptional items

Action was taken during the year to manage the Group's cost base during the COVID-19 pandemic and consequently the network has been restructured, with a number of depot closures. As a result, costs associated with property provisions and redundancies have been recognised as exceptional items. Additional costs associated with further depot consolidations as management have realigned the network in the second half of the year have similarly been recognised as exceptional items.

The Group sold its equipment fleet, stock and other fixed assets relating to its Middle East business to its principal customer ADNOC during the year. Taking into consideration the sale proceeds and carrying values, this generated a gain on disposal which has been recognised as exceptional.

Geason Training was subject to an assurance visit from a funding agency in early 2020, and a subsequent claim for amounts overpaid. The claim was settled in October 2020, within the provision created in FY2020. During the current year an additional provision has been made to cover legal and other costs associated with the matter and ongoing initiatives to improve the business's position. These costs have been included as exceptional items.

The Audit & Risk Committee has reviewed the assumptions made by management and is satisfied, in conjunction with the assessment made by the external auditors, that the values and associated disclosures presented in the Financial Statements in respect of these items are consistent with accounting policies.

Valuation of trade receivables

The Group trades with a large number of customers across a number of sectors and the carrying amount of receivables from these customers comprises a substantial current asset. Judgement is required in determining the extent to which these current assets will prove irrecoverable, and a provision for this is reflected in the carrying value of those current assets.

The Audit & Risk Committee considers the levels of provisions against receivables and any changes to the provisioning policy recommended by management, taking into account trends within the ageing profile of the receivables balance, levels of non-collectability experienced by the business and the economic climate in which the customers operate including the impact of COVID-19.

As a result of the work performed, the Committee is satisfied that trade receivables are appropriately valued.

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 detailed review of internal controls has been delegated by the Board to the Audit & Risk Committee.

The Risk and Assurance Department incorporates the Group's internal audit function. The Head of Risk and Assurance reports to the Board and to the Audit & Risk Committee. The internal audit function is involved in the assessment of the quality of risk management and internal controls. It helps to promote and develop further effective risk management in all areas of the business, including the embedding of risk registers and risk management procedures within individual business areas.

The Committee receives detailed reports from the Risk and Assurance Department at each meeting. The Committee ensured that questionnaires were circulated to senior management requesting they notify internal audit of any significant irregularities in information provided for inclusion in the Financial Statements. None have been reported.

The Audit & Risk Committee has reviewed the effectiveness of internal controls and risk management during the year taking into consideration the framework and risk register maintained by management, in addition to reports from both internal and external auditors. The Committee has concluded that internal controls have operated effectively during FY2021.

Review of the work, effectiveness and independence of internal audit

The Audit & Risk Committee reviews the effectiveness of the Group's internal audit function. This review includes the audit plan and the level of resource devoted to internal audit, as well as the degree to which the function can operate free from management restrictions. The Committee considered the results of the audits undertaken by the internal audit function and in particular considered the response of management to issues raised by internal audit, including the time taken to resolve matters reported. Although internal audit has raised recommendations for improvement in the normal course of business, the Audit & Risk Committee is satisfied that none of these constituted significant control failings during FY2021.

Attribute Standard 1312 of the Chartered Institute of Internal Auditors ('CIIA') International Professional Practices Framework requires an external quality assessment of internal audit to be undertaken every five years. The review undertaken in FY2017 concluded that the Group's internal audit function 'Generally Conforms' to the CIIA standards (the highest possible rating). In accordance with the standard, it is the intention of the Committee to commission an external quality assessment during FY2022. In addition to this, the Head of Risk and Assurance is required to undertake an annual self-assessment of adherence to this framework. This self-assessment is considered by the Audit & Risk Committee during its review of internal audit.

On an annual basis the Audit & Risk Committee circulates a questionnaire to Directors and senior management inviting comments on the Risk and Assurance function. The responses are considered by the Audit & Risk Committee and are used in conjunction with the other review processes described to determine whether internal audit is working effectively.

Section E24 of the Chartered Institute of Internal Auditors ('CIIA') Internal Audit Code of Practice requires the Audit & Risk Committee to explicitly discuss annually the chair's assessment of the independence and objectivity of the Head of Risk and Assurance. The Committee is satisfied that the Head of Risk and Assurance is independent and will robustly challenge management appropriately.

Following the review, the Committee concluded that the Group's internal audit function remains effective.

The Internal Audit Charter was reviewed by the Audit & Risk Committee during the financial year and it was determined that this remained fit for purpose.

Review of the work, effectiveness and independence of the external auditors

The Audit & Risk Committee reviews annually the relationship between the Group and the external auditors and has responsibility for monitoring the external auditors' independence and objectivity. This work includes an assessment of their performance and cost effectiveness, a review of the scope of their work, as well as their compliance with ethical, professional and regulatory requirements. The Committee also reviews any major issues which arise during the course of the audit and their resolution, key accounting and audit judgements, and any recommendations made to the Board by the auditors and the Board's response. The Committee is responsible for ensuring that an appropriate relationship is maintained between the Group and the external auditors.

The policy for the use of the external auditors for non-audit related purposes was reviewed by the Committee during the financial year and it was determined that this remained appropriate and no changes were made. The policy is designed to control the provision of non-audit services by the external auditors in order to ensure that their objectivity and independence are safeguarded. The policy provides that preference should be given to retaining consultants other than from the external auditors unless strong reasons exist to the contrary, and that non-audit fees paid to the auditor should not exceed 100% of the audit related fees paid in that year, and the three-year average of non-audit fees paid to the auditor should not exceed 50% of the annual audit fees. The policy further requires that the provision of any non-audit services by the external auditors is subject to prior approval by the Audit & Risk Committee. The Committee closely monitors the amount the Company spends with the external auditors on non-audit services.

The only non-audit service provided by the auditors in the year relate to the review of the Company's half-year results which the Committee accepted was work best undertaken by the external auditors. These fees represented 7.2% of the annual audit fees and the three-year average was 9.6%. Details of the fees, split between audit and non-audit services, payable to the external auditors are given in Note 5 to the Financial Statements.

The Audit & Risk Committee considered the external auditor's performance during the year and reviewed the level of fees charged, which are considered appropriate given the size of the Group.

Appointment of auditors

Having considered the results of the Audit & Risk Committee's work, the Board is recommending the re-appointment of KPMG LLP as auditors of the Group for FY2022. PricewaterhouseCoopers will continue to perform the audit of the Group's Middle Eastern operations until the business is closed. KPMG LLP has expressed its willingness to continue as external auditors of the Group. Separate resolutions proposing its reappointment and the determination of its remuneration will be proposed at the Annual General Meeting to be held on 9 September 2021.

As noted previously, the Group's external audit contract was last tendered in April 2001. The Audit & Risk Committee recognises the change made by the UK Financial Reporting Council regarding the retendering of audit services at least once every ten years for companies in the FTSE 350 and above. This, alongside the transition arrangements available under the Companies Act 2006, requires that a new auditor be appointed for services to commence for the FY2024 audit at the latest. KPMG LLP's own procedures require the rotation of the lead audit partner after five years, which took place during FY2021 with Nick Plumb appointed as lead partner. The Committee intends that external audit services will be retendered during FY2022, with the new auditor carrying out the audit for FY2023 following a transition period. In the meantime, the Committee has recommended that KPMG LLP should remain as auditors as it is satisfied that KPMG will continue to robustly challenge management appropriately.

Code of Conduct

The Company remains committed to the highest standards of business conduct and expects its Directors, employees, consultants and other stakeholders to act accordingly. The Company has a well-established Code of Conduct which incorporates a whistleblowing policy. These policies are actively promoted within the Group. Code of Conduct training is covered in our induction programme for new employees and where appropriate, this is reinforced on an annual basis via an online training course for existing employees.

Communicating with shareholders

The Company places considerable importance on communication with its shareholders, including both institutions and private shareholders. The Group's Chief Executive and Chief Financial Officer are closely involved with investor relations. The Group's Chairman also regularly meets with investors. The views of the Company's major shareholders are reported to the Board and are regularly discussed at meetings of the Board and at the various committees of the Board, including, where appropriate, the Audit & Risk Committee.

Approval of Annual Report and Financial Statements

Having reviewed the Annual Report and Financial Statements and made inquiries of management and the external auditors, the Audit & Risk Committee advised the Board that in its opinion the Annual Report and Financial Statements was fair, balanced and understandable overall and provides all the information necessary to enable shareholders to assess the performance, business model and strategy of the Group.

This report was approved by the Board on 24 May 2021.

Shatish Dasani
Chairman of the Audit & Risk Committee

Nomination Committee Report

David Shearer
Chairman of the Nomination Committee

The Nomination Committee presents its report in relation to the financial year ended 31 March 2021. Chaired by David Shearer, the key functions of the Nomination Committee are to review the structure and composition of the Board, to identify and propose to the Board suitable candidates to fill Board vacancies, and to undertake succession planning for Board and senior management positions.

Composition of the Nomination Committee

The Nomination Committee comprises the Chairman, David Shearer, and three independent Non-Executive Directors, David Garman, Rhian Bartlett and Shatish Dasani. Appointments and attendance at meetings during the year are set out above. Biographies of the members of the Nomination Committee are set out on pages 66 and 67.

The terms of reference of the Nomination Committee are reviewed annually by the Committee and proposed changes are made to the Board. The current terms are published on the Company's website at speedyservices.com/investors and are also available in hard copy form on application to the Company Secretary.

Attendance

The Nomination Committee met on two scheduled occasions during the year but can meet more regularly if required. This year the Committee also met on two further ad hoc occasions to deal with the appointments of James Bunn and Shatish Dasani to the Board. Details of the attendance at scheduled Nomination Committee meetings are set out in the table above. At the invitation of the Chairman, the Chief Executive may attend meetings. The Group's HR and Transformation Director may also be invited to attend, particularly where discussions are taking place around succession planning within the Group.

Nomination Committee members and scheduled meetings attended during the year:

Name	Position	Meetings attended
David Shearer (Chairman)	Non-Executive Chairman	2/2
David Garman	Non-Executive Director	2/2
Rob Barclay[1]	Non-Executive Director	1/1
Rhian Bartlett	Non-Executive Director	2/2
Bob Contreras[2]	Non-Executive Director	2/2
Shatish Dasani[3]	Non-Executive Director	0/0

[1] Rob Barclay stepped down as member of the Nomination Committee on 1 August 2020.
[2] Bob Contreras stepped down from the Board and Nomination Committee on 17 February 2021.
[3] Shatish Dasani was appointed on 1 February 2021 as member of the Nomination Committee.

Operation 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 Nomination Committee's duties include, inter alia:

- 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;
- reviewing the size and composition of the Board along with membership of Board Committees;
- evaluating the balance of skills, knowledge and experience on the Board;
- ensuring that succession planning is in place for the Board and senior management;
- ensuring that Non-Executive Directors are able to devote sufficient time to discharge their duties;
- making recommendations to the Board in respect of Directors standing for re-election; and
- overseeing the development of a diverse pipeline for succession to the Board.

The Nomination Committee leads the process for all Board appointments, carefully evaluating the skills available on the Board and how these may be best balanced and enhanced by agreeing the person specification, selecting external recruitment consultants, considering all candidates and making recommendations to the Board for appointment. In selecting candidates, the Nomination Committee gives due consideration to the benefits of diversity. All recommendations made are on merit against objective criteria.

During the year the Nomination Committee undertook all of the duties set out above and additionally managed the search and selection process of:

- James Bunn as Chief Financial Officer, appointed on 14 September 2020, following Chris Morgan stepping down as Group Finance Director on 31 July 2020; and
- Shatish Dasani as Non-Executive Director and Chairman of the Audit & Risk Committee and member of the Nomination Committee, appointed on 1 February 2021, with Bob Contreras stepping down from the Board on 17 February 2021.

The Committee also managed the search and selection process of Carol Kavanagh who has been appointed as Non-Executive Director and member of the Remuneration Committee with effect from 1 June 2021.

The Committee retained Russell Reynolds Associates to support each of the above search and selection activities, which included agreement with the Committee of the role scope and the proposed capability specification for each of the appointments.

Additionally the Committee also reviewed the leadership needs of the organisation and succession planning for key individuals, including Executive Directors and Non-Executive Directors. The review included the identification of talented individuals for key management roles and development across the Group.

Following the external Board evaluation in FY2020 it was reported in last year's annual report and accounts that a number of changes had been agreed by the Nomination Committee and would be made to the composition of the Board and its Committees. The status of those key changes is detailed on page 71 along with the outcome of this year's Board and Board Committee evaluations. The appointment of Shatish Dasani and Carol Kavanagh as Non-Executive Directors and the appointment of James Bunn as Chief Financial Officer support the Committee's aim to increase diversity at Board level as stated in last year's annual report. Additionally, the appointments further enhance the breadth of skills and size of the Board, whilst balancing Board tenure to allow for routine review of succession planning over the coming years.

Diversity

Continuing to develop an increasingly diverse and inclusive workforce is an important factor in supporting the Company's strategy which additionally helps create a sustainable and prosperous business. The appointment of Carol Kavanagh, effective 1 June 2021, as an additional Non-Executive Director, with her extensive experience in business transformation and people related matters (reported as targeted experience in last year's annual report and accounts), will further strengthen the expertise of the Board in these areas and further broaden its diversity. More generally the Group's approach to equality and diversity can be seen on page 39 of the Strategic Report, along with details of the gender balance of those personnel in senior management and their direct reports.

The Nomination Committee has recommended the re-election of all Directors standing for re-election at the forthcoming Annual General Meeting.

This report was approved by the Board on 24 May 2021.

David Shearer
Chairman of the Nomination Committee

Remuneration Report

Rob Barclay
Chairman of the Remuneration Committee

Annual Statement

The Remuneration Committee presents its report in relation to the financial year ended 31 March 2021. This year's report has been split into three sections:

- this Annual Chair's Statement summarising major decisions and any relevant changes to remuneration;
- a summary of the Remuneration Policy Report, which sets out the Group's policy on the remuneration of the Executive and Non-Executive Directors; and
- the Annual Report on Remuneration outlining how the Group's Remuneration Policy was implemented in FY2021.

As the Committee is not proposing any changes to the three year Remuneration Policy (originally approved by the Shareholders at the 2020 Annual General Meeting ('AGM')) only this Annual Statement and the Annual Remuneration Report will be subject to an advisory vote at the 2021 AGM.

Performance for FY2021

The Group managed its cost base and cash resources tightly throughout the COVID-19 pandemic. In the first half year up to 66% of our depot network was closed and up to 50% of staff were furloughed; all capital expenditure was suspended, unless specifically required to meet customer orders. By September revenue had substantially recovered as customers returned to work, new work was secured and existing contracts renewed; consequently no staff remained on furlough into the second half year. Despite prolonged periods of lockdown, in the fourth quarter UK and Ireland core hire revenue was 4% ahead of the prior year.

Remuneration for FY2021 and the Committee's response to Covid-19

In response to the challenges presented by the Covid-19 pandemic:

- Executive Director salary levels were not increased from 1 April 2020 and it was agreed that the salary review date be deferred (and this was ultimately cancelled);
- All Directors (and senior management) agreed to a 20% reduction in salaries/fees for three months from 1 April 2020;
- The introduction of the annual bonus plan was delayed and then ultimately withdrawn for the first six months of the year to reflect the uncertainty surrounding the impact of Covid-19 and that the Company had relied on Government support for some of this period. Once Government support in respect of Job Retention Schemes had ceased and tax deferrals had been paid, a bonus plan was introduced for the second half of the year, albeit the maximum potential was reduced to 50% of salary to reflect the shortened performance period and stretch PBT targets were set; and
- PSP awards were delayed until November 2020 and given the difficulty in setting robust three-year EPS targets at that time and the Committee's desire to see the share price return to pre-Covid levels, rather than the normal EPS and relative Total Shareholder Return targets, the awards were 100% based on absolute Total Shareholder Return targets.

In respect of the variable pay out-turns for the year ended 31 March 2021:

- A bonus opportunity was introduced for the second half of the financial year only, limited to a maximum target of 50% of annual salary. Due to a strong second half to the financial year it resulted in a bonus award of 70.54% of the maximum potential (equating to 35.27% of annual salary) which was based on challenging Group PBT targets. On the basis that the Company had not utilised Job Retention Schemes (and no staff were on furlough) post 30 September 2020, all tax deferrals were paid by this date, and in the context of the Company's strong share price recovery, the Committee concluded that a bonus award for the six months to 31 March 2021 was appropriate in the circumstances; and
- The Performance Share Plan ('PSP') awards granted in 2018 vested on 24 May 2021 at 48.51% of the maximum based on below threshold performance against the EPS targets (50% of awards) and significantly above median Total Shareholder Return (50% of awards) as measured against the FTE 250 (excluding investment trusts).

The Committee is satisfied that total remuneration paid to the Executive Directors in respect of FY2021 was appropriate when the approach to mitigating the impact of Covid-19 and the Company's performance in the second half of the year to 31 March 2021 are considered.

Discretion
The Committee did not apply discretion (positive or negative) during the year ended 31 March 2021.

Application of the Remuneration Policy in FY2022

Base salary
Following a detailed review of Russell Down's base salary of £387,700 in advance of the normal 1 April 2021 review date (noting that the 1 April 2020 review date was ultimately cancelled), the Remuneration Committee has concluded that it is significantly below market levels. However, the Committee does not consider that it would be appropriate to make an award above workforce inflationary increase from 1 April 2021 in light of the ongoing pandemic. As such, a workforce aligned increase of 2% was awarded from 1 April 2021.

However, the Remuneration Committee does intend to move Russell's salary to the market level on a phased basis over the next two years, with above workforce increases from 1 April 2022 and 1 April 2023, subject to ongoing individual and Company performance. Major shareholders will be consulted in advance of any increase being agreed and full disclosure of the intended salary increase from 1 April 2022 will be set out in next year's Directors' Remuneration Report.

Following the recruitment of James Bunn during the year ended 31 March 2021, his salary of £325,000, which is considered to be market aligned, was increased by 1% from 1 April 2021 which is in line with the general workforce (based on James' appointment commencing approximately mid-way through the financial year).

Pension
Russell Down's pension allowance of 15% will reduce to be fully aligned to the level of the majority of the UK workforce by the end of the current policy period to the 2023 AGM.

The annual Company pension allowance for James Bunn will continue to be set at a UK workforce aligned 3% of base salary.

Annual bonus
For the financial year beginning 1 April 2021, notwithstanding that the maximum annual bonus opportunity in the Remuneration Policy was increased to 125% of salary at the 2020 AGM, potential will be set at 100% of salary in line with past practice. Performance metrics will be based on group profit before tax (70%), strategic (15%) and ESG (15%) targets to reflect Speedy's financial and strategic priorities for the year ahead. Outstanding performance will be required for the maximum bonus to become payable. The performance targets are deemed to be commercially sensitive at the current time but full details of the targets and the actual performance against those targets will be disclosed on a retrospective basis in next year's Annual Report and Accounts.

PSP
The PSP will continue to operate as the Company's primary long-term incentive arrangement, whereby awards over shares will normally vest three years from grant, subject to continued employment and performance.

PSP awards for FY2022 will be granted over shares equal to no more than 100% of salary (i.e. below the normal 150% of salary maximum) and the Committee will consider the prevailing share price at the time of grant. Performance metrics are expected to be based on EPS and Total Shareholder Return and full details of the targets will be set out in the RNS which will be issued immediately following grant.

Pay and practices in the wider Group
When considering the Remuneration Policy for the Executive Directors, the Remuneration Committee takes into account pay and employment conditions across the Company. Every employee in Speedy participates in a discretionary bonus scheme relevant to their role, ensuring all employees are able to share in the success of the organisation. In addition, alongside the annual Company wide salary review process, which continues to ensure that all employees are paid above the National Living Wage, further increases have been given to employees in key roles where recruitment and retention is a priority. Our apprentices are paid well above the relevant apprentice minimum wage during their first year and then at least the relevant minimum or living wage until they transfer off the apprenticeship scheme, at which point they are paid above the National Living Wage. As required by the Regulations, we have disclosed the ratio between the Chief Executive's remuneration and that of the median, lower and upper quartile of UK employees. Further details can be found on page 100.

Shareholder engagement
The Committee takes an active interest in any shareholder views on the Company's executive remuneration and is mindful of the concerns of shareholders and other stakeholders. We will continue to take into account the views of our shareholders as appropriate. The Committee was pleased by the strong support received from shareholders for the new Remuneration Policy and Annual Report on Remuneration at the 2020 AGM.

Conclusion
Our Directors' Remuneration Policy continues to drive the intended performance from the Executive Directors in challenging market conditions.

I hope you find this report clear and helpful in understanding our remuneration policy and practices, and I look forward to receiving continued shareholder support for the related shareholder resolution at our AGM.

This report was prepared by the Remuneration Committee and approved by the Board on 24 May 2021.

Rob Barclay
Chairman of the Remuneration Committee

Directors' Remuneration Policy Report

This part of the Directors' Remuneration Report sets out a summary of the Directors' Remuneration Policy which was approved at the 10 September 2020 AGM. The full Remuneration Policy as approved by shareholders can be found in the 2020 Annual Report. The Remuneration Committee's current intention is that the revised policy will operate for the balance of the three year period to the 2023 AGM.

Policy overview

The primary objective of the Remuneration Policy is to promote the long-term success of the Group. In working towards the fulfilment of this objective the Remuneration Committee takes into account a number of factors when setting the Remuneration Policy for the Executive Directors including the following:

- the need to attract, retain and motivate high calibre Executive Directors and senior management;
- internal pay and benefits levels, and practice and employment conditions within the Group as a whole;
- the recommendations set out in the UK Corporate Governance Code and the views of shareholders and their representative bodies; and
- periodic external comparisons to examine current market trends and practices and equivalent roles in similar companies taking into account their size, business complexity, international scope and relative performance.

Our remuneration structure is intended to be simple and transparent, and to contribute to the building of a sustainable performance culture. The main elements of the remuneration package for Executive Directors are a base salary, benefits and pension provision and, subject to stretching performance conditions, an annual bonus plan and shares awarded under a Performance Share Plan ('PSP').

The key principles of the policy are:

- **Clarity:** maintain transparency of our competitive total remuneration structure that is driven by our business strategy and model, focuses on sustained long-term value creation and is aligned with the interests of shareholders;
- **Predictability:** to ensure that targets set each year result in stretching ambitions and that the scale of the reward is proportionate;
- **Simplicity:** ensure the remuneration structure avoids unnecessary complexity, with a reward package that balances short and long-term performance, rewarding Company and personal performance;
- **Risk is appropriately managed:** the remuneration of Executive Directors provides an appropriate balance between fixed and performance related pay elements: restraint on fixed pay, with a substantial proportion of total remuneration based on variable pay linked to performance;
- **Alignment to culture:** the remuneration principles encourage behaviour that the Committee expects; and
- **Proportionality:** the link between individual awards, the delivery of strategy and the long-term performance of the Group is clear.

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 Remuneration Committee will continue to review the Remuneration Policy to ensure it takes due account of remuneration best practice and that it remains aligned with shareholders' interests.

Directors' Remuneration Policy table

Salary

Purpose and link to strategy	Recognises the knowledge, skills and experience, as well as the size and scope of the role. Provides an appropriate level of basic fixed income avoiding excessive risk arising from over reliance on variable income.
Operation	Normally reviewed annually with changes typically effective 1 April. Paid in cash on a monthly basis. Pensionable. Comparison against companies with similar characteristics and sector peers are taken into account in review. Internal reference points, the responsibilities of the individual role, progression within the role and individual performance are also taken into account.
Maximum	There is no prescribed maximum annual basic salary or salary increase. Salary increases are awarded at the discretion of the Committee. Salary increases (in percentage of salary terms) will ordinarily be considered in relation to those applied to the broader employee population. The Committee retains discretion to award a lower or a higher increase to recognise, for example, the performance and contribution of an individual; an increase in the scale, scope or responsibility of the role and/or to take account of relevant market movements. Where an Executive Director's salary is set below market levels at appointment, a series of increases may be given (in addition to the factors listed above) in order to achieve the desired salary positioning, subject to satisfactory individual performance.
Performance targets	None, although the overall performance of the individual is considered as part of the review process alongside the factors described in how we operate the salary policy.

Directors' Remuneration Policy table

Benefits

Purpose and link to strategy	To provide a competitive benefits package. To promote recruitment and retention.
Operation	Benefits may include a car or car allowance, health benefits including permanent incapacity and life insurance. Other benefits including relocation allowances may be offered if considered appropriate and reasonable by the Committee. Executive Directors may be eligible for other benefits which are introduced for the wider workforce on broadly similar terms. Any reasonable business related expenses can be reimbursed (including the tax thereon if determined to be a taxable benefit). Executive Directors are also eligible to participate in any all employee share plans operated by the Company, in line with prevailing HMRC guidelines (where relevant), on the same basis as for other eligible employees. Defined contribution and/or pension allowance.
Maximum	There is no maximum limit, but the Committee reviews the cost of the benefits provision on a regular basis to ensure that it remains appropriate. The value of benefits is based on the cost to the Company and varies according to individual circumstances. The maximum level of participation is subject to the limits imposed by HMRC from time to time (or a lower cap set by the Company).
Performance targets	N/A

Pension

Purpose and link to strategy	Provide market competitive retirement benefits, to reward sustained contribution.
Operation	Defined contribution and/or pension allowance.
Maximum	For new Executive Directors appointed after the 2020 AGM, Company contribution levels will be aligned to those available to the majority of the UK workforce, from time to time, currently 3% of salary. For incumbent Executive Directors the maximum pension is 15% of basic salary p.a. which will be further reduced to be fully aligned to the level of the majority of the UK workforce by the end of the policy.
Performance targets	N/A

Directors' Remuneration Policy table

Bonus

Purpose and link to strategy	Incentivise delivery of specific strategic objectives, including financial performance and personal annual goals. Maximum bonus only payable for achieving demanding targets.
Operation	Annual awards based on targets set by the Committee normally at the beginning of each financial year. The extent to which the performance measures have been achieved is determined by the Committee after the end of the performance period. The level of bonus for each measure is determined by reference to the actual performance relative to that measure's performance targets, on a pro-rata basis. All bonus payments are at the ultimate discretion of the Committee and the Committee retains an overriding ability to ensure that overall bonus payments reflect its view of corporate performance during the year when determining the final bonus amount to be awarded. Annual bonus awards up to 100% of salary are normally payable in cash (although the Committee reserves the right to deliver some or all of the bonus in shares which may be deferred). For financial years commencing after the policy is approved, the portion of any bonus paid, in excess of 100% of salary, will normally be compulsorily deferred into shares, for two years. Malus and clawback provisions apply to allow recoupment of bonus (including as to any deferred portion) for three years from the bonus payment date in the event of material misstatement of performance, a significant failure of risk management, serious misconduct, corporate failure or reputational damage. Participants may also be entitled to receive dividend equivalents on vested shares. Any dividend equivalents would normally be delivered in shares.
Maximum	The annual bonus policy maximum is 125% of salary in any financial year.
Performance targets	Performance metrics will be set for each financial year by the Committee aligned to the Company's key strategic objectives. Group financial measures (e.g. profit before tax) will apply. Personal and/or strategic KPIs may apply for a minority of the bonus. The performance metrics and targets are reviewed annually to ensure they remain appropriate. The Committee retains the discretion to set alternative metrics as appropriate. Performance measured over one financial year. No more than 50% of the maximum opportunity will be payable for on-target performance.

Directors' Remuneration Policy table

Performance Share Plan

Purpose and link to strategy	Aligned to main strategic objectives of delivering long term value creation. Align Executive Directors' interests with those of shareholders. To recruit and retain Executive Directors.
Operation	Discretionary conditional awards or nil or nominal cost options are normally granted annually. The Committee reviews the quantum of awards annually and monitors the continuing suitability of the performance measures. Awards vest subject to performance conditions normally measured over three financial years. A two-year post vesting holding period requirement, which continues to apply post employment for shares that vest, net of sales to settle tax or other withholding due on the vesting or exercise of awards. Malus and clawback provisions apply to allow recoupment for a period of three years following the vesting of an award, in the event that the value of a vested award is subsequently found to have been overstated as a result of a material misstatement of performance, a significant failure of risk management, serious misconduct, corporate failure, reputational damage, or any other matter which the Committee deems relevant. Participants may also be entitled to receive dividend equivalents on shares which vest. Any dividend equivalents accrued will normally be delivered in shares. All awards are subject to the discretions contained in the relevant plan rules.
Maximum	Maximum annual awards of 150% of salary in any financial year may be granted.
Performance targets	Performance normally measured over three years. Awards currently vest based on performance against stretching relative Total Shareholder Return targets and/or absolute Earnings Per Share targets set and assessed by the Committee. However, different measures may be set for future award cycles, as appropriate, to reflect the strategic priorities of the business at that time. Performance underpins may also apply. A maximum of 25% vests at threshold increasing to 100% vesting at maximum on a straight line basis. The Committee retains discretion to override formulaic outcomes in deciding the level of vesting to reflect wider Company performance. Any exercise of discretion will be fully disclosed to shareholders.

Directors' Remuneration Policy table

Shareholding requirements

Purpose and link to strategy	To strengthen the alignment between the interests of the Executive Directors and those of shareholders.
Operation	In accordance with best practice, share ownership requirements apply during and after employment. **In-employment shareholding requirement** Executive Directors will normally be required to retain at least 50% of the shares acquired on the vesting of share awards, net of tax, until the required level of shareholding is achieved. Deferred bonus shares, vested PSP shares, shares subject to a holding period and open market purchase shares, including shares held by a spouse or children under 18 count towards this limit, on a net of tax basis. Newly appointed Executive Directors would normally be expected to achieve the required shareholding within five years of the date of appointment. Existing Executive Directors would normally be expected to achieve the increased requirement within a reasonable timeframe of the adoption of the policy. **Post-employment shareholding requirement** Executive Directors will normally be required to retain a shareholding until the second anniversary of the date they ceased to be an Executive Director. The post-cessation shareholding requirement will apply to shares acquired (net-of-tax) under awards granted under this policy. Shares acquired under all employee share plans or purchased from the Executive Directors' own funds would not be included.
Maximum	Executive Directors are required to build up and maintain an in employment shareholding worth at least 200% of base salary. Executive Directors will normally be required to retain a shareholding at the level of the in employment shareholding requirement, or the actual shareholding on cessation if lower, for a period of 12 months post employment; reducing to 50% of the year one holding for the subsequent 12 months.
Performance targets	N/A

Directors' Remuneration Policy table

Non-Executive Directors

Purpose and link to strategy	To attract and retain high calibre Non-Executive Directors.
Operation	The Non-Executive Directors' fees are set by the Board on the recommendation of the Executive Directors. No Director takes part in discussions relating to their own remuneration. The fees are set taking into account the time commitment and responsibilities of the role. Additional fees may be payable in relation to extra responsibilities undertaken such as chairing a Board Committee and/or a Senior Independent Director or other designated role or being a member of a committee. If there is a temporary yet material increase in the time commitments for Non-Executive Directors, the Board may pay extra fees on a pro-rata basis to recognise the additional workload. Fees are normally paid monthly in cash and are normally reviewed annually. Expectation that individuals build and maintain a shareholding equal to 100% of fees. Non-Executive Directors can be reimbursed for any reasonable business related expenses (including the tax thereon, if determined to be a taxable benefit). Non-Executive Directors do not participate in incentive or pension plans and are not eligible to receive benefits.
Maximum	There is no prescribed maximum fee or fee increase. Total fees for the Non-Executive Directors are subject to the overall limit set out in the Company's Articles of Association. Any increase will be guided by changes in market rates, time commitments and responsibility levels.
Performance targets	N/A

Notes:

[1] The choice of the performance metrics applicable to the annual bonus scheme reflect the Remuneration Committee's belief that any incentive compensation should be appropriately challenging and tied to both the delivery of key financial targets and individual and/or strategic performance measures intended to ensure that Executive Directors are incentivised to deliver across a range of objectives for which they are accountable. The Remuneration Committee has retained some flexibility on the specific measures which will be used to ensure that any measures are fully aligned with the strategic imperatives prevailing at the time they are set.

[2] The performance conditions applicable to the PSP awards were selected by the Remuneration Committee on the basis that a combination of relative TSR and key financial objectives provides strong alignment with the delivery of long-term returns to shareholders and incentivises strong Group financial performance – consistent with the Company's objective of delivering superior levels of long-term value to shareholders. The Remuneration Committee has retained flexibility on the measures which will be used for future award cycles to ensure that the measures are fully aligned with the strategy prevailing at the time the awards are granted. Notwithstanding this, the Remuneration Committee would seek to consult with major shareholders in advance of any material change to the choice or weighting of the PSP performance measures.

[3] The Remuneration Committee operates the annual bonus, PSP and all employee share plans in accordance with the relevant plan rules and where appropriate, the Listing Rules and HMRC legislation. The Remuneration Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plans. These include, for example, selecting the participants, the timing and quantum of awards and setting performance criteria each year, determining "good leaver" status, determining the extent of vesting based on the assessment of performance, form of payment, discretion to retrospectively amend performance targets in exceptional circumstances (providing the new targets are no less challenging than originally envisaged) and in respect of share awards, to adjust the number of shares subject to an award in the event of a variation in the share capital of the Company.

[4] Consistent with HMRC legislation, the all employee Sharesave scheme does not have performance conditions.

[5] Directors are eligible to receive payment, and any existing award may vest, in accordance with the terms of any such award made prior to the approval of the Remuneration Policy detailed in this report, and in accordance with the provisions of the Remuneration Policy in force at the time such award or right to receive payment was made or granted.

How employees' pay is taken into account

The Remuneration Committee does not directly consult with employees regarding the remuneration of Executive Directors. However, the Chairman of the Committee is the designated employee Non-Executive Director and is involved in employee forum meetings and matters concerning employees across the UK. Pay and conditions across the Group are considered when designing the policy for Executive Directors and continue to be considered in relation to implementation of the policy. The Remuneration Committee regularly interacts with the HR function and senior operational executives and monitors pay trends across the workforce. Salary increases will ordinarily be (in percentage of salary terms) in line with those of the wider workforce. The requirement to consider wider pay and employment conditions elsewhere in the Group is considered by the Remuneration Committee to be a key objective and is embedded in the Remuneration Committee's terms of reference. Speedy discloses the pay ratio for the Chief Executive, compared to that of UK employees at the median, lower and upper quartile and the year-on-year trends will be considered in the wider context of employee pay at Speedy.

How the Executive Directors' Remuneration Policy relates to the wider Group

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

Consistent with the Group's approach of recognising the contribution of its employees at all levels in the business, the Group operates bonus incentives throughout the Group, 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. These benefits are popular amongst employees and the Group believes that they fulfil a business need by encouraging and rewarding the loyalty and motivation of long serving employees and by rewarding those employees with higher levels of experience.

How shareholders' views are taken into account

The Remuneration Committee considers shareholder feedback received in relation to the AGM each year and shareholder views on our executive remuneration policy more generally. The Committee consulted proactively with our major shareholders on the Remuneration Policy and revisions were made to take account of the feedback received where appropriate. Outside of this, the Remuneration Committee seeks to engage with its major shareholders when any significant changes to the Remuneration Policy are proposed. The Remuneration Committee will consider shareholder feedback received in relation to the Directors' Remuneration Report each year. The Remuneration Committee also has regard to additional feedback received from time to time, and closely monitors developments in institutional investors' best practice expectations.

Approach to recruitment and promotions

The remuneration package for a new Executive Director would be set in accordance with the terms of the approved Remuneration Policy prevailing at the time of appointment and take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

The overarching principles applied by the Remuneration Committee in developing the remuneration package will be to set an appropriate base salary together with benefits and short and long-term variable pay that takes into account the complexity of the role. Salary would be provided at such a level as required to attract the most appropriate candidate and may be set initially at a below market level on the basis that it may progress towards a competitive market level once expertise and performance have been proven and sustained. Salary will be considered in the context of the total remuneration package.

The maximum level of variable pay which may be awarded to new Executive Directors, excluding the value of any buy-out arrangements, will be in line with the policy set above. In addition, the Remuneration Committee may offer additional cash and/or share-based elements to replace deferred or incentive pay forfeited by an executive leaving a previous employer when it considers these to be in the best interests of the Company and its shareholders. It will, where possible, ensure that these awards are consistent with awards forfeited in terms of the form of award, vesting periods and expected value. Such elements may be made under Section 9.4.2 of the Listing Rules where necessary. Shareholders will be informed of any such arrangements at the time of appointment.

The Remuneration Committee may apply different performance measures, performance periods and/or vesting periods for initial awards made following appointment under the annual bonus and/or long-term incentive arrangements, subject to the rules of the plan, if it determines that the circumstances of the recruitment merit such alteration. A PSP award can be made shortly following an appointment (assuming the Company is not in a closed period).

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role may be allowed to pay out according to its original terms, adjusted, if appropriate to take account of the new appointment. For external and internal appointments, the Remuneration Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

The fee structure and quantum for Non-Executive Director appointments will be based on the prevailing Non-Executive Director fee policy taking into account the experience and calibre of the individual.

The Board evaluation and succession planning processes in place are designed to ensure there is the correct balance of skills, experience and knowledge on the Board. The activities of the Nomination Committee overseeing these matters are disclosed in the Nomination Committee Report.

Service contracts and approach to leavers

The Company's policy is for Executive Directors to have service contracts which may be terminated with no more than 12 months' notice from either party. The Executive Directors' service contracts are available for inspection by shareholders at the Company's registered office.

The relevant dates of service contracts and notice periods for the current Executive Directors are set out as follows:

Executive Director	Date of contract	Notice period
Russell Down	8 January 2015	12 months
James Bunn	26 August 2020	9 months

No Executive Director has the benefit of provisions in his or her service contract for the payment of pre-determined compensation in the event of termination of employment. It is the Remuneration Committee's policy that the service contracts of Executive Directors will provide for termination of employment by giving notice or by making a payment of an amount equal to the monthly basic salary and pension contributions in lieu of notice.

The policy also provides that no Executive Director should be entitled to a notice period or payment on termination of employment in excess of the levels set out in his or her service contract and in determining amounts payable on termination, the Remuneration Committee will take into consideration the Executive Director's duty to mitigate his or her loss when determining the amount of compensation.

Annual bonus may be payable with respect to the period of the financial year served although it will be pro-rated for time and paid at the normal pay out date. Different performance targets may be set for the remainder of this bonus period to reflect the Directors' specific responsibilities. Any share-based entitlements granted to an Executive Director under the Company's share plans will be determined based on the relevant plan rules. In certain prescribed circumstances, such as death, ill health, disability or other circumstances at the discretion of the Remuneration Committee, 'good leaver' status may be applied. For good leavers, awards will normally vest at the normal vesting date. PSPs vesting will also be subject to the satisfaction of the relevant performance conditions at that time (including an overall performance underpin attached to the award) and pro-rata reduction to reflect the proportion of the vesting period actually served. However, under the plan rules, the Remuneration Committee has discretion to determine that awards vest at cessation of employment and/or to disapply the time pro-rating requirement if it considers it appropriate to do so.

In relation to a termination of employment, the Remuneration Committee may make payments in relation to any statutory entitlements or payments to settle or compromise claims as necessary. The Remuneration Committee also retains the discretion to reimburse reasonable legal expenses incurred in relation to a termination of employment and to meet any transitional or outplacement costs if deemed necessary. Payment may also be made in respect of accrued benefits, including untaken holiday entitlement.

There is no provision for additional compensation on a change of control. In the event of a change of control, the PSP awards will normally vest on (or shortly before) the change of control subject to the satisfaction of the relevant performance conditions at that time and, unless the Remuneration Committee determines otherwise, reduced pro-rata to reflect the proportion of the vesting period served. Outstanding awards under any all-employee share plans will vest in accordance with the relevant scheme plan. Bonuses may become payable, subject to performance and, unless the Remuneration Committee determines otherwise, subject to a pro-rata reduction to reflect the curtailed performance period..

External appointments

The Board allows Executive Directors to accept appropriate outside commercial non-executive director appointments provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Directors concerned may retain fees paid for these services, which will be subject to approval by the Board. No Non-Executive Directorships in a listed company were held by the Executive Directors during the year.

Non-Executive Directors

The Chairman and Non-Executive Directors do not have contracts of service, but their terms are set out in letters of appointment. Appointments are subject to annual re-election by shareholders at the AGM and may be terminated by three months' notice on either side. The letters of appointment of the Non-Executive Directors, 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 David Shearer, and 15 days in relation to David Garman, Rob Barclay, Rhian Bartlett and Shatish Dasani.

Relevant appointment letter and term dates of Non-Executive Directors are set out as follows:

Non-Executive Director	Appointment letter date	Month of last election	Expected month of expiry of current term[1]
David Shearer[2]	18 July 2018	September 2020	July 2021
David Garman	25 May 2017	September 2020	July 2023
Rob Barclay	30 March 2016	September 2020	April 2022
Rhian Bartlett	1 June 2019	September 2020	July 2022
Shatish Dasani[3]	22 January 2021	n/a	July 2024

[1] Subject to annual re-election by shareholders at the AGM.

[2] Details relate to appointment as Non-Executive Chairman, original appointment as Non-Executive Director was September 2016.

[3] Appointed with effect from 1 February 2021.

Annual Remuneration Report

Remuneration Committee role and membership

The Remuneration Committee comprises three members: Rob Barclay (Chairman), David Garman and Rhian Bartlett. Bob Contreras also served during the year as detailed below. All members are considered by the Board to be independent Non-Executive Directors. Biographies of the members of the Remuneration Committee are set out on pages 66 and 67. Details of the attendance at Remuneration Committee meetings are set out below.

Remuneration Committee members and scheduled meetings attended

Name	Position	Meetings attended
Rob Barclay (Chairman)	Non-Executive Director	5/5
David Garman	Non-Executive Director	5/5
Rhian Bartlett	Non-Executive Director	5/5
Bob Contreras[1]	Non-Executive Director	1/1

[1] Bob Contreras stepped down as a member of the Remuneration Committee on 1 August 2020.

At the invitation of the Remuneration Committee Chairman, other members of the Board and senior management may attend meetings of the Remuneration Committee, except when their own remuneration is under consideration. No Directors are involved in determining their 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 Group's expense.

The Remuneration Committee's duties include:

- to make recommendations to the Board on the Group's framework and policy for the remuneration of the Executive Directors, Company Secretary and senior executives;
- to review and determine, on behalf of the Board, executive remuneration and incentive packages to ensure such packages are fair and reasonable;
- to review Directors' expenses;
- to review Executive and Non-Executive Directors against the shareholding guidelines;
- to determine the basis on which the employment of executives is terminated;
- to design the Group's share incentive schemes and other performance related pay schemes, and to operate and administer such schemes;
- to determine whether awards made under performance related and share incentive schemes should be made, the overall amount of the awards, the individual awards to executives and the performance targets to be used;
- to ensure that no Director is involved in any decisions as to his/her own remuneration; and
- to review regularly the ongoing appropriateness and effectiveness of all remuneration policies.

During FY2021, the Remuneration Committee reviewed the following matters at its meetings:

- determination of FY2020 bonuses for the Executive Directors and senior managers;
- tender and selection of new remuneration advisors to the Committee;
- determination of executive remuneration structure and application of the policy for FY2021 and FY2022;
- Executive Director post-employment shareholding requirement;
- interim and final progress of employee share plan performance measures against targets and consequent approval of any vesting of awards;
- grant of awards to be made under the performance share plan;
- progress of bonus achievement for FY2021 executive bonuses;
- approval of 25-year long service awards for eligible employees and consideration of other awards based on long-service;
- terms of reference for, and effectiveness of, the Remuneration Committee;
- ongoing appropriateness and effectiveness of remuneration and benefits policies for Executive Directors and employees generally;
- performance of external remuneration advisers;
- use of equity for employee share plans in relation to dilution headroom limits;
- review of the Non-Executive Chairman's fee; and
- determining remuneration arrangements for Executive Director and senior management joiners and leavers (including termination arrangements for Chris Morgan).

The Remuneration Committee's terms of reference are published on the Company's website at speedyservices.com/investors and are also available in hard copy on application to the Company Secretary.

Advisers

During the year, the Remuneration Committee retendered the provision of remuneration advisory services to the Committee and FIT Remuneration Consultants LLP ('FIT') were appointed with effect from 1 October 2020. Accordingly, the Committee received independent advice from Alvarez and Marsal LLP and FIT, in connection with remuneration matters including the provision of general guidance on market and best practice and the production of this report. Neither of the remuneration advisors has any other connection or relationship with the Group and provided no other services to the Group during FY2021. FIT is a member of the Remuneration Consultants Group and is a signatory to its Code of Conduct. Fees paid to Alvarez and Marsal LLP and FIT for FY2021 totalled £11,018 and £15,000 respectively (excluding VAT) in respect of advice provided to the Remuneration Committee and for related matters. The Remuneration Committee also sought advice from the Group's legal advisers, Pinsent Masons LLP, in connection with the production of this report, the 2014 Performance Share Plan and the all employee share scheme ('SAYE').

Implementation of the Remuneration Policy for FY2022

The sections of the Annual Remuneration Report that have been audited by KPMG LLP are page 93 from 'Non-Executive Directors' to page 98 up to and including 'Directors' interests in the share capital of the Company', but excluding paragraphs concerning 'Details of long-term incentive plan awards outstanding', 'Dilution', and 'Shareholder voting at AGM'.

Base salary

Base salaries for each Executive Director are normally reviewed annually by the Remuneration Committee, taking account of the Directors' performance, experience and responsibilities with any changes normally effective from 1 April. When determining Executive Directors' base salaries, the Remuneration Committee has regard to economic factors, remuneration trends and the general level of salary increases awarded throughout the Group.

Following a detailed review of Russell Down's base salary of £387,700 in advance of the normal 1 April 2021 review date (noting that the 1 April 2020 review date was ultimately cancelled), the Remuneration Committee has concluded that it is significantly below market levels. However, the Committee does not consider that it would be appropriate to make an award at above workforce inflationary increase from 1 April 2021 in light of the ongoing pandemic. As such, a workforce aligned increase of 2% was awarded from 1 April 2021.

However, the Remuneration Committee does intend to move Russell's salary to the market level on a phased basis over the next two years, with increases taking effect from 1 April 2022 and 1 April 2023, subject to ongoing individual and Company performance. Major shareholders will be consulted in advance of any increase being agreed and full disclosure of the intended salary increase from 1 April 2022 will be set out in next year's Directors' Remuneration Report.

Following the recruitment of James Bunn during the year ended 31 March 2021, his salary of £325,000, which is considered to be market aligned, was increased by 1% from 1 April 2021, being below the average for the wider workforce (based on James' appointment commencing approximately mid-way through the financial year).

Pension

Russell Down's pension allowance of 15% will reduced to be fully aligned to the level of the majority of the UK workforce by the end of the current policy.

The annual Company pension allowance for James Bunn will continue to be set at a workforce aligned 3% of base salary.

Performance related annual bonus

For FY2022, the maximum bonus opportunity will continue to be limited to 100% of salary notwithstanding the 125% of salary maximum limit under the Remuneration Policy. Reflecting the Company's key financial and strategic priorities for FY2022, performance metrics will be based on group profit before tax (70%), strategic (15%) and ESG (15%) targets.

The performance targets are deemed to be commercially sensitive but full details will be disclosed on a retrospective basis in next year's Directors' Remuneration Report.

Long-term incentive plans

The Performance Share Plan ('PSP') will continue to operate as the Company's primary long-term incentive arrangement, whereby awards over shares will normally vest three years from grant, subject to continued employment and performance.

PSP awards for FY2022 will be granted over shares equal to no more than 100% of salary and the Committee will consider the prevailing share price at the time of grant. Performance metrics are expected to be based on EPS and Total Shareholder Return and full details of the targets will be set out in the RNS which will be issued immediately following grant.

Non-Executive Directors

Current annual fee levels for Non-Executive Directors, which have not been increased, are as follows:

	Role	Committee chair role	1 April 2021[1]	1 April 2020
David Shearer	Non-Executive Chairman	Nomination	**£132,500**	£132,500
David Garman	Non-Executive Director	–	**£47,500**	£42,500
Rob Barclay	Non-Executive Director	Remuneration	**£49,500**	£49,500
Rhian Bartlett	Non-Executive Director	–	**£42,500**	£42,500
Shatish Dasani	Non-Executive Director	Audit & Risk	**£49,500**	–

[1] The policy reflects a base Board fee of £42,500; additional fees for the Chairman of the Audit & Risk and Remuneration Committees of £7,000 and an additional fee for the Senior Independent Director (David Garman) of £5,000.

Directors' remuneration for FY2021

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

Executive Directors	Financial year	Fees/basic salary £'000[1]	Benefits £'000[2]	Pension £'000[3]	Total fixed remuneration £'000	Annual bonus £'000[4]	Value of long-term incentives £'000[5]	Total variable remuneration £'000	Total remuneration £'000
Russell Down	**2021**	**368**	**14**	**58**	**440**	**137**	**213**	**350**	**790**
	2020	388	13	58	459	–	224	224	683
James Bunn[6]	**2021**	**179**	**7**	**6**	**192**	**115**	**–**	**115**	**307**
	2020	–	–	–	–	–	–	–	–
Non-Executive Directors									
David Shearer	**2021**	**126**	**–**	**–**	**126**	**–**	**–**	**–**	**126**
	2020	133	–	–	133	–	–	–	133
David Garman[7]	**2021**	**44**	**–**	**–**	**44**	**–**	**–**	**–**	**44**
	2020	43	–	–	43	–	–	–	43
Rob Barclay	**2021**	**47**	**–**	**–**	**47**	**–**	**–**	**–**	**47**
	2020	50	–	–	50	–	–	–	50
Rhian Bartlett[8]	**2021**	**40**	**–**	**–**	**40**	**–**	**–**	**–**	**40**
	2020	35	–	–	35	–	–	–	35
Shatish Dasani[9]	**2021**	**8**	**–**	**–**	**8**	**–**	**–**	**–**	**8**
	2020	–	–	–	–	–	–	–	–
Former Directors									
Chris Morgan[10]	**2021**	**72**	**4**	**13**	**89**	**–**	**–**	**–**	**89**
	2020	255	13	38	306	–	154	154	460
Bob Contreras[11]	**2021**	**43**	**–**	**–**	**43**	**–**	**–**	**–**	**43**
	2020	55	–	–	55	–	–	–	55
Totals	**2021**	**927**	**25**	**77**	**1,029**	**252**	**213**	**465**	**1,494**
	2020	959	26	96	1,081	–	378	378	1,459

[1] All Directors, including the Non-Executive Directors, agreed to a three month 20% reduction in salaries and fees from 1 April 2020 due to the outbreak of COVID-19.

[2] Taxable benefits comprise a car or cash alternative, health insurance, and life insurance, including 0.55144 pence per share for the SAYE 2020 awards granted in December 2020 (being the value of the discount under the scheme).

[3] Russell Down, James Bunn and Chris Morgan received £58,032, £0 and £12,735 respectively in lieu of pension contributions which are included in the Pension column above together with any actual pension contributions made.

[4] For FY2021 the maximum bonus opportunity for the Executive Directors was 50% of salary, based on Group adjusted profit before tax on a pre-IFRS 16 basis. Details of actual performance against targets is set out below.

[5] For FY2021, this reflects the value of the 2018 PSP awards vesting in 2021 valued using the average share price over the period 1 January 2021 to 31 March 2021 (66.56p). The estimated value of the shares at vesting is £212,529 of which approximately £20,946 is attributable to share price growth. This calculation does not take into account any dividend shares that may be awarded following a future exercise of the award. Details of actual performance against targets is set out below.

[6] James Bunn was appointed to the Board on 14 September 2020.

[7] David Garman was appointed as Senior Independent Director from 1 August 2020.

[8] Rhian Bartlett was appointed to the Board on 1 June 2019.

[9] Shatish Dasani was appointed to the Board on 1 February 2021.

[10] Chris Morgan stepped down from the Board with effect from 31 July 2020. Details of his termination arrangements are set out below.

[11] Bob Contreras stepped down from the Board with effect from 17 February 2021.

Annual bonuses awarded in respect of FY2021 performance

The annual bonus plan for FY2021 was delayed and then ultimately withdrawn for the first six months of the year to reflect the uncertainty surrounding the impact of Covid-19 and reflecting that the Company had relied on Government support for some of this period.

Once Government support in respect of Job Retention Schemes had ceased and no staff were on furlough a bonus plan was introduced for the second half of the year, albeit the maximum potential was reduced to 50% of salary to reflect the shortened performance period and stretch PBT targets were set.

Details of the performance targets and resulting bonus outcome are set out in the table below:

Measure	Weighting (% of salary limited to six month period for second half of FY2021)	Target	Stretch	Max	Actual	Result
Group adjusted profit before tax ('adjusted PBT') before impact of IFRS 16	100%	£17.23m (25% of salary)	£20.68m (45% of salary)	£22.53m (50% of salary)	£19.00m	70.54% of maximum potential (equating to 35.27% of annual salary)

In addition to the above financial measures, when assessing the extent to which any bonus should become payable, the Committee also considered the impact of major health, safety and environmental incidents during the year (there were none), the performance of the individual Director and such other factors as the Committee considers relevant.

Having considered the above and on the basis that the Company had not utilised Job Retention Schemes (and no staff were on furlough) post 30 September 2020, all tax deferrals were paid by this date and in the context of Company's strong share price recovery in the year, the Committee concluded that a bonus award for the six months to 31 March 2021 was appropriate in the circumstances.

Performance share awards granted in 2018 and vesting in 2021

The performance share awards granted in 2018 vested on 24 May 2021. Details of the performance targets set for the award and actual achievement against them are set out in the table below.

The Committee was satisfied that the long-term variable pay outturns accurately reflect the wider performance of the Group and has not exercised discretion to override the calculation of the pay out on the vesting outcomes. Although the EPS element of the 2018 PSP was not met primarily as a result of the impact of Covid-19, the Committee was pleased with relative TSR performance and believes it to be aligned with the underlying performance of the Company in the context of the significant challenges of the last year. The Committee determined that the vesting of the TSR related element appropriately reflects the Company's strong performance over the first two years of the performance period, and the exceptional leadership demonstrated during the entire performance period, which means that the Company is well positioned for future growth.

Performance measure	Weighting	Performance period end	Threshold performance hurdle (25% vesting)	Stretch performance hurdle (100% vesting)	Actual	% vesting for this part of the award
Adjusted earnings per share before the impact of IFRS 16	50%	31 March 2021	6.13p	7.67p	Below threshold	0%
Total shareholder return of FTSE 250	50%	31 March 2021	Median	Upper Quartile	Between Median and Upper Quartile	97.02%

Earnings per share performance for FY2021 was 1.26 pence on a pre-IFRS 16 basis and therefore this part of the award will not vest. Relative Total Shareholder Return ('TSR') performance was just below upper quartile and therefore the majority of this part of the award will vest as to 97.02%. The TSR condition is based on the Company's performance against FTSE 250 companies (excluding investment trusts) as at the date of grant.

The value of the shares included in the Directors' remuneration for FY2021 table for Russell Down is based on the vesting level set out above and has been valued using the average share price over the period 1 January 2021 to 31 March 2021 (66.56p). The estimated value of the shares at vesting is £212,529 of which approximately £20,946 is attributable to share price growth.

Long-term incentive plan awards granted in the year

Russell Down and James Bunn were granted the following awards under the 2014 Performance Share Plan on 27 November 2020 as set out below:

Executive Director	Date of grant	Basis of award	Maximum shares under award	Face value of awards[1]	Performance period	Vesting period	% vesting at threshold
Russell Down	27/11/2020	100% of salary	565,490	£387,700	Three years ending 26 November 2023	Three years from grant	25% of an award
James Bunn	27/11/2020	100% of salary	474,037	£325,000	Three years ending 26 November 2023	Three years from grant	25% of an award

[1] Determined using the average mid-market closing share price of the Company for the five days preceding the date of grant.

Given the difficulty in setting robust three-year EPS targets at that time and the Committee's desire to see the share price return to pre-Covid levels, rather than the normal EPS and relative Total Shareholder Return targets, the awards were based on the following absolute Total Shareholder Return targets:

The Company's compound annual growth rate of TSR over the three years from grant[1]	Percentage of an award that may vest[2]
Below 7.5% p.a.	0%
7.5% p.a.	25%
15% p.a. or above	100%
Greater than 7.5% p.a. but less than 15% p.a.	Between 25% and 100% on a straight line basis

[1] Based on one month base and end share price averages.

[2] The number of Shares which may vest may be reduced (including to zero) where the Committee determines that exceptional circumstances exist which mean that the Vesting of the Award would be inappropriate taking into account such factors as it considers relevant (including, but not limited to, the overall performance of the Company, any Group Member or the relevant Participant).

Details of long-term incentive plan awards outstanding

Details of the Executive Directors' interests in share-based awards are as follows:

Executive Director	Interest at 1 April 2020	Options/ awards granted during the year	Options/ awards exercised during the year	Options/ awards lapsed during the year	Interest at 31 March 2021	Exercise price (pence)	Normal date from which exercisable/vested to expiry date (if appropriate)
Russell Down							
PSP 2015[1,2]	226,130	–	–	–	226,130	nil	Aug 2018 – Aug 2025
PSP 2016[1,2]	943,115	–	–	–	943,115	nil	Jun 2019 – Jun 2026
PSP 2017[1,2]	314,241	–	–	–	314,241	nil	Jun 2020 – Jun 2027
PSP 2018[1,2,5]	638,608	–	–	–	638,608	nil	May 2021 – May 2028
PSP 2019[1,2]	617,947	–	–	–	617,947	nil	May 2022 – May 2029
PSP 2020[1,3]	–	565,490	–	–	565,490	nil	Nov 2023 – Nov 2030
SAYE 2016[4]	9,653	–	9,653	–	–	33.936	Feb 2020 – Jul 2020
SAYE 2017[4]	5,040	–	5,040	–	–	44.280	Feb 2021 – Jul 2021
SAYE 2018[4]	6,406	–	–	–	6,406	46.080	Feb 2022 – Jul 2022
SAYE 2019[4]	6,000	–	–	–	6,000	48.000	Feb 2023 – Jul 2023
SAYE 2020[4]	–	3,786	–	–	3,786	55.144	Feb 2024 – Jul 2024
Total	**2,767,140**	**569,276**	**14,693**	**–**	**3,321,723**	**–**	**–**
James Bunn							
PSP 2020[1,3]	–	474,037	–	–	474,037	nil	Nov 2023 – Nov 2030
Total	**–**	**474,037**	**–**	**–**	**474,037**	**–**	**–**

Chris Morgan[6,7]							
PSP 2016[1,2,8]	646,708	–	646,708	–	–	nil	Jun 2019 – Jun 2026
PSP 2017[1,2,8]	215,479	–	215,479	–	–	nil	Jun 2020 – Jun 2027
PSP 2018[1,2]	419,522	–	–	419,522	–	nil	May 2021 – May 2028
PSP 2019[1,2]	405,961	–	–	405,961	–	nil	May 2022 – May 2029
SAYE 2016[4]	13,260	–	13,260	–	–	33.936	Feb 2020 – Jul 2020
SAYE 2017[4]	7,073	–	–	7,073	–	44.280	Feb 2021 – Jul 2021
SAYE 2018[4]	2,578	–	–	2,578	–	46.080	Feb 2022 – Jul 2022
SAYE 2019[4]	7,350	–	–	7,350	–	48.000	Feb 2023 – Jul 2023
Total	**1,717,931**	**–**	**875,447**	**842,484**	**–**	**–**	**–**

1 The Performance Share Plan awards above were granted as nil-cost options. No consideration was paid for the grant of these options.

2 50% of each 2015, 2016, 2017, 2018 and 2019 Performance Share Plan award is subject to an EPS condition. All EPS measures referenced in this footnote are quoted on a pre-IFRS 16 basis. 25% of this part of the award vests in respect of the 2015 award: for EPS (before amortisation and exceptional costs) of 4.00 pence, with full vesting of this part of the award for EPS of 4.70 pence or better; in respect of the 2016: award for EPS (before amortisation and exceptional costs) of 2.92 pence, with full vesting of this part of the award for EPS of 5.11 pence or better; and in respect of the 2017: award for EPS (before amortisation and exceptional costs) of 5.41 pence, with full vesting of this part of the award for EPS of 6.95 pence or better; and in respect of the 2018: award for EPS (before amortisation and exceptional costs) of 6.13 pence, with full vesting of this part of the award for EPS of 7.67 pence or better A sliding scale operates between the points. 50% of each 2015, 2016, 2017, 2018 and 2019 Performance Share Plan award is subject to a TSR condition based on the Company's performance against FTSE 250 companies (excluding investment trusts) as at the date of grant. 25% of this part of the award vests if the Company's TSR is at a median of the ranking of the TSRs of the comparator group, with full vesting of this part of the award for upper quartile performance or better. A sliding scale operates between these points. Regardless of the Company's TSR performance, no portion of the part of the award which is subject to TSR performance may vest unless the Committee is also satisfied that the Company's TSR performance is reflective of its underlying performance over the performance period.

3 The performance conditions for the 2020 Performance Share Plan awards are set out at 'Long-term incentive plan awards granted in the year' on page 96.

4 All-employee scheme giving employees the opportunity to acquire shares at a discount of 20% of the market value of the shares at the time the invitation is issued. The maximum monthly contribution is £250.

5 Following the year-end, the 2018 Performance Share Plan vested at 48.51% on 24 May 2021 resulting in an outturn of 309,788 options over shares in favour of Russell Down.

6 All outstanding Performance Share Plan awards and SAYE options in favour of Chris Morgan lapsed on his termination of appointment, effective 31 July 2020.

7 All options exercised in the year by Chris Morgan are referenced at the date of his termination of appointment, effective 31 July 2020.

8 On exercise of the 2016 and 2017 PSP awards by Chris Morgan dividend shares of 74,371 and 19,385 respectively were additionally awarded in accordance with the terms of the relevant PSP grants.

The mid-market closing price of Speedy Hire Plc ordinary shares at 31 March 2021 was 66.60 pence and the range during the year was 46.70 pence to 73.00 pence per share.

Dilution

The Performance Share 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 rolling ten-year period. Within this 10% limit, dilution through the Performance Share Plan is limited to an amount equivalent to 5% of the Company's issued share capital over a ten year period. Both limits are in line with The Investment Association Principles of Remuneration.

The Committee monitors the position prior to making awards under these schemes to ensure that the Company remains within these limits. As at the date of this report, 1.6% of the 5% limit and 3.87% of the 10% limit have been used.

Termination payments

As per the announcement on 8 June 2020, Chris Morgan stepped down from the Board as Group Finance Director on 31 July 2020. In respect of his termination arrangements:

- he received a severance payment of £146,452.50, calculated as the equivalent of six months basic salary and pension entitlement, and paid in lieu of Mr Morgan's entitlement to notice (nine months), any other sums pursuant to his service agreement and in settlement of any potential claims (including unfair dismissal). This payment was subject to deductions on account of income tax and National Insurance contributions;
- there was no entitlement to an annual bonus for the years ended 31 March 2020 or 31 March 2021;
- PSP awards granted in 2018 and 2019 and outstanding options under the Company's Save As You Earn scheme lapsed on the cessation;
- Shares in respect of PSP awards granted in 2016 and 2017, which vested in June 2019 and June 2020 (less shares sold to pay associated tax liabilities), will continue to remain subject to a two year holding period from the respective vesting dates; and
- a payment of £6,000 (excluding VAT) was paid to Mr Morgan's legal adviser in respect of legal services provided to Mr Morgan in connection with his termination.

Other than the amounts disclosed above, there were no other remuneration payments or payments for loss of office.

Shareholder voting at AGM

At the 2020 AGM, the Directors' Remuneration Report and Remuneration Policy received the following votes from shareholders:

	Remuneration Report		**Remuneration Policy**	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For	413,084,883	96.26	413,837,471	96.18
Against	16,058,430	3.74	16,425,923	3.82
Total votes cast (for and against)	429,143,313	100	430,263,394	100
Votes withheld[1]	1,791,859	n/a	671,778	n/a
Total votes cast (including withheld votes)	430,935,172		430,935,172	

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

Directors' interests in the share capital of the Company

The interests of the Directors (all of which were beneficial) who held office during FY2021, are set out in the table below:

	Legally owned		PSP Awards		Sharesave	Total	Shareholding requirement[1]	% of salary/fee of requirement met
	31 March 2020	**31 March 2021**	Unvested	Vested	Unvested	**31 March 2021**	%	%
Russell Down[1]	304,493	**319,186**	1,822,045	1,483,486	16,192	**1,802,672**	200	91
James Bunn[1]	–	**–**	474,037	–	–	**–**	200	0
David Shearer	450,00	**500,000**	–	–	–	**500,000**	100	>100
David Garman	75,000	**75,000**	–	–	–	**75,000**	100	>100
Rob Barclay	48,000	**48,000**	–	–	–	**48,000**	100	65
Rhian Bartlett	74,744	**74,744**	–	–	–	**74,744**	100	>100
Shatish Dasani	–	**35,000**	–	–	–	**35,000**	100	47
Former Directors								
Chris Morgan[2,4]	250,713	**770,623**	–	–	–	**770,623**	n/a	n/a
Bob Contreras[3,4]	40,000	**40,000**	–	–	–	**–**	n/a	n/a

Note that only legally owned shares and vested but unexercised PSP awards (on a net of tax basis) count towards the shareholding requirement. Shareholdings are valued on the basis of the average daily closing share price (of the three months prior to the 31 March (being 66.56p) and tested against the Directors' base salary/fee at 31 March).

[1] The shareholding requirement for Executive Directors increased to 200% of salary on 1 April 2020 to reflect the requirements in the Directors' Remuneration Policy.

[2] As at 31 July 2020, the date Chris Morgan stepped down as a Director.

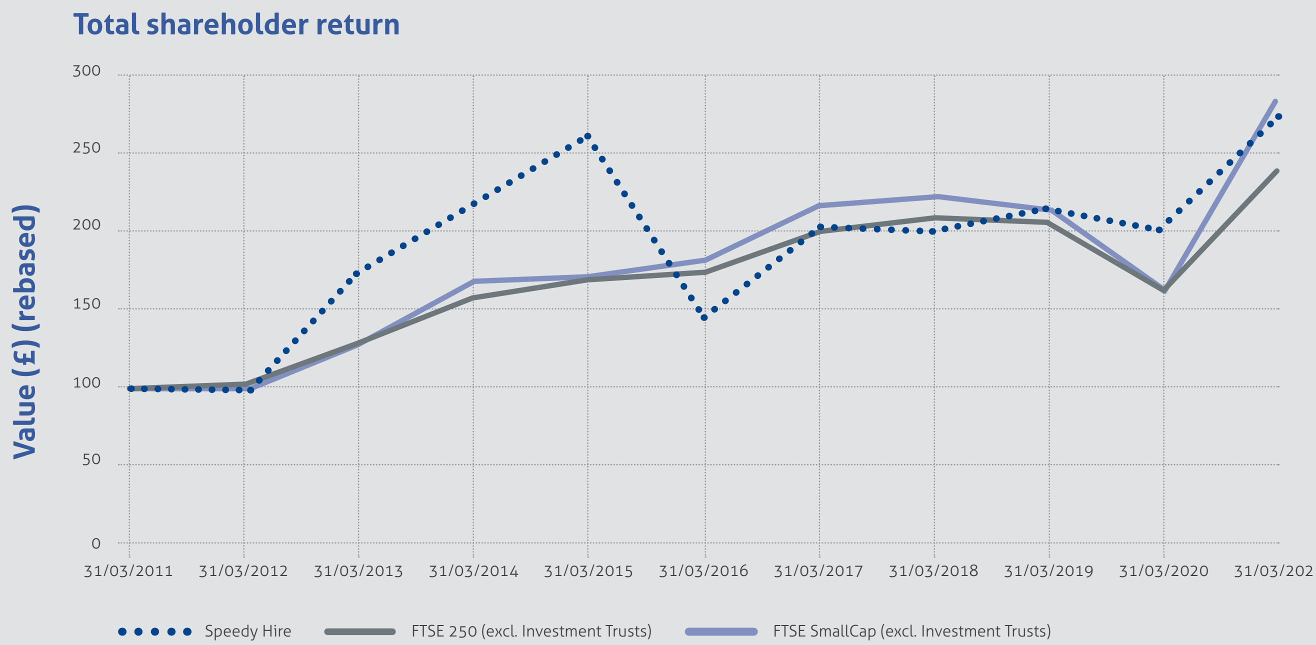
[3] As at 17 February 2021, the date Bob Contreras stepped down as a Director.

[4] Legally owned shares are referenced at the date of termination of Chris Morgan and Bob Contreras, as 31 July 2020 and 17 February 2021 respectively.

Following the year-end, the 2018 Performance Share Plan vested at 48.51% on 24 May 2021 resulting in an outturn of 309,788 options over shares in favour of Russell Down. There have been no other changes in the interests of any current Director in the share capital of Speedy Hire Plc between 1 April 2021 and the date of this report.

Comparison of overall performance and pay

The chart below presents the total shareholder return for Speedy Hire Plc compared to that of the FTSE 250 and FTSE SmallCap (both excluding investment trusts). The values indicated in the graph show the share price growth plus reinvested dividends over a ten-year period from a £100 hypothetical holding of ordinary shares in Speedy Hire Plc and in the index.



This graph shows the value, by 31 March 2021, of £100 invested in Speedy Hire on 31 March 2011, compared with the value of £100 invested in the FTSE 250 (excl. Investment Trusts) and FTSE SmallCap (excl. Investment Trusts) Indices on the same day. The other points plotted are the values at intervening financial year-ends.

Source: Refinitiv Eikon

The total remuneration figures for the Chief Executive during each of the last ten financial years are shown in the table below. The total remuneration figure includes the annual bonus based on that year's performance (FY2012 to FY2021) and PSP awards based on three year performance periods ending just after the relevant year end. The annual bonus pay-out and PSP vesting level, as a percentage of the maximum opportunity, are also shown for each of these years.

	Steve Corcoran			**Mark Rogerson**			**Russell Down**					
	FY 2012	FY 2013	FY 2014	FY 2014	FY 2015	FY 2016	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	**FY 2021**
Single Total Figure of remuneration (£'000s)	421	553	707	115	593	107	409	757	667[1]	1,278[1]	683	**790**
Annual bonus (% of max)	–	37.0%	–	–	60.0%	–	–	97.4%	54.8%	54.9%	–	**70.54%**[3]
PSP vesting (% of max)	–	–	82.0%	–	–	–	–	–	33.0%[2]	96.4%[2]	50.0%	**48.51%**

Steve Corcoran stepped down and Mark Rogerson was appointed as Chief Executive during FY2014. Mark Rogerson stepped down and Russell Down was appointed as Chief Executive during FY2016.

[1] Total remuneration for 2018 includes the EPS element of the 2015 PSP grant (of which 15% of the maximum vested). Total remuneration for 2019 includes the TSR element of 2015 PSP grant (of which 18.51% of the maximum vested) and both the EPS and TSR element of the 2016 PSP grant (of which 96.41% vested).

[2] The vesting percentage for 2018 shows the vesting of the 2015 PSP grant (EPS and TSR elements). The vesting percentage for 2019 shows the vesting of the 2016 PSP grant only.

[3] The annual bonus potential was limited to 50% of salary over the second half of FY21.

Percentage change in Directors' remuneration

The table below shows the percentage change in each Director's total remuneration (excluding the value of any long-term incentives and pension benefits receivable in the year) between FY2020 and FY2021 compared to that of the average for all UK and Ireland based employees of the Group.

	% change from FY2020 to FY2021		
	Salary/Fee[1]	Benefits	Bonus
David Shearer	(6%)	n/a	n/a
Russell Down	(5%)	2%	100%
James Bunn[2]	n/a	n/a	n/a
David Garman[3]	4%	n/a	n/a
Rob Barclay	(5%)	n/a	n/a
Rhian Bartlett[4]	(4%)	n/a	n/a
Shatish Dasani[5]	n/a	n/a	n/a
Average employees	0%	0%	n/a

[1] All Directors, including the Non-Executive Directors, agreed to a three month 20% reduction in salaries and fees from 1 April 2020 due to the outbreak of COVID-19.

[2] James Bunn was appointed to the Board on 14 September 2020. As such, there was no prior year remuneration.

[3] David Garman was appointed as Senior Independent Director from 1 August 2020.

[4] Rhian Bartlett was appointed to the Board on 1 June 2019. Her 2020 numbers have been pro-rated up to enable a full year on year comparison.

[5] Shatish Dasani was appointed to the Board on 1 February 2021. As such, there was no prior year fee.

Pay ratio of the Chief Executive to average employee

The following table compares the ratio of Chief Executive's pay at the 25th, median and 75th percentile as at 31 March 2021 (and for the prior year), and the pay details for the individuals at each percentile:

Year	Method of calculation adopted	25th percentile pay ratio (Chief Executive : UK employees)	Median pay ratio (Chief Executive : UK employees)	75th percentile pay ratio (Chief Executive : UK employees)
2021	**Option A**	**37:1**	**32:1**	**25:1**
2020	Option B	30:1	29:1	22:1

The median, 25th percentile and 75th percentile figures used to determine the above ratios were calculated by reference to option 'A' methodology prescribed under the UK Companies (Miscellaneous Reporting) Regulations 2018. The Committee selected this calculation methodology as a preferred methodology under UK Government guidelines and also it was felt to produce the most statistically accurate result and to be comparable from year-to-year.

A significant proportion of the Chief Executive's pay is delivered in long term investment awards, which are linked to the Group's performance and share price movement. The Committee considers that the median pay ratio disclosed above is consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole.

Pay details for the individuals whose 2020/21 remuneration is at the median, 25th percentile and 75th percentile amongst UK based employees (and for the prior year) are as follows:

		Chief Executive	UK Employees		
			25th percentile	Median	75th percentile
2021	**Salary (Total pay and benefits)**	**£368,315 (£789,647)**	**£20,429 (£21,514)**	**£23,503 (£24,600)**	**£30,043 (£31,660)**
2020	Salary (Total pay and benefits)	£387,700 (£683,155)	£22,000 (£23,141)	£22,000 (£23,167)	£28,050 (£30,514)

Relative importance of spend on pay

The following table shows the Company's actual spend on pay (for all employees) relative to dividends.

	2020	**2021**	% change
Staff costs (£'m)	117.0	**109.7**	(6.3)
Dividends (£'m)	10.9	**–**	(100)

£1.2m of the staff costs figures relate to pay for the Executive Directors. This is different from the aggregate of the single figures for the year under review due to the way in which the share-based awards are accounted for. The dividend figures relate to amounts paid in respect of the relevant financial year.

This report was approved by the Board on 24 May 2021.

Rob Barclay
Chairman of the Remuneration Committee

Independent auditor's report

to the members of Speedy Hire Plc

1. Our opinion is unmodified

We have audited the financial statements of Speedy Hire Plc ("the Company") for the year ended 31 March 2021 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement, company balance sheet, company statement of changes in equity, company cash flow statement and the related notes, including the accounting policies in note 1.

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 2021 and of the Group's profit for the year then ended;

— the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;

— the parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, 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 to the extent applicable.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the Directors in October 2000. The period of total uninterrupted engagement is for the 21 financial years ended 31 March 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: group financial statements as a whole	£1.1m (2020:£1.6m) 4.1% (2020: 4.8%) of profit before tax, normalised to exclude this year's exceptional items and discontinued operations and by averaging over the last three years	
Coverage	90% (2020: 86%) of group profit before tax	
Key audit matters		**vs 2020**
Recurring risks	**Group** – Carrying amount and existence of hire equipment	◀▶
	Group – Provision for trade receivables	◀▶
	Parent Company – Recoverability of parent's debt due from group entities	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Carrying amount of and existence of hire equipment (£207.2million; 2020: £227.1 million) *Refer to page 75 (Audit & Risk Committee Report), page 110 (accounting policy) and page 127 (financial disclosures).*	**Physical quantities:** The Group has a large number of items of hire equipment and a high frequency of movement in assets, through asset purchases, physical hires and disposals. As such there is inherent difficulty in maintaining an accurate register of the Group's hire equipment. **Subjective estimate** Judgement is applied by the Group in the estimation of useful economic lives and residual values. These judgements are based on historical experience, industry regulation, an assessment of the nature of the assets involved and the future expected usage and market for the sale of assets. The judgements made are profit impacting and therefore there is an incentive for management to manipulate the judgements made. The effect of these matters is that, as part of our risk assessment, we determined that the estimation of useful economic lives and residual values have a high degree of estimation uncertainty, with potential range of reasonable outcomes greater than our materiality for the financial statements as a whole and potentially many times that amount. This is more so in the current year where residual values and useful economic lives of assets may be impacted by the current economic condition caused by the Coronavirus pandemic.	Our procedures included: — **Control design and re-performance:** Testing the design and operating effectiveness of key controls including authorisation of asset purchases. — **Control operation:** Testing the design of controls operating over hire equipment asset counts. Testing the operating effectiveness of these controls by performing counts to test the accuracy of the counting for a sample of hire equipment assets. — **Test of details:** Agreeing a statistical sample of assets acquired and disposed of during the year to third party evidence and bank proceeds where applicable. Comparing the hire equipment register for the current year to prior year to determine any changes made to useful economic lives and residual values and challenging any changes to assess whether they are consistent with accounting policies and reflective of the planned usage for those assets. Reviewing profit or loss on disposal of hire equipment to support the reasonableness of the useful economic lives and residual values applied. — **Test of details:** Comparing the hire equipment register to hire revenue information to identify the quantity and net book value of assets not recently hired to customers. Identifying from this analysis those assets we consider to be at highest risk of obsolescence, challenging the company to provide evidence over the existence and carrying amount of these assets and inspecting this evidence. — **Assessing transparency:** Assessing the adequacy of the Group's disclosures in respect of the judgements and estimates involved in arriving at the carrying amount of hire equipment. **Our results** — As a result of our work we found that the carrying amount and existence of hire equipment were acceptable (2020: acceptable).

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2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Provision for trade receivables (Net trade receivables: £88.5million; 2020: £95.5 million) (ECL Provision: £3.5million; 2020: £3.9 million) *Refer to page 76 (Audit & Risk Committee Report), page 114 (accounting policy) and page 129 (financial disclosures).*	**Subjective estimate:** The Group's customers operate mainly in the construction market, which entails a higher risk of non-recoverability of trade receivables as evidenced by a number of customers entering administration or going into liquidation in previous years. The risk of recoverability of all trade receivables has been heightened at least in the short term by the impact of Coronavirus. The effect of these matters is that, as part of our risk assessment, we determined that the provision for doubtful debts has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements (note 1) disclose the sensitivity estimated by the Group.	Our procedures included: — **Test of details:** Assessing the methodology used to calculate the provision recorded against trade receivables, challenging the appropriateness of these provisions based on historical bad debt write offs, collection rates and the forecasted impact of Coronavirus. — **Tests of details:** Identifying a risk based sample of receivables and analysing the level of cash receipts post year end. For this sample, assessing the adequacy of the provision held by evaluating the payment status of the receivable balance and the customer's likelihood of payment, including independently agreeing the customer's latest credit score and assessing the legal status of balances. — **Benchmarking assumptions:** Assessing the directors' assumptions behind the provision for trade receivables against externally available data on trade credit exposures; — **Assessing transparency:** Assessing the adequacy of the Group's disclosures in relation to the degree of estimation involved in arriving at the carrying amount of the trade receivables balance. We performed the tests above rather than seeking to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. **Our results** — We found the provision for trade receivables to be acceptable (2020: acceptable).

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2. Key audit matters: our assessment of risks of material misstatement (continued)

	The risk	Our response
Recoverability of parent's debt due from Group entities (£306.6 million; 2020: £319.8 million) *Refer to page 114 (accounting policy) and page 144 (financial disclosures).*	**Low risk, high value:** The carrying amount of the intra-group debtor balance represents 73% (2020: 71%) of the parent Company's total assets. The recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to its materiality in the context of the parent Company financial statements, this is considered to be the area that had the greatest effect on our overall parent Company audit.	Our procedures included: — **Tests of detail:** Assessing 100% of Group debtors to identify, with reference to the relevant debtors' draft balance sheet, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether those debtor companies have historically been profit making. — **Assessing subsidiary audits:** Assessing the work performed by the subsidiary audit teams, and considering the results of that work, on those net assets, including assessing the liquidity of the assets and therefore the ability of the subsidiary to fund the repayment of the receivable. We performed the tests above rather than seeking to rely on any of the company's controls because the small number of transactions meant that detailed testing is inherently the most effective means of obtaining audit evidence. **Our results** — We found the conclusion that there is no impairment of the intra-group debtor balance to be acceptable (2020: acceptable).

We continue to perform procedures over going concern and Geason: contingent consideration, impairment, and the claim provision, all of which were described as key audit matters in our prior year audit report. However, following evidence of the Group's track record throughout the Coronavirus pandemic and the settlement of the funding agency claim, we have not assessed these as part of the most significant risks in our current year audit and, therefore, they are not separately identified in our report this year. In the prior year we also reported a key audit matter in respect of the impact of uncertainties due to the UK exiting the European Union. Following the trade agreement between the UK and the EU, and the end of the EU-exit implementation period, the nature of these uncertainties has changed. We continue to perform procedures over material assumptions in forward looking assessments such as going concern and impairment tests however we no longer consider the effect of the UK's departure from the EU to be a separate key audit matter.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the group financial statements as a whole was set at £1.1m (2020: £1.6m), determined with reference to a benchmark of group profit before tax, normalised to exclude this year's exceptional items of £8.4m and discontinued operations as disclosed in note 3 and by averaging over the last three years due to fluctuations in the business cycle caused by Coronavirus (2020: normalised to exclude exceptional items of £12.9m), of which it represents 4.1% (2020: 4.8%).

Materiality for the parent company financial statements as a whole was set at £1.0m (2020: £1.1m), determined with reference to a benchmark of company total assets, of which it represents 0.3% (2020: 0.2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £0.825m (2020: £1.2m) for the group and £0.75m (2020: £0.825m) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.055m (2020: £0.08m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

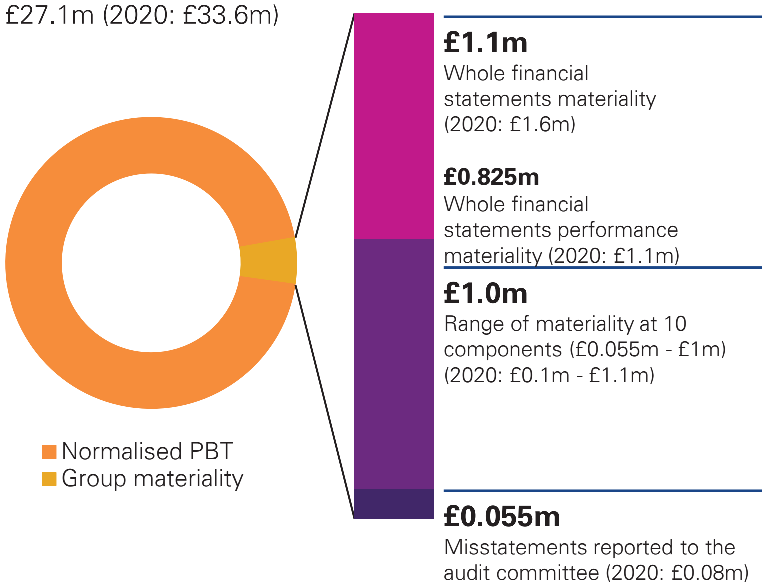
Of the group's sixteen (2020: sixteen) reporting components, we subjected nine (2020: twelve) to full scope audits for group purposes and one (2020: none) to specified risk-focused audit procedures. The latter was not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed. We conducted reviews of financial information (including enquiry) at a further one (2020: one) non-significant component.

The components within the scope of our work accounted for the percentages illustrated opposite.

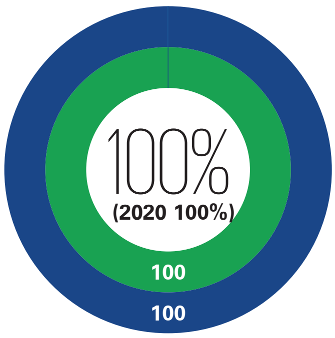
The remaining 0% (2020: 0%) of total group revenue, 10% (2020: 14%) of group profit before tax and 0% (2020: 0%) of total group assets is represented by five (2020: four) of reporting components, none of which individually represented more than 0.2% (2020: 1.0%) of any of total group revenue, group profit before tax or total group assets. For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

Normalised group profit before tax
£27.1m (2020: £33.6m)

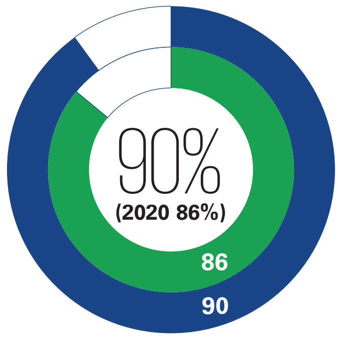
Group materiality
£1.1m (2020: £1.6m)



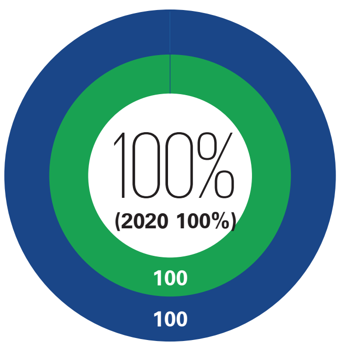
Group revenue



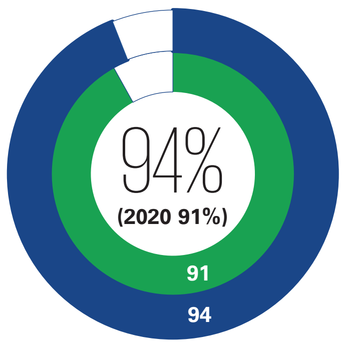
Group profit before tax



Group total assets



Group profit before exceptional items and tax



Full scope for group audit purposes 2021
Specified risk-focused audit procedures 2021
Full scope for group audit purposes 2020
Specified risk-focused audit procedures 2020
Residual components

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3. Our application of materiality and an overview of the scope of our audit (continued)

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £0.055m to £1.0m (2020: £0.1m to £1.1m), having regard to the mix of size and risk profile of the Group across the components. The work on three of the sixteen components (2020: five of the sixteen) was performed by component auditors and the rest, including the audit of the parent company, was performed by the Group team. The group team performed procedures on the exceptional items excluded from normalised group profit before tax.

The Group audit team held conference meetings with the component auditors. At these meetings, the findings reported to the Group audit team were discussed in more detail and any further work required by the Group audit team was then performed by the component auditors.

4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was:

— The general economic environment as a result of the Coronavirus pandemic.

We considered whether this risk could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from the risk individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

Our procedures also included:

— Critically assessing assumptions in base case and downside scenarios relevant to liquidity and covenant metrics, in particular in relation to the current economic environment by comparing to historical trends in severe economic situations, including the Group's experience during the first national lockdown, and considering knowledge of the Group's plans based on approved budgets and our knowledge of the Group and the sector in which it operates.

— Assessing whether downside scenarios applied mutually consistent and severe assumptions in aggregate, using our assessment of the possible range of each key assumption and our knowledge of inter-dependencies.

— Assessing the working capital assumptions inherent in the forecasts to actual recent experience and existing supplier/ customer arrangements.

— We also compared past budgets to actual results to assess the Directors' track record of budgeting accurately.

— We inspected the confirmation from the lenders of the level of committed financing, and the associated covenant requirements. As part of this we inspected the latest correspondence surrounding the refinancing of the loan facility.

— We inspected the finance agreement to assess the restrictions on the use of funds and compared these restrictions to management's model.

— We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks, dependencies and related sensitivities. We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

— we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

— we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;

— we have nothing material to add or draw attention to in relation to the Directors' statement in note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1to be acceptable; and

— the related statement under the Listing Rules set out on page 108 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

KPMG

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit and Risk Committee, Internal Audit and the Group's legal counsel and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board and Audit and Risk Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors including the EPS target for management remuneration.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period, the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the estimation of useful economic lives and residual values and the estimated credit loss provision.

We did not identify any additional fraud risks.

Further detail in respect of the fraud risk from the ability for management to manipulate useful economic lives and residual values is set out in the key audit matter disclosures in section 2 of this report.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls as discussed in page 12 of our report dated 19 May 2021 to the Audit and Risk Committee.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unexpected or unusual accounts and those posted between hire equipment and administration costs.
- Evaluated the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.

We discussed with the audit committee other matters related to actual or suspected fraud, for which disclosure is not necessary, and considered any implications for our audit.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the group to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly , the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

5. Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

— we have not identified material misstatements in the strategic report and the Directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

— the Directors' confirmation within Directors' Viability Statement on page 55 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;

— the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and

— the Directors' explanation in the Directors' Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Directors' Viability Statement set out on page 55 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

— the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;

— the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and

— the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

6. We have nothing to report on the other information in the Annual Report (continued)

Corporate governance disclosures (continued)

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

7. We have nothing to report on the other matters on which we are required to report by exception

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.

We have nothing to report in these respects.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 65, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9. The purpose of our audit work and to whom we owe our responsibilities

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.

Nick Plumb (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

24 May 2021

Financial Statements

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Consolidated Income Statement

For the year ended 31 March 2021

	Note	Year ended March 2021			Year ended March 2020		
		Continuing operations £m	**Discontinued operations £m**	**Total £m**	Continuing operations £m	Discontinued operations £m	Total £m
Revenue	2	**332.3**	**31.3**	**363.6**	371.5	35.2	406.7
Cost of sales		**(147.4)**	**(23.6)**	**(171.0)**	(157.2)	(25.3)	(182.5)
Gross profit		**184.9**	**7.7**	**192.6**	214.3	9.9	224.2
Distribution and administrative costs		**(172.4)**	**(3.2)**	**(175.6)**	(205.7)	(4.5)	(210.2)
Analysis of operating profit							
Operating profit before amortisation and exceptional items		**21.7**	**3.7**	**25.4**	33.4	5.7	39.1
Amortisation	13	**(0.8)**	**–**	**(0.8)**	(1.3)	–	(1.3)
Exceptional items	4	**(8.4)**	**0.8**	**(7.6)**	(23.5)	(0.3)	(23.8)
Operating profit	5	**12.5**	**4.5**	**17.0**	8.6	5.4	14.0
Share of results of joint venture		**1.2**	**–**	**1.2**	2.8	–	2.8
Profit from operations		**13.7**	**4.5**	**18.2**	11.4	5.4	16.8
Net financial expense	8	**(5.4)**	**(0.5)**	**(5.9)**	(6.2)	(0.8)	(7.0)
Exceptional financial income	4	–	–	–	10.9	–	10.9
Profit before taxation		**8.3**	**4.0**	**12.3**	16.1	4.6	20.7
Taxation	9	**(2.2)**	**(0.6)**	**(2.8)**	(3.9)	–	(3.9)
Profit for the financial year		**6.1**	**3.4**	**9.5**	12.2	4.6	16.8
Earnings per share							
Basic (pence)	10	**1.17**	**0.65**	**1.82**	2.35	0.88	3.23
Diluted (pence)	10	**1.15**	**0.64**	**1.79**	2.32	0.87	3.19
Non-GAAP performance measures							
EBITDA before exceptional items	12	**85.3**	**5.2**	**90.5**	99.2	8.2	107.4
Adjusted profit before tax	12	**17.5**	**3.2**	**20.7**	30.0	4.9	34.9
Adjusted earnings per share (pence)	10	**2.68**	**0.54**	**3.22**	4.60	0.94	5.54

The accompanying notes form part of the Financial Statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	Year ended 31 March 2021 £m	Year ended 31 March 2020 £m
Profit for the financial year	**9.5**	16.8
Other comprehensive income that may be reclassified subsequently to the Income Statement:		
Effective portion of change in fair value of cash flow hedges	**0.2**	(0.2)
Exchange difference on translation of foreign operations	**(1.4)**	0.9
Tax on items	**–**	0.1
Other comprehensive income, net of tax	**(1.2)**	0.8
Total comprehensive income for the financial year	**8.3**	17.6

The accompanying notes form part of the Financial Statements.

Consolidated Balance Sheet

At 31 March 2021

	Note	**31 March 2021 £m**	31 March 2020 £m
Assets			
Non-current assets			
Intangible assets	13	**24.7**	23.1
Investment in joint venture	14	**6.2**	7.3
Property, plant and equipment			
Hire equipment	15	**207.2**	227.1
Non-hire equipment	15	**25.9**	30.5
Right of use assets	16	**59.1**	64.7
Deferred tax asset	24	**2.5**	2.8
		325.6	355.5
Current assets			
Inventories	17	**8.2**	8.7
Trade and other receivables	18	**93.3**	102.3
Cash	21	**11.7**	22.8
Current tax asset		**1.1**	1.5
		114.3	135.3
Total assets		**439.9**	490.8
Liabilities			
Current liabilities			
Borrowings	21	**(0.5)**	–
Lease liabilities	22	**(19.3)**	(20.2)
Other financial liabilities		**(0.4)**	(0.5)
Trade and other payables	19	**(94.8)**	(90.9)
Provisions	23	**(3.1)**	(5.9)
		(118.1)	(117.5)
Non-current liabilities			
Borrowings	21	**(44.4)**	(102.1)
Lease liabilities	22	**(46.5)**	(52.7)
Provisions	23	**(2.9)**	(1.2)
Deferred tax liability	24	**(8.8)**	(7.4)
		(102.6)	(163.4)
Total liabilities		**(220.7)**	(280.9)
Net assets		**219.2**	209.9
Equity			
Share capital	25	**26.4**	26.4
Share premium		**1.3**	0.8
Merger reserve		**1.0**	1.0
Hedging reserve		**(0.7)**	(0.9)
Translation reserve		**(1.0)**	0.4
Retained earnings		**192.2**	182.2
Total equity		**219.2**	209.9

The accompanying notes form part of the Financial Statements.

The Consolidated Financial Statements on pages 111 to 146 were approved by the Board of Directors on 24 May 2021 and were signed on its behalf by:

James Bunn
Director

Company registered number: 00927680

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 1 April 2019	26.3	0.4	1.0	(0.7)	(0.5)	175.5	202.0
Total comprehensive income	–	–	–	(0.2)	0.9	16.9	17.6
Dividends	–	–	–	–	–	(10.9)	(10.9)
Tax on items taken directly to equity	–	–	–	–	–	0.2	0.2
Equity-settled share-based payments	–	–	–	–	–	0.5	0.5
Issue of shares under the Sharesave Scheme	0.1	0.4	–	–	–	–	0.5
At 31 March 2020	26.4	0.8	1.0	(0.9)	0.4	182.2	209.9
Total comprehensive income	–	–	–	0.2	(1.4)	9.5	8.3
Equity-settled share-based payments	–	–	–	–	–	0.5	0.5
Issue of shares under the Sharesave Scheme	–	0.5	–	–	–	–	0.5
At 31 March 2021	**26.4**	**1.3**	**1.0**	**(0.7)**	**(1.0)**	**192.2**	**219.2**

The accompanying notes form part of the Financial Statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2021

	Note	**Year ended 31 March 2021 £m**	Year ended 31 March 2020 £m
Cash generated from operating activities			
Profit before tax		**12.3**	20.7
Financial expense		**5.9**	7.0
Exceptional intangible asset impairment		**–**	18.5
Exceptional financial income		**–**	(10.9)
Amortisation		**0.8**	1.3
Depreciation		**68.1**	69.4
Share of profit from joint venture		**(1.2)**	(2.8)
Termination of lease contracts		**(4.1)**	(2.4)
Loss/(Profit) on disposal of hire equipment		**1.0**	(0.8)
Loss/(Profit) on disposal of non-hire equipment		**0.5**	(3.9)
Decrease in inventories		**0.5**	0.4
Decrease/(increase) in trade and other receivables		**9.3**	(0.6)
Increase in trade and other payables		**3.6**	5.4
Movement in provisions		**(1.1)**	4.6
Translation reserve recycled on disposal of Middle East assets		**1.0**	–
Equity-settled share-based payments		**0.5**	0.5
Cash generated from operations before changes in hire fleet		**97.1**	106.4
Purchase of hire equipment		**(36.4)**	(53.6)
Proceeds from sale of hire equipment		**12.2**	11.7
Cash generated from operations		**72.9**	64.5
Interest paid		**(6.0)**	(6.5)
Tax paid		**(0.8)**	(9.3)
Net cash flow from operating activities		**66.1**	48.7
Cash flow from investing activities			
Purchase of non-hire property, plant and equipment and IT development		**(11.2)**	(9.0)
Proceeds from sale of non-hire property, plant and equipment		**0.8**	4.2
Proceeds from disposal of Middle East assets		**13.0**	–
Investment in joint venture		**1.0**	1.3
Net cash flow from investing activities		**3.6**	(3.5)
Net cash flow before financing activities		**69.7**	45.2
Cash flow from financing activities			
Payments for the principle element of leases		**(23.6)**	(24.5)
Net loan (repayment)/drawdown		**(58.2)**	2.1
Proceeds from the issue of Sharesave Scheme shares		**0.5**	0.5
Dividends paid		**–**	(10.9)
Net cash flow from financing activities		**(81.3)**	(32.8)
(Decrease)/increase in cash and cash equivalents		**(11.6)**	12.4
Net cash at the start of the financial year		**22.8**	10.4
Net cash at the end of the financial year		**11.2**	22.8
Analysis of cash and cash equivalents			
Cash	21	**11.7**	22.8
Bank overdraft	21	**(0.5)**	–
		11.2	22.8

The accompanying notes form part of the Financial Statements.

Notes to the Financial Statements

1 Accounting policies

Speedy Hire Plc is a company incorporated and domiciled in the United Kingdom. The consolidated Financial Statements of the Company for the year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group and Parent Company Financial Statements were approved by the Board of Directors on 24 May 2021.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated Financial Statements. In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', the comparative income statement has been re-presented for the disclosures of discontinued operations relating to all operations that have been discontinued by the balance sheet date (see Note 3).

Statement of compliance

Both the Group and Parent Company Financial Statements have been prepared and approved by the Board of Directors in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS").

Furthermore, the Financial Statements have been prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis of preparation

The Directors consider the going concern basis of preparation for the Group and Company to be appropriate for the following reasons.

The Group has a £180m asset based finance facility ('the facility') which expires in October 2022 and has no prior scheduled repayment requirements. The total cash and undrawn availability on the facility as at 31 March 2021 was £142.3m (2020: £99.0m) based on the Group's eligible hire equipment and trade receivables.

The Group meets its day-to-day working capital requirements through operating cash flows, supplemented as necessary by borrowings. The Directors have prepared a going concern assessment up to 31 May 2022, which confirms that the Group is capable of continuing to operate within its existing loan facility and can meet the covenant requirements set out within the facility. The key assumptions on which the projections are based include an assessment of the impact of future market conditions on projected revenues and an assessment of the net capital investment required to support the expected level of revenues, including a continuation of the impact of the increased economic uncertainty resulting from COVID-19.

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

Whilst the Directors consider that there is a degree of subjectivity involved in their assumptions, on the basis of the above the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these Financial Statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to variable returns and has the ability to use its power to alter its returns from its involvement with the entity. 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.

Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in joint ventures are accounted for using the equity method. They are initially recognised at cost. Subsequent to initial recognition, the consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

1 Accounting policies continued

New accounting standards and accounting standards not yet effective

The following new standards, amendments to standards and interpretations issued by the International Accounting Standards Board ('IASB') became effective during the year:

Amendment to IFRS 16	Related Rent Concessions
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 4	Deferral of IFRS 9
Amendments to IFRS 9, IAS 39 and IFRS17	Interest Rate Benchmark Reform

The IASB and International Financial Reporting Interpretations Committee ('IFRIC') have also issued the following standards and interpretations at 31 March 2021 with an effective date of implementation after the date of these Financial Statements. Their adoption is not expected to have a material effect on the Financial Statements:

International Accounting Standards (IAS)/IFRS		Effective date (periods beginning on or after)
Amendments to IFRS 3*	Definition of a Business	1 January 2022
IFRS 17	Insurance Contracts	1 January 2023
Amendments to IAS 1*	Classification of Liabilities as Current or Non-current	1 January 2023
Various standards	Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2022
Amendments to IAS 1*	Disclosure of accounting policies	1 January 2023
Amendments to IAS 8*	Changes in accounting estimates	1 January 2023
Amendments to IFRS 16*	Leases COVID Related Rent Concessions beyond 30 June 2021	1 January 2021

* Not yet endorsed by the UKEB.

Accounting for leasing activities under IFRS 16

The Group holds leases for a number of properties and vehicles. Rental contracts are typically entered into for fixed periods of one to ten years but may have break options or extension options as set out below. Such leases can contain a wide range of different terms and conditions. On transition to IFRS 16 the Group reassessed its other contracts to identify whether they contained a lease.

Until 31 March 2018, leases of property, plant and equipment were classified as either operating leases or finance leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the Income Statement on a straight-line basis over the lease term.

From 1 April 2018, leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period. The right of use asset is depreciated over the lease term on a straight-line basis.

Lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments) and variable lease payments that are based on a specified index or rate. The lease payments are discounted using the Group's incremental borrowing rate (if the interest rate implicit in the lease is not readily determinable). This rate is the interest rate the Group would have to pay to borrow the funds necessary to obtain an asset of similar value over a similar term and with similar security to the right of use asset in a similar economic environment.

Right of use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any initial direct costs, any restoration costs, and any lease payments made at or before the commencement date. Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the Income Statement. Short term leases are certain leases with a lease term of 12 months or less. Low value assets comprise certain small items of IT equipment and office furniture where the cash value when new is considered immaterial.

Extension and termination options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. In determining the lease term applicable for accounting purposes, consideration is given to all facts and circumstances that create economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

1 Accounting policies continued

Accounting for leasing activities under IFRS 16 continued

COVID-19 related rent concessions

The Group has applied COVID-19-Related Rent Concessions – Amendment to IFRS 16. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. For rent concessions which do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

As the Group has chosen to apply the practical expedient, rent waivers granted have been treated as variable lease payments, and therefore a credit has been recognised in the profit and loss account.

Revenue

Revenue is measured based on the consideration specified in a contract with a customer net of returns, trade discounts and volume rebates. Customer invoicing is typically performed multiple times a month on standard payment terms. The Group reports three revenue categories:

i) Hire and related activities

The Group recognises revenue for hire services on a straight-line basis over the period of hire, adjusted for rebates. Revenue is recognised for transport services provided at the point at which delivery or collection is completed. Revenue for repairs is recognised when damage is identified.

ii) Services revenue

The Group recognises revenue for rehire services on a straight-line basis over the period of hire, adjusted for rebates. The Group recognises revenue for training services over time as the service is provided to the customer. Revenue for testing is recognised at a point-in-time once certification is provided. The Group recognises revenue on the sale of consumables (including fuel) on a point-in-time basis when control is transferred to the customer.

iii) Disposals revenue

The Group recognises revenue on planned asset disposals on a point-in-time basis when control is transferred to the customer.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

Property, plant and equipment

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

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

1 Accounting policies continued

Property, plant and equipment continued

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	Between five and fifteen years straight-line
Surveying equipment	Five years straight-line
Power equipment	Between five and ten years straight-line

Non-hire assets

Freehold buildings and long leasehold improvements	Over the shorter of the lease period and 50 years straight-line
Short leasehold property improvements	Over the period of the lease
Fixtures and fittings and office equipment (excluding IT)	25%-45% per annum straight-line
IT equipment and software	Between three and five years straight-line, or over the period of the software licence (if shorter)
Motor vehicles	25% per annum straight-line

Planned disposals of hire equipment are transferred, at net book value, to inventory prior to sale, with the sale included in revenue. Profit or loss on other disposals is taken to operating profit as shown in Note 5.

Financing income and costs

Financing costs comprise interest payable on borrowings and lease liabilities, 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 and non-utilisation fees, which are recognised in the income statement over the period of the borrowings on an effective interest basis.

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance

Government grants have been recognised in line with the accrual method. During the period, certain employees were placed on furlough under Job Retention Schemes. Furlough income of £8.9m in relation to a maximum of 1,740 employees has been recognised in the year ended 31 March 2021 and as such the Group has adopted IAS 20 in accounting for this Government assistance. The grant has been recognised as income and matched with associated payroll costs over the same period. There are no unfulfilled conditions at year end.

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.

1 Accounting policies continued

Segment reporting

The Group determines and presents operating segments based on the information that is provided internally to the 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 other member of the Group and for which discrete financial information is available. An operating segment's operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and to assess its performance.

Segment results that are reported to the 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 and head office expenses.

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

Intangible assets

Goodwill

All business combinations are accounted for by applying the purchase method. 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
- The fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

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

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

Other intangible assets

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses (Note 13).

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 customer lists and brands. 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:

Customer lists	Over the period of the expected benefit, up to ten years
Brands	Over the period of use in the business, up to ten years

1 Accounting policies continued

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's Financial Statements in the period in which the dividends are declared.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairments

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

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

Own shares held by Employee Benefits Trust

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

Inventories

Inventories are measured at the lower of cost and net realisable value. Assets transferred from the hire fleet are measured at the lower of cost less accumulated depreciation and impairment at the date of transfer, or net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Derivative financial instruments

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

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the income statement 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 the income statement.

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 the income statement in the same period that the hedged item affects the income statement.

1 Accounting policies continued

Intra-group financial instruments

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

Trade and other receivables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and overnight deposits.

Interest-bearing borrowings

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

Start-up expenses

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

Provisions and contingent liabilities

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. Contingent liabilities are disclosed for possible obligations whose existence will be confirmed by uncertain future events, or where settlement values cannot be measured reliably.

Employee benefits

Pension schemes

The Group has automatically enrolled UK employees in a defined contribution pension plan and makes contributions to personal pension schemes for these UK employees and certain other non-UK employees. Obligations for contributions to these defined contribution pension plans are recognised as an expense in the income statement as incurred. In addition, a requirement exists in United Arab Emirates, where the Group operated, to pay terminal gratuities to employees based on their length of service when they leave the Group's employment.

Share-based payment transactions

The Group operates a number of schemes that allow certain employees to acquire shares in the Company, including the Performance Share 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 it is related to market based performance conditions. 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 adjustment for differences between expected and actual outcomes.

1 Accounting policies continued

Translation of foreign currencies

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

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

Gains and losses on intercompany foreign currency loans that are long-term in nature, and which the Company does not intend to settle in the foreseeable future, are also recorded in the foreign currency translation reserve.

Significant judgements and estimates

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

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

The following are significant sources of estimation uncertainty that management has made in the process of applying the accounting policies and that have the most significant risk of resulting in a material adjustment within the next financial year.

Hire equipment

In relation to the Group's hire equipment (Note 15), useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. At 31 March 2021, the carrying value of hire equipment was £207.2m (2020: £227.1m), representing 88.9% (2020: 88.2%) of the total property, plant and equipment. The hire equipment depreciation charge for the year ended 31 March 2021 was £33.7m (2020: £34.9m), which represents 8.5% (2020: 8.8%) of the average original cost of hire equipment. Both useful economic lives and residual values are reviewed on a regular basis. Given the varied portfolio and range of assumptions relating to both the useful economic lives and residual values of the Group's hire equipment, it is not practical to disclose sensitivity analysis.

Valuation of trade receivables

The Group monitors the risk profile of trade receivables regularly and makes a provision for amounts that may not be recoverable on the basis of expected portfolio losses, including the impact of recent economic conditions. When a trade receivable is not collectable it is written off against the bad debt provision. At 31 March 2021, the provision for bad debt was £3.5m (2020: £3.9m) against a total debtor book of £93.4m (2020: £100.7m). Further detail is provided in Note 18, including an ageing analysis of unprovided debt. The Group's estimated expected credit losses are 3.8% of gross trade receivables. An increase of 1% in this assumption would result in an increase to the provision of £1.0m.

2 Segmental analysis

The segmental disclosure presented in the Financial Statements reflects the format of reports reviewed by the 'chief operating decision-maker'. UK and Ireland delivers asset management, with tailored services and a continued commitment to relationship management. International principally delivers projects and facilities management contracts by providing a managed site support service. During the year, the Middle East assets which were previously classified as part of the international segment have been disposed of (see Note 3) and are now shown as discontinued operations. As a consequence of this change, the results from the joint venture in Kazakhstan have been reallocated to 'Corporate items'. The comparative period has been restated to reflect this change.

For the year ended 31 March 2021	UK and Ireland £m	Corporate items £m	Total-continuing operations £m	Discontinued operations £m	Total £m
Revenue	332.3	–	332.3	31.3	363.6
Segment result:					
EBITDA before exceptional items	89.5	(4.2)	85.3	5.2	90.5
Depreciation	(63.2)	(0.4)	(63.6)	(1.5)	(65.1)
Operating profit/(costs) before amortisation and exceptional items	26.3	(4.6)	21.7	3.7	25.4
Amortisation	(0.8)	–	(0.8)	–	(0.8)
Exceptional items	(8.4)	–	(8.4)	0.8	(7.6)
Operating profit/(costs)	17.1	(4.6)	12.5	4.5	17.0
Share of results of joint venture	–	1.2	1.2	–	1.2
Trading profit/(costs)	17.1	(3.4)	13.7	4.5	18.2
Financial expense			(5.4)	(0.5)	(5.9)
Profit before tax			8.3	4.0	12.3
Taxation			(2.2)	(0.6)	(2.8)
Profit for the financial year			6.1	3.4	9.5
Intangible assets	20.1	4.6	24.7	–	24.7
Investment in joint venture	–	6.2	6.2	–	6.2
Hire equipment	206.4	0.8	207.2	–	207.2
Non-hire equipment	25.9	–	25.9	–	25.9
Right of use assets	59.1	–	59.1	–	59.1
Taxation assets	–	3.6	3.6	–	3.6
Current assets	96.5	2.2	98.7	2.8	101.5
Cash	–	11.7	11.7	–	11.7
Total assets	408.0	29.1	437.1	2.8	439.9
Lease liabilities	(65.8)	–	(65.8)	–	(65.8)
Other liabilities	(83.9)	(8.8)	(92.7)	(8.5)	(101.2)
Borrowings	–	(44.9)	(44.9)	–	(44.9)
Taxation liabilities	–	(8.8)	(8.8)	–	(8.8)
Total liabilities	(149.7)	(62.5)	(212.2)	(8.5)	(220.7)

2 Segmental analysis continued

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

For the year ended 31 March 2020	UK and Ireland £m	Corporate items £m	Total-continuing operations £m	Discontinued operations £m	Total £m
Revenue	371.5	–	371.5	35.2	406.7
Segment result:					
EBITDA before exceptional items	102.7	(3.5)	99.2	8.2	107.4
Depreciation	(65.4)	(0.4)	(65.8)	(2.5)	(68.3)
Operating profit/(costs) before amortisation and exceptional items	37.3	(3.9)	33.4	5.7	39.1
Amortisation	(1.3)	–	(1.3)	–	(1.3)
Exceptional items	(23.5)	–	(23.5)	(0.3)	(23.8)
Operating profit/(costs)	12.5	(3.9)	8.6	5.4	14.0
Share of results of joint venture	–	2.8	2.8	–	2.8
Trading profit/(costs)	12.5	(1.1)	11.4	5.4	16.8
Financial expense			(6.2)	(0.8)	(7.0)
Exceptional financial income			10.9	–	10.9
Profit before tax			16.1	4.6	20.7
Taxation			(3.9)	–	(3.9)
Profit for the financial year			12.2	4.6	16.8
Intangible assets	21.9	1.2	23.1	–	23.1
Investment in joint venture	–	7.3	7.3	–	7.3
Hire equipment	215.7	–	215.7	11.4	227.1
Non-hire equipment	28.4	–	28.4	2.1	30.5
Right of use assets	62.2	–	62.2	2.5	64.7
Taxation assets	–	4.3	4.3	–	4.3
Current assets	94.5	1.6	96.1	14.9	111.0
Cash	–	22.8	22.8	–	22.8
Total assets	422.7	37.2	459.9	30.9	490.8
Lease liabilities	(68.8)	–	(68.8)	(4.1)	(72.9)
Other liabilities	(82.4)	(4.0)	(86.4)	(12.1)	(98.5)
Borrowings	–	(102.1)	(102.1)	–	(102.1)
Taxation liabilities	–	(7.4)	(7.4)	–	(7.4)
Total liabilities	(151.2)	(113.5)	(264.7)	(16.2)	(280.9)

2 Segmental analysis continued

Geographical information

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

	Year ended 31 March 2021		Year ended 31 March 2020	
	Revenue £m	**Total assets £m**	Revenue £m	Total assets £m
UK	**323.6**	**423.7**	361.3	438.4
Ireland	**8.7**	**13.4**	10.2	14.2
Discontinued operations – Middle East	**31.3**	**2.8**	35.2	38.2
	363.6	**439.9**	406.7	490.8

Revenue by type

Revenue is attributed to the following activities:

	Year ended 31 March 2021 £m	Year ended 31 March 2020 £m
Hire and related activities	**213.3**	240.5
Services	**146.1**	162.0
Disposals	**4.2**	4.2
	363.6	406.7

Major customers

No one customer represents more than 10% of revenue, reported profit or combined assets of the Group.

3 Discontinued operations

On 1 March 2021, the Group sold the assets relating to its Middle East operations. The transaction comprised of the disposal of its equipment fleet, stock and other fixed assets relating to its Middle East business to its principal customer ADNOC Logistics and Services LLC ('ADNOC'), for a consideration of $18m. At the date of sale, this translated to proceeds of £13.0m, on which a pre-tax gain of £0.8m was recognised. The attributable tax was £0.2m, resulting in a gain after tax of £0.6m.

Cash flows from/(used in) discontinued operations	**2021 £m**	2020 £m
Net cash from/(used in) operating activities	**13.8**	(0.2)
Net cash from investing activities	**13.0**	–
Net cash used in financing activities	**(0.8)**	(0.7)
Net cash from/(used in) discontinued operations	**26.0**	(0.9)

4 Exceptional items

For the year ended 31 March 2021	Continuing operations £m	Discontinued operations £m	Total £m
Property related costs	5.6	–	**5.6**
Restructuring costs	1.9	–	**1.9**
Disposal of Middle East assets (see Note 3)	–	(0.8)	**(0.8)**
Training provision	0.9	–	**0.9**
	8.4	(0.8)	**7.6**

During the year, exceptional administrative items of £7.6m were incurred.

Action has been taken to manage the Group's cost base following the COVID-19 pandemic, and consequently the network has been restructured. A number of depots have been closed and further consolidation of depots is underway to create larger, customer focused service centres. As a result, £5.6m of property related costs and £1.9m of redundancy costs have been incurred during the year.

On 1 March 2021 the Group sold its equipment fleet, stock and other fixed assets relating to its Middle East business to its principal customer in the territory ADNOC, for a consideration of $18m. The transaction results in a gain on disposal of £0.8m.

The training business, Geason, which was acquired in December 2018, was subject to an assurance visit from a funding agency in early 2020, and a subsequent claim was received for amounts overpaid. The claim was settled in October 2020, within the provision held at 31 March 2020. An additional provision has been made for £0.9m to cover legal and other costs associated with the ongoing initiatives to improve the Group's financial position.

For the year ended 31 March 2020	Recognised in distribution and administrative expenses £m	Recognised in net financial expenses £m	Total £m
Changes to fair value of contingent consideration	–	(10.9)	**(10.9)**
Impairment of Training CGU	20.1	–	**20.1**
Training provision	3.0	–	**3.0**
Exceptional items relating to Training	23.1	(10.9)	**12.2**
Sale of surplus land	(3.9)	–	**(3.9)**
Acquisition integration costs	1.7	–	**1.7**
Property related costs	2.0	–	**2.0**
COVID-19 related costs	0.6	–	**0.6**
International contract costs	0.3	–	**0.3**
	23.8	(10.9)	**12.9**

Exceptional items of £12.6m relate to continuing operations with £0.3m relating to discontinued operations.

In the year ended 31 March 2020, an exceptional financial credit of £10.9m had been recognised in relation to changes in the fair value of contingent consideration no longer expected to be paid in respect of Geason Training. An exceptional impairment charge of £20.1m for the Speedy Training cash generating unit had also been recognised.

In April 2020 Speedy were notified that a funding agency was suspending payments, and seeking repayment of funding from Geason Training; £3.0 million was provided as an exceptional charge including legal and verification costs. As referred to above, the claim was settled within the amount provided. Further detail is provided in Note 23.

4 Exceptional items continued

On 29 October 2019, the Group sold a plot of surplus land. Consideration of £4.0m was paid in cash in full at completion. The land had a book value £0.1m and the resultant profit of £3.9m was recognised as an exceptional item.

Following the acquisitions of Geason Training and Lifterz in the year ended 31 March 2019, integration expenses of £1.7m were incurred in the year ended 31 March 2020, relating to property provisions, redundancy and project management costs.

An exceptional provision of £2.0m was made for specific non-recurring identified repairs required to properties within the depot network as a result of potential landlord claims.

Exceptional costs of £0.6m related to COVID-19, including bad debt and staff related costs were provided for at 31 March 2020.

Exceptional costs of £0.3m incurred relating to the extension of the major contract in the International division were also recognised in the prior year.

5 Operating profit

Operating profit is stated after charging/(crediting):

	2021 £m	2020 £m
Amortisation of intangible assets	**0.8**	1.3
Depreciation of owned property, plant and equipment	**43.4**	44.5
Depreciation of right of use assets	**24.7**	24.9
Loss/(Profit) on disposal of hire equipment	**1.0**	(0.8)
Loss/(Profit) on disposal of non-hire equipment	**0.5**	(3.9)
Impairment of intangible assets	**1.1**	18.5
Auditor's remuneration		
Audit of these Financial Statements	**0.3**	0.2
Audit of Financial Statements of subsidiaries	**0.2**	0.1
Total audit fees	**0.5**	0.3
Non-audit fees: audit-related services – interim review fee of £35,000 (2020: £31,200)	**–**	–
Total fees	**0.5**	0.3

6 Employees

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

	Number of employees	
	2021	2020
UK and Ireland	**3,040**	3,212
International	**581**	610
Central	**254**	249
	3,875	4,071

6 Employees continued

The aggregate payroll costs of these employees (including bonuses) were as follows:

	2021 £m	2020 £m
Wages and salaries	**96.3**	103.5
Social security costs	**10.0**	9.9
Pension costs	**2.7**	3.1
Share-based payments	**0.5**	0.5
	109.5	117.0

£8.9m was received from furlough schemes in the year and is included within the employee payroll costs above.

7 Directors' remuneration

	2021 £'000s	2020 £'000s
Directors' emoluments		
Basic remuneration, including benefits	**1,108**	985
Value of long-term incentives	**213**	378
Performance related bonuses	**252**	–
Gain on exercise of share options	**587**	–
Company pension contributions	**76**	96
	2,236	1,459
Emolument of the highest paid Director		
Basic remuneration, including benefits	**76**	401
Value of long-term incentives	–	224
Termination payments	**156**	–
Gain on exercise of share options	**584**	–
Company pension contributions	**13**	58
	829	683

Further analysis of Directors' remuneration can be found in the Remuneration Report. All the Directors' remuneration is paid by Speedy Support Services Limited, a wholly-owned subsidiary of Speedy Hire Plc.

8 Financial expense

	2021 £m	2020 £m
Interest on bank loans and overdrafts	**2.9**	3.4
Amortisation of issue costs	**0.4**	0.4
Total interest on borrowings	**3.3**	3.8
Interest on lease liabilities	**2.6**	3.2
Hedge interest payable	**–**	0.1
Other finance (income)/costs	**–**	(0.1)
Net financial expense before exceptional items	**5.9**	7.0
Exceptional financial income (see Note 4)	**–**	(10.9)
Net financial expense	**5.9**	(3.9)

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9 Taxation

	2021 £m	2020 £m
Tax charged in the Income Statement		
Current tax		
UK corporation tax on profit at 19% (2020: 19%)	**1.8**	4.1
Adjustment in respect of prior years	**(0.7)**	(0.6)
Deferred tax (Note 24)		
UK deferred tax at 19% (2020: 19%)	**1.0**	(0.3)
Adjustment in respect of prior years	**0.7**	0.2
Effect of change in rates	**–**	0.5
Total deferred tax	**1.7**	0.4
Total tax charge	**2.8**	3.9
Tax (credited)/charged in equity		
Current tax		
Current tax	**–**	(0.2)
Deferred tax (Note 24)		
Deferred tax	**–**	0.1
Total tax credited to equity	**–**	(0.1)

The adjusted tax rate of 18.9% (2020: 17.2%) is lower (2020: lower) than the standard rate of UK corporation tax of 19% (2020: 19%). The tax charge in the Income Statement for the year of 22.8% is higher (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%) and is explained as follows:

	2021 £m	2020 £m
Profit before tax	**12.3**	20.7
Accounting profit multiplied by the standard rate of corporation tax at 19% (2020: 19%)	**2.3**	3.9
Expenses not deductible for tax purposes	**0.7**	0.9
Share-based payments	**–**	0.1
Overseas profits not subject to tax	**–**	(0.6)
Share of joint venture income already taxed	**(0.2)**	(0.5)
Change in deferred tax rates	**–**	0.5
Adjustment to tax in respect of prior years	**–**	(0.4)
Tax charge for the year reported in the Income Statement	**2.8**	3.9
Tax (credited)/charged in equity		
Current tax	**–**	(0.2)
Deferred tax	**–**	0.1
Tax credited to equity	**–**	(0.1)

In the March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the Group's future tax charge. If this rate change had been substantively enacted at the current balance sheet date the deferred tax liability would have increased by £2.0m.

10 Earnings per share

The calculation of basic earnings per share is based on the profit for the financial year of £9.5m (2020: £16.8m) and the weighted average number of 5 pence ordinary shares in issue, and is calculated as follows:

	2021	2020
Weighted average number of shares in issue (m)		
Number of shares at the beginning of the year	**521.3**	519.5
Exercise of share options	**0.3**	0.3
Movement in shares owned by the Employee Benefit Trust	**0.8**	0.2
Weighted average for the year – basic number of shares	**522.4**	520.0
Share options	**6.5**	5.2
Employee share scheme	**0.6**	1.1
Weighted average for the year – diluted number of shares	**529.5**	526.3

	2021			2020		
	Continuing operations £m	**Discontinued operations £m**	**Total £m**	Continuing operations £m	Discontinued operations £m	Total £m
Profit for the year after tax	**6.1**	**3.4**	**9.5**	12.2	4.6	16.8
Amortisation charge (after tax)	**0.6**	**–**	**0.6**	1.1	–	1.1
Exceptional items (after tax)	**7.3**	**(0.6)**	**6.7**	10.6	0.3	10.9
Adjusted earnings (after tax)	**14.0**	**2.8**	**16.8**	23.9	4.9	28.8

	Pence	**Pence**	**Pence**	Pence	Pence	Pence
Basic earnings per share	**1.17**	**0.65**	**1.82**	2.35	0.88	3.23
Dilutive options and shares	**(0.02)**	**(0.01)**	**(0.03)**	(0.03)	(0.01)	(0.04)
Diluted earnings per share	**1.15**	**0.64**	**1.79**	2.32	0.87	3.19
Adjusted earnings per share	**2.68**	**0.54**	**3.22**	4.60	0.94	5.54
Dilutive options and shares	**(0.03)**	**(0.01)**	**(0.04)**	(0.06)	(0.01)	(0.07)
Diluted adjusted earnings per share	**2.65**	**0.53**	**3.18**	4.54	0.93	5.47

Total number of shares outstanding at 31 March 2021 amounted to 528,180,280 (2020: 526,773,177), including 4,413,516 (2020: 5,472,206) shares held in the Employee Benefit Trust, which are excluded in calculating earnings per share.

11 Dividends

The aggregate amount of dividend comprises:

	2021 £m	2020 £m
2019 final dividend (1.40 pence on 525.3m shares)	–	7.3
2020 interim dividend (0.70 pence on 525.4m shares)	–	3.6
	–	10.9

Subsequent to the end of the year and not included in the results for the year, the Directors recommended a final dividend of 1.40 pence (2020: nil pence) per share, bringing the total amount payable in respect of the 2021 year to 1.40 pence (2020: 0.70 pence), to be paid on 24 September 2021 to shareholders on the register on 13 August 2021.

The Employee Benefit Trust, established to hold shares for the Performance Share Plan and other employee benefits, waived its right to the interim dividend. At 31 March 2021, the Trust held 4,413,516 ordinary shares (2020: 5,472,206).

12 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 by adjusting for the effect of exceptional items and significant non-cash depreciation and amortisation. 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.

	Continuing operations 2021 £m	Discontinued operations 2021 £m	Total 2021 £m	Continuing operations 2020 £m	Discontinued operations 2020 £m	Total 2020 £m
Operating profit	12.5	4.5	17.0	8.6	5.4	14.0
Add back: amortisation	0.8	–	0.8	1.3	–	1.3
Add back/(deduct): exceptional items	8.4	(0.8)	7.6	23.5	0.3	23.8
Adjusted operating profit ('EBITA')	21.7	3.7	25.4	33.4	5.7	39.1
Add back: depreciation	63.6	1.5	65.1	65.8	2.5	68.3
EBITDA before exceptional items	85.3	5.2	90.5	99.2	8.2	107.4
Profit before tax	8.3	4.0	12.3	16.1	4.6	20.7
Add back: amortisation	0.8	–	0.8	1.3	–	1.3
Add back/(deduct): exceptional items	8.4	(0.8)	7.6	12.6	0.3	12.9
Adjusted profit before tax	17.5	3.2	20.7	30.0	4.9	34.9

13 Intangible fixed assets

	Goodwill £m	Customer lists £m	Brands £m	IT development £m	Total £m
Cost					
At 1 April 2019	126.3	45.1	7.0	–	178.4
Additions	–	–	–	1.2	1.2
At 31 March 2020	126.3	45.1	7.0	1.2	179.6
Additions	–	–	–	3.5	3.5
At 31 March 2021	126.3	45.1	7.0	4.7	183.1
Amortisation					
At 1 April 2019	95.1	37.2	4.4	–	136.7
Charged in year	–	0.9	0.4	–	1.3
Impairment	13.7	3.7	1.1	–	18.5
At 31 March 2020	108.8	41.8	5.9	–	156.5
Charged in year	–	0.4	0.4	–	0.8
Impairment	–	1.1	–	–	1.1
At 31 March 2021	108.8	43.3	6.3	–	158.4
Net book value					
At 31 March 2021	**17.5**	**1.8**	**0.7**	**4.7**	**24.7**
At 31 March 2020	17.5	3.3	1.1	1.2	23.1
At 31 March 2019	31.2	7.9	2.6	–	41.7

The amount of goodwill that is tax-deductible is £nil (2020: £nil).

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. The Group's reportable CGUs comprise UK and Ireland (excluding Training) and Training. All intangible assets are held in the UK. Goodwill arising on business combinations after 1 April 2004 has been allocated to the CGU that is expected to benefit from those business combinations. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. No impairment test has been performed in respect of the International CGU as there are no intangible assets allocated to the CGU.

The recoverable amounts of the assets allocated to the UK and Ireland (excluding Training) and Training CGUs are determined by a value-in-use calculation. The value-in-use calculation uses cash flow projections based on five-year financial forecasts approved by management. The key assumptions for these forecasts are those regarding revenue growth and discount rate, which management estimates based on past experience adjusted for current market trends and expectations of future changes in the market. To prepare the value-in-use calculation, the Group uses cash flow projections from the FY2022 budget, and a subsequent four-year period using the Group's business plan, together with a terminal value using long-term growth rates. The resulting forecast cash flows are discounted back to present value, using an estimate of the Group's weighted average cost of capital, adjusted for risk factors associated with each individual CGU and market-specific risks.

The Training CGU performed below expectations during the year ended 31 March 2020 due to lower than expected learner enrolments, the setup of a number of regional training centres which had yet to reach critical mass and compliance related issues. During the year the business has been further affected by market conditions due to COVID-19 and the impact social distancing has had on the delivery of courses. The recoverable amount of the CGU is considered £nil and the goodwill and intangible assets associated with the training business have been fully impaired, which resulted in an impairment of £1.1m in the year.

13 Intangible fixed assets continued

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

	31 March 2021		31 March 2020	
	Pre-tax discount rate	**Terminal value growth rate**	Pre-tax discount rate	Terminal value growth rate
UK and Ireland (excluding Training)	**12.3%**	**2.5%**	9.2%	2.5%

Impairment calculations are sensitive to changes in key assumptions of revenue growth and discount rate. At 31 March 2021, the headroom between value in use and carrying value of related assets for the UK and Ireland was £27.6m (2020: £45.1m). The reduction in headroom is due to the rise in discount rate at 31 March 2021 compared with previous years. There are no reasonable variations in these assumptions that would result in an impairment.

14 Investment in joint venture

	Equity investment £m	Loan advances £m	Total £m
Cost			
At 1 April 2019	3.6	1.9	5.5
Effect of movement in foreign exchange rates	0.2	0.1	0.3
At 31 March 2020	3.8	2.0	5.8
Effect of movement in foreign exchange rates	(0.6)	(0.1)	(0.7)
At 31 March 2021	3.2	1.9	5.1
Share of post-acquisition results			
At 1 April 2019	0.9	(0.6)	0.3
Share of results for the year after tax	2.8	–	2.8
Dividend received	(1.2)	–	(1.2)
Loan repayment	–	(0.4)	(0.4)
At 31 March 2020	2.5	(1.0)	1.5
Share of results for the year after tax	1.2	–	1.2
Share of other comprehensive income	(0.5)	–	(0.5)
Dividend received	(0.7)	–	(0.7)
Loan repayment	–	(0.4)	(0.4)
At 31 March 2021	2.5	(1.4)	1.1
Net book value			
At 31 March 2021	**5.7**	**0.5**	**6.2**
At 31 March 2020	6.3	1.0	7.3
At 31 March 2019	4.5	1.3	5.8

On 11 November 2013, Speedy acquired 50% of the share capital of Turner and Hickman Limited, a joint venture company that controls the operations of Speedy Zholdas LLP. Speedy Zholdas LLP provides asset management and equipment rental services to the oil and gas sector in Kazakhstan. Total cash consideration for the purchase of shares in Turner and Hickman Limited was US$4.3m.

In addition to the investment in share capital, Speedy provided a loan of US$2.5m to the joint venture with an equivalent amount provided by the joint venture partner. A repayment of £0.4m ($0.5m) (2020: repayment of £0.4m ($0.5m)) was received during the year. This joint venture is not considered to be individually material.

15 Property, plant and equipment

	Land and buildings £m	Hire equipment £m	Other £m	Total £m
Cost				
At 1 April 2019	52.2	385.8	77.8	515.8
Foreign exchange	0.3	0.7	–	1.0
Additions	2.4	55.3	5.5	63.2
Disposals	(0.1)	(21.6)	(0.2)	(21.9)
Transfers to inventory	–	(12.1)	–	(12.1)
At 31 March 2020	54.8	408.1	83.1	546.0
Foreign exchange	(0.5)	(1.1)	0.6	(1.0)
Additions	1.7	36.0	6.0	43.7
Disposals	(5.4)	(46.0)	(1.2)	(52.6)
Transfers to inventory	–	(10.4)	–	(10.4)
At 31 March 2021	50.6	386.6	88.5	525.7
Depreciation				
At 1 April 2019	33.1	168.9	64.7	266.7
Charged in year	3.4	34.9	6.2	44.5
Disposals	–	(14.3)	–	(14.3)
Transfers to inventory	–	(8.5)	–	(8.5)
At 31 March 2020	36.5	181.0	70.9	288.4
Foreign exchange	(0.3)	(0.6)	–	(0.9)
Charged in year	3.6	33.7	6.1	43.4
Disposals	(3.2)	(27.4)	(0.4)	(31.0)
Transfers to inventory	–	(7.3)	–	(7.3)
At 31 March 2021	36.6	179.4	76.6	292.6
Net book value				
At 31 March 2021	**14.0**	**207.2**	**11.9**	**233.1**
At 31 March 2020	18.3	227.1	12.2	257.6
At 31 March 2019	19.1	216.9	13.1	249.1

The net book value of land and buildings comprises freehold properties of £nil (2020: £nil) and improvements to short leasehold properties of £14.0m (2020: £18.3m).

Included within depreciation charged in the year is £1.0m relating to exceptional impairments (see Note 4).

An impairment review has been completed during the year on the basis set out in Note 13.

16 Right of use assets

	Land and buildings £m	Other £m	Total £m
Cost			
At 1 April 2019	128.0	49.9	177.9
Foreign exchange	0.4	–	0.4
Additions	9.5	8.5	18.0
Disposals	(10.1)	(6.5)	(16.6)
At 31 March 2020	127.8	51.9	179.7
Foreign exchange	(0.6)	–	(0.6)
Additions	13.7	8.9	22.6
Disposals	(9.6)	(12.6)	(22.2)
At 31 March 2021	131.3	48.2	179.5
Depreciation			
At 1 April 2019	77.2	28.5	105.7
Foreign exchange	0.2	–	0.2
Charged in year	13.2	11.7	24.9
Disposals	(10.0)	(5.8)	(15.8)
At 31 March 2020	80.6	34.4	115.0
Foreign exchange	(0.4)	–	(0.4)
Charged in year	13.3	11.4	24.7
Disposals	(6.9)	(12.0)	(18.9)
At 31 March 2021	86.6	33.8	120.4
Net book value			
At 31 March 2021	**44.7**	**14.4**	**59.1**
At 31 March 2020	47.2	17.5	64.7
At 31 March 2019	50.8	21.4	72.2

Included within depreciation charged is £2.0m relating to exceptional impairments (see Note 4).

17 Inventories

	2021 £m	2020 £m
Work in progress	**1.0**	1.1
Finished goods and goods for resale	**7.2**	7.6
	8.2	8.7

The amount of inventory expensed in the year amounted to £31.1m (2020: £34.7m) and is included within cost of sales. A provision of £0.3m (2020: £0.2m) is recorded in respect of inventory held at the year-end.

18 Trade and other receivables

	2021 £m	2020 £m
Trade receivables	**88.5**	95.5
Other receivables	**4.7**	6.5
Prepayments and accrued income	**0.1**	0.3
	93.3	102.3

The Group's credit risk is primarily attributable to trade receivables. The amounts presented in the consolidated statement of financial position are net of any loss provision. There are £26.2m (2020: £37.7m) 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 2021 that customers will not meet their payment obligations in respect of trade receivables recognised in the balance sheet that are past due and unprovided. The ageing of trade receivables (net of impairment provision) at the year end was as follows:

	2021 £m	2020 £m
Not past due	**62.3**	57.8
Past due 0-30 days	**17.4**	22.7
Past due 31-120 days	**6.3**	11.3
More than 120 days past due	**2.5**	3.7
	88.5	95.5

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

	2021 £m	2020 £m
At 1 April	**3.9**	3.7
Impairment provision charged as exceptional to the Income Statement	**–**	0.7
Impairment provision charged to the Income Statement	**2.0**	3.6
Utilised in the year	**(2.4)**	(4.1)
At 31 March	**3.5**	3.9

19 Trade and other payables

	2021 £m	2020 £m
Trade payables	**49.8**	52.3
Other payables	**9.1**	10.0
Accruals	**35.9**	28.6
	94.8	90.9
Non-current	**–**	–
Current	**94.8**	90.9
	94.8	90.9

20 Financial instruments

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

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

Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are considered to be equal to the carrying values shown in the balance sheet.

Basis for determining fair values

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

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

(b) **Interest-bearing loans and borrowings** – Fair value is calculated based on discounted expected future principal and interest cash flows at a market rate of interest.

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

(d) **Lease liabilities** – Fair value is calculated based on expected future principal and interest cash flows, discounted at the incremental borrowing rate for the lease.

Fair value hierarchy

The Group's financial assets and liabilities are principally short-term in nature and therefore their fair value is not materially different from their carrying value. The valuation method for the Group's financial assets and liabilities can be defined as follows in accordance with IFRS 13:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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 that provide the Group's asset based finance facility. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

The Group establishes an allowance for impairment that is based on historical experience of dealing with customers with the same risk profile along with a consideration of the future expected credit losses.

20 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 2021, the Group had a banking facility amounting to £180.0m (2020: £180.0m), as detailed in Note 21. The cash and undrawn availability on this facility as at 31 March 2021 was £142.3m (2020: £99.0m) based on the Group's eligible hire equipment and trade receivables.

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 maintains close contact with its syndicate of banks.

The following analysis is based on the undiscounted contractual maturities on the Group's financial liabilities including estimated interest that will accrue.

	Undiscounted cash flows – 31 March 2021				
	2022 £m	**2023 £m**	**2024 £m**	**2025 and later £m**	**Total £m**
Asset based finance facility	**–**	**44.4**	**–**	**–**	**44.4**
Overdraft	**0.5**	**–**	**–**	**–**	**0.5**
Lease liability (principle and interest)	**21.3**	**15.8**	**10.8**	**23.5**	**71.4**
Bank interest payments	**2.7**	**1.7**	**–**	**–**	**4.4**
Trade and other payables	**57.7**	**–**	**–**	**–**	**57.7**
	82.2	**61.9**	**10.8**	**23.5**	**1,798.4**

	Undiscounted cash flows – 31 March 2020				
	2021 £m	2022 £m	2023 £m	2024 and later £m	Total £m
Asset based finance facility	–	102.1	–	–	102.1
Lease liability (principle and interest)	22.7	16.1	13.4	28.4	80.6
Bank interest payments	2.7	1.4	–	–	4.1
Trade and other payables	62.3	–	–	–	62.3
	87.7	119.6	13.4	28.4	249.1

20 Financial instruments continued

Market risk

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

Foreign exchange risk

With over 5% of the Group's revenue generated in currencies other than sterling, the Group's Balance Sheet and Income Statement are affected by movements in exchange rates. The revenue and costs of overseas operations normally arise in the same currency and consequently the exposure to exchange differences is not normally significant and consequently not hedged. Overseas operations maintain local currency bank facilities, which provide partial mitigation against balance sheet risk.

At 31 March 2021, if sterling had weakened or strengthened by 10% against the Euro and United Arab Emirates Dirham with all other variables held constant, post-tax profit for the year would have been £0.6m (2020: £0.7m) higher or lower respectively.

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, 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 80% of its net borrowings are covered by hedging instruments.

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

	31 March 2021		31 March 2020	
	Fair value £m	**Notional amount £m**	Fair value £m	Notional amount £m
Designated as cash flow hedges				
Fixed interest rate swaps	**(0.4)**	**60.0**	(0.5)	60.0

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

The weighted average interest rate on the fixed interest rate swaps is 1.00% (2020: 1.02%) and the instruments are for a weighted average period of 10 months (2020: 20 months). The maximum contractual period is 36 months (2020: 36 months).

Contingent consideration

Contingent consideration is payable by the Group in relation to the acquisition of Geason Holdings Limited dependent on the combined performance of the acquired business and the Group's training business in the three years post acquisition. The fair value of contingent consideration as at year end is £nil (2020: £nil).

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 2021 it is estimated that an increase of 1% in interest rates would decrease the Group's profit before tax by approximately £0.4m (2020: £0.7m). Interest rate swaps have been included in this calculation.

20 Financial instruments continued

Capital management

The Group requires capital for purchasing hire equipment to replace the existing asset base when it has reached the end of its useful life, and for growth, by establishing new depot 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 Board seeks to maintain a balance between debt and equity funding such that it maintains an efficient 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 the demographic spread of shareholders in order to ensure that the most attractive mix of capital growth and income return is made available to investors.

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

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

21 Borrowings

	2021 £m	2020 £m
Current borrowings		
Bank overdraft	**0.5**	–
Lease liabilities	**19.3**	20.2
	19.8	20.2
Non-current borrowings (excluding lease liabilities)		
Maturing between two and five years		
Asset based finance facility	**44.4**	102.1
Lease liabilities	**46.5**	52.7
Total non-current borrowings	**90.9**	154.8
Total borrowings	**110.7**	175.0
Less: cash	**(11.7)**	(22.8)
Exclude lease liabilities	**(65.8)**	(72.9)
Net debt	**33.2**	79.3

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

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

(b) An asset based finance facility of up to £175m, based on the Group's hire equipment and trade receivables balance. The cash and undrawn availability of this facility as at 31 March 2021 was £142.3m (2020: £99.0m), based on the Group's eligible hire equipment and trade receivables.

The facility amounts to £180m and, is based on the Group's hire equipment and trade receivables balance, reduced to the extent that any ancillary facilities are provided, and is repayable in October 2022, with no prior scheduled repayment requirements. An additional uncommitted accordion of £220m remains in place through to October 2022.

21 Borrowings continued

Interest on the facility is calculated by reference to the LIBOR applicable to the period drawn, plus a margin of 150 to 250 basis points, depending on leverage and on the components of the borrowing base. During the year, the effective margin was 1.80% (2020: 1.84%).

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

Analysis of consolidated net debt

	31 March 2020 £m	Non-cash movement £m	Cash flow £m	**31 March 2021 £m**
Cash at bank and in hand	22.8	–	(11.1)	**11.7**
Bank overdraft	–	–	(0.5)	**(0.5)**
Bank borrowings	(102.1)	(0.5)	58.2	**(44.4)**
	(79.3)	(0.5)	46.6	**(33.2)**

22 Lease liabilities

	Land and buildings £m	Other £m	Total £m
At 1 April 2019	60.8	21.6	82.4
Foreign exchange	0.2	–	0.2
Additions	9.5	8.4	17.9
Repayments	(15.1)	(12.6)	(27.7)
Unwinding of discount rate	2.4	0.8	3.2
Terminations	(2.5)	(0.6)	(3.1)
At 31 March 2020	55.3	17.6	72.9
Foreign exchange	(0.1)	–	(0.1)
Additions	13.7	8.9	22.6
Repayments	(14.2)	(12.0)	(26.2)
Unwinding of discount rate	2.0	0.6	2.6
Terminations	(5.3)	(0.7)	(6.0)
At 31 March 2021	**51.4**	**14.4**	**65.8**

Included within terminations in the year was £3.7m (2020: £0.7m) relating to exceptional terminations of property leases (see Note 4).

Amounts payable for lease liabilities (discounted at the incremental borrowing rate of each lease) fall due as follows:

	2021 £m	2020 £m
Payable within one year	**19.3**	20.2
Payable in more than one year	**46.5**	52.7
At 31 March	**65.8**	72.9

23 Provisions

	Dilapidations £m	Contingent consideration £m	Training provision £m	Total £m
At 1 April 2019	2.5	10.9	–	13.4
Created in the year	3.1	–	3.0	6.1
Provision utilised in the year	(1.5)	–	–	(1.5)
Net changes in fair value	–	(10.9)	–	(10.9)
At 31 March 2020	4.1	–	3.0	7.1
Created in the year	3.2	–	0.9	4.1
Provision utilised in the year	(2.5)	–	(2.7)	(5.2)
At 31 March 2021	**4.8**	**–**	**1.2**	**6.0**

Of the £6.0m provision at 31 March 2021, £3.1m (2020: £5.9m) is due within one year and £2.9m (2020: £1.2m) is due after one year. The dilapidations provision is calculated based on estimated dilapidations at current market rates. The total liability is discounted to current values.

In April 2020 Speedy were notified that a funding agency was suspending payments, and seeking repayment of £2.6m from Geason Training, based on an extrapolation of errors found in a small sample of learner documentation over a three year period from August 2017. In the year ended 31 March 2020, £3.0 million was provided as an exceptional charge. The claim was settled in October 2020 within the provision held. An additional provision has been recognised for £0.9m in relation to legal and other costs associated with ongoing initiatives to improve the Group's financial position.

Contingent consideration of between £nil and £26.0m may be payable by the Group in relation to the acquisition of Geason Training. The consideration depends on the combined performance of the acquired business and the Group's training business in the three years post acquisition. The fair value of contingent consideration as at year end is £nil.

24 Deferred tax

	Property, plant and equipment £m	Intangible assets £m	Share-based payments £m	Other items £m	Total £m
At 1 April 2019	6.2	0.9	(0.5)	(2.5)	4.1
Recognised in income	1.2	(0.9)	–	0.1	0.4
Recognised in equity	–	–	0.1	–	0.1
At 31 March 2020	7.4	–	(0.4)	(2.4)	4.6
Recognised in income	1.4	(0.3)	–	0.6	1.7
At 31 March 2021	**8.8**	**(0.3)**	**(0.4)**	**(1.8)**	**6.3**

The Group has gross trading losses carried forward at 31 March 2021 amounting to approximately £7.7m (2020: £9.4m). No deferred tax asset has been recognised in respect of these losses. The Group also has gross capital losses carried forward at 31 March 2021 amounting to approximately £1.4m (2020: £1.7m). No deferred tax asset has been recognised in respect of these losses.

25 Share capital

	2021 £m	2020 £m
Allotted, called-up and fully paid		
528.2m (2020: 526.8m) ordinary shares of 5 pence each	**26.4**	26.4

During the year, 1.4m ordinary shares of 5 pence were issued on exercise of options under the Speedy Hire Sharesave Schemes (2020: 1.5m).

An Employee Benefits Trust was established in 2004 (the 'Trust'). The Trust holds shares issued by the Company in connection with the Performance Share Plan. No shares were acquired by the Trust during the year and 1,058,690 shares were transferred to employees during the year. At 31 March 2021, the Trust held 4,413,516 (2020: 5,472,206) shares.

The movement in issued share capital was as follows:

	Number (m)	£m
At 1 April 2019	525.3	26.3
Exercise of Sharesave Scheme options	1.5	0.1
At 31 March 2020	526.8	26.4
Exercise of Sharesave Scheme options	1.4	–
At 31 March 2021	**528.2**	**26.4**

26 Share incentives

At 31 March 2021, options and awards over 15,533,504 shares (2020: 14,465,265) were outstanding under employee share schemes. The Group operates two share incentive schemes. During the year a weighted average 327,607 ordinary shares of 5 pence were issued on exercise of options under the Speedy Hire Sharesave Schemes (2020: 269,953).

As at 31 March 2021, options to acquire 6,771,223 (2020: 6,522,196) Speedy Hire Plc shares were outstanding under the Speedy Hire Sharesave Schemes. These options are exercisable by employees of the Group at prices between 44 and 55 pence (2020: 34 and 48 pence) at dates between April 2021 and July 2024 (2020: April 2020 and July 2023). At 31 March 2021, options to acquire 8,762,281 shares (2020: 7,943,070) under the Performance Share Plans were outstanding. These options are exercisable at nil cost between April 2021 and November 2030 (2020: June 2020 and May 2029). The weighted average fair value of the awards granted in the year was 27 pence (2020: 35 pence).

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

	2021		2020	
	WAEP pence	**Number**	WAEP pence	Number
Outstanding at 1 April	**21**	**14,465,265**	20	13,138,115
Granted	**26**	**5,463,705**	26	4,776,231
Exercised	**15**	**(1,519,073)**	27	(1,772,531)
Lapsed	**40**	**(2,876,394)**	28	(1,676,550)
Outstanding at 31 March	**22**	**15,533,503**	21	14,465,265
Exercisable at 31 March	**5**	**3,179,683**	3	2,938,928

26 Share incentives continued

Options and awards outstanding at 31 March 2021 have weighted average remaining contractual lives as follows:

	2021 Years	2020 Years
Exercisable at nil pence	**0.8**	1.3
Exercisable at 44 pence	**0.8**	0.8
Exercisable at 46 pence	**1.8**	1.8
Exercisable at 48 pence	**2.8**	2.8

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

Speedy Hire Sharesave Schemes

	December 2020	December 2019	December 2018	December 2017
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	55p	48p	46p	44p
Share price volatility	31.23%	28.8%	36.4%	41.0%
Option life	3.25 years	3.25 years	3.25 years	3.25 years
Expected dividend yield	1.1%	2.9%	3.2%	2.0%
Risk-free interest rate	(0.1%)	0.5%	0.7%	0.6%

Performance Share Plan

	November 2020	May 2019	June 2018	June 2017
Pricing model used	Stochastic	Stochastic	Stochastic	Stochastic
Exercise price	Nil	Nil	Nil	Nil
Share price volatility	31.83%	27.1%	30.8%	49.5%
Option life	3 years	3 years	3 years	3 years
Expected dividend yield	Nil	Nil	Nil	Nil
Risk-free interest rate	(0.0%)	0.7%	0.8%	0.3%

27 Contingent liabilities

There are no contingent liabilities as at the 31 March 2021.

28 Commitments

The Group had contracted capital commitments amounting to £19.2m (2020: £0.9m) at the end of the financial year for which no provision has been made.

29 Post-balance sheet events

There are no post balance sheet events not already disclosed.

30 Related party disclosures

Key management remuneration

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

In addition to 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 Speedy Hire Plc.

Full details of key management personnel compensation and interests in the share capital of the Company as at 31 March 2021 are given in the Directors' Remuneration Report.

Company Balance Sheet

At 31 March 2021

	Note	**31 March 2021 £m**	31 March 2020 £m
Assets			
Non-current assets			
Investments	32	**93.5**	93.5
Deferred tax asset	37	**0.1**	0.1
		93.6	93.6
Current assets			
Trade and other receivables	33	**308.6**	320.8
Current tax receivable		**16.1**	16.0
Cash	36	**1.0**	21.4
		325.7	358.2
Total assets		**419.3**	451.8
Liabilities			
Current liabilities			
Bank overdraft	36	**–**	–
Trade and other payables	34	**(126.5)**	(102.6)
Other financial liabilities	35	**(0.4)**	(0.5)
		(126.9)	(103.1)
Non-current liabilities			
Borrowings	36	**(56.4)**	(113.6)
Total liabilities		**(183.3)**	(216.7)
Net assets		**236.0**	235.1
Equity			
Share capital	38	**26.4**	26.4
Share premium		**1.3**	0.8
Merger reserve		**2.3**	2.3
Hedging reserve		**(0.7)**	(0.9)
Retained earnings		**206.7**	206.5
Total equity		**236.0**	235.1

The accompanying notes form part of the Financial Statements.

The Company Financial Statements on pages 147 to 153 were approved by the Board of Directors on 24 May 2021 and were signed on its behalf by:

James Bunn
Director

Company registered number: 00927680

Company Statement of Changes in Equity

For the year ended 31 March 2021

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Retained earnings £m	Total equity £m
At 1 April 2019	26.3	0.4	2.3	(0.7)	213.4	241.7
Profit for the financial year	–	–	–	–	3.4	3.4
Effective portion of change in fair value of cash flow hedges	–	–	–	(0.2)	–	(0.2)
Dividends	–	–	–	–	(10.9)	(10.9)
Tax on items taken directly to equity	–	–	–	–	0.1	0.1
Equity-settled share-based payments	–	–	–	–	0.5	0.5
Issue of shares under the Sharesave Scheme	0.1	0.4	–	–	–	0.5
At 31 March 2020	26.4	0.8	2.3	(0.9)	206.5	235.1
Profit for the financial year	–	–	–	–	(0.3)	(0.3)
Effective portion of change in fair value of cash flow hedges	–	–	–	0.2	–	0.2
Equity-settled share-based payments	–	–	–	–	0.5	0.5
Issue of shares under the Sharesave Scheme	–	0.5	–	–	–	0.5
At 31 March 2021	**26.4**	**1.3**	**2.3**	**(0.7)**	**206.7**	**236.0**

The accompanying notes form part of the Financial Statements.

Company Cash Flow Statement

For the year ended 31 March 2021

	Year ended 31 March 2021 £m	Year ended 31 March 2020 £m
Cash generated from operating activities		
Profit before tax	**0.3**	4.0
Financial income	**(5.6)**	(6.2)
Exceptional impairment charge	**5.3**	–
Decrease in trade and other receivables	**6.9**	14.2
Increase in trade and other payables	**23.8**	5.6
Equity-settled share-based payments	**0.6**	0.5
Cash generated from operations	**31.3**	18.1
Interest received	**6.1**	6.6
Tax paid	**(0.8)**	(8.7)
Net cash flow from operating activities	**36.6**	16.0
Cash flow from financing activities		
Net loan (repayment)/drawdown	**(57.5)**	8.4
Proceeds from the issue of Sharesave Scheme shares	**0.5**	0.5
Dividends paid	**–**	(10.9)
Net cash flow from financing activities	**(57.0)**	1.0
(Decrease)/increase in cash and cash equivalents	**(20.4)**	17.0
Cash at the start of the financial year	**21.4**	4.4
Cash at the end of the financial year	**1.0**	21.4

The accompanying notes form part of the Financial Statements.

Notes to the Company Financial Statements

31 Accounting policies

The Company Financial Statements have been prepared in accordance with the accounting policies set out in Note 1, supplemented as below. The Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual income statement or statement of comprehensive income and related notes that form part of the approved Financial Statements. The amount of the profit for the financial year dealt with in the Financial Statements of the Company is disclosed in the Company Statement of Changes in Equity.

Investments in subsidiary undertakings are stated at cost less any provisions for permanent diminution in value. Dividends received and receivable are credited to the Company's Income Statement to the extent that they represent a realised profit for the Company. The Company monitors the risk profile of intercompany receivables regularly and provides for amounts that may not be recoverable on the basis of expected portfolio losses.

The Company does not have any employees. Directors are paid by other Group companies.

32 Investments

	Investments in related undertakings £m
Cost	
At 1 April 2019, 31 March 2020 and 31 March 2021	113.3
Provisions	
At 1 April 2019, 31 March 2020 and 31 March 2021	(19.8)
Net book value	
At 1 April 2019, 31 March 2020 and 31 March 2021	**93.5**

Following the impairment testing performed in accordance with IAS 36 (see Note 12), the Company's carrying value of investment in related undertakings has been reviewed and no impairment has been made (2020: £nil).

The Company's related undertakings are as follows:

	Incorporation and operation	Principal activity	Ordinary share capital held
Allen Contracts Limited[1]	UK	Dormant	100%
Allen Investments Limited[1]	UK	Dormant	100%
Bucks Access Rentals Limited[1,2]	UK	Dormant	100%
Chestview (North East) Limited[1]	UK	Dormant	100%
Crewe Plant Hire Limited[1,2]	UK	Dormant	100%
Drain Technology (1985) Limited[2]	UK	Dormant	100%
Drain Technology Limited[3]	UK	Dormant	100%
Geason Holdings Limited[2,3]	UK	Holding company	100%
Geason Apprenticeships Limited[2,3]	UK	Training services	100%
Hire-A-Tool Limited[1]	UK	Dormant	100%
Ian Kilpatrick Limited[2,3]	UK	Dormant	100%
Lifterz Holdings Limited[1,2]	UK	Holding company	100%
Lifterz Limited[1,2]	UK	Hire services	100%
Lifterz (Scot) Limited[1,2]	UK	Hire services	100%
OHP Limited[1,2]	UK	Holding company	100%
Platform Sales & Hire Limited[1,2]	UK	Dormant	100%
Prolift Access Limited[1,2]	UK	Dormant	100%
Prospects Training International Limited[2,3]	UK	Training services	100%
Rail Hire (UK) Limited[1,2]	UK	Dormant	100%
SHH 501 Limited[1,2]	UK	Dormant	100%
Speedy Asset Leasing Limited[1]	UK	Dormant	100%

32 Investments continued

	Incorporation and operation	Principal activity	Ordinary share capital held
Speedy Asset Services Limited[1]	UK	Hire services	100%
Speedy Engineering Services Limited[1]	UK	Dormant	100%
Speedy Hire (Ireland) Limited[4]	UK	Hire services	100%
Speedy Hire (Ireland) Limited[2,5]	Ireland	Hire services	100%
Speedy Hire (UK) Limited[1]	UK	Dormant	100%
Speedy Hire Centres (Midlands) Limited[1]	UK	Dormant	100%
Speedy Hire Centres Limited[1]	UK	Dormant	100%
Speedy Hire Direct Limited[1,2]	UK	Dormant	100%
Speedy Industrial Services Limited[1]	UK	Dormant	100%
Speedy International Asset Services (Holdings) Limited[1]	UK	Holding company	100%
Speedy International Asset Services Equipment Rental LLC[2,6,7]	UAE	Hire services	49%
Speedy International Asset Services LLC (Egypt)[2,8]	Egypt	Dormant	100%
Speedy International Asset Services LLC (Qatar)[2,6,9]	Qatar	Dormant	49%
Speedy International Leasing Limited[1,2]	UK	Leasing services	100%
Speedy LCH Generators Limited[3]	UK	Dormant	100%
Speedy LGH Limited[1]	UK	Dormant	100%
Speedy Lifting Limited[1]	UK	Dormant	100%
Speedy Plant Hire Limited[1]	UK	Dormant	100%
Speedy Power Limited[1]	UK	Dormant	100%
Speedy Pumps Limited[1]	UK	Dormant	100%
Speedy Rail Services Limited[1]	UK	Dormant	100%
Speedy Safemaker Limited[1,2]	UK	Dormant	100%
Speedy Services Limited[1]	UK	Dormant	100%
Speedy Space Limited[1]	UK	Dormant	100%
Speedy Support Services Limited[1]	UK	Provision of group services	100%
Speedy Survey Limited[1]	UK	Dormant	100%
Speedy Transport Limited[1]	UK	Provision of group services	100%
Speedy Zholdas LLP[10]	Kazakhstan	Hire services	
Speedyloo Limited[1]	UK	Dormant	100%
Stockton Investments (North East) Limited[1]	UK	Dormant	100%
Tidy Group Limited[1]	UK	Dormant	100%
Turner & Hickman Limited[10,11]	UK	Holding company	50%
Waterford Hire Services Limited[1,12]	Ireland	Dormant	100%

1 Registered office: Chase House, 16 The Parks, Newton-le-Willows, Merseyside, WA12 0JQ.
2 Indirect holding via a 100% subsidiary undertaking.
3 Registered office: 13 Queen's Road, Aberdeen, United Kingdom, AB15 4YL.
4 Registered office: Unit 2 Duncrue Pass, Duncrue Road, Belfast, Antrim, Northern Ireland, BT3 9DL.
5 Registered office: Unit 2, Glen Industrial Estate, Broombridge Road, Glasnevin, Dublin 11, Republic of Ireland.
6 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.
7 Registered office: Sector # MW5, Inside ESNAAD Base, ICAD-1, Musafah Industrial Area, Near National Petroleum Construction Company, PO Box 127149, Abu Dhabi, UAE.
8 Registered office: City Light Tower A3, Third Floor, Office No. 303, 1 Makram Ebeid Street, Nasr City, Cairo, Egypt.
9 Registered office: PO Box 4619, Doha, Qatar.
10 The Group has a 50% investment in Turner & Hickman Limited, which has a 90% investment in Speedy Zholdas LLP. The registered office of Speedy Zholdas LLP is Building 276, Traffic Atyrau – Dossor, Atyrau City, Kazakhstan.
11 Registered office: 19 Woodside Crescent, Glasgow, G3 7UL.
12 Registered office: Kingsmeadow Retail Park, Ring Road, Waterford, Republic of Ireland.

The Company holds voting rights in each related undertaking in the same proportion to its holdings in the ordinary share capital of the respective undertakings.

33 Trade and other receivables

	2021 £m	2020 £m
Amounts owed by Group undertakings	**306.6**	319.8
Other receivables	**2.0**	1.0
	308.6	320.8

34 Trade and other payables

	2021 £m	2020 £m
Amounts owed to Group undertakings	**125.7**	101.8
Accruals	**0.8**	0.8
	126.5	102.6

35 Financial instruments

The Company financial instruments are stated in accordance with Note 20.

The fair values of financial assets and liabilities are considered to be equal to the carrying values shown in the balance sheet.

36 Borrowings

	2021 £m	2020 £m
Non-current borrowings		
Maturing between two and five years		
Asset based finance facility	**56.4**	113.6
Total borrowings	**56.4**	113.6
Less: cash	**(1.0)**	(21.4)
Net debt	**55.4**	92.2

The Company borrowings are stated in accordance with Note 21.

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

Analysis of net debt

	31 March 2020 £m	Non-cash movement £m	Cash flow £m	31 March 2021 £m
Cash	21.4	–	(20.4)	**1.0**
Borrowings	(113.6)	(0.4)	57.6	**(56.4)**
	(92.2)	(0.4)	36.2	**(55.4)**

37 Deferred tax

Company asset	Total £m
Opening at 1 April 2019 and 1 April 2020	0.1
Closing balance at 31 March 2020 and 31 March 2021	**0.1**

38 Share capital and share incentives

The Company share capital is stated in accordance with Note 25.

39 Contingent liabilities and commitments

The Company contingent liabilities and commitments are stated in accordance with Notes 27 and 28.

40 Post-balance sheet events

The Company post-balance sheet events are stated in accordance with Note 29.

41 Related party disclosures

The Company related party disclosures are stated in accordance with Note 30.

Five-year Summary

	2021 £m	2020 £m	2019 £m	2018[2] £m	2017[2] £m
Income Statement					
Revenue	**363.6**	406.7	394.7	373.0	369.4
Gross profit	**192.6**	224.2	214.4	204.7	191.7
Analysis of operating profit					
Operating profit before amortisation and exceptional items	**25.4**	39.1	36.7	29.2	19.3
Amortisation	**(0.8)**	(1.3)	(0.7)	(0.2)	(1.8)
Exceptional items	**(7.6)**	(23.8)	(1.2)	(7.2)	–
Operating profit	**17.0**	14.0	34.8	21.8	17.5
Share of results of joint ventures	**1.2**	2.8	1.9	0.8	1.7
Net financial expense	**(5.9)**	(7.0)	(7.2)	(4.1)	(4.8)
Financial income/(expense) – exceptional	**–**	10.9	(0.8)	(0.5)	–
Total net financial (expense)/income	**(5.9)**	3.9	(8.0)	(4.6)	(4.8)
Profit before taxation	**12.3**	20.7	28.7	18.0	14.4
Non-GAAP performance measures					
EBITDA before exceptional items	**90.5**	107.4	104.8	73.0	63.1
Adjusted profit before tax, exceptional items and amortisation	**20.7**	34.9	31.4	25.9	16.2
Balance sheet					
Hire equipment – original cost	**386.6**	408.1	385.8	364.0	350.7
Hire equipment – net book value	**207.2**	227.1	216.9	203.7	194.8
Total equity	**219.2**	209.9	202.0	197.8	189.6
Cash flow					
Cash generated from operations	**72.9**	64.5	61.2	37.2	48.9
Net cash flow before financing activities	**69.7**	45.2	13.6	17.4	35.0
Purchase of hire equipment	**(36.4)**	(53.6)	(54.3)	44.8	40.5
(Loss)/profit on disposal of hire equipment	**(1.0)**	0.8	1.2	0.7	(1.5)
In pence					
Dividend per share (interim and final dividend)	**1.40**	0.70	2.00	1.65	1.00
Adjusted earnings per share[1]	**3.22**	5.54	4.96	4.04	2.45
Net assets per share	**41.4**	39.8	38.5	37.7	36.2
In percentages					
Gearing	**13.1**	37.8	44.1	35.1	37.7
Return on capital employed[1]	**7.6**	12.0	11.7	11.5	7.7
EBITDA margin[1]	**24.9**	26.4	26.6	19.3	17.1
In ratios					
Net debt/EBITDA[1] (excluding impact of IFRS 16)	**0.5**	1.0	1.1	1.0	1.1
Net debt/net tangible fixed assets	**0.14**	0.31	0.35	0.29	0.30
In numbers					
Average employee numbers	**3,875**	4,071	3,873	3,738	3,641
Depot numbers	**180**	216	222	217	210

[1] Before amortisation and exceptional items.

[2] 2018 and 2017 amounts are presented excluding the impact of IFRS 16

Shareholder Information

Annual General Meeting

Subject to the UK Government's guidance and restrictions on travel and public gatherings in relation to COVID-19 in place at the time, the Annual General Meeting ('AGM') will be held at the offices of Addleshaw Goddard LLP, One St Peter's Square, Manchester, M2 3DE on 9 September 2021 at 11.00am.

Details of the business of the AGM and the resolutions to be proposed will be sent to those shareholders who have opted to continue receiving paper communications, which is also available to other shareholders and the public on our website at speedyservices.com/investors.

Shareholders will be asked to approve the Directors' Remuneration Report and the re-election of all Directors.

Other resolutions will include proposals to renew, for a further year, the Directors' general authority to allot shares in the Company, to allot a limited number of shares for cash on a non-pre-emptive basis and to buy back the Company's own shares.

Share price information/performance

The latest share price is available at speedyservices.com/investors.

By selecting share price information under the investor information section, shareholders can check the value of their shareholding online or review share charts illustrating annual share price performance trends.

Shareholders can download copies of our Annual Report and Accounts and interim accounts from speedyservices.com/investors.

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 0371 384 2769, or from overseas +44 (0)121 415 7047. Lines are open 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays in England and Wales). Alternatively you can write to our registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Electronic communications

You can elect to receive shareholder communications electronically by signing up to Equiniti's portfolio service at shareview.co.uk. This will save on printing and distribution costs, creating environmental benefits. When you register, you will be sent a notification to say when shareholder communications are available on our website and you will be provided with a link to that information.

Enquiries on shareholdings

Any administrative enquiries relating to shareholdings in the Company, such as dividend payment instructions or a change of address, should be notified direct to the registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. Your correspondence should state Speedy Hire Plc and the registered name and address of the shareholder. Information on how to manage your shareholdings can be found at help.shareview.co.uk.

If your question is not answered by the information provided, you can send your enquiry via secure email from this webpage. You will be asked to complete a structured form and to provide your shareholder reference, name and address. You will also need to provide your email address, if this is how you would like to receive your response.

Boiler room fraud

Share scams are often run from 'boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares. While such scams promise high returns, those who invest usually end up losing their money.

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

- get the name of the person and organisation contacting you;
- search the list of unauthorised firms to avoid at fca.org.uk/consumers/scams to ensure they are authorised;
- only use the details on the FCA Register to contact the firm; and
- call the Consumer Helpline on 0800 111 6768 if you suspect the caller is fraudulent.

REMEMBER: if it sounds too good to be true, it probably is!

Forward-looking statements

This Annual Report and Accounts 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 Guidance 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 and Accounts.

Contact details

We are happy to answer queries from current and potential shareholders. Similarly, please let us know if you wish to receive past, present or future copies of the Annual Report and Accounts. Please contact us by telephone, email or via the website.

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Email: investor.relations@speedyservices.com
Website: speedyservices.com/investors

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Registered office

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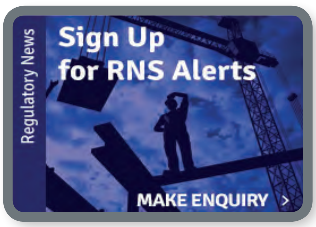
Company Secretary
Neil Hunt

Visit our website to find out more
speedyservices.com/investors



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www.speedyservices.com/investors

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