annual**report**and**accounts**2001

www.vpplc.com

hire station

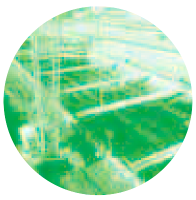
Rental and sale of tools to industry, infrastructure repair & maintenance companies and home owners, through a national network of over 80 branches.

torrent trackside

A market leader in the provision of equipment and support services to the rail infrastructure maintenance companies.

ukforks

All terrain forktruck rental specialist.

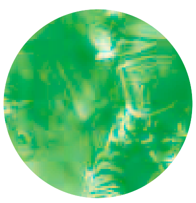


groundforce

Rental and sale of excavation support systems and associated products to the water utility and civil engineering sectors.

airpac

Rental of air compressors and associated products to the international oil and gas exploration and development markets and to the UK and European industrial and mining sectors.



safeforce

Confined space and hazardous environment safety equipment rental, sale, asset management and training.

Vp

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FINANCIAL HIGHLIGHTS

	2001	2000
Turnover	**£59.8m**	£55.0m
Profit on ordinary activities before taxation	**£3.1m**	£3.4m
Profit on ordinary activities before taxation and amortisation of goodwill	**£3.3m**	£3.5m
Earnings and diluted earnings per share	**5.36p**	4.22p
Earnings and diluted earnings per share before amortisation of goodwill	**5.88p**	4.40p
Dividend per share	**4.05p**	4.05p
Shareholders' funds	**£47.4m**	£46.5m
Net debt	**£12.8m**	£12.3m
Net debt / shareholders' funds	**27%**	27%
Expenditure on rental equipment	**£16.7m**	£10.2m
Cash outflow for acquisitions	**£1.2m**	£1.8m

DIRECTORS AND ADVISORS

Honorary President	Margaret A Pilkington
Executive Directors	Jeremy F G Pilkington, B.A. (Chairman and Chief Executive) Neil A Stothard, M.A., F.C.A.
Non-Executive Directors	Barrie Cottingham, F.C.A., A.T.I.I. Peter W Parkin
Secretary	Neil A Stothard, M.A., F.C.A.
Registered Office	Central House, Beckwith Knowle, Otley Road, Harrogate, North Yorkshire, HG3 1UD Registered in England: No 481833 Telephone: (01423) 533400
Auditors	KPMG Audit Plc, 1 The Embankment, Neville Street, Leeds, West Yorkshire, LS1 4DW
Solicitors	Hammond Suddards Edge, 2 Park Lane, Leeds, West Yorkshire, LS3 1ES
Registrars and Transfer Office	Capita IRG plc, Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
Bankers	National Westminster Bank Plc
Merchant Bankers	N M Rothschild & Sons Limited
Stockbrokers	Brewin Dolphin Securities Limited

I am pleased to report to shareholders on a year of significant achievement.

The Group has successfully exited the general plant rental market and repositioned itself around three operating divisions, analysed below, providing equipment rental and support services through six sector focussed brands : Hire Station, Torrent Trackside, UK Forks, Groundforce, Airpac and Safeforce.

Following our exit from general plant hire, historically our core business, it was appropriate to adopt a new name and corporate identity for the Group. Vp plc underlines this change in the Group's activity whilst at the same time retaining an association with Vibroplant's long established reputation for quality and service. Shareholders approved the name change at an Extraordinary General Meeting on 27 March 2001.

FINANCIAL PERFORMANCE

Group profit before tax and amortisation of goodwill was £3.3m, (2000: £3.5m), after losses on terminated operations of £2.2m. Turnover was £59.8m (2000: £55.0m), including £4.3m from terminated operations.

On the same basis, adjusted earnings per share were 5.88 pence (2000: 4.40 pence).

Proceeds from the disposal of plant and assets from our terminated business, together with strong organic cash flow, funded capital investment and acquisition expenditure of £21.8m (2000: £14.1m) without any increase in gearing from last year's level of 27%.

The directors are recommending a final dividend of 2.65 pence per share payable on 2 October 2001 to shareholders on the register at 7 September 2001, giving a maintained total dividend for the year of 4.05 pence per share.

HIRE STATION DIVISION

At the beginning of 2001 we announced the launch of a single national brand - Hire Station - to encompass our various regional tool hire businesses. In the four years since we began building a presence in tool hire, we believe that Hire Station has firmly established itself as a leading competitor in this rapidly consolidating sector. Hire Station has a growing national network of over 80 branches and is organised around strong regional units where significant organic and acquisition growth opportunities continue to be identified.

Turnover in the year increased almost 70% to £27.7m (2000: £16.3m) and operating profits to £2.7m (2000: £1.4m). Whilst year on year margins have improved, significant start up costs were absorbed in the period and further margin improvement is expected as the business matures. Gross investment in hire fleet was £6.6m (2000: £4.6m).

A key development in the year was the acquisition in May of Handi Hire, a long established tool hire business with 24 branches in the Midlands. Handi Hire is now fully integrated within Hire Station and made a very encouraging first period contribution.

During the year, Hire Station launched Lifting Point, a specialist lifting and handling service, Tools & Fixings Direct, an on-line sales business and Hire Station at Home, a home-owner/d.i.y. tools catalogue. Lifting Point currently operates from six branches and will be progressively introduced across the branch network.

We also made four smaller acquisitions in the year; Weaver (Runcorn), Roy Francis (Bath), Halls Hire Centres (Chapel en le Frith and Glossop) and Barham (Wembley). Greenfield openings were established in Portsmouth, Ashford and Aylesford.

TORRENT TRACKSIDE DIVISION

Torrent, which supplies services and equipment to the rail infrastructure maintenance sector, produced a very satisfactory performance with operating profits increasing to £1.2m (2000: £0.8m) on turnover of £5.8m (2000: £4.1m).

Gross investment in the hire fleet was £1.1m (2000: £0.9m).

Safety and quality of service are of particular importance when working on the rail network and we are very pleased that Torrent's systems are endorsed by ISO9002 accreditation. Torrent is now working towards accreditation for the ISO14001 environmental standard.

Torrent opened a new depot in Kent during the year to improve the level of service to our customers in the South East and to provide better support for the Channel Tunnel rail link project.

Torrent is now established as the clear market leader in this specialist sector and is well placed to take advantage of the growing investment in the rail infrastructure.

SERVICES DIVISION

Turnover from ongoing businesses comprising UK Forks, Groundforce, Airpac and Safeforce was £22.0m, generating an operating profit of £2.6m.

UK Forks

UK Forks has made good progress towards establishing itself as the market leader in telehandler rental. The business operates a national fleet of in excess of 1,000 units and supplies a wide range of industrial, utility and construction customers. Our centralised call handling systems continue to prove effective in delivering superior levels of customer service, optimising fleet utilisation and securing better transaction management.

UK Forks added a new location at Aylesford in Kent to improve its service capability in the buoyant South East market.

Fleet investment totalled £5.9m.

Groundforce

Groundforce produced another good performance. Continued product innovation included the introduction of new, in-house designed product lines in response to the demand for solutions to support ever larger excavations.

Investment by the water industry under their new five year asset management plan (AMP3) will provide useful additional demand as it is implemented.

We are confident in the future prospects for this market leading business.

Fleet investment totalled £1.1m.

Airpac

Airpac had a difficult year in its drilling and blasting markets where depressed workloads put pressure on utilisation and pricing. In response, we have reprofiled the fleet to better meet expected future levels of demand and introduced new products to give us entry into complementary markets.

In contrast, the oilfield services business performed well. The refurbishment of the Zone II air compressors and recent capital investment in steam generators and booster compressors has enhanced our capability to support the new technologies now being employed in oil and gas exploration and production.

Significant domestic and international opportunities exist to grow this business.

Fleet investment totalled £1.8m.

Safeforce

Safeforce provides a comprehensive range of services associated with confined space entry and other potentially hazardous environments. Safeforce's offering includes equipment rental and sales, maintenance and calibration services, asset management, training and safety audits. Although still a relatively small business, Safeforce has built a solid foundation for future growth.

We believe this sector has good growth prospects.

Fleet investment totalled £0.2m.

General Plant

The withdrawal from general plant hire, involving the disposal of approximately 7,000 items of plant and the exit from 25 depots, has now been successfully completed.

PROSPECTS

Following the completion of our withdrawal from the general plant construction rental market, the Group is now focused on rental services to a wide range of industrial sectors, with over half of Group turnover derived from non-construction service activities. The separate management teams of our six businesses are focused on strengthening their respective market positions and improving the quality of earnings and return on capital.

The most important element to the success of a service industry is people. We are fortunate to have a high quality workforce which, together with our clear market strategies and the Group's financial strength, give us great confidence as we look to the future.

Jeremy Pilkington **11 June 2001**

SUMMARY OF RESULTS

The profit and loss account for the year to 31 March 2001 is split between retained and terminated operations, reflecting the termination of part of the Group's activities during the year. The terminated activities did not meet FRS3's criteria for discontinued activities since comparative figures for the year ended 31 March 2000 were not available.

Group turnover increased by 9% to £59.8m in the year (2000: £55.0m).

Operating profit before goodwill was £4.3m (2000: £4.5m) after the loss on terminated operations in the year. Whilst Group operating margins before goodwill reduced from 8.2% to 7.2%, the margin on retained operations for the period was 11.8%.

EXCEPTIONAL ITEMS

We announced, in the accounts to 31 March 2000, a strategic withdrawal from certain business activities and this gave rise to an exceptional charge of £1.77m in that year.

Finalisation of that withdrawal has given rise, in this financial year, to a small exceptional credit of £0.03m (2000: £1.77m charge).

CASH FLOW

The Group continued to produce strong net cash inflows from operating activities totalling £10.9m (2000: £14.4m). In cash flow terms, gross capital expenditure in the period was £18.8m (2000: £8.9m). Disposal of fixed assets was a significant cash contributor at £18.5m (2000: £6.0m), giving a net cash outflow on capital expenditure of £0.3m (2000: £2.9m). The net cost of acquisitions during the year was £1.2m (2000: £1.8m).

NET DEBT AND INTEREST

Net debt at the year end totalled £12.8m (2000: £12.3m) and the gearing position of the Group remained unchanged at 27% (2000: 27%). The funding requirement to support the capital investment and acquisitions in the period was generated from the organic cash flow of the Group and the general plant withdrawal proceeds.

Bank debt funding decreased from £5.8m to £5.2m during the year. Bank debt consists of a £6m medium term floating rate loan and a £0.5m medium term loan repayable over 5 years less cash at bank. In addition the Group has an overdraft facility which operates on a floating rate basis. Net debt also includes loan notes totalling £3.1m issued in relation to acquisitions. £2.2m of the loan notes are guaranteed and the remainder have no guarantee attaching.

The balance of the net debt of £4.5m (2000: £6.3m) relates to fixed rate finance lease and hire purchase agreements.

Since the year end the Group has negotiated a 3 year medium term floating rate bank loan facility for £8m, which replaces the £6m medium term facility which expires on 30 June 2001.

TREASURY

The Group's financial instruments comprise borrowings, medium-term loans, liquid cash resources and various items such as trade debtors, trade creditors, etc, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments relate to interest rates and liquidity. The Board regularly reviews the interest rate and liquidity position of the Group.

The Group finances its operations by a mixture of retained profits, bank borrowings, finance lease and hire purchase. The Group has no borrowings or deposits in foreign currency. At the year end 35% of the Group debt was at fixed interest rates (finance lease and hire purchase) and 65% on floating interest rates (overdraft, medium-term loans and loan notes). The Group had short term cash deposits at 31 March 2001. It is the Board's policy to continually review the interest rate risk position and the Group will continue to underpin a significant element of its debt going forward by way of fixed interest rate instruments.

Further liquidity is achieved from the finance lease and hire purchase facilities which have terms of up to 5 years. Short term flexibility for running the Group is achieved via the overdraft facilities.

The Group net interest charge was £1.0m (2000: £0.7m) after interest on finance leases of £0.4m (2000: £0.5m). Interest cover decreased to 3.92 (2000: 5.72) at the year end.

The numeric disclosures required by FRS13 are set out in notes 17 and 18. As permitted by FRS13 short-term debtors and creditors have been excluded from such disclosure.

SHAREHOLDERS' FUNDS

Group shareholders' funds at the year end totalled £47.4m (2000: £46.5m). Shareholders funds includes capitalised goodwill totalling £4.9m, which is being amortised over its estimated useful life of 20 years. The goodwill relating to acquisitions made during the year totalled £3.1m.

TAXATION

The taxation charge of £0.7m (2000: £1.5m) represents an effective tax rate of 22% (2000: 44%) on the profit before tax for the year.

The low effective rate has arisen primarily due to the impact of writing back over provisions for corporation tax in prior years, with the effect of permanent disallowable items being largely offset by the low deferred tax charge on the exceptional profit.

Adoption of the new financial reporting standard FRS19 will be mandatory when we announce our results for the year to 31 March 2002. Broadly FRS19 requires deferred tax to be recognised in respect of all timing differences, subject to certain exceptions.

Had the provisions of FRS19 been adopted by the Group for the year ended 31 March 2001 then an additional provision in the order of £3.6m would have been made. The impact of the change when it is adopted next year will be recognised as a prior year adjustment as it will be a change of accounting policy.

The Directors of Vp plc present their annual report and the audited financial statements for the year ended 31 March 2001. At an Extraordinary General Meeting on 27 March 2001 the Company changed its name from Vibroplant plc to Vp plc.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group is equipment rental and associated services conducted almost entirely in the United Kingdom.

A review of the development of the business and the current trading position is provided in the Chairman's Statement and the Financial Review.

DIVIDEND

The Directors propose a final dividend of 2.65p pence (2000: 2.65 pence) per share. Subject to approval at the Annual General Meeting, shareholders will receive a total dividend for the year of 4.05 pence (2000: 4.05 pence) per share, a total charge, net of waived dividends of £1,768,000 (2000: £1,797,000).

The final dividend will be paid to shareholders on the register of members of the Company on 7 September 2001 and it is proposed that dividend warrants be posted on 2 October 2001.

DIRECTORS

The Directors who held office during the year were as follows:

Jeremy F G Pilkington (50) has been Chairman and Chief Executive since 1981. He is a member of the Audit and Remuneration Committees.

Neil A Stothard (43) was appointed Group Finance Director in 1997. He was previously Group Finance Director of Gray Dawes Group, a business travel management company and prior to that, Divisional Finance Director of Transport Development Group plc.

Barrie Cottingham (67) was appointed a non-executive Director in 1996. Until his retirement in 1995 he was a senior partner at Coopers & Lybrand. Currently, he is non-executive Chairman of SIG plc and Cattles plc, and a non-executive Director of Dew Pitchmastic plc. He is Chairman of the Audit Committee and a member of the Remuneration Committee.

Peter W Parkin (55) was appointed a non-executive Director in 2000. He is Chairman of Wheeldon Brothers Limited, a private house building company and had previously been Chairman and Chief Executive of Raine plc. He is Chairman of the Remuneration Committee and a member of the Audit Committee.

Neil Stothard retires by rotation and being eligible, offers himself for re-election. He has a service contract with the company terminable on six months notice.

DIRECTORS' INTERESTS

The interest of each Director in the shares of Group companies are shown in the Remuneration Report on pages 11 and 12.

SHARE SCHEMES

The Group operates a SAYE share option scheme, an Approved Share Option Scheme and a Long Term Incentive Plan, all of which were approved at the 1998 Annual General Meeting.

Under the terms of the SAYE scheme invitations are made to all eligible employees and options are granted at up to 20% less than the mid market price just before invitation. At 31 March 2001, there were 217 employees participating in the scheme.

The approved share option scheme is available to executive directors and employees of the Group. Options are granted under the scheme by the Remuneration Committee and entitle the holders to acquire shares at a pre-determined price, which cannot be less than the higher of the mid market price at the dealing day immediately before the date of the award and the nominal value of the shares. The 2000 awards were conditional upon the achievement of targets relating to earnings per share growth and return on capital employed.

Awards under the Long Term Incentive Plan are made to certain executives in accordance with conditions set out by the Remuneration Committee. The Long Term Incentive Plan provides reward for performance measured over a three year period commencing on the first day of the financial year in which the awards are granted. The award is exercisable after three years if the Group achieves certain performance criteria set by the Remuneration Committee. The 2000 awards were conditional upon the achievement of targets relating to earnings per share growth, return on capital employed and share price performance.

SUBSTANTIAL SHAREHOLDERS

As at 11 June 2001 the following had notified the Company of an interest of 3% or more in the Company's issued ordinary share capital.

	Number of Ordinary Shares	Percentage of Issued Ord. Shares %
Ackers P Investment Company	23,684,876	51.28
Chase Fleming Asset Management (UK) Limited	6,301,894	13.64
Acorn Income Fund Limited	3,377,387	7.31
Vibroplant Employee Trust	2,035,612	4.41

Mr Pilkington is a Director of Ackers P Investment Company which is the holding company of Vp plc.

EMPLOYEES

The Directors are committed to maintaining effective communication with employees on matters which affect their occupations and future prospects while at the same time increasing their awareness of the Group's overall activities and performance.

It is the policy of the Group to employ and train disabled people whenever their skills and qualifications allow and suitable vacancies are available. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Group made no political contributions during the year. Donations to charities amounted to £8,050.

SUPPLIER PAYMENT POLICY

It is the Company's policy to make payment to suppliers on our standard supplier terms unless alternative terms are agreed. The Company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The number of days purchases outstanding at 31 March 2001 was 41 days (2000: 89 days). This figure fluctuates dependent on the creditor position for rental asset purchases at the year end.

ANNUAL GENERAL MEETING

Resolutions will be proposed as special business to enable the Directors to continue to use their existing powers to allot unissued shares and (subject to the limits therein contained) to allot shares for cash other than to existing shareholders in proportion to their shareholding. These resolutions seek to renew the authorities approved at last year's Annual General Meeting and comply with the current guidelines issued by the Investment Committees of the Association of British Insurers and the National Association of Pension Funds.

In addition, a resolution is proposed to enable the Directors to continue to use their existing powers to purchase the company's own shares, subject to certain specific limits. Any purchase of the Company's own shares will be in line with the current guidelines issued by the Investment Committees of the Association of British Insurers and the National Association of Pensions Funds. The Board undertakes to shareholders that it will not exercise the ability to purchase its own shares unless to do so would result in an increase in earnings per share and is in the best interest of shareholders generally.

It is also proposed to adopt a new share option scheme to run in parallel with the existing Inland Revenue approved share option scheme operated by the Company. Shareholder approval is needed for this. Details of the new share option scheme are contained in a letter which will be circulated to shareholders.

CORPORATE GOVERNANCE

The Combined Code

The Board supports the need for the highest standards of corporate governance and hence the principles of the Combined Code (the "Code"). Throughout the year the Group has complied with the provisions set out in Section 1 of the Code with the following exceptions:

- The roles of Chairman and Chief Executive are combined (Code provision A.2.1)
- Under the Articles of Association Mr Pilkington is not required to stand for re-election (Code provision A.6.2).
- Mr. Pilkington has a fourteen month notice period (Code provision B.1.7)
- Both the Remuneration and Audit committees include an executive Director (Code provision B.2.2 and D.3.1)
- Directors' remuneration does not comply with certain aspects of Schedule A. These are detailed in the Remuneration Report (Code provision B.1.6).

The reasons for these exceptions and how the Group has applied the principles in Section 1 of the Code are set out below under the four main headings of the Code.

Directors

The Board consists of two executive and two independent non-executive Directors. The non-executive Directors have wide ranging experience from other publicly quoted companies and bring an authoritative objectivity to the Board.

Mr Pilkington serves as Chairman and Chief Executive. It is considered that the relatively small size of the Group makes it unnecessary and unduly expensive to split these roles. Under the Company's Articles of Association Mr Pilkington is not required to stand for re-election.

The senior non-executive Director is Barrie Cottingham. The non-executive Directors have agreements with the Company which, subject to re-election, have a fixed initial term and are renewable for a maximum of two further periods of between two and three years.

The Board meets at least six times a year and has adopted a schedule of matters reserved for its approval to ensure that it has full and effective control over appropriate financial, strategic and compliance matters. The Board is provided with all appropriate papers for each Board meeting, including the latest available management accounts. All Directors have access to the advice and services of the Company Secretary and can seek independent legal advice as appropriate.

There are also two committees of the Board: the Remuneration and Audit Committees. Each committee has specific terms of reference set by the Board. The members of these committees are as follows:

Remuneration Committee

P W Parkin - Chairman of the Committee
B Cottingham
J F G Pilkington

Audit Committee

B Cottingham - Chairman of the Committee
P W Parkin
J F G Pilkington

Both committees have a majority of non-executive Directors, however the inclusion of Mr Pilkington, an executive Director, is considered appropriate due to the small size of the Group and the board. In addition the Company does not have a Nomination Committee for this reason.

The Remuneration Committee meets formally once a year and the Audit Committee twice a year. Both Committees meet additionally as required.

Directors' Remuneration

Details of the remuneration of each Director are provided in the Remuneration Report on pages 11 and 12. The Remuneration Report also provides details of the Group's remuneration policy. Mr Pilkington's notice period of fourteen months is long-standing and not significantly in excess of the Code's guidelines and therefore no change is proposed.

Relations with Shareholders

The Board has always sought to maintain good relations with its shareholders. It therefore understands the importance of giving both private and institutional shareholders the opportunity to raise concerns and discuss matters with the Directors. To this end meetings are held, as appropriate, with institutional investors and at the Annual General Meeting, which all Directors attend, all shareholders are given the opportunity to ask the Board any questions they wish regarding the Group.

Accountability and Audit

The Board recognises the importance of strong internal controls and through the Group Internal Audit function, group reporting procedures and subsidiary board meetings maintains a constant review of the operation of these controls.

As noted above, the Company has an Audit Committee to which the external auditors report. Furthermore, although the Audit Committee includes an executive Director, the non-executive members of the committee meet independently with the external auditors as required.

The Code introduced a requirement that the Directors should review the effectiveness of the Group's internal controls and report to shareholders that they have done so. The review should cover all controls including financial, operational and compliance controls and risk management.

In this regard the Board has considered the guidance of the Turnbull Committee, "Internal Control: Guidance to Directors on the Combined Code", and considers that there is in place an ongoing process to identify, evaluate and manage the Group's key risks in accordance with this guidance. This process has been in place for the year to 31 March 2001 and up to the date of approval of these accounts. Further details are provided below in the section on Internal Control.

INTERNAL CONTROL

The Board is responsible for the Group's system of internal controls. The system of internal control is designed to facilitate effective and efficient operation of the business by ensuring it responds to any significant business, operational, financial, compliance and other risks it faces in achieving its objective. It is also designed to provide reasonable assurance that the financial information within the business and for publication is timely, relevant and reliable. However, any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the year the Board, in conjunction with its Audit Committee, reviewed the operation of the system of internal control. This review includes an annual assessment of the control environment of the Group as a whole, the identification of key business and financial risks and an evaluation of the effectiveness of the control procedures in place. This annual assessment is undertaken by the Group Internal Audit function in association with the operating companies and a report is presented to the Board which highlights the key risks identified by the process. As part of the ongoing process regular reports are then presented to the Board on the key risks, including any new risks identified since the previous report. These reports update the Board with changes to the level of risk in these key areas. In addition, through the Audit Committee and Group Internal Audit, the Board monitors ongoing compliance with control systems as well as their improvement or modification as appropriate.

Key elements of the control and review procedures employed by the Board are the annual strategic planning and budget preparation process which includes consideration of business, operational and other risks, together with the approval of all material capital expenditure and contracts. Monthly financial and management accounts are reported against budget and prior year, and variances are investigated. In addition business, operational and other risks are regular agenda items at all Board meetings throughout the Group.

During the year the Group made five acquisitions. All were subject to a detailed due diligence review. Furthermore, once a new business is acquired, the Group takes appropriate steps to extend its internal controls to that company's operations.

GOING CONCERN

As at 31 March 2001 the Group had net debt including finance leases of £12.8m. Further details of the net debt and the Group's finance facilities are provided in the Financial Review on page 7. After making enquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the going concern basis has been adopted in the preparation of the accounts.

AUDITORS

A resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG Audit Plc as auditors of the Company.

By Order of the Board.

N A STOTHARD

Secretary 11 June 2001

POLICY ON DIRECTORS' REMUNERATION

In framing its remuneration policy, the Board has complied with Section 1 of the Combined Code.

The Group seeks to recruit, retain and motivate executives of the highest calibre, taking into account levels of remuneration in companies of comparable size and industry orientation. The Remuneration Committee's primary role is to determine, on behalf of the Board, the remuneration of the Executive Directors. In this regard the Committee takes into consideration the interests of the Group and of its shareholders as a whole. The remuneration package consists of a basic salary, annual performance related bonus, contributions to a pension scheme and benefits in kind, typical of a Group of this size, such as a fully expensed car and permanent health insurance. The Executive Directors are entitled to an annual bonus based primarily on achievement of targets relating to the budgeted profits of the Group. The maximum bonus payable is capped at 50% of the Executive Director's basic salary. The remuneration of the non-executive Directors is set by the full board with each Director abstaining from voting in relation to his own remuneration.

DIRECTORS' REMUNERATION

The following table shows a breakdown of the remuneration of the individual Directors for the year ended 31 March 2001:

	Salary/Fees	Bonus	Benefits	**Total**	2000
	£000	£000	£000	**£000**	£000
J F G Pilkington	160	-	17	**177**	182
N A Stothard	95	-	14	**109**	104
B Cottingham	20	-	-	**20**	20
P W Parkin	20	-	-	**20**	4
S J Doughty	-	-	-	**-**	20
	295	-	31	**326**	330

PENSIONS

Mr Pilkington is a member of the Vibroplant plc 1985 Pension Scheme. Under the scheme, a Directors' category, which is non-contributory, permits individualised arrangements to be incorporated. These arrangements currently provide for an annual pension entitlement accrual of one thirtieth of final pensionable salary, up to a maximum of two thirds, which includes annual bonuses but not long-term incentive plans. Annual bonuses are included within pensionable salary in accordance with the Scheme rules. The Remuneration Committee is mindful of Schedule A of Part 2 of Section 1 of the Combined Code relating to pension contributions. Whilst current arrangements form part of existing employment contracts, this is an area that will be kept under careful review. The provisions of the Code will, subject to legal obligations, be reflected in any future arrangements.

In addition, Mr Pilkington benefits from a long-standing contractual entitlement to retire at 50 years of age without actuarial reduction of pension. The present value cost to the Group of augmenting the fund to facilitate this entitlement is estimated at £669,000. However, Mr Pilkington has indicated to the Group in writing that he has no present intention of retiring before the age of 55 at the earliest. The present value cost of augmentation on the latter basis is estimated at approximately £401,000. This sum is being provided for over the relevant period.

The details of his benefits are as follows:

	Accumulated Total Accrued Annual Pension	**Increase in Accrued Pension over the year**	**Increase in Transfer Value over the Year**
	£	**£**	**£**
J F G Pilkington	78,154	9,627	109,000

The increase in accrued pension over the year excludes the increase for inflation.

Mr Stothard benefited from the Company making a contribution to his personal pension plan. The contribution was £9,500 (2000: £8,600).

DIRECTORS' INTERESTS

Shareholdings

The beneficial interests of Directors serving at the end of the year and their families, in the ordinary share capital of the Company are set out below:

	31 March 2001	1 April 2000
J F G Pilkington	**8,122**	8,122
B Cottingham	**35,000**	35,000
P W Parkin	**67,500**	-
N A Stothard	**23,528**	13,500

During the year Mr Pilkington was interested in 23,684,876 shares registered in the name of Ackers P Investment Company, a company controlled by him together with Trusts which are connected persons for the purposes of Section 346 of the Companies Act 1985.

There were no changes in the interests of the Directors between 31 March 2001 and 11 June 2001.

Share Options

One Director, Mr Stothard, has share options and these are set out below:

Scheme	Holding at 1 April 2000	Granted	Exercised	Holding at 31 March 2001	Option Price
1998 SAYE scheme	7,500	-	-	7,500	52p
1999 SAYE scheme	8,244	-	-	8,244	47p
2000 SAYE scheme	-	4,211	-	4,211	46p
Approved Share Option Scheme	50,000	-	-	50,000	57p

The Approved Share Option Scheme awards are subject to three year targets as described in the Directors' Report. Further details on the schemes are given in note 22.

Long-term Incentive Scheme

Jeremy Pilkington benefits from a long-term cash bonus scheme set up in 1991 which is structured as a "phantom" share option arrangement. Under this scheme Mr Pilkington has an effective economic interest in options over 150,000 shares at a strike price of 101p per share. The phantom option expires in August 2001. This scheme is designed to reflect the benefit to shareholders of an increased share price and is not subject to any additional performance criteria.

Long-term Incentive Plan

Ordinary shares outstanding under the terms of the Long-term Incentive Plan were:

	At 1 April 2000	Granted in year	At 31 March 2001
J F G Pilkington	125,000*	-	125,000*
N A Stothard	125,000	90,000	215,000

* The shares outstanding in respect of Mr Pilkington are notional shares which would be satisfied by a cash payment.

The above awards are subject to the achievement of performance targets as described in the Directors' Report on page 8.

Service Contracts

Mr Pilkington has a service contract terminable on fourteen months notice. Mr Stothard has a service contract terminable on six months notice.

Non-executive Directors do not have service contracts, however they are appointed by the Company for an initial period renewable for a maximum of two further periods of between two and three years.

On behalf of the Board.

N A Stothard
Company Secretary

11 June 2001

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF Vp plc (formerly Vibroplant plc)

We have audited the financial statements on pages 15 to 30.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the Annual Report. As described on page 13 this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Group is not disclosed.

We review whether the statement on page 9 reflects the Company's compliance with the seven provisions of the combined Code specified for our review by the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and the Group as at 31 March 2001 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds

11 June 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001

	Note	Retained Operations 2001 £000	Terminated Operations 2001 £000	Total 2001 £000	Total 2000 £000
Turnover	2	**55,519**	**4,303**	**59,822**	55,002
Cost of sales		**(36,351)**	**(5,253)**	**(41,604)**	(39,361)
Gross profit		**19,168**	**(950)**	**18,218**	15,641
Administrative expenses		**(12,844)**	**(1,298)**	**(14,142)**	(11,202)
Operating profit					
Operating profit before goodwill amortisation		**6,553**	**(2,248)**	**4,305**	4,522
Goodwill amortisation		**(229)**	**–**	**(229)**	(83)
Total operating profit	3	**6,324**	**(2,248)**	**4,076**	4,439
Profit on disposal of subsidiary company	4	**–**	**–**	**–**	1,487
Profit / (loss) on termination of businesses	4	**–**	**30**	**30**	(1,770)
Profit on ordinary activities before interest		**6,324**	**(2,218)**	**4,106**	4,156
Net interest payable	7			**(1,047)**	(727)
Profit on ordinary activities before taxation				**3,059**	3,429
Taxation on ordinary activities	8			**(681)**	(1,523)
Profit for the financial year				**2,378**	1,906
Dividends paid and proposed	9			**(1,768)**	(1,797)
Retained profit for the financial year	23			**610**	109
Earnings and diluted earnings per 5p ordinary share	10			**5.36p**	4.22p
Earnings and diluted earnings per 5p ordinary share before goodwill amortisation	10			**5.88p**	4.40p
Dividend per 5p ordinary share	9			**4.05p**	4.05p

The profit and loss account reflects all recognised gains and losses for the current and prior year. These all relate to continuing activities, as defined by FRS3, with the exception of the gain on the disposal of a subsidiary company in the prior year.

As a result of the integration of the acquisitions into the existing businesses, including the transfer of depots to and from the acquired businesses, it is not possible to disclose separately the effect of the acquired businesses on the Group results for the year.

A reconciliation of the movement in consolidated shareholders' funds is provided in note 24.

Note of Consolidated Historical Cost Profits and Losses

	2001 £000	2000 £000
Reported profit on ordinary activities before taxation	**3,059**	3,429
Realisation of property revaluation gains from previous years	**114**	520
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	**12**	14
Historical cost profit on ordinary activities before taxation	**3,185**	3,963
Historical cost profit for the year retained after taxation, minority interest and dividends	**736**	643

	Note	2001 £000	2001 £000	2000 £000	2000 £000
Fixed assets					
Intangible assets - goodwill	11	**4,889**		2,013	
Tangible assets	12	**51,183**		54,382	
Investments - own shares	13	**1,130**		796	
			57,202		57,191
Current assets					
Stocks	14	**2,277**		2,026	
Debtors	15	**15,191**		15,580	
Cash at bank and in hand		**1,270**		193	
		18,738		17,799	
Creditors: amounts falling due within one year	16	**(25,337)**		(17,677)	
Net current (liabilities) / assets			**(6,599)**		122
Total assets less current liabilities			**50,603**		57,313
Creditors: amounts falling due after more than one year	17		**(2,344)**		(10,043)
Provisions for liabilities and charges	19		**(833)**		(754)
Net assets			**47,426**		46,516
Equity capital and reserves					
Called up share capital	21		**2,309**		2,309
Share premium account	23		**16,192**		16,192
Revaluation reserve	23		**1,520**		1,646
Profit and loss account	23		**27,378**		26,342
Equity shareholders' funds			**47,399**		46,489
Equity minority interests	25		**27**		27
			47,426		46,516

These financial statements were approved by the Board of Directors on 11 June 2001 and were signed on its behalf by:

J F G PILKINGTON
Chairman

N A STOTHARD
Director

PARENT COMPANY BALANCE SHEET AT 31 MARCH 2001

	Note	2001 £000	2001 £000	2000 £000	2000 £000
Fixed assets					
Tangible assets	12	**33,640**		43,071	
Investments	13	**15,491**		12,537	
			49,131		55,608
Current assets					
Stocks	14	**474**		929	
Debtors	15	**17,920**		17,819	
Cash at bank and in hand		**860**		18	
		19,254		18,766	
Creditors: amounts falling due within one year	16	**(26,178)**		(21,978)	
Net current liabilities			**(6,924)**		(3,212)
Total assets less current liabilities			**42,207**		52,396
Creditors: amounts falling due after more than one year	17		**(1,300)**		(9,688)
Provisions for liabilities and charges	19		**(666)**		(666)
Net assets			**40,241**		42,042
Equity capital and reserves					
Called up share capital	21		**2,309**		2,309
Share premium account	23		**16,192**		16,192
Revaluation reserve	23		**1,520**		1,646
Profit and loss account	23		**20,220**		21,895
Equity shareholders' funds			**40,241**		42,042

These financial statements were approved by the Board of Directors on 11 June 2001 and were signed on its behalf by:

J F G PILKINGTON
Chairman

N A STOTHARD
Director

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2001

		2001		2000	
	Note	**£000**	**£000**	£000	£000
Net cash inflow from operating activities	31		**10,856**		14,351
Return on investments and servicing of finance					
Interest paid		**(564)**		(475)	
Interest received		**16**		201	
Interest element of finance lease rental payments		**(444)**		(453)	
Net cash outflow from returns on investments and servicing of finance			**(992)**		(727)
Taxation					
UK corporation tax paid			**(784)**		(494)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		**(18,820)**		(8,905)	
Purchase and sale of investments		**(389)**		(275)	
Sale of tangible fixed assets		**18,491**		5,994	
Net cash outflow from capital expenditure and financial investment			**(718)**		(3,186)
Acquisitions and disposals					
Purchase of subsidiaries and businesses (net of cash and overdraft purchased)	28		**(1,211)**		(1,827)
Equity dividends paid			**(1,788)**		(1,831)
Cash inflow before use of liquid resources and financing			**5,363**		6,286
Financing					
Medium-term loans		**(93)**		-	
Loan notes		**(57)**		(107)	
Capital element of finance lease rental payments		**(4,136)**		(3,296)	
Net cash outflow from financing			**(4,286)**		(3,403)
Increase in cash in the year			**1,077**		2,883

A reconciliation of the net cash flow to movement in net debt is provided in note 29 and an analysis of net debt in note 30.

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules, modified to include the revaluation of freehold and long leasehold land and buildings.

Basis of consolidation

The Group financial statements consolidate the financial statements of Vp plc and all its subsidiary undertakings. All subsidiary financial statements have year ends which are coterminous with those of the Company.

The results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In the Company's financial statements, investments in subsidiary undertakings are stated at cost or net recoverable value. Dividends received and receivable are credited to the Company's profit and loss account to the extent that they represent a realised profit for the Company.

In accordance with Section 230 (4) of the Companies Act 1985 Vp plc is exempt from the requirement to present its own profit and loss account.

The amount of the profit / (loss) for the financial year dealt with in the financial statements of Vp plc is disclosed in note 23 to these financial statements.

Investment in own shares

Investment in own shares is disclosed at cost less a provision for the charge, spread over time, to the Group of awarding the shares under the share schemes, as defined in the Directors' Report, at a discount to purchase price.

Goodwill

Goodwill represents the excess of the fair value of the consideration and associated acquisition costs in respect of investments in subsidiary undertakings or businesses over the fair value of the separable net assets acquired.

Goodwill relating to businesses acquired is capitalised as an intangible asset and amortised over its useful economic life of 20 years.

Prior to 1 April 1998, goodwill arising on consolidation was written off to reserves in the year it arose. In accordance with the transitional provisions of FRS10 such goodwill remains eliminated against reserves. In the event that a subsidiary undertaking or business which gave rise to such goodwill is disposed of, the attributable goodwill will be charged to the profit and loss account as a component of the profit or loss on disposal.

Tangible fixed assets

The cost of fixed assets is their purchase cost together with any incidental costs of acquisition. In accordance with Financial Reporting Standard 15, the Group has not adopted a policy of revaluation of Land and Buildings. However, it retains the current book values for properties which have previously been revalued. Land and buildings for own use are therefore included in the financial statements at historical cost, or at Directors' valuation as at 31 March 1996.

Depreciation

Depreciation is provided by the Group to write off the cost or valuation of tangible assets using the following annual rates:

Freehold buildings	-	2% straight line
Leasehold land and buildings	-	Term of lease
Rental equipment	-	10% - 50% straight line depending on asset type
Motor vehicles	-	25% straight line
Computers	-	33% straight line
Fixtures, fittings and other equipment	-	10% straight line

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions

The Group operates defined contribution and defined benefit pension schemes. The cost of pensions in respect of the defined contribution schemes is fixed in relation to the emoluments of the membership and is charged to the profit and loss account as incurred.

The pension contributions to the defined benefit scheme are assessed by a qualified actuary and charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees participating in the scheme.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Taxation

Taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that a liability will crystallise.

Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of goods and services to third party customers during the year.

2. SEGMENTAL INFORMATION

All of the Group's activities relate to equipment rental and associated activities with customers mainly based within the United Kingdom. Turnover outside the United Kingdom either by source or destination is not material.

3. OPERATING PROFIT

	2001	2000
Operating profit is stated after charging:	**£000**	£000
Auditors' remuneration:		
Audit - Group auditors	**68**	61
- Other auditors	**7**	13
Other services (paid to Group auditors and their associates)	**41**	67
Depreciation and other amounts written off tangible fixed assets:		
Owned	**7,928**	8,691
Leased	**1,763**	1,900
Amortisation of goodwill	**229**	83
Rent of land and buildings	**1,203**	644
Hire of other assets	**6,503**	5,558
After crediting:		
Profit on sale of tangible fixed assets	**1,785**	2,106

In addition to the auditors' remuneration stated above £62,000 (2000: £2,000) was paid to the Group auditors and their associates which is included in the goodwill capitalised in the year ended 31 March 2001. The audit fee of the Company was £42,000 (2000: £43,000).

4. EXCEPTIONAL ITEMS

The profit before tax is after the following exceptional credits / (charges):	2001 £000	2000 £000
Profit / (loss) on termination of businesses	**30**	(1,770)

The exceptional profit / (loss) relates to the termination of part of the business. This was commenced in the year ended 31 March 2000 following a strategic review of the business. The current year profit is the net of profit on disposal of the general plant fleet less the termination costs associated with closing that part of the business. The prior year loss includes a write down of the powered access equipment and stock together with accruals for associated costs.

	2001 £000	2000 £000
Profit on disposal of subsidiary	**–**	1,487

The environmental warranties under the contract for the sale of the US business in 1996 expired in February 2000, allowing the recognition of this element of the profit on the sale of the business, which was not recognised at the time of the transaction. This was the final element of the profit from the sale of the US business in 1996 and had no cash effect in the year ended 31 March 2000.

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2001	2000
Hire Station Division	**529**	309
Torrent Trackside Division	**82**	78
Services Division	**388**	564
	999	951

The aggregate payroll costs of these persons were as follows:

	2001 £000	2000 £000
Wages and salaries	**17,296**	15,689
Social security costs	**1,545**	1,371
Other pension costs (see note 27)	**424**	368
	19,265	17,428

6. REMUNERATION OF DIRECTORS

	2001 £000	2000 £000
Directors' emoluments comprise the following:		
Fees	**20**	20
Salaries and other emoluments	**306**	310
	326	330
Money purchase pension contributions	**10**	9
	336	339

The emoluments, including the estimated monetary value of benefits in kind, but excluding pension contributions of the Chairman who was also the highest paid Director, were £176,779 (2000: £181,706).

Details of Directors' remuneration are given in the Remuneration Report on pages 11 and 12.

At no time during the year has any Director had a material interest in a contract with any company in the Group, being a contract which was significant in relation to the business of that company.

7. NET INTEREST PAYABLE

	2001 £000	2000 £000
Interest payable:		
On bank loans and overdrafts	**(512)**	(440)
Finance charges payable in respect of finance lease and hire purchase contracts	**(444)**	(453)
Other	**(107)**	(35)
	(1,063)	(928)
Interest receivable:		
Bank and other interest receivable	**16**	201
	(1,047)	(727)

8. TAXATION

	2001	2000
	£000	£000
UK Corporation tax charge at 30% (2000: 30%)	902	966
Deferred taxation	(66)	618
Adjustments relating to an earlier year	(155)	(61)
	681	1,523

The effective tax charge of 22% (2000: 44%) of the profit before tax is due mainly to the write back of over provisions for prior years, with the effect of permanent disallowable items being largely offset by the low deferred tax charge on the exceptional profit. The high effective rate for the year ended 31 March 2000 reflected the low estimated tax credit on the exceptional costs.

The tax credit on the exceptional items is £494,000 (2000: charge of £493,000).

9. DIVIDENDS

		2001	2000
Ordinary shares:		£000	£000
Interim paid	– 1.40p (2000: 1.40p) per share	618	607
Final proposed	– 2.65p (2000: 2.65p) per share	1,150	1,190
		1,768	1,797

This year's dividend charge is after dividends were waived to the value of £102,000 (2000: £74,000) in relation to shares held by the Vibroplant Employee Trust; £20,000 of the waived dividends relate to the final dividend for the year to 31 March 2000. These dividends will continue to be waived in the future.

10. EARNINGS PER SHARE

The calculation of earnings and diluted earnings per 5 pence ordinary share is based on a profit of £2,378,000 (2000: £1,906,000) and on 44,339,232 (2000: 45,162,965) shares, being the weighted average number of shares in issue during the year. The diluted earnings per share is based on 44,368,755 (2000: 45,204,777) shares, the difference being due to the impact of share options on the calculation.

The earnings per share before goodwill amortisation is based on a profit of £2,607,000 (2000: £1,989,000) calculated as follows:

	2001		2000	
	£000	Earnings per Share	£000	Earnings per Share
Profit after tax	2,378	5.36p	1,906	4.22p
Goodwill amortisation	229	0.52p	83	0.18p
	2,607	5.88p	1,989	4.40p

11. INTANGIBLE FIXED ASSETS – GOODWILL

	£000
Cost	
At beginning of year	2,124
Acquisitions (see note 28)	3,105
At end of year	5,229
Amortisation	
At beginning of year	111
Charge	229
At end of year	340
Net book value	
At 31 March 2001	**4,889**
At 31 March 2000	2,013

In accordance with the accounting policy for goodwill set out on page 19, goodwill arising after 1 April 1998 has been capitalised and is being amortised over its estimated useful life of 20 years.

Goodwill arising on consolidation prior to 1 April 1998 remains eliminated against reserves.

12. TANGIBLE FIXED ASSETS

	Land and buildings £000	Rental equipment £000	Motor vehicles £000	Other assets £000	Total £000
GROUP					
Cost or valuation					
At beginning of year	10,790	93,168	2,372	8,219	114,549
Additions	586	16,698	744	514	18,542
On acquisition	194	4,765	299	253	5,511
Disposals	(1,208)	(43,459)	(555)	(10)	(45,232)
At end of year	10,362	71,172	2,860	8,976	93,370
Depreciation					
At beginning of year	1,833	51,451	1,022	5,861	60,167
Charge for year	189	8,241	499	762	9,691
Exceptional charge for the year	–	193	–	–	193
On acquisition	53	2,245	92	126	2,516
On disposals	(215)	(29,801)	(356)	(8)	(30,380)
At end of year	1,860	32,329	1,257	6,741	42,187
Net book value					
At 31 March 2001	**8,502**	**38,843**	**1,603**	**2,235**	**51,183**
At 31 March 2000	8,957	41,717	1,350	2,358	54,382

	Land and buildings £000	Rental equipment £000	Motor vehicles £000	Other assets £000	Total £000
COMPANY					
Cost or valuation					
At beginning of year	9,797	77,776	628	6,735	94,936
Additions	67	8,976	50	108	9,201
Disposals	(1,186)	(40,078)	(166)	–	(41,430)
At end of year	8,678	46,674	512	6,843	62,707
Depreciation					
At beginning of year	1,686	44,631	365	5,183	51,865
Charge for year	113	4,600	56	455	5,224
Exceptional charge for the year	–	193	–	–	193
On disposals	(192)	(27,941)	(82)	–	(28,215)
At end of year	1,607	21,483	339	5,638	29,067
Net book value					
At 31 March 2001	**7,071**	**25,191**	**173**	**1,205**	**33,640**
At 31 March 2000	8,111	33,145	263	1,552	43,071

The net book value of land and buildings is analysed as follows:

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Freehold	**7,102**	7,914	**6,448**	7,339
Long leasehold	**254**	334	**254**	257
Short leasehold	**1,146**	709	**369**	515
	8,502	8,957	**7,071**	8,111

In accordance with Financial Reporting Standard 15, the Group has not adopted a policy of revaluation of Land and Buildings, however as permitted by the transitional arrangements in the Standard it will retain the current book values for properties which have previously been revalued. Land and Buildings are therefore included in the Financial Statements at historical cost or Directors' valuations from 31 March 1996 which were last reviewed at 31 March 1999.

If the properties had not been included in these financial statements based on valuation they would have been stated at the following amounts:

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Historical cost of land and buildings	**8,694**	8,993	**7,010**	8,000
Aggregate depreciation based on historical cost	**(1,712)**	(1,682)	**(1,459)**	(1,535)
Historical cost net book value	**6,982**	7,311	**5,551**	6,465

The cost or valuation of land and buildings for both the Group and the Company includes £7,143,000 (2000: £8,307,000) at valuation. Other tangible fixed assets are included at cost.

The gross book value of land and buildings for the Group and the Company includes £3,411,000 (2000: £3,876,000) of freehold land not subject to depreciation.

Included in the total net book value of fixed assets of the Group is £6,435,000 (2000: £8,919,000) in respect of assets held under finance leases and similar hire purchase contracts, Company £4,087,000 (2000: £7,927,000). Depreciation for the year on these Group assets was £1,763,000 (2000: £1,900,000) and £1,157,000 (2000: £1,638,000) for the Company.

13. FIXED ASSET INVESTMENTS

Fixed asset investments are as follows:

GROUP	**Own shares**
	£000
Cost	
At beginning of year	827
Purchases	390
Disposals	(1)
At end of year	1,216
Provision	
At beginning of year	31
Charge	55
At end of year	86
Net book value	
At 31 March 2001	**1,130**
At 31 March 2000	796

COMPANY	**Subsidiaries**	**Own shares**	**Total**
	£000	**£000**	**£000**
Cost			
At beginning of year	13,428	827	14,255
Purchases	2,620	390	3,010
Disposals	-	(1)	(1)
At end of year	16,048	1,216	17,264
Provision			
At beginning of year	1,687	31	1,718
Charge	-	55	55
At end of year	1,687	86	1,773
Net book value			
At 31 March 2001	**14,361**	**1,130**	**15,491**
At 31 March 2000	11,741	796	12,537

The provision against subsidiaries is in relation to two dormant companies.

The investment in own shares, in both the Group and Company, relates to the shares held for the SAYE scheme, Approved Share Option Scheme and the Long Term Incentive Plan. A further 700,000 shares were acquired during the year at prices between 55.5 pence and 56.5 pence. The total holding at 31 March 2001 was 2,036,224 shares at a market value of £1,140,000.

The charge represents the cost, spread over the terms of the share schemes, as defined in the Directors' Report, to the Group of awarding shares at a discount to purchase price.

The Company's principal subsidiary undertakings are:

	Country of Registration or Incorporation	Principal Activity	Country of Principal Operation	Class and Percentage of Shares Held
Vibroplant Investments Limited	England	Holding Company	UK	Ordinary shares 100%
Cannon Tool Hire Limited	England	Tool Hire	UK	Ordinary shares 100%
Instant Tool Hire Limited	England	Tool Hire	UK	Ordinary shares 100%
Torrent Trackside Limited	England	Tool Hire	UK	Ordinary shares 100%
Domindo Tool Hire Limited	England	Tool Hire	UK	Ordinary shares 100%
727 Plant Limited	England	Tool Hire	UK	Ordinary shares 100%
The Hire Station Limited	England	Tool Hire	UK	Ordinary shares 100%
The Handi Hire Group Limited	England	Tool Hire	UK	Ordinary shares 100%

Further subsidiaries have not been shown because they are either not material or are dormant. Their particulars will be included in the next annual return.

14. STOCKS

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Raw materials and consumables	**655**	1,067	**474**	929
Finished goods and goods for resale	**1,622**	959	**–**	–
	2,277	2,026	**474**	929

15. DEBTORS

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Amounts falling due within one year				
Trade debtors	**13,554**	14,257	**5,111**	8,310
Amounts owed by subsidiary undertakings	**–**	–	**11,869**	8,607
Corporation tax recoverable	**292**	–	**238**	–
Advance corporation tax recoverable	**9**	100	**9**	62
Other debtors	**110**	33	**90**	–
Prepayments and accrued income	**1,226**	1,190	**603**	840
	15,191	15,580	**17,920**	17,819

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Bank overdrafts	**–**	–	**–**	932
Medium term bank loans	**6,150**	–	**6,000**	–
Obligations under finance leases and hire purchase contracts (see note 17)	**3,709**	2,408	**2,749**	2,033
Loan notes	**2,038**	235	**2,038**	235
Trade creditors	**8,333**	9,860	**3,616**	5,523
Amounts owed to subsidiary undertakings	**–**	–	**9,696**	9,696
Corporation tax	**653**	705	**–**	281
Other taxes and social security	**1,212**	1,011	**347**	488
Other creditors	**55**	55	**–**	–
Accruals and deferred income	**2,017**	1,463	**562**	850
Deferred consideration	**–**	750	**–**	750
Dividend proposed	**1,170**	1,190	**1,170**	1,190
	25,337	17,677	**26,178**	21,978

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Medium term bank loans	**363**	6,000	**–**	6,000
Loan notes	**1,075**	-	**1,075**	-
Obligations under finance leases and hire purchase contracts (see below)	**767**	3,888	**86**	3,533
Accruals and deferred income	**139**	155	**139**	155
	2,344	10,043	**1,300**	9,688

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Within one year	**3,709**	2,408	**2,749**	2,033
In the second to fifth years	**767**	3,888	**86**	3,533
	4,476	6,296	**2,835**	5,566

The Group's finance lease and hire purchase liabilities are fixed rate instruments with interest rates ranging from 5% to 9%. There is no material difference between the book value and fair value of the Group's finance lease and hire purchase liabilities.

18. BANK LOANS AND OVERDRAFTS

	Group		Company	
	2001	2000	**2001**	2000
	£000	£000	**£000**	£000
Payable within one year or on demand	**6,150**	-	**6,000**	932
Payable within 1-2 years	**150**	6,000	**–**	6,000
Payable in 2-5 years	**213**	-	**–**	-
	6,513	6,000	**6,000**	6,932

The Group's bank accounts are subject to set off arrangements covered by cross guarantees and are presented accordingly. The bank loans and overdraft are secured by a fixed and floating charge over the assets of the Group and are at variable interest rates linked to current bank base rate and LIBOR. The unutilised bank facility available to the Group is £7,500,000. Since the year end the Group has negotiated a three year medium term bank loan facility of £8m, which replaces the £6m medium term loan which expires on 30 June 2001. There is no material difference between the book value and fair value of the Group's bank borrowings. Further details relating to the Group's funding strategy are provided in the Financial Review on page 7.

19. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Tax	**£000**
Group	
At beginning of year	754
Credit for the year in the profit and loss account	(66)
Deferred tax included in purchase of subsidiaries	145
At end of year	833
Company	
At beginning of year	666
Charge for the year in the profit and loss account	-
At end of year	666

20. DEFERRED TAXATION

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2001		2000	
	Provided	**Unprovided**	Provided	Unprovided
	£000	**£000**	£000	£000
Group				
Accelerated capital allowances	**916**	**3,680**	754	3,505
Short term timing differences	**(83)**	**(114)**	-	(85)
Deferred taxation liability	**833**	**3,566**	754	3,420
Company				
Accelerated capital allowances	**666**	**3,114**	666	3,271
Short term timing differences	**-**	**(73)**	-	(57)
Deferred taxation liability	**666**	**3,041**	666	3,214

21. CALLED UP SHARE CAPITAL

	2001	2000
	£000	£000
Authorised		
60,000,000 Ordinary shares of 5 pence each	**3,000**	3,000
Allotted, called up and fully paid		
46,185,000 Ordinary shares of 5 pence each (2000: 46,185,000)	**2,309**	2,309

22. SHARE OPTION SCHEMES

SAYE Scheme

During the year options over a further 306,322 shares were granted under the SAYE scheme at a price of 46 pence. The outstanding options at the year end were:

Date of Grant	**Price per share**	**Number of shares**
October 1998	52p	402,000
December 1999	47p	295,116
July 2000	46p	297,058
		994,174

All the options are exercisable after 3 years. At 31 March 2001 there were 217 employees saving on average £59 per month in respect of options under the SAYE scheme.

Approved Share Option Scheme

Options over a further 225,000 shares were granted during the year at a price of 56.5 pence. The options outstanding at the year end were:

Date of Grant	**Price per share**	**Number of shares**
December 1999	57.0p	310,000
July 2000	56.5p	225,000
		535,000

These options are exercisable between the third and tenth anniversary of the grant. The awards are subject to achievement of performance targets over a three year period.

Long Term Incentive Plan

Awards were made during the year in relation to a further 90,000 shares. Shares outstanding at the year end were:

Date of Grant	**Number of shares**
December 1999	250,000
July 2000	90,000
	340,000

The vesting of the awards is subject to the achievement of performance targets over a three year period.

All the awards under the above schemes will be made utilising shares already owned by the Vibroplant Employee Trust.

The market value of the ordinary shares at 31 March 2001 was 56 pence (2000: 61 pence), the highest market value in the year to 31 March 2001 was 61 pence and the lowest 51 pence.

23. SHARE PREMIUM AND RESERVES

Group	Share Premium Account £000	Revaluation Reserve £000	Profit and Loss Account £000
At beginning of year	16,192	1,646	26,342
Retained profit for year	-	-	610
Goodwill written back	-	-	300
Realised on sale of revalued assets	-	(114)	114
Depreciation of revalued assets	-	(12)	12
At end of year	16,192	1,520	27,378

Company	Share Premium Account £000	Revaluation Reserve £000	Profit and Loss Account £000
At beginning of year	16,192	1,646	21,895
Retained loss for year	-	-	(1,801)
Realised on sale of revalued assets	-	(114)	114
Depreciation of revalued assets	-	(12)	12
At end of year	16,192	1,520	20,220

The write back of goodwill relates to a reduction in deferred consideration for a prior year acquisition.

The cumulative amount of goodwill resulting from acquisitions prior to 1 April 1998 which has been written off directly to reserves is £7,397,000 (2000: £7,697,000). This amount excludes goodwill attributable to subsidiary undertakings or businesses disposed of prior to the balance sheet date.

The amount of the loss for the financial year dealt with in the accounts of the Company was £33,000 (2000: loss of £329,000).

24. RECONCILIATION OF MOVEMENT IN CONSOLIDATED SHAREHOLDERS' FUNDS

	2001 £000	2000 £000
Profit for the financial year	**2,378**	1,906
Dividends	**(1,768)**	(1,797)
	610	109
Goodwill written back / (written off)	**300**	(11)
Net increase in shareholders' funds	**910**	98
Opening shareholders' funds	**46,489**	46,391
Closing shareholders' funds	**47,399**	46,489

25. EQUITY MINORITY INTERESTS

	Group	
	2001 £000	2000 £000
At beginning and end of year	**27**	27

26. COMMITMENTS

(i) Capital commitments at the end of the financial year for which no provision has been made are as follows:

	Group		**Company**	
	2001 £000	2000 £000	**2001 £000**	2000 £000
Contracted	**1,537**	1,458	**1,240**	1,079

(ii) Annual commitments under non-cancellable operating leases are as follows:

	2001		2000	
	Land and buildings £000	**Other £000**	Land and buildings £000	Other £000
Group				
Operating leases which expire:				
Within one year	**72**	**484**	70	283
In the second to fifth years inclusive	**208**	**2,194**	104	2,086
Over five years	**1,011**	**–**	610	-
	1,291	**2,678**	784	2,369
Company				
Operating leases which expire:				
Within one year	**4**	**285**	-	239
In the second to fifth years inclusive	**–**	**1,738**	–	1,872
Over five years	**216**	**–**	222	-
	220	**2,023**	222	2,111

27. PENSION SCHEME

The Group operates defined contribution schemes and a defined benefit scheme providing benefits based on final pensionable earnings. The defined benefit scheme contains both defined benefit and defined contribution categories. The assets of the schemes are held in separate trustee administered funds.

Contributions to the defined benefit scheme are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations.

The latest actuarial assessment of the defined benefit scheme was made as at 1 April 1999 using the attained age method. The main assumptions adopted for pension cost purposes were that the long term investment return would be 6% per annum, that pensionable earnings would increase by 4% per annum and that post 6 April 1997 pensions in payment would increase by 3% per annum. At 1 April 1999 the market value of the assets of the Scheme was £6,015,000 which was sufficient to cover 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The pensions charge for the year was £424,000 (2000: £368,000). This is exclusive of £60,000 (2000: £57,000) in respect of the amortisation of surpluses of the defined benefit scheme that are recognised over 13 years, the average expected remaining service lifetime of employees.

A provision of £139,000 (2000: £155,000) is included in creditors, this being the excess of accumulated pension costs over the amount funded.

28. PURCHASE OF BUSINESSES

The Group acquired five businesses during the year. The details are as follows:

Name of acquisition	**Date of acquisition**	**Type of acquisition**	**Acquired by**
The Handi Hire Group Limited	31 May 2000	Company	Vp plc
Barham Plant Hire Limited	1 December 2000	Business and assets	Cannon Tool Hire Limited
Roy Francis Plant Hire Limited	20 December 2000	Business and assets	Domindo Tool Hire Limited
Halls Hire Centres Limited	23 January 2001	Company	Vp plc
Weaver Hire	9 February 2001	Business and assets	Instant Tool Hire Limited

None of these acquisitions was individually material in Group terms and therefore the details are provided in aggregate below:

	£000
Fixed assets	3,097
Investments in subsidiaries	7
Stocks	330
Debtors	1,503
Cash	23
Bank overdraft	(402)
Creditors	(4,099)
Provisions for liabilities and charges	(145)
Book value of assets acquired	314
Fair value adjustment: revaluation of fixed assets	(102)
Fair value of assets acquired	212
Goodwill capitalised	3,105
Cost of acquisitions	3,317
Satisfied by	
Consideration paid in cash	606
Consideration settled by loan notes	2,485
Acquisition costs	226
	3,317
Analysis of cash flow for acquisitions	
Consideration paid in cash	606
Acquisition costs	226
Overdraft net of cash included in acquisitions	379
	1,211

29. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001	2000
	£000	£000
Increase in cash in the year	1,077	2,883
Cash outflow from movement in debt and lease finance	4,286	3,403
Change in net debt resulting from cash flows	5,363	6,286
New finance leases	(976)	(604)
New loan notes	(2,935)	(300)
Finance leases included in purchase of subsidiaries and businesses	(1,340)	-
Medium term loan included in purchase of subsidiaries and businesses	(606)	-
Movement in net debt in the year	(494)	5,382
Net debt at the start of the year	(12,338)	(17,720)
Net debt at the end of the year	(12,832)	(12,338)

30. ANALYSIS OF NET DEBT

	As at 1 April 2000	Cash Flow	Acquisitions	Other Non-Cash Changes	As at 31 March 2001
	£000	£000	£000	£000	£000
Cash at bank and in hand	193	1,077	-	-	1,270
Medium term loans	(6,000)	93	(606)	-	(6,513)
Loan notes	(235)	57	-	(2,935)	(3,113)
Finance leases and hire purchase	(6,296)	4,136	(1,340)	(976)	(4,476)
	(12,338)	5,363	(1,946)	(3,911)	(12,832)

31. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001	2000
	£000	£000
Operating profit	4,076	4,439
Exceptional business termination costs	(939)	-
Depreciation and amortisation of goodwill	9,920	10,674
Profit on sale of tangible fixed assets	(1,785)	(2,106)
(Increase) / decrease in stocks	(71)	63
Decrease in debtors	1,827	388
(Decrease) / increase in creditors	(2,172)	893
Net cash inflow from operating activities	10,856	14,351

32. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Ackers P Investment Company which is the ultimate parent company registered in England. Consolidated accounts are not prepared for this company.

	1997	1998	1999	2000	**2001**
	£000	£000	£000	£000	**£000**
Turnover	36,819	49,250	52,510	55,002	**59,822**
Profit / (loss) on ordinary activities before taxation	(2,878)	2,188	3,304	3,429	**3,059**
Taxation	937	(630)	(662)	(1,523)	**(681)**
Profit / (loss) on ordinary activities after taxation	(1,941)	1,558	2,642	1,906	**2,378**
Dividends	(1,871)	(1,871)	(1,859)	(1,797)	**(1,768)**
Share capital	2,309	2,309	2,309	2,309	**2,309**
Reserves	47,434	42,974	44,082	44,180	**45,090**
Equity shareholders' funds	49,743	45,283	46,391	46,489	**47,399**

SHARE STATISTICS

Asset value per share	108p	98p	101p	101p	**103p**
Earnings / (loss) per share	(4.20)p	3.37p	5.77p	4.22p	**5.36p**
Dividend per share	4.05p	4.05p	4.05p	4.05p	**4.05p**
Dividend cover	-	0.83	1.42	1.04	**1.32**

Notice is hereby given that the twenty ninth Annual General Meeting of the Company will be held at Rudding House, Rudding Park, Follifoot, Harrogate on Wednesday 5 September 2001 at 10am for the following purposes:

As ordinary business

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 2001.
2. To declare a Final Dividend.
3. To re-elect N A Stothard as a Director.
4. To re-appoint KPMG Audit Plc as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, at which the accounts are laid before the Company and to authorise the Directors to agree their remuneration.

As special business

To consider and, if thought fit, pass the following resolutions of which Resolutions 5 and 8 will be proposed as Ordinary Resolutions and Resolutions 6 and 7 will be proposed as Special Resolutions:

5. That for the purposes of Section 80 of the Companies Act 1985 (and so that expressions defined in that Section shall bear the same meanings as in this Resolution) the Directors be, and they are, generally authorised to allot relevant securities up to a maximum nominal amount of £690,750 to such persons at such times and on such terms as they think proper during the period expiring on the date of the next Annual General Meeting after the passing of this Resolution (or any adjournment thereof) save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
6. That the Directors be and they are hereby generally authorised to allot for cash or otherwise equity securities (as defined in Section 94 of the Companies Act 1985 "the Act") of the Company pursuant to the authority conferred by Resolution 5 above as if Section 89 of the Act did not apply to such allotment provided that this power shall be limited:
   (a) to the allotment of equity securities in connection with a rights issue, open offer or otherwise in favour of Ordinary Shareholders where the equity securities respectively attributable to the interests of all such shareholders are proportionate (as nearly as may be practicable) to the respective numbers of Ordinary Shares held by them on the record date for such allotment but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory;
   (b) to the allotment of equity securities pursuant to the terms of any share schemes for Directors and employees of the Company or any of its subsidiaries approved by the Company in General Meeting; and
   (c) to the allotment otherwise than pursuant to subparagraphs (a) and (b) above of equity securities not exceeding in aggregate the nominal amount of £115,000

   Provided further that the authority hereby granted shall expire at the conclusion of the next Annual General Meeting after the passing of this Resolution (or any adjournment thereof) save that the Directors shall be entitled to make at any time before the expiry of the power hereby conferred any offer or agreement which might require equity securities to be allotted after the expiry of such power.
7. That the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Act) of Ordinary shares of 5 pence each in the capital of the Company ("Ordinary shares") provided that:
   (a) the maximum number of Ordinary shares hereby authorised to be purchased is 4,618,500 being 10% of the issued share capital of the Company;
   (b) the minimum price which may be paid for Ordinary shares is 5 pence per Ordinary share exclusive of expenses;
   (c) the maximum price which may be paid for an Ordinary share is the amount equal to 5% above the average of the middle market quotations derived from the Stock Exchange Daily Official List for the 5 business days immediately preceding the day of purchase, exclusive of expenses;
   (d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company unless such authority is renewed prior to such time; and
   (e) the Company may make a contract to purchase Ordinary shares under the authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary shares in pursuance of any such contract.
8. That the Vp Share Option Scheme ("the Scheme") in the form tabled at the meeting and initialled by the Chairman for the purposes of identification, be and is hereby approved and adopted and the Directors be and hereby are authorised to carry the same into effect.

By Order of the Board.

N A STOTHARD
Secretary

10 July 2001

Notes

A member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, vote instead of him and that proxy need not also be a member. A form of proxy is enclosed for this purpose. It must be deposited at the offices of the Company's registrars not less than 48 hours before the time fixed for the meeting.

In accordance with Regulation 34 of the Uncertificated Securities Regulations 1995, only those members entered on the register of members of the Company as at the close of business 3 September 2001 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after close of business on 3 September 2001 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

I/We...

(BLOCK LETTERS)

of...

....

being a registered holder(s) of * .... Ordinary Shares in the capital of Vp plc hereby appoint the Chairman of the Meeting, or (note 2) .... as my/our Proxy to attend and on a poll (and in the case of a Corporation on a show of hands and a poll) vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday 5 September 2001 and at any adjournment thereof. I/we request the Proxy to vote on the following resolutions as indicated.

Resolution

	Resolution	For	Against
1.	To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 2001		
2.	To declare a final dividend		
3.	To re-elect N A Stothard as a Director		
4.	To re-appoint KPMG Audit Plc as Auditors and to authorise the Directors to agree their remuneration		
5.	To approve the authority to allot shares		
6.	To approve the disapplication of pre-emption rights		
7.	To approve the purchase of own shares		
8.	To approve and adopt the Vp Share Option Scheme		

Signature .... Date...

Notes

1. Please indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to use your vote on any particular matter the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting.
2. If you prefer to appoint some other person or persons as your proxy, strike out the words "the Chairman of the Meeting", and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company.
3. In the case of joint holders only one need sign as the vote of the senior holder who tenders a vote will alone be counted.
4. If the member is a Corporation this form must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. To be effective this Proxy must be completed, signed and must be lodged (together with any power of attorney or duly certified copy thereof under which this proxy is signed) at the offices of the Company's Registrars at Capita IRG plc, Proxy Dept., Bourne House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time appointed for the meeting.

* Insert the number of Ordinary Shares in respect of which the form of Proxy is given. If the number is not inserted, the form of Proxy will be taken to have been given in respect of all Ordinary Shares held.