Vp plc

FINANCIAL HIGHLIGHTS DIRECTORS AND ADVISORS CHAIRMAN'S STATEMENT BUSINESS REVIEW FINANCIAL REVIEW DIRECTORS' REPORT REMUNERATION REPORT CORPORATE GOVERNANCE CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT OF DIRECTORS' RESPONSIBILITIES AUDITORS' REPORT CONSOLIDATED INCOME STATEMENT STATEMENTS OF RECOGNISED INCOME AND EXPENSE CONSOLIDATED BALANCE SHEET PARENT COMPANY BALANCE SHEET CONSOLIDATED STATEMENT OF CASH FLOWS **Vp plc ANNUAL REPORT 2007** PARENT COMPANY STATEMENT OF CASH FLOWS NOTES FIVE YEAR SUMMARY FINANCIAL HIGHLIGHTS DIRECTORS AND ADVISORS CHAIRMAN'S STATEMENT BUSINESS REVIEW FINANCIAL REVIEW DIRECTORS' REPORT REMUNERATION REPORT CORPORATE GOVERNANCE CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT OF DIRECTORS' RESPONSIBILITIES AUDITORS' REPORT CONSOLIDATED INCOME STATEMENT STATEMENTS OF RECOGNISED INCOME AND EXPENSE CONSOLIDATED BALANCE SHEET **www.vpplc.com** PARENT COMPANY BALANCE SHEET CONSOLIDATED STATEMENT OF CASH FLOWS PARENT COMPANY STATEMENT OF CASH FLOWS NOTES FIVE YEAR SUMMARY FINANCIAL HIGHLIGHTS DIRECTORS AND ADVISORS CHAIRMAN'S STATEMENT BUSINESS REVIEW FINANCIAL REVIEW DIRECTORS' REPORT REMUNERATION REPORT CORPORATE GOVERNANCE CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT OF DIRECTORS' RESPONSIBILITIES

Vp plc COMPRISES SIX BUSINESSES

UK Forks

Rough terrain material handling equipment for industry, residential and general construction.

Groundforce

Excavation support systems and specialist products for the water, civil engineering and construction industries, incorporating:

- Groundforce Shorco – shoring.
- Piletec Dudley Vale – pile driving and breaking.
- Stopper Specialists – pipe integrity testing.
- Survey Technology – surveying and water flow measurement.

Airpac Bukom Oilfield Services

Equipment and service providers to the international oil and gas exploration and development markets.

Hire Station

Tools and special products for industry, construction and home owners, incorporating:

- Hire Station – tool hire products.
- ESS Safeforce – safety and environmental products.
- Lifting Point – materials handling and lifting gear products.
- MEP – pipe fitting equipment.
- Climate Hire and Sales – dry, cool, clean and warm air products.

Torrent Trackside

Infrastructure equipment and services for the railway renewals and maintenance industry.

TPA

Portable roadway systems, bridging, fencing and barriers primarily to the UK market, but also in the Republic of Ireland and mainland Europe.

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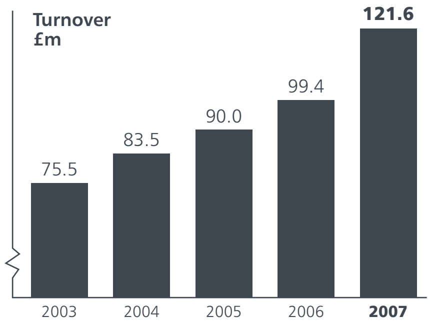
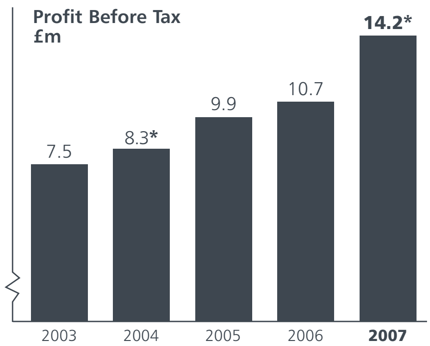
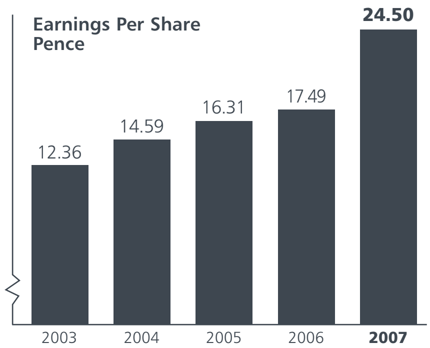
FINANCIAL HIGHLIGHTS

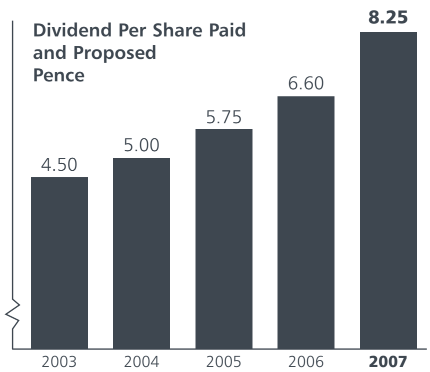
	2007	2006
Turnover	**£121.6m**	£99.4m
Profit before taxation	**£14.5m**	£10.7m
Basic earnings per share	**24.50p**	17.49p
Dividend per share – paid and proposed	**8.25p**	6.60p
Return on average capital employed	**16.5%**	15.4%
Net assets per share	**142p**	131p
Net debt	**£36.6m**	£32.6m
Net debt / total equity	**55.7%**	54.1%
Interest cover	**8.1x**	14.5x
Expenditure on rental equipment	**£27.6m**	£16.9m





*Excluding property profit of 2007: £0.3m, 2004: £0.6m





The figures in these graphs for 2003 and 2004 are as disclosed under UK GAAP. Those for 2005 to 2007 are stated under adopted IFRSs.

DIRECTORS AND ADVISORS

Executive Directors
Jeremy F G Pilkington, B.A.Hons. (Chairman)
Neil A Stothard, M.A., F.C.A.
Michael J Holt, B.A., M.B.A, F.C.A., A.M.C.T.

Non Executive Directors
Barrie Cottingham, F.C.A., A.T.I.I. (Senior Non Executive Director)
Peter W Parkin

Secretary
Michael J Holt

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Auditors
KPMG Audit Plc, 1 The Embankment,
Neville Street, Leeds, West Yorkshire, LS1 4DW

Solicitors
Hammonds,
2 Park Lane, Leeds, West Yorkshire, LS3 1ES

Registrars and Transfer Office
Capita Registrars, Northern House, Woodsome Park,
Fenay Bridge, Huddersfield, West Yorkshire HD8 0LA

Bankers
National Westminster Bank plc
Barclays Bank plc

Merchant Bankers
N M Rothschild & Sons Limited

Stockbrokers
Brewin Dolphin Securities Limited

CHAIRMAN'S STATEMENT

RESULTS

I am very pleased to report record results for the Group for the year ended 31 March 2007.

Operating profits rose 44% to £16.5 million (2006: £11.5 million) on revenues ahead by 22% at £121.6 million. Profit before tax increased by 36% to £14.5 million and earnings per share increased 40% to 24.50 pence per share. In recognition of this excellent performance the Board is recommending a final dividend of 6.00 pence per share, making a total for the year of 8.25 pence per share, an increase of 25%. Subject to shareholder approval at the Annual General Meeting on 11 September 2007, the dividend will be paid on 1 October 2007 to shareholders registered as at 7 September 2007.

The Group continues to enjoy a period of sustained growth in all of its principal markets and we are committing significant capital investment to take the fullest advantage of the opportunities this presents. In parallel, we are strengthening our human resources and infrastructure systems to ensure that our capabilities in these performance critical areas remain aligned with our growth aspirations.

It remains our strategy to seek market leadership for each of our businesses and to be irresistibly the provider and employer of choice. We regard these qualitative objectives as being highly interdependent with the Group's financial aspirations.

The Group retains significant financial capacity to pursue growth opportunities as they are identified.

GROUNDFORCE

Groundforce performed strongly during the year with significant progress being achieved in all of its businesses. Operating profits rose by 21% to £6.4 million on turnover up 19% to £28.1 million. The AMP4 water industry capital investment programme is now gathering pace and is providing useful incremental revenue streams in many parts of the country.

In the course of the new financial year Groundforce will be opening a depot in the Republic of Ireland. Groundforce has traded in Ireland for a number of years, but with a local operational base it will be in a much stronger position to offer the full range of its services to an already established customer base.

HIRE STATION

Hire Station delivered an outstanding result with profits more than doubling to £3.1 million on revenues ahead by 7% at £44.9 million. This profit growth is largely organic, reflecting continuing improvements in operational efficiency and revenue quality, together with a strong contribution from the ESS Safeforce activity.

Hire Station has continued to make selective acquisitions. MEP, the specialist pipework fittings company, acquired in November 2006, has progressed well and made a contribution ahead of expectations in its first period. A single branch acquisition in Colchester was completed at the end of the period and has been successfully integrated into our Southern region. Post the year end, in April 2007, our acquisition of Cool Customers adds a substantial revenue stream and the experience of a successful internet based business model to the recently established Climate Hire business.

Hire Station has delivered its three year profit recovery plan and I am confident of significant upside as margins improve and the business pursues further revenue growth.

AIRPAC BUKOM

Airpac Bukom's results reflect strong underlying organic growth and the first full year contribution from the acquisition of Bukom in March 2006. Profits increased by 90%, to £2.4 million on revenues which doubled to £10.0 million. Market conditions in the oil and gas exploration business remain very positive and we have committed significant capital investment to meet demand. To better support the broader global reach of the enlarged business, we are establishing additional distribution centres in Western Australia, South America and the Middle East. We expect these locations to be fully operational in the second half of 2007.

CHAIRMAN'S STATEMENT

UK FORKS

UK Forks profits, as previously indicated, were not sustainable at the excellent levels of the previous year. Profits reduced to £1.4 million on revenues of £13.9 million. It is positive to note that trading stabilised in the second half of the year and that revenue levels have improved significantly as we have entered the new financial year.

TPA

TPA reported its first full year contribution of £1.0 million on turnover of £11.4 million. TPA derives a significant proportion of its revenue and profits from the seasonal summer events market which weights its contribution heavily towards the first half. Winter period losses were more severe than anticipated and were exacerbated by the underperformance of the barrier hire activity. Management are focussed on addressing these issues to stabilise first half profits in the forthcoming financial year.

TORRENT TRACKSIDE

Torrent Trackside had a very good year with profits increasing 13% to £2.0 million on revenues ahead by 8% at £13.1 million. The rail infrastructure industry remains an attractive but challenging market and we remain confident that Torrent's reputation and expertise will sustain its position as a leading supplier to this market.

OUTLOOK

The record result we are reporting reflects the underlying strength of the markets served by the Group and the success of our strategy in translating opportunities into profitable growth.

The outlook remains positive and we are confident that the Group can deliver sustainable growth over the medium term.

Jeremy Pilkington
Chairman
6 June 2007

BUSINESS REVIEW

OVERVIEW

The year ended 31 March 2007 demonstrates excellent progress in the development of the Vp business, and the delivery of substantial earnings growth.

Operating profits increased 44% on the corresponding period to £16.5 million, on revenues 22% ahead of last year at £121.6 million. Whilst prior year acquisitions have assisted this growth, 30% of the increase in profit is organic.

To support new business opportunities we made organic capital investment of over £30 million during the year. In addition, we have completed three business acquisitions with a combined value of £4.6 million. We have seen only a marginal increase in gearing as a result of these investments due to the excellent cash generation from the Group and there remains a comfortable level of financial headroom to pursue further expansion.

The markets the Group operates within have remained stable and supportive, with oil and gas and latterly water being particularly buoyant.

GROUNDFORCE

Excavation support systems and specialist products for the water, civil engineering and construction industries.

Revenue	£28.1 million	(2006: £23.5 million)
Operating Profit	£6.4 million	(2006: £5.3 million)
Investment in Rental Fleet	£5.4 million	(2006: £2.2 million)

All constituent Groundforce businesses enjoyed growth in the year with combined revenues up £4.6 million to £28.1 million, delivering a very good result, improving profit by 21% to £6.4 million.

Revenues were underpinned by the ongoing activity in housing and construction, but were buoyed by the release of AMP4 contracts in the second half. Involvement in projects, such as the tunnel under the River Shannon in Limerick and the Bristol Broadmeads redevelopment, has widened the scope of our activities in the large civil engineering project arena. The 250 tonne strut product launched during 2006 was utilised in these projects. Groundforce now holds a class leading position in what is a technically challenging area and we expect further opportunities to arise in the coming year. In March 2007, we acquired Evershore, a small, Leeds based, shoring rental company which has been fully integrated into the division. The formwork activity, Easiform, completed its first full year of operation in line with expectations, and we are pleased with the progress of this business.

Piletec Dudley Vale also benefited from the upturn from AMP4 and delivered revenues above expectation. Our technical leadership in this field paid dividends, with the business being involved in many large contracts that have provided a consistent income stream. We will continue to build the Piletec business capabilities with ongoing investment in high performance equipment.

The reorganisation of Survey in the previous year proved effective, with the streamlined business delivering a good performance. Further investment in high-tech survey fleet was completed as a result of important customer gains.

We believe that all elements of Groundforce are capable of acquisitive growth should the right opportunity arise. However, each element has the ability to grow organically and with new products, services and geographic expansion underway, we expect a year of further progression and development.

BUSINESS REVIEW

HIRE STATION

Tools and specialist products for industry, construction and home owners.

Revenue	£44.9 million	(2006: £41.9 million)
Operating Profit	£3.1 million	(2006: £1.4 million)
Investment in Rental Fleet	£8.4 million	(2006: £7.3 million)

After a strong profit turnaround in the prior year, Hire Station made further excellent progress. Full year operating profits of £3.1 million were 118% up on prior year, on revenues up 7% at £44.9 million. The majority of the revenue growth was delivered organically, although there was a valuable five month contribution from MEP, following its acquisition in November.

Midway Plant and Tool Hire, based in Colchester was purchased in March 2007 strengthening our distribution capability in Essex. After the year end, in April, the business purchased Cool Customers Limited, based in Derbyshire, specialising in the hire and sale of air conditioning units, chillers and cooling equipment. This business has been successfully integrated into our Climate Hire operation, which was launched in the final quarter of the current financial year.

The tools business has made further solid progress during the year, delivering good profit growth. Strong capital investment in our core stock items has helped drive revenues forward with stock availability being a key differentiator. We were pleased to achieve the environmental and quality accreditations (ISO 9001 and ISO 14001), recognising the high levels of systems and controls that we operate within the business.

We have invested once again in additional resource at our national hire desk in Manchester, as a result of an increase in customers expressing a preference to transact business through this centre.

Revenues for the seasonal products were mixed; a very warm summer and excellent stock availability meant we significantly increased our cooling income, although the relatively mild winter impacted heating equipment hire. Two new greenfield sites have opened since the year end in Hull and Exeter, areas that we identified as important to our national distribution network.

The specialist lifting business, Lifting Point, performed well and we have now introduced satellite-stocking operations in all tool branches. This expansion has delivered a 20% improvement in turnover in this product area, and more is expected in the coming year.

The specialist safety rental business, ESS Safeforce had an excellent year in a broadly supportive market, with strong performances from the hire, sales and confined space training activities. During the year we opened a further centre at Andover for confined space training. We also enjoyed solid revenues from the oil and petro-chemical market supplying safety equipment and labour in support of customers carrying out maintenance during temporary shutdowns. This is an area we expect to grow further in 2007.

In November 2006, we acquired Mechanical and Electrical Pressfittings Limited (MEP), a business based near Glasgow which specialises in the hire and sale of electrofusion and pressfitting tools to the mechanical, electrical and plumbing sectors. Trading in the five months subsequent to the acquisition was ahead of expectation. In the month following the acquisition, we relocated into a new 8,500 sq ft building nearby to accommodate growth plans and the central hire desk facility of the business. The first MEP distribution satellite has been established at Heathrow. Since the year end we have established a trading location in Dublin in response to local demand.

The Climate Hire business was established in the final quarter of the year and will specialise in four key product areas: Warm Air (heaters), Dry Air (dehumidifiers, airmovers), Cool Air (chillers, aircon units) and Clean Air (ozone units, air purifiers). As with Lifting Point, ESS Safeforce and MEP, Climate Hire is an additional specialist business which will complement the general tool hire offer. The acquisition post year-end of Cool Customers is an important development for the business.

BUSINESS REVIEW

AIRPAC BUKOM OILFIELD SERVICES

Equipment and service providers to the international oil and gas exploration and development markets.

Revenue	£10.0 million	(2006: £5.0 million)
Operating Profit	£2.4 million	(2006: £1.2 million)
Investment in Rental Fleet	£2.5 million	(2006: £0.8 million)

During the year our oilfield services division successfully integrated the business of Bukom Oilfield Services, which was acquired in March 2006. The combined business continued to enjoy the benefit of healthy demand across its primary markets and in this challenging year produced a very satisfactory result. The business delivered a 90% increase in profits to £2.4 million generated from revenues which doubled at £10.0 million.

Oil company expenditure held at a healthy level, driven by the continued strength of the oil price and global oil and gas demand. The demand for oilfield support services has in turn remained high, with the expanded business in a position to take advantage of these opportunities.

The early months of the year saw a smooth integration of the Bukom business in terms of fleet, personnel, bases and systems across our facilities in the UK and Singapore. The management team of the combined business has been further strengthened, with a number of key appointments made to support the future growth of the business.

The focus of the Bukom offering was historically in support of international well testing operations, and this has become the primary market for the enlarged business. As anticipated, our position in the Asia Pacific region has strengthened and we now have improved access to markets in Africa, North and South America and the Middle East. The addition of new products such as sand filters, heat exchangers and coflexip hoses to the fleet has broadened our service offering to our clients.

We saw high demand for the provision of our specialist compressors to large contractors conducting maintenance and modification work on the offshore platform infrastructure, primarily in the North Sea. Our high pressure fleet was involved on a number of important pipeline related works during the year.

Taking account of the combined resources of the enlarged business, we have embarked upon a significant capital investment programme which will achieve marked growth in the fleet over the coming year. At the same time several key customer support initiatives involve developing our present network of facilities and our plans in this regard are well progressed. We anticipate opening further hub locations for the business in support of the Australian, Middle East and South American markets by the end of summer 2007.

The market fundamentals and outlook remain positive. The strength of our expanded organisation, enhanced product offering, broader geographic exposure and our fleet and network expansion initiatives place us in a good position to develop the business further during the coming year.

UK FORKS

Rough terrain material handling equipment for industry, residential and general construction.

Revenue	£13.9 million	(2006: £14.3 million)
Operating Profit	£1.4 million	(2006: £2.1 million)
Investment in Rental Fleet	£3.4 million	(2006: £3.1 million)

UK Forks had a challenging year, with activity levels subdued in the first nine months, but picking up strongly in the final quarter. Revenues of £13.9 million produced operating profits of £1.4 million, £0.7 million lower than the prior year.

BUSINESS REVIEW

The ongoing consolidation in the housebuilding sector created some volatility. Whilst volumes in the South East were disappointing for most of the year, this performance reversed in the final quarter. Further progress was also made with a number of national accounts, particularly in general construction, a growth sector targeted by the business.

Fleet size remained broadly static at over 1,200 machines. However, investment of £3.4 million enabled product mix improvement, reflecting increased demand for telehandlers at both ends of the size spectrum. In construction, tighter access within sites created demand for smaller machines up to 6 metres and the larger rotational telehandlers up to 25 metres. In housebuild, the continued popularity of flats and apartments (representing nearly 50% of housebuilding starts in the UK in 2006) meant that standard products up to 17 metres were in demand.

The year finished strongly in the final quarter, and with activity levels at the start of the new financial year maintaining that momentum, prospects for the business going forward are much improved.

TPA

Portable roadway systems, bridging, fencing and barriers primarily to the UK market, but also in the Republic of Ireland and mainland Europe.

Revenue	£11.4 million	(2006: £2.5 million)
Operating Profit	£1.0 million	(2006: £(0.3) million)
Investment in Rental Fleet	£4.7 million	(2006: £1.1 million)

TPA completed its first full year as part of the Vp Group, delivering operating profit of £1.0 million on revenues of £11.4 million. The summer period proved buoyant with strong demand from both the events and transmission markets. The demand during the winter period reduced, an historic trend, with a general lack of activity in the transmission market, and a challenging trading environment for the barriers business.

In further developing the business, a satellite facility in Scotland was opened in the year, enabling a more efficient service to the local market. In addition we established TPA in Germany with the formation of a German subsidiary which will act as a platform for further expansion into mainland Europe. Both ventures performed well in the first year of operation. We also relocated the barriers business to improved premises in Croydon during the year. Investment in the fleet has continued strongly to ensure that TPA maintains its quality and market leading offer to the marketplace. A new lightweight roll-out roadway, MD40 has been developed and will be launched in the new financial year.

The markets within which TPA operates remain broadly supportive. In particular, the announcement by the National Grid in October 2006 of a major five year programme of investment to upgrade and develop the electricity transmissions network across England and Wales is likely to act as a valuable longer term market driver, albeit that regulated spend of this type can be unpredictable in terms of timing. The outdoor events market in the UK remains stable and we expect it to deliver further potential opportunities.

TORRENT TRACKSIDE

Infrastructure equipment and services for the railway renewals and maintenance industry.

Revenue	£13.1 million	(2006: £12.1 million)
Operating Profit	£2.0 million	(2006: £1.7 million)
Investment in Rental Fleet	£3.2 million	(2006: £2.4 million)

The year was one of further development in the railway renewals and maintenance market. Torrent performed well in this changing market, growing revenues by 8% to £13.1 million and delivering operating profit of £2.0 million, a 13.0% increase on the prior year.

BUSINESS REVIEW

We have accelerated our plant replacement programme to ensure that the quality of our equipment is the benchmark for the industry and to also reinforce our reputation for introducing innovative products that further improve operational safety and production. These initiatives continue to strengthen our status in this safety critical environment and Torrent continues to be regarded as a key supplier in this specialist market.

Our ongoing systems development programme provides Torrent with an advantage in the supply of quality operational data to our major customers, helping them to reduce costs and improve production in a manner which is safe.

Overall, the business remains well positioned to participate in Network Rail's ongoing rail expenditure programme and to further support the London Underground as it works towards the 2012 Olympics.

PROSPECTS

We remain ambitious to further enhance the quality track record established over recent years and have the resource and management capability to deliver on that ambition. In order to maintain profitable growth, we recognise that investment in people and infrastructure is essential. We have successfully developed a breadth of business activities which we believe provides a resilient and strong platform for future growth.

Neil Stothard
Group Managing Director
6 June 2007

FINANCIAL REVIEW

SUMMARY OF RESULTS

Group revenues increased by 22% to £121.6m (2006: £99.4m). Operating profit increased by 44% to £16.5m (2006: £11.5m). Profit before tax increased by 36% to £14.5m (2006: £10.7m) including £0.3m realised on the disposal of freehold premises.

The performances of the individual business units within the group are reported in note 2 to the financial statements.

SHAREHOLDERS' RETURN

The key financial measures for the Board relating to shareholders' return are the growth of earnings per share and the return on average capital employed in the business. Return on average capital employed being defined as profit before interest expressed as a percentage of the 12 month rolling average of total net assets and net debt (see page 13).

Basic earnings per share increased from 17.49 pence to 24.50 pence, an increase of 40%, based on the weighted average number of shares in issue during the year of 42,780,000 (2006: 43,460,000).

The return on average capital employed increased to 16.5% from 15.4%.

The Board is recommending a final dividend of 6.00 pence per share making a total for the year (paid and proposed) of 8.25 pence (2006: 6.60 pence), an increase of 25%. The dividend relating to the year of 8.25 pence is covered 3.0 times (2006: 2.7 times) by profits after tax after making allowance for dividends waived by the Vp Employee Trust.

CASH FLOW

Free cash flow generated by the Group before acquisitions, dividends, treasury shares and other financing activities is summarised below:

	2007	2006
	£m	£m
Cash generated from operations	**29.9**	22.6
Cash outflow on purchase of fixed assets	**(26.8)**	(15.5)
Sale of fixed assets	**9.0**	6.2
Interest	**(2.0)**	(0.6)
Tax	**(2.9)**	(3.1)
Free cash flow	**7.2**	9.6

Cash generated from operations represented 181% (2006: 197%) of operating profit.

Capital expenditure arising in the year totalled £29.4 million of which £27.6 million was on fleet assets, an increase of 64% on the previous year. Total investment in fleet assets including new operating lease commitments totalled £32.6m (2006: £20.8m). The sale of fixed assets largely relates to the routine disposal of fleet assets at the end of their useful lives to the Group and the invoicing of customer losses.

FINANCIAL REVIEW

NET DEBT AND INTEREST

Net debt comprised:

	2007 £m	2006 £m
Bank borrowings	**(40.5)**	(33.5)
Loan notes	**(0.1)**	(1.0)
HP / lease obligations	**(2.7)**	(3.7)
Cash	**6.7**	5.6
Net debt	**(36.6)**	(32.6)

The change in net debt is summarised below:

	2007 £m	2006 £m
Opening net debt	**(32.6)**	(2.4)
Free cash flow	**7.2**	9.6
Acquisitions	**(4.6)**	(36.1)
Dividends	**(2.9)**	(2.6)
Purchase of own shares by employee trust	**(3.7)**	(1.1)
Closing net debt	**(36.6)**	(32.6)

The cash flow relating to acquisitions comprised:

	2007 £m	2006 £m
Cost of acquisitions	**4.3**	33.6
Acquired net debt	**0.3**	10.4
Total cost	**4.6**	44.0
Less: contingent consideration	**-**	(7.9)
	4.6	36.1

As a result of the increase in net debt, gearing increased to 56% (2006: 54%). Interest cover, being defined as profit before interest and tax divided by net interest, was 8.1 times (2006: 14.5 times).

ACQUISITIONS AND DISPOSALS

During the year the Group acquired MEP Hire Limited and the business and assets of Midway Plant Hire Limited and Evershore. The total cost of these acquisitions was £4.6m including acquired debt of £0.3m. The Group also sold the non core Pivotal Performance Training business to its management team for a nominal sum. Since the year end the Group has also acquired the entire share capital of Cool Customers Limited and its holding company for a cost of £1.1m.

The goodwill relating to acquisitions made during the year totalled £3.1m. No intangible assets have been identified that can be reliably measured for acquisitions made during the year. Hindsight adjustments relating to finalisation of completion accounts and residual professional fees have been made which increased goodwill by £0.5m in respect of prior year acquisitions. These have been reflected in the restated prior year balance sheet.

No contingent consideration was payable or paid during the reporting period relating to the acquisition of TPA and consequently an adjustment of £1.3m has been made to cost of acquisitions and goodwill.

FINANCIAL REVIEW

TREASURY

The Group operates centralised treasury management over its financial risks within a strong control environment. The Group uses financial instruments to raise finance for its operations and to manage the related financial risks. There is neither speculation nor trading in derivative financial instruments and all funding is properly recognised on the balance sheet. The Board has approved the treasury policy and receives regular reports on compliance. The objectives of the Group's treasury policy are summarised below:

To meet the liquidity requirements of the Group cost effectively. The Group aims to minimise the level of surplus cash balances but, where these arise, tight controls apply to ensure that they are placed with a highly rated counterparty on short term deposit.

To deliver the funding demands of the business at low cost. The Group funding requirements are largely driven by acquisition activity and capital expenditure and met by centrally arranged debt finance. The Group's bank facilities, unchanged from last year, comprise a £35m five year revolving credit facility (to November 2010), a £10m 364 day revolving credit facility and a £10m overdraft facility. At the year end bank borrowings net of cash totalled £33.8m (2006: £27.9m).

To develop and maintain strong and stable banking relationships. The bank loan facilities are with two leading global banks with whom the Group maintains strong working relationships.

To provide reasonable protection against interest rate and foreign currency volatility. Through the use of interest rate swaps, the Group maintains a broadly even mix of fixed and floating rate debt. In November 2005 the Company entered into interest rate swap agreements which fix the interest rate on £15.0m of the floating rate debt for a period of five years, with a bank only break option after three years. In addition, in July 2006, the Group entered into a further interest rate swap agreement which fixed the interest on £5.0m of floating rate debt for a period of 5 years with a bank only break option after one year. The counterparties to these agreements are the two lending banks.

With the expansion of the Airpac Bukom business following the acquisition, last year, of the Bukom companies, the Group's exposure to foreign currency has increased and although it is still relatively modest the Group entered into an exchange rate mechanism for 12 months from September 2006 which limits the fluctuations in exchange rate over a total of $4.8m during that period.

To provide reasonable protection against share price volatility in managing share based payments. The Group provides funding to the Vp Employee Trust to enable the purchase of treasury shares to fix the actual cash cost of share options during their vesting period. At 31 March 2007 Vp Employee Trust held 3,397,000 shares (2006: 2,731,000 shares) against an expected liability in terms of numbers of shares at that date of 4,165,000 (2006: 3,014,000). On a hedged basis against shares held by the Vp Employee Trust the cost of share options including social security costs for the year ended 31 March 2007 was £2,550,000 compared with £2,547,000 charged to the Income Statement under IFRS 2.

NET ASSETS

Group total net assets at the year end totalled £65.6m (2006: £60.3m), an increase of 9%. Consequently net assets per share increased from 131 pence to 142 pence.

DIVIDEND POLICY

The Group operates a progressive dividend policy, with the objective of increasing dividends annually when justified by trading results and prospects.

FINANCIAL CONTROLS

The Group delegates day-to-day control to local management within agreed parameters. The Group has comprehensive control systems in place, with regular reporting to the Executive Directors.

FINANCIAL REVIEW

The Internal Audit department reviews each accounting centre twice a year, and its findings are reported to the Audit Committee.

Further information regarding the Group's procedures to maintain strict controls over all aspects of risk, including financial risk, are set out in the Corporate Governance Report on pages 23 and 24.

RISK AND UNCERTAINTIES

The Group comprises six businesses serving different markets and manages the risks inherent to these activities. The key external risks include general economic conditions, competitor actions, the effect of legislation, credit risk and business continuity. Internal risks relate mainly to investment and controls failure risk. The Group seeks to mitigate exposure to all forms of risk where practicable and to transfer risk to insurers where cost effective. The diversified nature of the Group limits the exposure to external risks within particular markets. Exposure to credit risk in relation to customers, banks and insurers is managed through credit control practices. Business continuity plans exist for key operations and accounting centres. The Group is an active acquirer and acquisitions may involve risks that might materially affect the Group performance. These risks are mitigated by extensive due diligence and appropriate warranties and indemnities from the vendors.

ACCOUNTING POLICIES

The Group and parent company accounting policies are unchanged from last year. Full details of the policies are provided in note 1 to the Financial Statements.

TAXATION

The tax charge for the year represented an effective rate of 27.6% (2006: 28.8%) on the profit before tax. The underlying tax rate, excluding adjustments relating to prior years, was 29.4% (2006: 29.6%). A detailed reconciliation of factors affecting the tax charge is shown in note 7 to the Financial Statements.

The Group seeks to build open relationships with tax authorities and advisors to bring about timely agreement on its tax affairs, and to remove uncertainty on business transactions. The Group's taxation strategy is to mitigate the burden of tax in a responsible manner.

Mike Holt
Group Finance Director
6 June 2007

DIRECTORS' REPORT

The Directors of Vp plc present their annual report and the audited Financial Statements for the year ended 31 March 2007.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The statutory information required concerning the review of the development of the business and the current trading position is provided in the Chairman's Statement, the Business Review and the Financial Review.

DIVIDEND

The Directors are proposing a final dividend of 6.00 pence (2006: 4.65 pence) per share. Subject to approval at the Annual General Meeting, shareholders will receive a total dividend for the year of 8.25 pence (2006: 6.60 pence) per share. This equates to a total dividend of £3,521,000 (2006: £2,824,000) net of waived dividends. As required under adopted IFRSs the dividends charged in the accounts do not include the proposed dividend, which is subject to approval at the Annual General Meeting.

The final dividend will be paid to shareholders on the register of members of the Company on 7 September 2007 and it is proposed that dividend warrants be posted on 1 October 2007.

DIRECTORS

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

Jeremy Pilkington (56) was appointed a Director of the Company in 1979 and was Chairman and Chief Executive between 1981 and 2004. Since July 2004 he has been Chairman of the Company. He is also Chairman of the Nomination Committee.

Neil Stothard (49) joined Vp as Group Finance Director in 1997. In July 2004 he was appointed Group Managing Director. He was previously Group Finance Director of Gray Dawes Group Limited, a business travel management company and prior to that, Divisional Finance Director of TDG plc. He is also a Non Executive of Scarborough Building Society.

Mike Holt (46) joined Vp as Group Finance Director in July 2004. From 1993 until joining Vp, he held a number of senior financial positions with Rolls-Royce Group plc within the UK, USA and Hong Kong.

Barrie Cottingham (73) was appointed a Non Executive Director in 1996. He was a senior partner at Coopers & Lybrand until his retirement in 1995. He was also Non Executive Chairman of SIG plc for 8 years until retiring in 2004 and Non Executive Chairman of Cattles plc for 7 years, having been a Non Executive Director for a total of 11 years until retiring last year. He is Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees.

Peter Parkin (61) was appointed a Non Executive Director in 1999. 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 and Nomination Committees.

Jeremy Pilkington and Peter Parkin retire by rotation and being eligible, offer themselves for re-appointment. Jeremy Pilkington has a service contract with the Company, terminable by 12 months notice. Peter Parkin does not have a service contract, although he does have a letter of engagement.

As Barrie Cottingham has been a Non Executive Director for over nine years he is required under the Combined Code to retire annually and being eligible offers himself for re-appointment. He does not have a service contract with the company, although he does have a letter of engagement.

DIRECTORS' REPORT

There are three committees of the Board, these are:

Remuneration Committee

Peter Parkin – Chairman of the Committee
Barrie Cottingham

Audit Committee

Barrie Cottingham - Chairman of the Committee
Peter Parkin

Nomination Committee

Jeremy Pilkington – Chairman of the Committee
Barrie Cottingham
Peter Parkin

DIRECTORS' INTERESTS

The interests of each Director in the shares of Group companies are shown in the Remuneration Report on page 21.

SUBSTANTIAL SHAREHOLDERS

As at 6 June 2007 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 Ordinary Shares %
Ackers P Investment Company Limited	23,684,876	51.28
JP Morgan Securities Limited	4,274,081	9.25
Vp Employee Trust	3,648,786	7.90

Jeremy Pilkington is a Director of Ackers P Investment Company Limited 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. This communication takes the form of comprehensive team briefings to all employees together with regular Group and divisional newsletters.

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 £32,240 (2006: £28,452). The donations made in the year include sponsorship of employee driven fund raising initiatives on behalf of local and national charities.

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.

DIRECTORS' REPORT

The number of days purchases outstanding at 31 March 2007 was 88 days (2006: 62 days). This figure fluctuates dependent on the creditor position for fleet purchases at the year end and this year is affected by significant fleet purchases in the last two months; excluding these fleet purchases the creditor days would have been 52 days.

ANNUAL GENERAL MEETING

Resolutions are to be proposed as special business to enable the Directors 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. The resolution enabling Directors to continue to allot unissued shares will be limited to the allotment of shares up to a maximum nominal amount of £690,750 which represents 29.9% of the total ordinary share capital in issue at 6 June 2007. The Directors do not have any present intention of exercising such authority. The authority will expire on the date of the next Annual General Meeting after the passing of the proposed resolution. The resolution enabling the Directors to allot shares for cash other than to existing shareholders in proportion to their shareholdings will be limited to the allotment of shares up to a maximum nominal amount of £115,000 which represents 5% of the total ordinary share capital in issue at 6 June 2007. 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 ("Guidelines").

A resolution is also to be proposed to authorise the Company to purchase its own shares, subject to certain specific limits. This resolution is in accordance with the Guidelines. The Directors do not have any present intention of exercising such powers. The maximum and minimum prices that may be paid for an Ordinary Share in exercise of such powers is set out at Resolution 10(b) and 10(c) of the Notice of Meeting on page 60. The Directors undertake to shareholders that they will not exercise the ability to purchase the Company's own shares unless to do so would result in an increase in earnings per share and would be in the best interest of shareholders generally.

GOING CONCERN

As at 31 March 2007 the Group has net debt including finance leases of £36.6m. Further details of the net debt and the Group's finance facilities are provided in the Financial Review on pages 12 to 15. After making enquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis has been adopted in the preparation of the accounts.

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 ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Mike Holt
Company Secretary
6 June 2007

REMUNERATION REPORT

This report sets out the Group's policy on the remuneration of Directors and provides information on Directors' remuneration for the year ended 31 March 2007. The sections on Directors' remuneration, pensions, share options and the long term incentive plan have been audited, the remaining sections are not subject to audit. A resolution will be put to shareholders at the Company's Annual General Meeting to approve this report.

REMUNERATION POLICY

Overview

In framing its remuneration policy, the Board has complied with Schedule B of the Combined Code.

The primary role of the Remuneration Committee 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 membership of this committee is set out in the Directors' Report on page 17. The policy currently applied and to be applied in future years in setting remuneration is described below.

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 package consists of a number of elements: basic salary, annual performance related bonus, share options, long term incentive plan, contributions to a pension scheme and benefits in kind. In determining the performance related incentive plans the Committee is mindful of the balance between performance and non-performance related remuneration. The remuneration of the Non Executive Directors is set by the full board with each Director abstaining from voting on his own remuneration.

In relation to service contracts it is the Committee's policy that no Executive Director should have a contract with a notice period of more than twelve months.

Annual performance related bonus

The Executive Directors are entitled to an annual bonus based on achievement of Group profit targets. The maximum bonus payable is capped at 50% of the Executive Director's basic salary. The actual bonuses accrued for 2006/7 are set out in the table on page 20.

Long-term incentive plan

Under the rules of the long-term incentive plan, Executive Directors and senior management may be awarded rights to acquire shares at no cost. Each award is subject to performance conditions over a three year period. Awards up to June 2003 were subject to the achievement of a minimum compounded growth in earnings per share of 10% over a three year period, return on capital employed of between 12% and 16% and a share price greater than the net asset value per share at the end of the three year period. Since June 2003 the awards are conditional upon the achievement of growth in earnings per share over a three year period and a minimum return on capital of 12% at the end of the three year period. No awards are made if the compounded growth in earnings per share is less than 10% and the maximum award is achieved for 20% growth in earnings per share.

Share option schemes

Under the Approved and Unapproved share option schemes, certain Executive Directors and employees of the Group are granted rights to acquire shares at a pre-determined price, which cannot be less than the higher of the mid-market price on the dealing day immediately before the date of the award and the nominal value of the shares. The awards are conditional upon the achievement of growth in earnings per share over a three year period and a minimum return on capital of 12% at the end of the three year period. No awards are made if the compounded growth in earnings per share is less than 10% and the maximum award is achieved for 15% growth in earnings per share.

Share matching scheme

Under the share matching scheme, certain Executive Directors and senior management of the Group are granted rights to acquire shares at nil cost in proportion to the number of shares purchased from their own funds at the time of the grant. Awards are subject to the same performance conditions as the Approved and Unapproved share option schemes.

REMUNERATION REPORT

Save as you earn scheme

Under the terms of the SAYE scheme invitations are made to all eligible employees. Options are granted at a discount of up to 20% of the mid-market price immediately prior to invitation. At 31 March 2007 there were 352 employees (2006: 255) participating in the scheme.

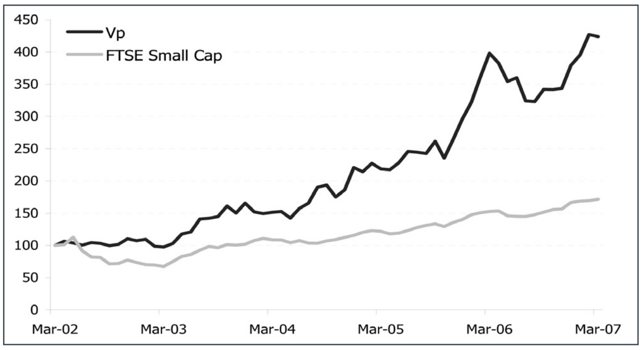
Benefits in kind

For each Executive Director these comprise a contribution to a pension scheme, a car allowance, private health insurance and permanent health insurance.

TOTAL SHAREHOLDER RETURN

The graph opposite charts the total cumulative shareholder return of the Group for the 5 years to 31 March 2007 as compared to the Small Cap index, which is regarded as an appropriate benchmark for the Group's shareholders.

Total shareholder return is defined as the total return a shareholder would receive over the period inclusive of both share price growth and dividends.



SERVICE CONTRACTS

In accordance with the Group's policy, Executive Directors have service contracts which are terminable by the Company on twelve months notice. The contracts of Jeremy Pilkington and Neil Stothard are dated 10 June 2002 and the contract of Mike Holt is dated 15 June 2004.

The Non Executive Directors do not have service contracts, however they do have letters of engagement terminable on three months notice, based on an initial period of one to two years, renewable for a maximum of two further periods of either two or three years or more if regarded in the best interests of the Company. The dates of these letters are 1 March 1996 for Barrie Cottingham and 18 November 1999 for Peter Parkin.

DIRECTORS' REMUNERATION (audited)

The details of the remuneration of Directors for the year ended 31 March 2007 are set out below:

	Salary/Fees	Bonus	Benefits	**Total**	2006
	£000	£000	£000	**£000**	£000
Jeremy Pilkington	300	127	34	**461**	352
Neil Stothard	220	93	20	**333**	252
Mike Holt	150	64	13	**227**	176
Barrie Cottingham	30	-	-	**30**	25
Peter Parkin	30	-	-	**30**	25
	730	284	67	**1,081**	830

PENSIONS (audited)

Jeremy Pilkington is a member of the Vp Pension Scheme, but ceased to accrue benefits from 6 April 2006. 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 (in accordance with the Scheme rules), but not long-term incentive plans. The Remuneration Committee is mindful of Schedule B (Parts 1 and 2) of the Combined Code relating to pension contributions. These current arrangements form part of an existing employment contract and the provisions of the Code, subject to legal obligations, will be reflected in any future arrangements.

REMUNERATION REPORT

In addition, Jeremy Pilkington benefits from a long-standing contractual entitlement to retire at any time after the age of 50 without actuarial reduction of pension. However, he has indicated to the Group in writing that he has no present intention of retiring before the age of 58 at the earliest. The present value cost of funding of this entitlement is estimated at approximately £963,000. This sum is being provided for over the relevant period.

The details of Jeremy Pilkington's benefits are as follows:

Accrued benefit at 31 March 2007	Increase in accrued benefit	Increase in accrued benefit allowing for inflation	Transfer value of increase in accrued benefit	Transfer value of accrued benefit at 1 April 2006	Transfer value of accrued benefit at 31 March 2007	Increase in transfer value
£	£	£	£	£	£	£
195,827	17,848	11,441	199,800	2,551,000	3,365,000	814,000

The Company made the following contributions to Directors' money purchase or personal pension plans.

	2007	2006
	£	£
Neil Stothard	**22,000**	19,000
Mike Holt	**15,000**	13,200
	37,000	32,200

DIRECTORS' INTERESTS (audited)

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 2007	1 April 2006
Jeremy Pilkington	**2,530**	2,530
Neil Stothard	**126,465**	80,188
Mike Holt	**20,340**	15,840
Barrie Cottingham	**35,000**	35,000
Peter Parkin	**67,500**	67,500

During the year Jeremy Pilkington was interested in 23,684,876 shares registered in the name of Ackers P Investment Company Limited. This is a company controlled by a number of trusts with which, for the purposes of Section 346 of the Companies Act 1985, Jeremy Pilkington is deemed to be a connected person.

Share Options

Two Directors have share options and these are set out below:

Scheme	No. of share options at 1 April 2006	Granted	Exercised	Lapsed in year	No of share options at 31 March 2007	Option price
Neil Stothard						
2003 SAYE Scheme	4,352	-	(4,352)	-	-	85p
2004 SAYE Scheme	1,713	-	-	-	1,713	110p
2005 SAYE Scheme	2,296	-	-	-	2,296	165p
2006 SAYE Scheme	-	1,514	-	-	1,514	247p
Approved Share Option Scheme	35,425	-	(35,425)	-	-	57p
Mike Holt						
2004 SAYE Scheme	3,427	-	-	-	3,427	110p
2005 SAYE Scheme	1,148	-	-	-	1,148	165p
2006 SAYE Scheme	-	1,514	-	-	1,514	247p
Approved Share Option Scheme	21,000	-	-	-	21,000	145.5p

REMUNERATION REPORT

Share Matching Scheme

Options held under the Share Matching Scheme were:

	1 April 2006	Granted in year	Lapsed in year	31 March 2007	Vested shares within total
Neil Stothard	19,000	6,500	(562)	24,938	6,938
Mike Holt	12,000	4,500	-	16,500	-

Long-term Incentive Plan

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

	At 1 April 2006	Granted in year	Exercised in year	Lapsed in year	At 31 March 2007	Vested shares within total	Vested in year
Jeremy Pilkington*	620,850*	102,000*	(283,350)*	(7,500)*	432,000*	-	112,500*
Neil Stothard	744,400	88,500	(149,000)	(7,500)	676,400	257,900	112,500
Mike Holt	166,000	51,000	-	-	217,000	-	-

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

The vesting of the outstanding awards at 31 March 2007 is subject to the achievement of performance criteria over the relevant three year periods up to the year ended 31 March 2009.

Details of the market value of shares at the year end and the highest and lowest market values in the financial year are provided in note 21 to the Financial Statements. The share price on the date the awards were made in the year was 290p.

There were no changes in the interests of the Directors between 31 March 2007 and 6 June 2007.

On behalf of the Board

Mike Holt
Company Secretary
6 June 2007

CORPORATE GOVERNANCE

The Board is accountable to the Company's shareholders for good governance and is committed to high standards of corporate governance throughout the Group. This statement describes how the principles identified in the Combined Code on Corporate Governance, as revised in July 2003 (the Code), are applied by the Company.

The Board confirms that throughout the year ended 31 March 2007 the Company has been in compliance with all of the provisions of the Code.

DIRECTORS

The Board consists of three Executive Directors and two Non Executive Directors, both of whom are considered by the Board to be independent. The Chairman is an Executive Director. Barrie Cottingham is the senior independent Non Executive Director. The biographies of the Board members shown on page 16 indicate the high level and broad range of experience which the Board possesses.

Appropriate training for new and existing Directors is kept under review and provided where necessary.

THE BOARD

The role of the Board is to maximise the long-term performance of the Group through the implementation of strategies designed to enhance shareholder value. The Board reviews strategy on a regular basis and exercises control over the performance of each operating company within the Group by agreeing budgetary targets and monitoring performance against those targets.

The roles of the Chairman and Group Managing Director are separate and clearly defined. The Chairman runs the Board and sets the strategic agenda for the Group. The Group Managing Director is responsible for the operational management of the Group's business.

The Board has five scheduled meetings each year and additional meetings are held as required. The Board has a schedule of matters reserved for its approval, including major capital expenditure, significant investments or disposals and treasury policy. In certain areas, specific responsibility is delegated to committees of the Board within defined terms of reference.

The Audit Committee has two scheduled meetings each year and the Remuneration and Nomination Committees each have one, with additional meetings held as required.

During the year, all Directors attended the five Board meetings that were held. All of the members of the respective committees attended the two Audit Committee meetings and the one Remuneration Committee meeting held during the year.

The membership of the Committees appears on page 17. Copies of the terms of reference of the Audit, Remuneration and Nominations Committees are available on the Company's web site at www.vpplc.com.

There is an agreed procedure for Directors to take independent professional advice at the Company's expense if deemed necessary for the correct performance of their duties. The Company Secretary is charged by the Board with ensuring that Board procedures are followed.

During the year, the Board implemented minor improvements following last year's formal and rigorous evaluation of its performance and that of its committees and the Chairman. The evaluation was undertaken using a questionnaire prepared for the Board by Equity Culture, an independent consultant, which drew on its experience of good practice across a range of listed companies. As a result the Board feels that there are no major issues requiring change, but will continue to evaluate performance on a regular basis and implement changes as necessary.

To enable the Board to function effectively and assist Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board meetings, this consists of a comprehensive set of papers, including latest available management accounts, regular business progress reports and discussion documents regarding specific matters. In addition, senior managers are regularly invited to Board meetings and make business presentations to the Board. The evaluation of Board performance concluded that the level of information made available to the Board was of appropriate quality and provided on a timely basis.

Any Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting. The articles also require that at least a third of Directors should retire and seek re-election each year. Jeremy Pilkington and Peter Parkin shall retire by rotation and seek re-election by shareholders at the next Annual General Meeting. In addition Barrie Cottingham having served over nine years as a Non Executive Director shall annually retire and offers himself for re-election by shareholders at the next Annual General Meeting in accordance with the Code (A.7.2). The Board continues to regard Barrie Cottingham as independent and values his contribution to the Company.

Full details of Directors' remuneration and a statement of the Company's remuneration policy are set out in the Remuneration Report appearing on pages 19 to 22. Each Executive Director abstains from any discussion or voting at full Board meetings, on the recommendation of the Remuneration Committee, which have a direct bearing on his own remuneration package. Each Executive Directors individual package is set by the Remuneration Committee in line with the policy adopted by the full Board.

CORPORATE GOVERNANCE

COMMUNICATION WITH STAKEHOLDERS

The Company places a great deal of importance on communication with its stakeholders.

There is regular dialogue with individual institutional shareholders as well as general presentations following the interim and preliminary results. All Company announcements are published on the web site and the Investor Centre includes presentation material and other information useful to shareholders.

The Board regards the discussion of the Company's strategy as part of the role of the Group Managing Director and this forms part of his regular meetings with institutional shareholders. Feedback from these meetings is provided to the Board, both by the Group Managing Director and Group Finance Director and by the Company's financial public relations advisors. The Board also regularly receives copies of analysts' reports on the Company.

The Chairman is available to shareholders at any time to discuss strategy and governance matters. While the Non Executive Directors do not ordinarily attend meetings with major shareholders, they are available if requested by shareholders.

All shareholders have the opportunity to ask questions at the Company's Annual General Meeting, at which all Directors are available to take questions.

As discussed in the Directors' Report, employee communication is given high priority.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts (see also page 18).

AUDIT

The primary role of the Audit Committee is to keep under review the Group's financial and other systems and controls and its financial reporting procedures. In fulfilling this role, the Committee receives and reviews work carried out by the internal and external auditors. The Company's internal audit department works to an annual programme developed in consultation with the Committee, as well as covering specific matters arising during the year.

The Audit Committee's terms of reference have been updated to reflect the requirements of the Code.

The Committee keeps the scope and cost effectiveness of both the internal and external audit functions under review. This includes a regular review of the effectiveness of the external auditor.

The independence and objectivity of the external auditor is also considered on a regular basis, with particular regard to the level of non-audit fees. The split between audit and non-audit fees for the year to 31 March 2007 and information on the nature of the non-audit fees incurred appear in note 3 to the Financial Statements. The non-audit fees which were paid in respect of taxation, due diligence and other advice are considered by the Committee not to affect the independence or objectivity of the auditors. The external auditor's appointment is subject to regular review by the Committee and the lead audit partner is rotated at least every five years. The Committee also maintains a formal policy on the provision of non-audit services by the auditor, which is reviewed each year. This policy prohibits the provision of certain services and requires that others are subject to prior approval by the Committee or its Chairman. All other permitted non-audit services are considered on a case by case basis.

The Committee also receives an annual confirmation of independence from the auditor.

INTERNAL CONTROL

Throughout the year, the Group has been in full compliance with the applicable provisions on internal control contained in the Code.

The Board has overall responsibility for the Group's system of internal controls and risk management and the Audit Committee reviews and monitors the system's effectiveness on behalf of the Board at least annually. The responsibility for the system rests with the Executive Directors. The system includes an ongoing process for identifying, evaluating and managing significant business risks. However, any system can provide only reasonable and not absolute assurance of meeting internal control objectives.

The Audit Committee reports on its assessment to the Board, so that the Board can reach its own informed view on control effectiveness. The Board confirms that it has reviewed the significant risks affecting the Group and has reviewed the effectiveness of the system of internal controls in place during the year ended 31 March 2007 and through to the date of this report.

The Statement of the Directors' Responsibilities in relation to the accounts appears on page 27.

CORPORATE AND SOCIAL RESPONSIBILITY

The Group is very aware of its corporate and social responsibilities. We therefore give careful consideration to areas such as:

- Employment
- Health and Safety
- The Environment
- The Community

In considering these areas we not only take account of the most recent legislation and best practice in each area, but also consider the wider picture or individual circumstances where appropriate.

EMPLOYMENT

We recognise that people are one of our key assets and a very important factor in our success. It is therefore vital that we treat them with respect and ensure that proper account is taken of any issues or concerns they may have. Our employment practices, which are summarised below, take this into account.

The Group is an equal opportunity employer and therefore is committed to providing the same level of opportunity to all, regardless of creed, colour, age, sex, disability or sexual orientation.

Our policies and procedures are reviewed regularly and our line managers are kept up to date with changes to employment legislation. Our policies are applied fairly and consistently with the aim of making the Group an employer who maintains a good relationship with its employees and encourages them to balance work requirements with both social and family needs.

We recognise the importance of attracting talented people to our business. Our recruitment processes are rigorous and competency based. Our aim is to recruit the best.

Retaining talented people is vital to our continued success. We therefore have an extensive training programme that commences with a detailed induction programme and moves on to cover all the technical skills that our employees require to carry out their roles. Management development programmes are run for all individuals new to management roles and we actively encourage and sponsor individuals to develop themselves through further education programmes. Throughout this process we try to ensure that our people fulfil their potential to the benefit of both the individual and the Group.

The Group has an established whistle blowing policy and employees are free to voice concerns on a confidential basis through the Human Resources Director to ultimately the Chairman, or the Non Executive Directors, if appropriate.

HEALTH AND SAFETY

All Group sites operate in accordance with the Group's Health and Safety and Environmental policies and procedures. These policies and procedures are designed to ensure that the health and safety of all our employees and customers and anyone else who is affected by our activities is appropriately safeguarded.

Furthermore, the Group is committed to developing a culture where all employees pay appropriate attention to health and safety risks to ensure that accidents and dangerous occurrences are prevented wherever possible. To this end the following actions are taken:

- Health and safety training is provided as appropriate and forms part of the induction process for all new employees.
- Health and safety is a standing agenda item at all Board meetings.
- Health and safety issues are reported, if appropriate, within the monthly divisional board reports.

In addition to these internal activities all Group locations are subject to regular health and safety audits by an independent company with appropriate reporting at both local and Group level. The same company also provides independent advice on health and safety issues and new legislation.

CORPORATE AND SOCIAL RESPONSIBILITY

THE ENVIRONMENT

We are aware of the potential risks which our operations may cause to the environment. It is the Group's policy to ensure as far as is reasonably practicable and within the scope of current best practice, that our operations are carried out in such a manner so as to minimise any adverse impact of our activities on the environment.

In order to comply with this policy, the Group Health and Safety and Environmental Policy and Procedures Manual sets out the environmental responsibilities for all levels of management in the Group.

The two main areas where the Group's operations have an impact on the environment are emissions to air (principally CO_2) from our equipment and through our energy use and the disposal of fuel and oil.

Emissions to air

During the year the Group embarked on a comprehensive carbon audit with a view to identifying environmental impact mitigation opportunities. We have developed the key performance indicators outlined in the table below; these will enable us to review our performance throughout the year and year on year. The external haulage emissions have been based on assumptions relating to average journey distances and the average fuel usage of hauliers' vehicles. The CO_2 emissions for all categories are based on the DEFRA July 2005 table for converting energy usage to CO_2 emissions.

Direct Impacts (Operational)

Energy Type	Absolute Tonnes CO_2		Normalised Tonnes CO_2 per £m Turnover	
	2007	2006	**2007**	2006
Gas and electricity	**1,986**	1,914	**16.33**	19.25
Diesel	**9,678**	9,273	**79.59**	93.29
Gas Oil	**1,386**	1,251	**11.40**	12.59
Total	**13,050**	12,438	**107.32**	125.13

Indirect (Supply Chain)

Energy Type	Absolute Tonnes CO_2		Normalised Tonnes CO_2 per £m Turnover	
	2007	2006	**2007**	2006
External Haulage	**3,409**	2,952	**28.03**	29.70

We have used the results of our carbon audit to highlight areas where we believe we can reduce the impact on the environment of our day to day activities and promote good environmental practices. We have formulated a detailed action plan based on advice received from the Carbon Trust and the Energy Saving Trust which will be used to further develop our environmental programmes and policies over the forthcoming year.

Our immediate target is to freeze our CO_2 emissions at current levels and thereafter to progressively reduce them within a structured five year plan.

Waste

During the year we have continued to ensure that:

- We are in full compliance with all current legislation
- All waste is stored securely and disposed of via appropriately registered waste disposal companies
- Fuel, oil or any other waste products are not allowed into surface water drains or allowed to contaminate land or groundwater

COMMUNITY

We recognise that in addition to the economic benefits our trading activity brings, we have a wider social responsibility. As such we actively support both local and national charities. During the year ended 31 March 2007 we donated over £32,000 to charities. This included support to employees participating in fund raising activities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

The Group and Parent Company Financial Statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the Group and the Parent Company and the performance for that period; the Companies Act 1985 provides in relation to such Financial Statements that references in the relevant part of that Act to Financial Statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 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.

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

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

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Vp plc

We have audited the Group and Parent Company Financial Statements (the ''Financial Statements'') of Vp plc for the year ended 31 March 2007 which comprise the Consolidated Income Statement, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Cash Flow Statements, the Consolidated and Parent Company Statements of Recognised Income and Expense, and the related notes. These Financial Statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 27.

Our responsibility is to audit the Financial Statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and whether the Financial Statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the Financial Statements. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement, Business Review and Financial Review that is cross referenced from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, 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 information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2003 Combined Code specified for our review by the Listing Rules of 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 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. Our responsibilities do not extend to any other information.

AUDITORS' REPORT

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Group's and Company'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 and the part of the Directors' Remuneration Report to be audited 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 and the part of the Directors' Remuneration Report to be audited.

OPINION

In our opinion:

- the Group Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 March 2007 and of its profit for the year then ended;
- the Parent Company Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the EU as applied in accordance with the provisions of the Companies Act 1985, of the state of the Parent Company's affairs as at 31 March 2007;
- the Financial Statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the Financial Statements.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds
6 June 2007

CONSOLIDATED INCOME STATEMENT

for the Year Ended 31 March 2007

	Notes	2007 £000	2006 £000
Revenue	2	**121,607**	99,396
Cost of sales		**(84,897)**	(72,092)
Gross profit		**36,710**	27,304
Administrative expenses		**(20,459)**	(15,842)
Operating profit before other income		**16,251**	11,462
Other income – property profit		**257**	-
Operating profit	2,3	**16,508**	11,462
Financial income	6	**125**	188
Financial expenses	6	**(2,154)**	(978)
Profit before taxation		**14,479**	10,672
Income tax expense	7	**(3,998)**	(3,070)
Net profit for the year		**10,481**	7,602
Basic earnings per 5p ordinary share	20	**24.50p**	17.49p
Diluted earnings per 5p ordinary share	20	**23.34p**	16.83p
Dividend per 5p ordinary share interim paid and final proposed	19	**8.25p**	6.60p

All profits for the year are attributable to equity holders of the parent.

STATEMENTS OF RECOGNISED INCOME AND EXPENSE

Consolidated Statement of Recognised Income and Expense for the Year Ended 31 March 2007

	Note	2007 £000	2006 £000
Actuarial gains on defined benefit pension scheme	24	**411**	231
Tax on items taken directly to equity		**(123)**	(67)
Effective portion of changes in fair value of cash flow hedges		**366**	(89)
Foreign exchange translation difference		**(1)**	-
Net income recognised direct to equity		**653**	75
Profit for the year		**10,481**	7,602
Total recognised income and expense for the year		**11,134**	7,677

Total recognised income and expense for the year is all attributable to equity holders of the parent.

Parent Company Statement of Recognised Income and Expense for the Year Ended 31 March 2007

	Note	2007 £000	2006 £000
Actuarial gains on defined benefit pension scheme	24	**411**	231
Tax on items taken directly to equity		**(123)**	(67)
Effective portion of changes in fair value of cash flow hedges		**366**	(89)
Net income recognised direct to equity		**654**	75
Profit for the year		**6,655**	5,621
Total recognised income and expense for the year		**7,309**	5,696

CONSOLIDATED BALANCE SHEET

at 31 March 2007

	Note	2007 £000	2006 (Restated) £000
Non-current assets			
Property, plant and equipment	8	**76,797**	66,041
Intangible assets	9	**35,909**	34,133
Total non-current assets		**112,706**	100,174
Current assets			
Inventories	11	**4,814**	3,119
Income tax receivable		**-**	34
Trade and other receivables	12	**30,112**	28,185
Cash and cash equivalents	13	**6,662**	5,578
Total current assets		**41,588**	36,916
Total assets		**154,294**	137,090
Current liabilities			
Interest-bearing loans and borrowings	14	**(7,535)**	(2,148)
Income tax payable		**(1,500)**	(1,183)
Trade and other payables	16	**(31,698)**	(21,744)
Total current liabilities		**(40,733)**	(25,075)
Non-current liabilities			
Interest-bearing loans and borrowings	14	**(35,677)**	(36,062)
Employee benefits	24	**(2,048)**	(2,894)
Other payables	16	**(4,240)**	(7,930)
Deferred tax liabilities	17	**(6,004)**	(4,806)
Total non-current liabilities		**(47,969)**	(51,692)
Total liabilities		**(88,702)**	(76,767)
Net assets		**65,592**	60,323
Equity			
Issued share capital	18	**2,309**	2,309
Share premium	18	**16,192**	16,192
Hedging reserve	18	**277**	(89)
Retained earnings	18	**46,787**	41,884
Total equity attributable to equity holders of the parent		**65,565**	60,296
Minority interest	18	**27**	27
Total equity		**65,592**	60,323

Details of the restatement of the prior year, relating solely to refinements to the accounting for acquisitions are shown in the appropriate notes.

These financial statements were approved by the Board of Directors
on 6 June 2007 and were signed on its behalf by:

J F G Pilkington
Chairman

M J Holt
Director

PARENT COMPANY BALANCE SHEET

at 31 March 2007

	Note	2007 £000	2006 (Restated) £000
Non-current assets			
Property, plant and equipment	8	**38,363**	35,681
Intangible assets	9	**9,727**	4,959
Investments in subsidiaries	10	**31,600**	37,528
Total non-current assets		**79,690**	78,168
Current assets			
Inventories	11	**1,881**	1,311
Income tax receivable		**-**	34
Trade and other receivables	12	**50,155**	39,976
Cash and cash equivalents	13	**3,387**	3,617
Total current assets		**55,423**	44,938
Total assets		**135,113**	123,106
Current liabilities			
Interest-bearing loans and borrowings	14	**(6,570)**	(955)
Income tax payable		**(967)**	(877)
Trade and other payables	16	**(34,742)**	(25,920)
Total current liabilities		**(42,279)**	(27,752)
Non-current liabilities			
Interest-bearing loans and borrowings	14	**(34,000)**	(33,570)
Employee benefits	24	**(2,048)**	(2,894)
Other payables	16	**(4,240)**	(7,930)
Deferred tax liabilities	17	**(2,821)**	(2,679)
Total non-current liabilities		**(43,109)**	(47,073)
Total liabilities		**(85,388)**	(74,825)
Net assets		**49,725**	48,281
Equity			
Issued share capital	18	**2,309**	2,309
Share premium	18	**16,192**	16,192
Hedging reserve	18	**277**	(89)
Retained earnings	18	**30,947**	29,869
Total equity		**49,725**	48,281

Details of the restatement of the prior year, relating solely to refinements to the accounting for acquisitions are shown in the appropriate notes.

These financial statements were approved by the Board of Directors on 6 June 2007 and were signed on its behalf by:

J F G Pilkington
Chairman

M J Holt
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2007

	Note	2007 £000	2006 (Restated) £000
Cash flows from operating activities			
Profit before taxation		**14,479**	10,672
Adjustments for:			
Pension fund contributions in excess of service cost		**(435)**	(791)
Share based payment charges		**1,000**	292
Depreciation	8	**14,093**	12,224
Amortisation of intangibles	9	**25**	4
Financial expense		**2,154**	978
Financial income		**(125)**	(188)
Profit on sale of property, plant and equipment		**(3,307)**	(2,275)
Operating cash flow before changes in working capital and provisions		**27,884**	20,916
Increase in inventories		**(1,458)**	(559)
Increase in trade and other receivables		**(1,131)**	(579)
Increase in trade and other payables		**4,599**	2,832
Cash generated from operations		**29,894**	22,610
Interest paid		**(1,930)**	(710)
Interest element of finance lease rental payments		**(155)**	(111)
Interest received		**125**	188
Income taxes paid		**(2,890)**	(3,120)
Net cash from operating activities		**25,044**	18,857
Investing activities			
Proceeds from sale of property, plant and equipment		**8,966**	6,181
Purchase of property, plant and equipment		**(26,746)**	(15,506)
Acquisition of businesses and subsidiaries (net of cash and overdrafts)	25	**(4,375)**	(28,964)
Net cash from investing activities		**(22,155)**	(38,289)
Cash flows from financing activities			
Purchase of own shares by Employee Trust		**(3,671)**	(1,073)
Repayment of borrowings		**(156)**	(8,000)
Repayment of loan notes		**(941)**	(125)
New loans		**7,000**	33,500
Payment of hire purchase and finance lease liabilities		**(1,105)**	(2,475)
Dividend paid	19	**(2,932)**	(2,572)
Net cash from financing activities		**(1,805)**	19,255
Net increase/(decrease) in cash and cash equivalents		**1,084**	(177)
Cash and cash equivalents as at the beginning of the year		**5,578**	5,755
Cash and cash equivalents as at the end of the year	13	**6,662**	5,578

PARENT COMPANY STATEMENT OF CASH FLOWS

for the Year Ended 31 March 2007

	Note	2007 £000	2006 (Restated) £000
Cash flows from operating activities			
Profit before taxation		**8,886**	7,897
Adjustments for:			
Pension fund contributions in excess of service cost		**(435)**	(791)
Share based payment charges		**1,000**	292
Depreciation	8	**6,551**	5,780
Amortisation of intangibles	9	**25**	4
Financial expense		**1,991**	868
Financial income		**(502)**	(237)
Profit on sale of property, plant and equipment		**(1,875)**	(1,140)
Operating cash flow before changes in working capital and provisions		**15,641**	12,673
Increase in inventories		**(570)**	(520)
Increase in trade and other receivables		**(10,268)**	(9,410)
Increase in trade and other payables		**3,946**	5,766
Cash generated from operations		**8,749**	8,509
Interest paid		**(1,920)**	(702)
Interest element of finance lease rental payments		**(2)**	(9)
Interest received		**502**	237
Income taxes paid		**(2,109)**	(2,494)
Net cash from operating activities		**5,220**	5,541
Investing activities			
Proceeds from sale of property, plant and equipment		**5,112**	2,800
Purchase of property, plant and equipment		**(9,579)**	(10,076)
Acquisition of businesses (net of cash and overdrafts)	25	**(368)**	(4,030)
Acquisition of subsidiaries		**(57)**	(16,511)
Net cash from investing activities		**(4,892)**	(27,817)
Cash flow from financing activities			
Purchase of own shares by Employee Trust		**(3,671)**	(1,073)
Repayment of borrowings		**-**	(8,000)
Repayment of loan notes		**(941)**	(125)
New loans		**7,000**	33,500
Payment of finance lease liabilities		**(14)**	(53)
Dividend paid	19	**(2,932)**	(2,572)
Net cash from financing activities		**(558)**	21,677
Net decrease in cash and cash equivalents		**(230)**	(599)
Cash and cash equivalents as at the beginning of the year		**3,617**	4,216
Cash and cash equivalents as at the end of the year	13	**3,387**	3,617

NOTES (forming part of the financial statements)

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

Vp plc is a company incorporated in Great Britain. These consolidated Financial Statements of Vp plc for the year ended 31 March 2007, consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company Financial Statements present information about the Company as a separate entity and not about the Group.

Both the Parent Company Financial Statements and the Group Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU ("Adopted IFRSs"). In publishing the Parent Company Financial Statements here together with the Group Financial Statements, the Company has taken advantage of the exemptions in s230 of the Companies Act 1985 not to present its individual income statement and related notes that form part of these approved Financial Statements.

Basis of preparation

The Financial Statements are presented in sterling, rounded to the nearest thousand. They are prepared on the historic cost basis except that derivative financial instruments and cash settled share options are stated at fair value.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated Financial Statements.

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2007 and have not been applied in preparing these financial statements namely:

- IFRS7 Financial Instruments - Disclosures
- IAS1 Presentation of Financial Instruments - Capital Disclosures
- IFRIC9: Reassessment of Embedded Derivatives

The application of these standards and interpretations are not expected to have a material impact on the Financial Statements.

The implementation of IFRS7 and amendments to IAS1 will increase the amount of disclosure regarding significance, nature and associated risk of financial instruments, however the accounting, income and net assets will remain unaltered.

IFRIC8 Scope of IFRS2 – share based payments has been adopted early in the year, but this did not have a material impact on the prior year Financial Statements, see the accounting policy disclosure below.

Basis of consolidation

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The Financial Statements of subsidiaries are included in the consolidated Financial Statements from the date that control commences until the date that control ceases.

Revenue

Revenue represents the amounts (excluding Value Added Tax) derived from the hire of equipment and the provision of goods and services to third party customers during the year. Revenue from equipment hire is recognised from the start of hire through to the end of the agreed hire period. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer and revenue from services rendered is recognised in the Income Statement in proportion to the stage of completion of the transaction at the balance sheet date.

Investments

In the Company's Financial Statements, investments in subsidiary undertakings are stated at cost less impairment. During the year a transfer was made from cost of investments to goodwill to reflect the transfer of goodwill associated with the hive up of acquired businesses and assets. The transfer reduced the holding value of the acquired shares to the fair value of acquired assets.

Dividends received and receivable from post acquisition profit are credited to the Company's Income Statement to the extent that they represent a realised profit for the Company.

Intangible assets and goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of businesses and subsidiaries as detailed below.

In respect of business acquisitions that have occurred since 1 April 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from contractual or legal rights regardless of whether those rights are separable.

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets and goodwill (continued)

The Group has chosen not to restate business combinations prior to the transition date of 1 April 2004 on an IFRS basis, as permitted by IFRS 1. Goodwill is included on the basis of its deemed cost, which represents its carrying amount at the date of transition to adopted IFRSs.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to business units and is not amortised.

Amortisation of identified intangibles is charged to the Income Statement on a straight line basis over the estimated useful lives of these assets unless their lives are indefinite. Goodwill and intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful life of a supply agreement is the duration of that agreement. Amortisation is charged against cost of sales in the Income Statement.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Share Based Payments

The fair value of share options is charged to the Income Statement based upon their fair value at the date of grant with a corresponding increase in equity. The charge is recognised evenly over the vesting period of the options. The liabilities for cash settled share based payment arrangements are measured at fair value.

The fair values are calculated using an appropriate option pricing model. The Group's Approved, Unapproved and Save As You Earn (SAYE) schemes have been valued using the Black-Scholes model and the Income Statement charge is adjusted to reflect the expected number of options that will vest, based on expected levels of performance against non-market based conditions and the expected number of employees leaving the Group. The fair values of the Group's Long Term Incentive Plan (LTIP) and Share Matching options are calculated using a discounted grant price model again adjusted for expected performance against non-market based conditions and employees leaving the Group.

Any cash settled options are valued at their fair value as calculated at each period end, taking account of performance criteria and expected numbers of employees leaving the Group and the liability is reflected in the balance sheet within accruals.

The Group has chosen to adopt the exemption permitted by IFRS 1 whereby, for equity settled options, IFRS 2 is only applied to options granted after 7 November 2002 that had not vested at 1 January 2005.

The parent company recharges the subsidiary entities with the fair value of the share options relating to the employees associated with that entity.

Treasury shares

The Group has an employee trust (the Vp Employee Trust) for the warehousing of shares in support of awards granted by the Company under its various share option schemes. The Group accounts include the assets and related liabilities of the Vp Employee Trust. In both the Group and Parent Company accounts the shares in the Group held by the employee trust are treated as treasury shares, are held at cost, and presented in the balance sheet as a deduction from retained earnings. The shares are ignored for the purpose of calculating the Group's earnings per share.

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 April 2004, the date of transition to adopted IFRSs, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation, as permitted by the exemption in IFRS 1.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Operating lease payments are accounted for as described in the accounting policy on operating leases.

Profit on disposal of rental equipment is credited to cost of sales to reflect the fact that it relates to the routine disposal of rental equipment and in essence is an adjustment to depreciation previously charged.

Depreciation is provided by the Group to write off the cost or deemed cost less estimated residual value of tangible fixed assets using the following annual rates:

Freehold buildings	–	2% straight line
Leasehold improvements	–	Term of lease
Rental equipment	–	10% - 33% straight line depending on asset type
Motor vehicles	–	25% straight line
Computers	–	33% straight line
Fixtures, fittings and other equipment	–	10% - 20% straight line

No depreciation is provided on freehold land.

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell.

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 Income Statement. Non-monetary assets and liabilities that are stated at fair value are translated to sterling at the foreign exchange rates ruling at the date the values were determined.

The assets and liabilities of foreign operations are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at rates approximating to the foreign exchange rates ruling at the date of the transactions. Foreign exchange differences arising on retranslation are recognised directly in equity.

Operating leases

Payments made under operating leases are recognised in the Income Statement on a straight line basis over the term of the lease.

Interest bearing loans and borrowings

Financial assets and liabilities are recognised on the balance sheet when the Group becomes party to the contractual provision of the instrument. Interest bearing borrowings are recognised initially at fair value less 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 periods of the borrowings on an effective interest basis.

Derivative financial instruments

Interest rate and exchange rate swaps are accounted for in the balance sheet at fair value and any movement in fair value is taken to the Income Statement, unless the transaction is designated as an effective hedge of the variability in cash flows (a cash flow hedge) in which case it is accounted for in accordance with the following:

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e., when interest income or expense is recognised). For cash flow hedges, other than that covered by the preceding policy statement, the associated cumulative gain or loss is removed from equity and recognised in the Income Statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the Income Statement.

The fair value of interest rate swaps is the estimated amount the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of the exchange rate swap is the estimated amount the Group would receive or pay to terminate the swap at the balance sheet date taking account of current exchange rates. The carrying value of hedge instruments is presented within other receivables.

Employee benefits - pensions

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

The Group's net obligation in respect of its defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits - pensions (continued)

The Group's net obligation is recorded as a balance sheet liability and the actuarial gains and losses associated with this liability are recognised in the Statement of Recognised Income and Expense as they arise. All cumulative actuarial gains and losses at 1 April 2004, the date of transition to adopted IFRSs, were recognised directly in equity. Actuarial gains and losses occur when actuarial assumptions including expected returns on scheme assets differ from those previously envisaged by the actuary.

When the benefits of the plan are improved the proportion of the increased benefit relating to past service by employees is recognised as an expense in the Income Statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the Income Statement.

The full service cost of the pension scheme is charged to operating profit.

Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the Statement of Cash Flows.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw materials and consumables stock is held primarily for the repair and maintenance of fleet assets. Goods for resale relate to stock held for sale. The basis of expensing stock is either on a first-in first-out basis or weighted average basis depending on the system used.

Impairment

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised through the Income Statement. For goodwill and assets that have an indefinite useful life the recoverable amount is tested at each balance sheet date.

Taxation

The charge for taxation is based on the results for the year and takes into account full provision for deferred taxation due to temporary differences between the carrying value of an asset or liability and its tax base.

Deferred tax is provided 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 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.

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 reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are not discounted and are offset where amounts will be settled on a net basis as a result of a legally enforceable right.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Financial guarantee contracts

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

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting estimates and judgements

The key accounting policies and estimates used in preparing the Group's Annual Report and Accounts for the year ended 31 March 2007 have been reviewed and approved by the Audit Committee. The areas of principal accounting uncertainty are impairment of goodwill and other intangibles, estimated useful lives of fleet assets, assumptions relating to pension costs and the impact of the Group's share price on its liability for cash settled share options.

Goodwill and other intangibles are tested for impairment by reference to the expected cash generated by the business unit. This is deemed to be the best approximation of value, but is subject to the same uncertainties as the cash flow forecast being used.

The Group continually reviews depreciation rates and adopts a cautious policy in assessing estimated useful economic lives of fleet assets (see page 37). The rate of technological and legislative change is factored into the estimates, together with the diminution in value through use and time. As an equipment rental specialist, the Group disposes of used assets and generally achieves profits on disposals which are used to further assess the level of provisioning for asset depreciation across the Group.

The key assumptions applied to pensions are disclosed in note 24. The pension scheme liabilities are derived using actuarial assumptions for inflation, future salary increases, discount rates and mortality rates which are inherently uncertain. Due to the relative size of the scheme liabilities, small changes to these assumptions can give rise to a significant impact on the pension scheme deficit reported in the Balance Sheet.

Certain share options granted by the Group are settled in cash and these are required to be re-measured at each reporting date. Changes in the Company's share price during the reporting period therefore impact the charge to the Income Statement for cash settled options, including vested but not exercised options, as well as unvested options.

2. SEGMENT REPORTING

Segment reporting is presented in respect of the Group's business and geographical segments. The primary reporting segments are the Group's six business units. Details of these are set out on page 1. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Geographical segments

Revenue is mainly within the United Kingdom, but in the year included £7,860,000 (2006: £1,823,000) of revenue with the rest of the world. All Group revenue originates from the United Kingdom. All material assets and liabilities of the Group are accounted for by UK based companies.

Business Segments

	Revenue						Operating Profit	
	2007			2006			**2007**	2006
	External Revenue £000	**Internal Revenue £000**	**Total Revenue £000**	External Revenue £000	Internal Revenue £000	Total Revenue £000	**£000**	£000
Groundforce	**28,119**	**-**	**28,119**	23,542	-	23,542	**6,384**	5,258
UK Forks	**13,933**	**350**	**14,283**	14,307	350	14,657	**1,407**	2,071
Airpac Bukom	**10,033**	**-**	**10,033**	4,997	-	4,997	**2,360**	1,242
Hire Station	**44,931**	**450**	**45,381**	41,937	300	42,237	**3,121**	1,433
Torrent Trackside	**13,149**	**-**	**13,149**	12,134	-	12,134	**1,954**	1,733
TPA	**11,442**	**-**	**11,442**	2,479	-	2,479	**1,025**	(275)
Group Head Office	**-**	**-**	**-**	-	-	-	**257**	-
	121,607	**800**	**122,407**	99,396	650	100,046	**16,508**	11,462

NOTES

2. SEGMENT REPORTING (continued)

Business Segments

	Assets		Liabilities		Net Assets	
	2007	2006 (Restated)	**2007**	2006 (Restated)	**2007**	2006
	£000	£000	**£000**	£000	**£000**	£000
Groundforce	**27,394**	22,887	**7,940**	5,183	**19,454**	17,704
UK Forks	**15,479**	15,504	**3,778**	2,492	**11,701**	13,012
Airpac Bukom	**15,665**	14,704	**2,827**	2,377	**12,838**	12,327
Hire Station	**44,746**	37,633	**10,572**	8,400	**34,174**	29,233
Torrent Trackside	**9,435**	7,949	**3,064**	3,268	**6,371**	4,681
TPA	**32,774**	29,855	**13,288**	15,097	**19,486**	14,758
Group/unallocated	**8,801**	8,558	**47,233**	39,950	**(38,432)**	(31,392)
	154,294	137,090	**88,702**	76,767	**65,592**	60,323

	Acquired Assets		Capital Expenditure		Depreciation and Amortisation	
	2007	2006 (Restated)	**2007**	2006	**2007**	2006
	£000	£000	**£000**	£000	**£000**	£000
Groundforce	**323**	3,960	**5,943**	2,496	**2,510**	2,313
UK Forks	**-**	-	**3,423**	3,189	**2,347**	2,416
Airpac Bukom	**-**	7,987	**2,498**	766	**1,324**	757
Hire Station	**3,862**	3,196	**8,909**	7,934	**4,584**	4,531
Torrent Trackside	**-**	-	**3,261**	2,429	**1,686**	1,485
TPA	**-**	26,882	**4,935**	1,154	**1,272**	428
Group/unallocated	**-**	-	**445**	171	**395**	298
	4,185	42,025	**29,414**	18,139	**14,118**	12,228

Acquired assets relate to non–current assets acquired as a result of acquisitions, including intangible assets and goodwill. Capital expenditure relates to tangible fixed assets acquired in the normal course of business.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	**2007** **£000**	2006 £000
Amortisation of intangible assets	**25**	4
Depreciation of property, plant and equipment – owned	**13,666**	11,956
– leased	**427**	268
Rent of land and buildings	**2,758**	2,595
Hire of other assets	**10,199**	9,479
Profit on sale of plant and equipment	**(3,050)**	(2,275)
Profit on property transactions	**(257)**	-
Restructuring costs relating to the Pivotal acquisition	**-**	497
Amounts paid to auditors:		
Audit fees – parent company annual accounts	**52**	60
– other group companies	**46**	55
– total group	**98**	115
Tax services	**53**	46
Other services pursuant to legislation	**27**	49

In addition £5,000 (2006: £140,000) was paid to Group auditors and their associates in relation to acquisitions and is included in cost of investments and goodwill capitalised.

Amounts paid to the Company's auditor in respect of services to the Company, other than audit of the Company's Financial Statements have not been disclosed as the information is required to be disclosed on a consolidated basis.

NOTES

4. PERSONNEL EXPENSES

Group

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

	Number of employees	
	2007	2006
Operations	**945**	901
Sales	**163**	143
Administration	**168**	165
	1,276	1,209

The aggregate payroll costs of these persons were as follows:

		2007	2006
		£000	£000
Wages and salaries		**34,293**	29,342
Social security costs		**3,362**	2,885
Defined benefit pension costs		**52**	285
Other pension related costs		**647**	699
Share option costs including associated social security costs	- equity settled	**1,389**	455
	- cash settled	**1,158**	223
		40,901	33,889

Company

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

	Number of employees	
	2007	2006
Operations	**308**	273
Sales	**81**	75
Administration	**68**	67
	457	415

The aggregate payroll costs of these persons were as follows:

		2007	2006
		£000	£000
Wages and salaries		**12,672**	11,131
Social security costs		**1,305**	1,141
Defined benefit pension costs		**52**	285
Other pension related costs		**481**	548
Share option costs including associated social security costs	- equity settled	**822**	455
	- cash settled	**1,158**	223
		16,490	13,783

5. REMUNERATION OF DIRECTORS

The Group's key management are the Executive and Non-Executive Directors. The aggregate remuneration paid to or accrued for the Directors for services in all capacities during the period is as follows:

	2007	2006
	£000	£000
Basic remuneration including bonus and benefits	**1,081**	830
Pension contributions	**37**	117
	1,118	947

One Director (2006: One) has retirement benefits accruing under the Company's defined benefit pension scheme.

Further details of Directors' remuneration are given in the Remuneration Report on pages 19 to 22.

NOTES

6. FINANCIAL INCOME AND EXPENSES

	2007 £000	2006 £000
Financial income:		
Bank and other interest receivable	**125**	188
Financial expenses:		
On bank loans and overdrafts	**(1,957)**	(815)
Finance charges payable in respect of finance lease and hire purchase contracts	**(155)**	(111)
Other	**(42)**	(52)
	(2,154)	(978)

7. INCOME TAX EXPENSE

	2007 £000	2006 £000
Current tax expense		
UK Corporation tax charge at 30% (2006: 30%)	**3,009**	2,389
Overseas tax	**81**	97
UK adjustments relating to earlier years	**(43)**	(131)
Total current tax	**3,047**	2,355
Deferred tax expense		
Current year deferred tax	**1,163**	678
Adjustments to deferred tax relating to earlier years	**(212)**	37
Total deferred tax	**951**	715
Total tax expense in income statement	**3,998**	3,070

Reconciliation of effective tax rate

	2007 %	2007 £000	2006 %	2006 £000
Profit on ordinary activities before tax		**14,479**		10,672
Profit on ordinary activities multiplied by standard rate of corporation tax (30%)	**30.0**	**4,344**	30.0	3,202
Effects of:				
Expenses not deductible for tax purposes	**1.5**	**218**	1.0	103
Deferred tax written off on carried forward losses	**0.6**	**86**	-	-
Non-qualifying depreciation	**0.9**	**137**	3.9	416
Share scheme adjustments	**(3.6)**	**(522)**	(2.4)	(257)
Gains covered by exemption/losses	**(0.4)**	**(65)**	(1.1)	(116)
Overseas tax rate	**0.4**	**55**	(1.7)	(184)
Adjustments to tax charge in respect of previous years	**(1.8)**	**(255)**	(0.9)	(94)
Total tax charge for year	**27.6**	**3,998**	28.8	3,070

Deferred tax recognised directly through equity

	2007 £000	2006 £000
Relating to share based payments	**22**	(489)
Relating to actuarial loss on defined benefit pension scheme	**123**	67
	145	(422)

NOTES

8. PROPERTY, PLANT AND EQUIPMENT

GROUP

Cost or deemed cost	Land and Buildings £000	Rental Equipment £000	Motor Vehicles £000	Other Assets £000	Total £000
At 1 April 2005	9,322	76,717	915	6,786	93,740
Additions	231	16,889	43	976	18,139
Acquisitions	467	14,704	885	1,105	17,161
Restatement of acquisitions (see note 25)	-	79	-	(208)	(129)
Disposals	(476)	(11,744)	(249)	(1,594)	(14,063)
At 31 March 2006 (restated)	9,544	96,645	1,594	7,065	114,848
Additions	351	27,633	59	1,371	29,414
Acquisitions	39	979	57	19	1,094
Disposals	(285)	(13,577)	(405)	(111)	(14,378)
Transfer to assets held for resale	(348)	-	-	-	(348)
At 31 March 2007	9,301	111,680	1,305	8,344	130,630
Depreciation and impairment losses					
At 1 April 2005	2,863	36,707	749	4,745	45,064
Charge for year	518	10,367	181	1,158	12,224
On acquisitions	20	1,231	244	297	1,792
Restatement of acquisitions (see note 25)	-	-	-	(116)	(116)
On disposals	(454)	(7,928)	(206)	(1,569)	(10,157)
At 31 March 2006 (restated)	2,947	40,377	968	4,515	48,807
Charge for year	458	12,262	219	1,154	14,093
On disposals	(73)	(8,477)	(369)	(80)	(8,999)
Transfer to assets held for resale	(68)	-	-	-	(68)
At 31 March 2007	3,264	44,162	818	5,589	53,833
Carrying amount					
At 31 March 2007	**6,037**	**67,518**	**487**	**2,755**	**76,797**
At 31 March 2006 (restated)	6,597	56,268	626	2,550	66,041
At 31 March 2005	6,459	40,010	166	2,041	48,676

COMPANY

Cost or deemed cost	Land and Buildings £000	Rental Equipment £000	Motor Vehicles £000	Other Assets £000	Total £000
At 1 April 2005	6,747	44,223	573	3,530	55,073
Additions	117	6,104	40	359	6,620
Group transfer	-	3,113	-	27	3,140
Restatement of Group transfer relating to acquisitions	-	79	-	-	79
Acquisitions	242	2,014	21	21	2,298
Disposals	-	(4,821)	(23)	-	(4,844)
At 31 March 2006 (restated)	7,106	50,712	611	3,937	62,366
Additions	211	11,328	8	755	12,302
Acquisitions	-	168	-	-	168
Disposals	(243)	(5,998)	(210)	(24)	(6,475)
Transfer to assets held for resale	(348)	-	-	-	(348)
At 31 March 2007	6,726	56,210	409	4,668	68,013
Depreciation and impairment losses					
At 1 April 2005	1,586	19,483	436	2,584	24,089
Charge for year	183	5,100	90	407	5,780
On disposals	-	(3,168)	(16)	-	(3,184)
At 31 March 2006	1,769	21,415	510	2,991	26,685
Charge for year	200	5,843	51	457	6,551
On disposals	(41)	(3,275)	(198)	(4)	(3,518)
Transfer to assets held for resale	(68)	-	-	-	(68)
At 31 March 2007	1,860	23,983	363	3,444	29,650
Carrying amount					
At 31 March 2007	**4,866**	**32,227**	**46**	**1,224**	**38,363**
At 31 March 2006 (restated)	5,337	29,297	101	946	35,681
At 31 March 2005	5,161	24,740	137	946	30,984

NOTES

8. PROPERTY, PLANT AND EQUIPMENT (continued)

The cost or deemed cost of land and buildings for the Group and the Company includes £2,176,000 (2006: £2,243,000) of freehold land not subject to depreciation.

Included in the total net book value of fixed assets of the Group is £3,687,000 (2006: £4,594,000) in respect of assets held under finance leases and similar hire purchase contracts, Company £nil (2006: £13,000). The leased equipment secures lease obligations (see note 14). Depreciation for the year on these Group assets was £427,000 (2006: £268,000) and £13,000 (2006: £67,000) for the Company.

Transfer to assets held for resale relates to the disposal of a property identified as available for disposal during the year which was recategorised from property, plant and equipment. The property has subsequently been sold and the gain recognised in the Income Statement under Other Income.

9. INTANGIBLE ASSETS

GROUP

	Trade Name £000	Supply Agreement £000	Goodwill £000	Total £000
Cost or deemed cost				
At 1 April 2005	-	-	7,468	7,468
Acquired through business combinations	1,400	72	24,701	26,173
Restatement of business combinations (see note 25)	-	-	496	496
At 31 March 2006 (restated)	1,400	72	32,665	34,137
Acquired through business combinations	-	-	3,091	3,091
Adjustment to contingent consideration	-	-	(1,290)	(1,290)
At 31 March 2007	1,400	72	34,466	35,938
Accumulated amortisation				
At 1 April 2005	-	-	-	-
Amortisation charge	-	4	-	4
At 31 March 2006	-	4	-	4
Amortisation charge	-	25	-	25
At 31 March 2007	-	29	-	29
Carrying amount				
At 31 March 2007	**1,400**	**43**	**34,466**	**35,909**
At 31 March 2006 (restated)	1,400	68	32,665	34,133
At 31 March 2005	-	-	7,468	7,468

An indefinite useful life has been determined for the Trade Name on the basis that it is expected to be maintained indefinitely and is expected to continue to drive value for the Group.

On an annual basis or more frequently if there is an indication that the assets are impaired, the Directors test the carrying amount of goodwill and indefinite life intangibles for impairment. The carrying amount of intangibles and goodwill has been tested for impairment based on its value in use using cash flow projections over 5 years. These projections have been derived from the approved budget for the coming year. The discount rate applied was 8.5% being the estimated weighted average cost of capital. A growth rate factor was not applied to the projections as value in use exceeded the carrying amounts before any such assumption was applied. The assumptions used for TPA, which has goodwill of £14.6m and indefinite useful life intangibles of £1.4m, are the same as for the other cash generating units. Based on this testing the Directors do not consider any of the goodwill or indefinite life intangible assets to be impaired even allowing for a reasonable degree of sensitivity to the underlying assumptions.

NOTES

9. INTANGIBLE ASSETS (continued)

COMPANY **Cost or deemed cost**	**Supply Agreement £000**	**Goodwill £000**	**Total £000**
At 1 April 2005	-	3,171	3,171
Acquired through business combinations	72	1,545	1,617
Restatement of business combinations (see note 25)	-	175	175
At 31 March 2006 (restated)	72	4,891	4,963
Transfer from cost of investment	-	4,638	4,638
Acquired through business combinations	-	155	155
At 31 March 2007	**72**	**9,684**	**9,756**
Accumulated amortisation			
At 1 April 2005	-	-	-
Amortisation charge	4	-	4
At 31 March 2006	4	-	4
Amortisation charge	25	-	25
At 31 March 2007	**29**	**-**	**29**
Carrying amount			
At 31 March 2007	**43**	**9,684**	**9,727**
At 31 March 2006 (restated)	68	4,891	4,959
At 31 March 2005	-	3,171	3,171

The Directors have reviewed the carrying amount of the Company's goodwill on the same basis as the Group's goodwill and concluded that no impairment charge is required.

10. INVESTMENTS IN SUBSIDIARIES

Cost	**£000**
At 1 April 2005	13,706
Acquisitions	25,452
Restatement relating to prior year acquisitions	57
At 31 March 2006	39,215
Transfer to goodwill	(4,638)
Reduction in contingent consideration	(1,290)
At 31 March 2007	33,287
Impairment	
At 1 April 2005, 31 March 2006 and 31 March 2007	1,687
Carrying amount	
At 31 March 2007	**31,600**
At 31 March 2006 (restated)	37,528
At 31 March 2005	12,019

The significant investments in subsidiary undertakings are:

	Country of Registration or Incorporation	**Principal Activity**	**Country of Principal Operation**	**Class and Percentage of Shares Held**
Torrent Trackside Limited	England	Rail Equipment Hire	UK	Ordinary shares 100%
Hire Station Limited	England	Tool Hire	UK	Ordinary shares 100%
Trax Portable Access Limited	England	Hire of portable roadways	UK	Ordinary shares 100%

11. INVENTORIES

	Group		**Company**	
	2007 £000	2006 £000	**2007 £000**	2006 £000
Raw materials and consumables	**1,832**	1,106	**771**	605
Goods for resale	**2,982**	2,013	**1,110**	706
	4,814	3,119	**1,881**	1,311

NOTES

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007	2006	**2007**	2006
		(Restated)		(Restated)
	£000	£000	**£000**	£000
Trade receivables	**26,649**	25,567	**11,807**	10,366
Amounts owed by subsidiary undertakings	**-**	-	**36,216**	28,541
Other receivables	**1,242**	753	**767**	223
Prepayments and accrued income	**2,221**	1,865	**1,365**	846
	30,112	28,185	**50,155**	39,976

Prior year trade receivables have been restated by Group £8,000, Company £8,000 to reflect the changes in the completion balance sheets of acquisitions.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007	2006	**2007**	2006
		(Restated)		(Restated)
	£000	£000	**£000**	£000
Bank balances	**2,532**	2,478	**(743)**	517
Call deposits	**4,130**	3,100	**4,130**	3,100
Cash and cash equivalents	**6,662**	5,578	**3,387**	3,617

Prior year bank balances have been restated by Group £(9,000), Company £(9,000) to reflect the changes in the completion balance sheets of acquisitions.

During the year the rate of interest received on cash deposits was in the range of 4.5% to 5.4%.

14. INTEREST-BEARING LOANS AND BORROWINGS

	Group		Company	
	2007	2006	**2007**	2006
	£000	£000	**£000**	£000
Current liabilities				
Secured bank loans	**6,500**	-	**6,500**	-
Obligations under finance leases and hire purchase contracts	**965**	1,207	**-**	14
Loan notes	**70**	941	**70**	941
	7,535	2,148	**6,570**	955
Non-current liabilities				
Secured bank loans	**34,000**	33,500	**34,000**	33,500
Obligations under finance leases and hire purchase contracts	**1,677**	2,492	**-**	-
Loan notes	**-**	70	**-**	70
	35,677	36,062	**34,000**	33,570

The Group's bank accounts are subject to set off arrangements covered by cross guarantees and, where appropriate, 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 LIBOR. The unutilised bank facility available to the Group is £14,500,000. There is no material difference between the carrying value and fair value of the Group's borrowings. Further details relating to the Group's funding strategy (including the maturity details of the bank loans) and its credit, interest rate and currency risk policies are provided in the Financial Review on pages 12 to 15. The loans are subject to covenants and these have been fulfilled at all times during the year.

In November 2005 the Group entered into an interest rate swap agreement which fixed the LIBOR element of the interest rate at 4.7% for £15,000,000 of the bank debt for a period of 5 years with a bank only break option after 3 years (note 15). In addition, in July 2006 the Group entered into a second interest rate swap agreement which fixed the LIBOR element of the interest rate at 4.6% for £5,000,000 of the bank debt for a period of 5 years with a bank only break option after one year.

NOTES

14. INTEREST-BEARING LOANS AND BORROWINGS (continued)

The repayment schedule of the carrying amount of the non-current liabilities as at 31 March 2007 is:

	Group		Company	
Due in more than one year but not more than two years:	**2007**	2006	**2007**	2006
	£000	£000	**£000**	£000
Obligations under finance leases and hire purchase contracts	**823**	946	**-**	-
Loan notes	**-**	70	**-**	70
	823	1,016	**-**	70
Due in more than two years but not more than five years:				
Secured bank loans	**34,000**	33,500	**34,000**	33,500
Obligations under finance leases and hire purchase contracts	**854**	1,546	**-**	-
	34,854	35,046	**34,000**	33,500
Total	**35,677**	36,062	**34,000**	33,570

Hire purchase and finance lease liabilities

GROUP	**Payment**	**Interest**	**Principal**	Payment	Interest	Principal
Payable:	**2007**	**2007**	**2007**	2006	2006	2006
	£000	**£000**	**£000**	£000	£000	£000
Less than one year	**1,115**	**(150)**	**965**	1,367	(160)	1,207
Between one and five years	**1,909**	**(232)**	**1,677**	2,744	(252)	2,492
	3,024	**(382)**	**2,642**	4,111	(412)	3,699

The average effective interest rate on hire purchase obligations was 6.4%.

15. FINANCIAL INSTRUMENTS

The Group has two interest rate swaps which are held for hedging purposes in order to reduce the risk of exposure to changes in interest rates on the Group's secured bank loans. The swaps taken out in November 2005 and July 2006 are effective cash flow hedges and the movements in fair values have been taken to equity.

At 31 March 2007 the notional contract amount was £20,000,000 (2006: £15,000,000) and the fair value of the swap was an asset of £247,000 (2006: liability of £89,000). The cash flows are expected to occur during the remaining life of the swap.

In addition the Group has a foreign exchange hedge which was taken out in September 2006 to reduce the risk of exchange rate fluctuations on US dollars. This swap is an effective cash flow hedge and movements in fair value are taken to equity. The notional contract value at 31 March 2007 was $2,400,000 and the fair value was an asset of £30,000.

There are no material differences between the carrying value and the fair value of the Group's other financial instruments. The risks associated with interest rate and foreign exchange rate management are discussed in the Financial Review on pages 12 to 15 as are the risks relating to credit and currency management.

16. TRADE AND OTHER PAYABLES

Current liabilities	Group		Company	
	2007	2006	**2007**	2006
		(Restated)		(Restated)
	£000	£000	**£000**	£000
Trade payables	**15,533**	12,529	**8,283**	4,983
Amounts owed to subsidiary undertakings	**-**	-	**17,069**	16,919
Other taxes and social security	**2,239**	2,194	**1,000**	923
Other payables	**900**	864	**-**	104
Accruals and deferred income	**10,626**	6,157	**5,990**	2,991
Contingent consideration	**2,400**	-	**2,400**	-
	31,698	21,744	**34,742**	25,920

Prior year accruals and deferred income have been restated by Group £(49,000), Company £47,000 to reflect changes in the completion balance sheets of acquisitions and accruals for acquisition fees. In addition, prior year amounts owed to subsidiary undertakings has been restated by £181,000 to reflect changes in the transfer of net assets from an acquired company.

NOTES

16. TRADE AND OTHER PAYABLES (continued)

Non-current liabilities	**Group**		**Company**	
	2007	2006	**2007**	2006
	£000	£000	**£000**	£000
Contingent consideration	**4,240**	7,930	**4,240**	7,930

Contingent consideration relates to the acquisition of Trax Portable Access Limited and is dependent on the future profitability of that company.

17. DEFERRED TAX ASSETS AND LIABILITIES

GROUP

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liabilities**		**Net**	
	2007	2006	**2007**	2006 (Restated)	**2007**	2006 (Restated)
	£000	£000	**£000**	£000	**£000**	£000
Property, plant and equipment	**-**	-	**7,947**	6,157	**7,947**	6,157
Intangible assets	**-**	-	**427**	427	**427**	427
Employee benefits	**(2,100)**	(1,968)	**-**	-	**(2,100)**	(1,968)
Other items	**(270)**	(393)	**-**	-	**(270)**	(393)
Restatement on acquisitions	**-**	-	**-**	583	**-**	583
Tax (assets)/liabilities	**(2,370)**	(2,361)	**8,374**	7,167	**6,004**	4,806
Set off of tax	**2,370**	2,361	**(2,370)**	(2,361)	**-**	-
Net tax liabilities	**-**	-	**6,004**	4,806	**6,004**	4,806

COMPANY

Deferred tax assets and liabilities are attributable to the following:

	Assets		**Liabilities**		**Net**	
	2007	2006	**2007**	2006 (Restated)	**2007**	2006 (Restated)
	£000	£000	**£000**	£000	**£000**	£000
Property, plant and equipment	**-**	-	**5,160**	4,745	**5,160**	4,745
Intangible assets	**-**	-	**7**	7	**7**	7
Employee benefits	**(2,100)**	(1,968)	**-**	-	**(2,100)**	(1,968)
Other items	**(246)**	(269)	**-**	-	**(246)**	(269)
Restatement on acquisitions	**-**	-	**-**	164	**-**	164
Tax (assets)/liabilities	**(2,346)**	(2,237)	**5,167**	4,916	**2,821**	2,679
Set off of tax	**2,346**	2,237	**(2,346)**	(2,237)	**-**	-
Net tax liabilities	**-**	-	**2,821**	2,679	**2,821**	2,679

The movements on the net deferred tax liability are shown below:

	Group		**Company**	
	2007	2006 (Restated)	**2007**	2006 (Restated)
	£000	£000	**£000**	£000
Balance at beginning of year	**4,806**	3,013	**2,679**	2,603
Charge/(credit) to Income Statement	**951**	715	**(3)**	334
Debit/(credit) to equity	**145**	(422)	**145**	(422)
Acquisitions	**102**	917	**-**	-
Restatement on acquisitions	**-**	583	**-**	164
Balance at end of year	**6,004**	4,806	**2,821**	2,679

NOTES

18. CAPITAL AND RESERVES

GROUP	Share Capital £000	Share Premium £000	Hedging Reserve £000	Retained Earnings £000	Minority Interest £000	Total Equity £000
Balance as at 1 April 2005	2,309	16,192	-	36,902	27	**55,430**
Total recognised income and expense	-	-	(89)	7,766	-	**7,677**
Tax movement on equity	-	-	-	489	-	**489**
Share option charge in the year	-	-	-	292	-	**292**
Gains on share disposals	-	-	-	80	-	**80**
Net movement in shares held by Vp Employee Trust at cost	-	-	-	(1,073)	-	**(1,073)**
Dividends to equity holders of the parent	-	-	-	(2,572)	-	**(2,572)**
Balance as at 31 March 2006	2,309	16,192	(89)	41,884	27	**60,323**
Balance as at 1 April 2006	2,309	16,192	(89)	41,884	27	**60,323**
Total recognised income and expense	-	-	366	10,768	-	**11,134**
Tax movement on equity	-	-	-	(22)	-	**(22)**
Share option charge in the year	-	-	-	1,000	-	**1,000**
Losses on share disposals	-	-	-	(240)	-	**(240)**
Net movement in shares held by Vp Employee Trust at cost	-	-	-	(3,671)	-	**(3,671)**
Dividends to equity holders of the parent	-	-	-	(2,932)	-	**(2,932)**
Balance as at 31 March 2007	2,309	16,192	277	46,787	27	**65,592**

COMPANY	Share Capital £000	Share Premium £000	Hedging Reserve £000	Retained Earnings £000	Total Equity £000
Balance as at 1 April 2005	2,309	16,192	-	26,868	**45,369**
Total recognised income and expense	-	-	(89)	5,785	**5,696**
Tax movement on equity	-	-	-	489	**489**
Share option charge in the year	-	-	-	292	**292**
Gains on share disposals	-	-	-	80	**80**
Net movement in shares held by Vp Employee Trust at cost	-	-	-	(1,073)	**(1,073)**
Dividends to equity holders	-	-	-	(2,572)	**(2,572)**
Balance as at 31 March 2006	2,309	16,192	(89)	29,869	**48,281**
Balance as at 1 April 2006	2,309	16,192	(89)	29,869	**48,281**
Total recognised income and expense	-	-	366	6,943	**7,309**
Tax movement on equity	-	-	-	(22)	**(22)**
Share option charge in the year	-	-	-	1,000	**1,000**
Losses on share disposals	-	-	-	(240)	**(240)**
Net movement in shares held by Vp Employee Trust at cost	-	-	-	(3,671)	**(3,671)**
Dividends to equity holders	-	-	-	(2,932)	**(2,932)**
Balance as at 31 March 2007	2,309	16,192	277	30,947	**49,725**

For the Group, exchange differences related to foreign operations are not material and have therefore not been disclosed as a seperate component of equity.

Own shares held
Deducted from retained earnings (Group and Company) is £7,099,000 (2006: £3,428,000) in respect of own shares held by the Vp Employee Trust. The Trust acts as a repository of issued Company shares and held 3,397,000 shares (2006: 2,731,000 shares) with a market value at 31 March 2007 of £12,229,000 (2006: £9,395,000).

NOTES

18. CAPITAL AND RESERVES (continued)

Ordinary share capital	2007	2006
	£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 (2006: 46,185,000)	**2,309**	2,309

19. DIVIDENDS

	2007	2006
	£000	£000
Amounts recognised as distributions to equity holders of the parent in the year:		
Ordinary shares:		
Final paid 4.65p (2006: 4.00p) per share	**1,978**	1,726
Interim paid 2.25p (2006: 1.95p) per share	**954**	846
	2,932	2,572

The dividend paid this year is after dividends were waived to the value of £255,000 (2006: £176,000) in relation to shares held by the Vp Employee Trust. These dividends will continue to be waived in the future.

In addition the Directors are proposing a final dividend in respect of the current year of 6.00p per share which will absorb an estimated £2,567,000 of shareholders' funds. The proposed dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

20. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2007 was based on the profit attributable to equity holders of the parent of £10,481,000 (2006: £7,602,000) and a weighted average number of ordinary shares outstanding during the year ended 31 March 2007 of 42,780,000 (2006: 43,460,000), calculated as follows:

Weighted average number of ordinary shares

	2007	2006
	Shares	Shares
	000's	000's
Issued ordinary shares	**46,185**	46,185
Effect of own shares held	**(3,405)**	(2,725)
Weighted average number of ordinary shares	**42,780**	43,460

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2007 was based on profit attributable to equity holders of the parent of £10,481,000 (2006: £7,602,000) and a weighted average number of ordinary shares outstanding during the year ended 31 March 2007 of 44,913,000 (2006: 45,157,000), calculated as follows:

	2007	2006
	Shares	Shares
	000's	000's
Weighted average number of ordinary shares	**42,780**	43,460
Effect of share options on issue	**2,133**	1,697
Weighted average number of ordinary shares (diluted)	**44,913**	45,157

There are additional options which are not currently dilutive, but may become dilutive in the future.

NOTES

21. SHARE OPTION SCHEMES

SAYE Scheme

During the year options over a further 293,999 shares were granted under the SAYE scheme at a price of 247 pence. The outstanding options at the year end were:

Date of Grant	Price per share	Number of shares
August 2004	110p	250,994
August 2005	165p	275,336
August 2006	247p	275,352
		801,682

All the options are exercisable between 3 and 3.5 years. At 31 March 2007 there were 352 employees saving an average £106 per month in respect of options under the SAYE scheme. The only SAYE scheme condition is continuous employment over the term of the option.

Approved Share Option Scheme

Options over a further 321,500 shares were granted during the year at a price of 293.5 pence. The options outstanding at the year end were:

Date of Grant	Price per share	Number of shares
July 2001	65.0p	4,425
June 2002	93.0p	10,000
June 2003	104.0p	56,965
June 2004	145.5p	311,000
June 2005	200.0p	265,000
June 2006	293.5p	321,500
		968,890

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 as shown in the Remuneration Report on page 19.

Unapproved Share Option Scheme

Options over 317,500 shares were granted during the year at a price of 293.5p. The options outstanding at the year end were:

Date of Grant	Price per share	Number of shares
June 2002	93.0p	25,000
June 2003	104.0p	37,000
June 2004	145.5p	280,000
June 2005	200.0p	515,000
June 2006	293.5p	317,500
		1,174,500

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 as shown in the Remuneration Report on page 19.

Long Term Incentive Plan

Awards were made during the year in relation to a further 338,000 shares. Shares outstanding at the year end were:

Date of Grant	Number of shares
July 2001	45,400
June 2002	100,000
June 2003	112,500
June 2004	680,000
June 2005	408,000
June 2006	338,000
	1,683,900

The vesting of the awards is subject to the achievement of performance targets over a three year period, as shown in the Remuneration Report on page 19.

NOTES

21. SHARE OPTION SCHEMES (continued)

Share Matching

Awards were made during the year in relation to a further 34,000 shares. Shares outstanding at the year end were:

Date of Grant	**Number of shares**
September 2003	13,598
August 2004	18,500
August 2005	43,500
August 2006	34,000
	109,598

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 as shown in the Remuneration Report on page 19.

Awards under the above schemes will be generally made utilising shares owned by the Vp Employee Trust.

The market value of the ordinary shares at 31 March 2007 was 360 pence (2006: 344 pence), the highest market value in the year to 31 March 2007 was 380 pence and the lowest 255 pence. The average share price during the year was 312 pence.

The number and weighted average exercise price of share options is as follows:

	2007		2006	
	Weighted average exercise price	**Number of options 000s**	Weighted average exercise price	Number of options 000s
Outstanding at beginning of the year	**85p**	**4,601**	66p	3,816
Lapsed during the year	**113p**	**(54)**	141p	(218)
Exercised during the year	**55p**	**(1,113)**	79p	(575)
Granted during the year	**199p**	**1,305**	135p	1,578
Outstanding at the end of the year	**123p**	**4,739**	85p	4,601
Exercisable at the year end	**33p**	**405**	16p	592

The options outstanding at 31 March 2007 have an exercise price in the range 0.0p to 293.5p and have a weighted average life of 1.9 years.

For options granted prior to November 2002 the options are valued at the intrinsic value at the date of grant. For options granted after November 2002 the fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value for the approved, unapproved and SAYE options are measured using the Black-Scholes model and the LTIP and share matching schemes are valued using a discounted grant price method. Cash settled options are valued at their fair value at each period end. The assumptions used to value the models are in the following ranges:

	2007	2006
Weighted average fair value per share	**120.4p**	75.5p
Share price at date of grant	**273p to 308p**	200p to 206p
Exercise price (details provided above)	**0p to 293.5p**	0p to 200p
Expected volatility	**32.4p**	27.2p
Option life	**3 to 10 years**	3 to 10 years
Expected divided yield	**2.4% to 2.7%**	3.1% to 3.2%
Risk free rate	**4.5%**	4.75%

The expected volatility is based on historic volatility which is based on the latest three years' share price data.

The cost of share options charged to the Income Statement is shown in note 4.

The total carrying amount of cash settled transaction liabilities at the year end was £1,023,000 (2006: £808,000).

NOTES

22. OPERATING LEASES

The total remaining cost of non-cancellable operating leases is payable as follows:

	2007		2006	
	Land and buildings	**Other**	Land and buildings	Other
	£000	**£000**	£000	£000
GROUP				
Operating leases which expire:				
Within one year	**123**	**823**	497	874
In the second to fifth years inclusive	**5,376**	**7,945**	4,322	5,542
Over five years	**7,433**	**211**	4,893	-
	12,932	**8,979**	9,712	6,416
COMPANY				
Operating leases which expire:				
Within one year	**5**	**329**	92	480
In the second to fifth years inclusive	**1,729**	**4,418**	874	3,101
Over five years	**3,140**	**-**	1,903	-
	4,874	**4,747**	2,869	3,581

23. CAPITAL COMMITMENTS

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

	Group		**Company**	
	2007	2006	**2007**	2006
	£000	£000	**£000**	£000
Contracted	**12,465**	593	**9,259**	1

24. PENSION SCHEME

Defined benefit scheme

The details in this note relate solely to the defined benefit arrangement and exclude any allowance for contributions in respect of death in service insurance premiums and expenses which are also borne by the company.

The cash contributions made by the employer over the financial year have been £487,000. This is equivalent to approximately 22.7% of pensionable pay plus regular monthly contributions to reduce the deficit in the scheme totalling £445,000. Contributions are expected to continue at the rate of 22.7% of pensionable pay plus £445,000 per annum payable in monthly instalments, until reviewed following the finalisation of the formal actuarial valuation of the scheme as at 1 April 2006. These contributions represent the cash cost to the business. The overall impact on the Income Statement and Statement of Recognised Income and Expense is considered in detail below.

It is the policy of the Company to recognise all actuarial gains and losses in the year in which they occur in the Statement of Recognised Income and Expense.

Present value of net obligation	**Group and Company**	
	2007	2006
	£000	£000
Present value of defined benefit obligation	**(12,089)**	(11,864)
Fair value of scheme assets	**10,041**	8,970
Present value of net obligations	**(2,048)**	(2,894)

NOTES

24. PENSION SCHEME (continued)

Liability for defined benefit obligations

Changes in the present value of the defined benefit obligation are as follows:

	Group and Company	
	2007	2006
	£000	£000
Opening defined benefit obligation	**11,864**	10,155
Service cost	**36**	130
Interest cost	**621**	592
Actuarial (gain)/loss	**(297)**	1,103
Benefits paid	**(146)**	(127)
Contributions by employees	**11**	11
Closing defined benefit obligation	**12,089**	11,864

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	Group and Company	
	2007	2006
	£000	£000
Opening fair value of scheme assets	**8,970**	6,239
Expected return	**605**	437
Actuarial gains	**114**	1,334
Contributions by employer	**487**	1,076
Contributions by employee	**11**	11
Benefits paid	**(146)**	(127)
Closing fair value of scheme assets	**10,041**	8,970

Expense recognised in the Income Statement	Group and Company	
	2007	2006
	£000	£000
Current service costs	**36**	130
Interest on obligation	**621**	592
Expected return on scheme assets	**(605)**	(437)
	52	285

This expense is recognised in the following line items in the Income Statement:

	Group and Company	
	2007	2006
	£000	£000
Cost of sales	**36**	45
Administrative expenses	**16**	240
	52	285

Cumulative actuarial net losses reported in the Statement of Recognised Income and Expense since 1 April 2004, the transition to adopted IFRSs, for the Group and Company are £668,000 (2006: £1,079,000).

Scheme assets and returns

The fair value of the scheme assets and the return on those assets were as follows:

	Group and Company			
	2007		2006	
	Long Term Rate of Return	**£000**	Long Term Rate of Return	£000
Equities	**7.00%**	**8,441**	7.00%	7,287
Bonds and other	**5.00%**	**1,600**	5.00%	1,683
	6.68%	**10,041**	6.62%	8,970
Actual return on scheme assets		**719**		1,771

NOTES

24. PENSION SCHEME (continued)

Scheme assets and returns (continued)

None of the fair values of the assets shown on page 55 include any of the Company's own financial instruments or any property occupied by or other assets used by the Company.

The expected return on bonds is determined by reference to UK long dated gilt and bond yields at the balance sheet date. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions at the balance sheet date.

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are:

	Group and Company	
	2007	2006
Inflation	**3.25%**	3.00%
Discount rate at 31 March	**5.50%**	5.25%
Expected future salary increases	**4.25%**	4.00%
Expected future pension increases	**3.25%**	3.00%
Revaluation of deferred pensions	**3.25%**	3.00%

Mortality rate assumptions have been taken from the standard actuarial tables known as PA92 (2020) which make allowance for improvements in longevity projected to the year 2020.

History of scheme

The history of the scheme for the current and prior years is as follows:

	Group and Company				
	2007	2006	2005	2004	2003
	£000	£000	£000	£000	£000
Present value of defined benefit obligation	**(12,089)**	(11,864)	(10,155)	(8,086)	(7,514)
Fair value of plan assets	**10,041**	8,970	6,239	5,492	4,355
Present value of net obligations	**(2,048)**	(2,894)	(3,916)	(2,594)	(3,159)

Gains/(losses) recognised in Statement of Recognised Income and Expense

	Group and Company				
	2007	2006	2005	2004	2003
Difference between expected and actual return on scheme assets:					
Amount (£000)	**114**	1,334	307	770	(1,636)
Percentage of scheme assets	**1.1%**	14.9%	4.9%	14.0%	(37.6%)
Experience gains and losses arising on the scheme liabilities:					
Amount (£000)	**79**	(533)	(232)	(93)	279
Percentage of present value of scheme liabilities	**0.7%**	(4.5%)	(2.3%)	(1.2%)	3.7%
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities:					
Amount (£000)	**218**	(570)	(1,385)	(73)	(1,169)
Percentage of present value of scheme liabilities	**1.8%**	(4.8%)	(13.6%)	(0.9%)	(15.6%)
Total amount recognised in statement of recognised income and expense:					
Amount (£000)	**411**	231	(1,310)	604	(2,526)
Percentage of present value of scheme liabilities	**3.4%**	1.9%	(12.9%)	7.5%	(33.6%)

The Group expects to contribute £477,000 to its defined benefit plan in 2007/8.

Defined contribution plan

The Group also operates defined contribution schemes for other eligible employees. The assets of the schemes are held separately from those of the Group. The pension cost represents contributions payable by the Group and amounted to £348,000 (2006: £306,000) in the year.

NOTES

25. ACQUISITIONS

The Group acquired the following businesses in the current year:

Name of acquisition	**Date of acquisition**	**Type of acquisition**	**Acquired by**
MEP	3 November 2006	Share purchase (100% equity)	Hire Station Limited
Midway Plant & Tool Hire Limited	2 March 2007	Business and assets	Hire Station Limited
Evershore	7 March 2007	Business and assets	Vp plc

Full details of prior year acquisitions are shown in the Financial Statements for the year ended 31 March 2006.

None of the acquisitions in the current year were individually material in Group terms and hence the details are provided in aggregate below:

	Group				**Company**			
	2007	2006	2006	2006	**2007**	2006	2006	2006
		(As Reported)	(Restatement)	(Restated)		(As Reported)	(Restatement)	(Restated)
	£000	£000	£000	£000	**£000**	£000	£000	£000
Property, plant and equipment	**1,326**	14,648	79	14,727	**168**	2,298	-	2,298
Current assets	**1,076**	6,093	8	6,101	**-**	115	(80)	35
Net debt	**(339)**	(10,427)	(9)	(10,436)	**-**	-	-	-
Tax, trade and other payables	**(685)**	(2,715)	206	(2,509)	**-**	-	(50)	(50)
Deferred tax	**(102)**	(497)	(583)	(1,080)	**-**	-	-	-
Book value of assets acquired	**1,276**	7,102	(299)	6,803	**168**	2,413	(130)	2,283
Fair value adjustments								
Intangibles on acquisition	**-**	1,472	-	1,472	**-**	72	-	72
Deferred tax on intangibles	**-**	(420)	-	(420)	**-**	-	-	-
Fair value adjustment to property, plant and equipment	**(232)**	721	(92)	629	**-**	-	-	-
Fair value of assets acquired	**1,044**	8,875	(391)	8,484	**168**	2,485	(130)	2,355
Goodwill on acquisition	**3,091**	24,701	496	25,197	**155**	1,545	175	1,720
Cost of acquisitions	**4,135**	33,576	105	33,681	**323**	4,030	45	4,075
Satisfied by								
Consideration	**4,007**	32,644	(4)	32,640	**312**	3,804	-	3,804
Acquisition costs	**128**	932	109	1,041	**11**	226	45	271
	4,135	33,576	105	33,681	**323**	4,030	45	4,075
Analysis of cash flow for acquisitions								
Consideration	**4,007**	32,644	(4)	32,640	**312**	3,804	-	3,804
Contingent consideration	**-**	(7,930)	-	(7,930)	**-**	-	-	-
Loan notes	**-**	(1,011)	-	(1,011)	**-**	-	-	-
Acquisition costs capitalised	**128**	932	109	1,041	**11**	226	45	271
Net overdraft included in acquisitions	**135**	4,320	9	4,329	**-**	-	-	-
Adjustment for accruals	**105**	-	(105)	(105)	**45**	-	(45)	(45)
	4,375	28,955	9	28,964	**368**	4,030	-	4,030

Certain of the fair values included above are provisional due to the timing of acquisitions and will be finalised within 12 months of the acquisition date.

In the year the conditions associated with the year one contingent consideration of £1,290,000 relating to the prior year acquisition of TPA, part of the total contingent consideration of £7,930,000 on this acquisition, were not met. As a result £1,290,000 was released from creditors and there was an associated reduction in goodwill for the Group and cost of investment in the Parent Company. Additional contingent consideration of £6,640,000 still exists relating to future events.

NOTES

25. ACQUISITIONS (continued)

Prior year acquisitions have been restated to reflect adjustments to the completion accounts of acquisitions and accruals for additional professional fees. A review of the prior year acquisitions did not identify any adjustments to the assessment of the intangible assets.

As a result of the immediate integration of the acquisitions into the business, including the transfer of assets between branches, it is not possible to accurately disclose separately the trading performance of the acquisitions in the Income Statement. For the same reason it is not possible to disclose what the revenue or profit for the combined entity would have been had all business combinations effected in the year occurred on 1 April 2006.

Goodwill on acquisitions relates to the relationships, skills and inherent market knowledge of employees within the acquired businesses together with the synergistic benefits within the enlarged businesses post acquisition, principally through economies of scale and improved business processes and management. These are critical to the ongoing success of any specialised equipment rental business, together with the availability of the right equipment. Other than sole source supply agreements with committed volumes and trade names, the Directors are not aware of any other acquired assets which meet the criteria for recognition as an intangible asset.

26. RELATED PARTIES

Material transactions with key management (being the Directors' of the Group) only constitute remuneration, details of which are included in the Remuneration Report on pages 19 to 22 and in note 5 to the Financial Statements.

Trading transactions with subsidiaries - Group

Transactions between the Company and the Group's subsidiaries, which are related parties, have been eliminated on consolidation and are therefore not disclosed.

Trading transactions with subsidiaries - Parent Company

The Company enters into transactions with its subsidiary undertakings in respect of the following:

- Internal funding loans
- Provision of Group services (including Senior Management, IT, Group Finance, Group HR and Group Properties)
- Rehire of equipment on commercial terms

Recharges are made for Group services based on the utilisation of those services, however with the exception of one subsidiary the Group does not charge interest on internal funding. In addition to these services the Company acts as a buying agent for certain Group purchases such as insurance and IT services. These are recharged based on utilisation by the subsidiary undertaking.

The amount outstanding from subsidiary undertakings to the Company at 31 March 2007 totalled £36,216,000 (2006: £28,541,000). Amounts owed to subsidiary undertakings by the Company at 31 March 2007 totalled £17,069,000 (2006: £16,738,000).

The Company and certain subsidiary undertakings have entered into cross guarantees of bank loans and overdrafts to the Company. The total value of such borrowings at 31 March 2007 was £40.5m (2006: £33.5m).

27. POST BALANCE SHEET EVENTS

On 17 April 2007 the Group acquired the entire issued share capital of Cool Customers Limited and its holding company for cash consideration of £1.0m. The net assets at the date of acquisition were £0.3m.

On the 21 March it was announced that the rate of corporation tax will be changing from 30% to 28% and the rate of capital allowances will fall to 20%. The calculations in the Financial Statements are based on rates applicable at the balance sheet date and do not reflect these changes in tax rules which are anticipated to become effective on 1 April 2008 as they are not yet considered substantively enacted. The impact of the change in tax rules will be dependent on the level of capital expenditure in the year.

28. ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Ackers P Investment Company Limited which is the ultimate parent Company incorporated in Great Britain. Consolidated accounts are not prepared for this Company.

FIVE YEAR SUMMARY

	UK GAAP		IFRS		
	2003	2004	2005	2006	**2007**
	£000	£000	£000	£000	**£000**
Revenue	75,546	83,497	90,044	99,396	**121,607**
Operating profit	8,087	8,654	10,196	11,462	**16,508**
Profit before taxation	7,506	8,868	9,888	10,672	**14,479**
Taxation	(2,119)	(2,529)	(2,815)	(3,070)	**(3,998)**
Profit after taxation	5,387	6,339	7,073	7,602	**10,481**
Dividends*	(1,964)	(2,142)	(2,214)	(2,572)	**(2,932)**
Share capital	2,309	2,309	2,309	2,309	**2,309**
Reserves	47,612	49,494	53,094	57,987	**63,256**
Total equity before minority interest	49,921	51,803	55,403	60,296	**65,565**
Share Statistics					
Asset value	108p	112p	120p	131p	**142p**
Earnings	12.36p	14.59p	16.31p	17.49p	**24.50p**
Dividend**	4.50p	5.00p	5.75p	6.60p	**8.25p**
Times covered	2.74	2.96	2.82	2.65	**2.98**

* Dividends under IFRS relate only to dividends declared in that year, whereas dividends under UK GAAP included those proposed at the year end relating to that year.

** Dividends per the share statistics are the dividends related to that year whether paid or proposed.

NOTICE OF MEETING

Notice is hereby given that the thirty fifth Annual General Meeting of the Company will be held at Rudding House, Rudding Park, Follifoot, Harrogate on 11 September 2007 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 2007, and the Auditors' Report contained therein.

2. To declare a Final Dividend.

3. To re-appoint J F G Pilkington as a Director.

4. To re-appoint P Parkin as a Director.

5. To re-appoint B Cottingham as a Director.

6. 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.

7. To approve the Remuneration Report for the year ended 31 March 2007.

As special business

To consider and, if thought fit, pass the following resolutions of which Resolution 8 will be proposed as an Ordinary Resolution and Resolutions 9 and 10 will be proposed as Special Resolutions:

8. That for the purposes of Section 80 of the Companies Act 1985 (the "Act") (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.

9. That subject to the passing of the previous resolution the Directors be and they are hereby generally authorised to allot for cash or otherwise equity securities (as defined in Section 94 of the Act) of the Company pursuant to the authority conferred by Resolution 8 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 holders of ordinary shares of 5 pence each ("Ordinary Shares") 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 sub-paragraphs (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.

10. 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 provided that:

a) the maximum number of Ordinary Shares 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 London 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 or 12 months from the passing of this resolution if earlier; 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.

By order of the Board.

M J Holt
Secretary 5 July 2007

Registered Office:
Central House, Beckwith Knowle,
Otley Road, Harrogate,
North Yorkshire. HG3 1UD

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. To be effective it must be deposited at the offices of the company's registrars not less than 48 hours before the time fixed for the meeting. Completion of the proxy does not preclude a member from subsequently attending and voting at the meeting if he/she so wishes.

In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the Company as at 5.00pm on 9 September 2007 or if the meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting 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 5pm on 9 September 2007 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

ANNUAL GENERAL MEETING – Vp plc FORM OF PROXY

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 3) ______________________

as my/our Proxy to attend and on a poll vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 11 September 2007 and at any adjournment thereof. I/we request the Proxy to vote on the following resolutions as indicated.

Resolution	For	Against	Vote Withheld
1. To receive the Directors' Report, Remuneration Report and Financial Statements for the year ended 31 March 2007 and the Auditors' Report contained therein	☐	☐	☐
2. To declare a final dividend	☐	☐	☐
3. To re-appoint JFG Pilkington as a Director	☐	☐	☐
4. To re-appoint P Parkin as a Director	☐	☐	☐
5. To re-appoint B Cottingham as a Director	☐	☐	☐
6. To re-appoint KPMG Audit Plc as Auditors and to authorise the Directors to agree their remuneration	☐	☐	☐
7. To approve the Remuneration Report	☐	☐	☐
8. To approve the authority to allot shares	☐	☐	☐
9. To approve the disapplication of pre-emption rights	☐	☐	☐
10. To approve the authority for the purchase of own shares	☐	☐	☐

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. A vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes for or against a resolution.

3. 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.

4. 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.

5. 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.

6. 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 Registrars, Proxy Processing Centre, Telford Road, Bicester OX26 4LD not less than 48 hours before the time appointed for the meeting.

7. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by following the procedures described in the CREST manual. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's registrar, Capita Registrars (whose CREST ID is RA10) not later than 48 hours before the time fixed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertified Securities Regulations 2001.

* 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.

THIRD FOLD AND TUCK IN

BUSINESS REPLY SERVICE
Licence No. RRHB - RSXJ - GKCY

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FIRST FOLD

Capita Registrars
Proxy Processing Centre
Telford Road
BICESTER
OX26 4LD

SECOND FOLD

FINANCIAL HIGHLIGHTS DIRECTORS AND ADVISORS CHAIRMAN'S STATEMENT BUSINESS REVIEW FINANCIAL REVIEW DIRECTORS' REPORT REMUNERATION REPORT CORPORATE GOVERNANCE CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT OF DIRECTORS' RESPONSIBILITIES AUDITORS' REPORT CONSOLIDATED INCOME STATEMENT STATEMENTS OF RECOGNISED INCOME AND EXPENSE CONSOLIDATED BALANCE SHEET PARENT COMPANY BALANCE SHEET CONSOLIDATED STATEMENT OF CASH FLOWS PARENT COMPANY STATEMENT OF CASH FLOWS NOTES FIVE YEAR SUMMARY FINANCIAL HIGHLIGHTS DIRECTORS AND ADVISORS CHAIRMAN'S STATEMENT BUSINESS REVIEW FINANCIAL REVIEW DIRECTORS' REPORT REMUNERATION REPORT CORPORATE GOVERNANCE CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT OF DIRECTORS' RESPONSIBILITIES AUDITORS' REPORT CONSOLIDATED INCOME STATEMENT STATEMENTS OF RECOGNISED INCOME AND EXPENSE CONSOLIDATED BALANCE SHEET PARENT COMPANY BALANCE SHEET CONSOLIDATED STATEMENT OF CASH FLOWS PARENT COMPANY STATEMENT OF CASH FLOWS NOTES FIVE YEAR SUMMARY FINANCIAL HIGHLIGHTS DIRECTORS AND ADVISORS CHAIRMAN'S STATEMENT BUSINESS REVIEW FINANCIAL REVIEW DIRECTORS' REPORT REMUNERATION REPORT CORPORATE GOVERNANCE CORPORATE AND SOCIAL RESPONSIBILITY STATEMENT OF DIRECTORS' RESPONSIBILITIES AUDITORS' REPORT CONSOLIDATED INCOME STATEMENT