Speedy Asset Services Limited

Directors' report and financial statements

Registered number 6847930

31 March 2015

Contents

Strategic report

The directors present their Strategic report for the year ended 31 March 2015.

Business model

The Company is the UK's leading tools, equipment and plant hire business, offering a complementary range of support services to customers across a broad range of market sectors.

Operating from a network of c.200 depots across the UK, the Company aims to support its customers through the provision of:

- Essential products – Tools and equipment rental, channelled through our extensive depot network;
- Specialist solutions – Consultancy and technical delivery of solutions in Plant, Rail, Power and Lifting; and
- Support services – Services that complement our products and solutions, including product testing, repair, maintenance, training and our Partnered Services provision.

Business review and results

The profit after tax for the year was £10.8m (2014: £6.9m). The Company's financial performance during the year is set out in the Profit and Loss Account on page 8. The Company's financial position at the beginning and end of the year is set out in the Balance Sheet on page 9.

Whilst it has been another challenging year for the hire industry we are encouraged by the progress made during the year. The business has been stabilised through continued cost management, an ongoing investment programme in the depot network, hire fleet and supporting services and the IT infrastructure. Revenue growth of 7.0% (2014: 1.7%) has benefited from growth of the Partnered Services product offering, along with general hire and planned disposals. The operating profit margin (before amortisation and exceptional items) increased to 8.8% (2014: 6.8%) largely as a result of lower underlying administrative costs. The priority remains to restore the business to full health, investing to refresh the fleet and in the improvement of the efficiency of the property portfolio.

The key performance indicators used to manage and monitor the business are:

	Year ended 31 March 2015 £m	Year ended 31 March 2014 £m
Turnover	**345.9**	323.4
Operating profit*	**30.3**	22.0
Profit before tax*	**21.2**	12.2

* *before amortisation and exceptional costs*

Principal risks and uncertainties

The business strategy in place and the nature of the industry in which the Speedy Hire Plc Group ('the Group') operates exposes it to a number of risks. As part of the risk management framework in place, the Group Board ("the Board") has considered the nature, likelihood and potential impact of each of the significant risks it is willing to take in achieving its strategic objectives.

The Board has delegated to the Group's Audit Committee responsibility for reviewing the effectiveness of the Group's internal controls, including those of the Company, and including the systems established to identify, assess, manage and monitor risks.

Strategic report *(continued)*

Principal risks and uncertainties *(continued)*

Direct ownership of risk management within the Company lies with the senior management team. Each individual is responsible for maintaining a risk register for their area of the business and is required to formally update this on a regular basis. The key items are consolidated into a Group risk register which is reviewed at Board level.

The principal risks in place for the Company are summarised below and more detail can be found in the annual report of Speedy Hire Plc, a copy of the annual report can be obtained from the address in note 19:

- Safety, health and environment;
- Revenue and trading performance;
- Information technology and data integrity;
- End to end process;
- Economic vulnerability;
- Corporate culture;
- Business continuity; and
- Asset holing and integrity

Future developments

The Company seeks to continue to optimise the depot network and target its sales in order to improve operational efficiency.

By order of the board

RP Down
Director

Date: 9 September 2015

Chase House
16 The Parks
Newton-le-Willows
Merseyside
WA12 0JQ

Directors' report

The directors present their Directors' report and the audited financial statements for the year ended 31 March 2015.

Dividend

The Company did not pay any dividends in the current year or preceding year.

No dividend is proposed in respect of the year ended 31 March 2015 (2014: £nil).

Directors

The directors who served during the year and as at the date of this report were as follows:

TM Atkin	(appointed 15 October 2014)
A Bennett	(appointed 15 October 2014, resigned 19 June 2015)
SJ Corcoran	(resigned 14 April 2014)
RP Down	(appointed 19 June 2015)
LG Krige	(resigned 15 October 2014)
M Rogerson	(resigned 30 June 2015)

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Employees and disabled persons

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

Employee involvement

The Company aims to actively promote employee involvement in order to achieve a shared commitment from all employees to the success of the business.

The Company has an Employee Charter in place, which sets out various commitments the Company makes to its employees including in respect of pay, engagement and development. The Directors consider employee engagement to be a key part of the Company's success and this is measured and reported to the Directors. Further involvement is engendered through employee feedback mechanisms including an annual employee opinion survey and employee consultative forums in each region.

Disclosure of information to auditor

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 auditor are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

RP Down
Director

Date: 9 September 2015

Chase House
16 The Parks
Newton-le-Willows
Merseyside
WA12 0JQ

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Speedy Asset Services Limited

We have audited the financial statements of Speedy Asset Services Limited for the year ended 31 March 2015 as set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Speedy Asset Services Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

9 September 2015

Profit and Loss Account
for the year ended 31 March 2015

	Note	2015 £000	2014 £000
Turnover	3	**345,878**	323,394
Cost of sales		**(135,348)**	(119,627)
Gross profit		**210,530**	203,767
Distribution expenses		**(34,154)**	(34,682)
Administrative expenses		**(154,585)**	(150,865)
Analysis of operating profit			
Operating profit before amortisation and exceptional costs		**30,280**	22,011
Amortisation		**(1,192)**	(1,384)
Exceptional costs	2	**(7,297)**	(2,407)
Operating profit	3	**21,791**	18,220
Financial income	5	**212**	129
Financial expense	5	**(9,314)**	(9,913)
Profit before taxation		**12,689**	8,436
Taxation	6	**(1,888)**	(1,492)
Profit for the financial year		**10,801**	6,944

The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the Profit and Loss Account.

All amounts relate to continuing operations.

The notes on pages 11 to 22 form part of these financial statements.

Balance Sheet
at 31 March 2015

	Note	**2015**	2014
		£000	£000
ASSETS			
Fixed assets			
Investments	*7*	**-**	-
Tangible assets	*8*	**199,747**	188,698
Intangible assets	*9*	**21,763**	22,955
		221,510	211,653
Current assets			
Stock	*10*	**8,385**	11,079
Trade and other debtors	*11*	**91,154**	80,534
Cash at bank and in hand		**22,798**	13,543
		122,337	105,156
Total assets		**343,847**	316,809
LIABILITIES			
Current liabilities			
Trade and other creditors	*12*	**(258,764)**	(242,918)
Provisions	*14*	**(2,910)**	(1,100)
Current tax liabilities		**(2,140)**	(3,265)
		(263,814)	(247,283)
Non-current liabilities			
Provisions	*14*	**(1,335)**	(1,346)
Deferred tax liabilities	*15*	**(9,350)**	(9,633)
Total liabilities		**(274,499)**	(258,262)
NET ASSETS		**69,348**	58,547
CAPITAL AND RESERVES			
Share capital	*16*	**-**	-
Profit and loss account		**69,348**	58,547
Total shareholder's funds		**69,348**	58,547

The notes on pages 11 to 22 form part of these financial statements.

These financial statements were approved by the Board of Directors on 09/09/15 and were signed on its behalf by:

RP Down
Director

Registered number: 6847930

Statement of changes in shareholder's funds
for the year ended 31 March 2015

	Issued Share Capital £000	Retained Earnings £000	Total Shareholder's Funds £000
At 31 March 2013	-	51,603	51,603
Profit for the financial year	-	6,944	6,944
At 31 March 2014	-	58,547	58,547
Profit for the financial year	-	10,801	10,801
At 31 March 2015	-	**69,348**	**69,348**

The notes on pages 11 to 22 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Speedy Asset Services Limited (the 'Company') is a Company incorporated and domiciled in the United Kingdom.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Speedy Hire Plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments;
- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- The disclosures required by IFRS 7 *Financial Instrument Disclosures*

The Company's ultimate parent undertaking, Speedy Hire Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Speedy Hire Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Group's website (www.speedyservices.com) or from: the Company Secretary, Chase House, 16 The Parks, Newton-le-Willows, Merseyside, WA12 0JQ.

Basis of preparation

The financial statements are prepared on the historical cost basis. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Going concern

The directors continue to adopt the going concern basis in preparing the financial statements. The parent company, Speedy Hire Plc, has indicated that for a period of at least twelve months from the date of approval of these statements it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available, except to the extent they are repaid using surplus cash balances.

The Company's parent undertaking, Speedy Hire Plc, signed a £180m asset based revolving credit agreement in September 2014, which is due to mature in September 2019 and has no prior scheduled repayment requirements.

As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes *(continued)*

1 Accounting policies *(continued)*

Turnover

Turnover is measured at the fair value of consideration received or receivable, net of returns, trade discounts and volume rebates.

Turnover on the hire of assets is recognised in the Profit and Loss Account on a straight-line basis over the period of the hire.

Turnover arising from the sale of ex-hire fleet assets and consumable stock is recognised in the Profit and Loss Account when the significant risks and rewards of ownership have been transferred to the buyer. Transfer occurs when the product or asset is received at the customer's location.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset and refurbishments to assets where the refurbishment extends the asset's useful economic life.

Depreciation of tangible assets is charged to the Profit and Loss Account so as to write off the cost of the assets over the estimated useful economic lives after taking account of estimated residual values. Residual values and estimated useful economic lives are reassessed annually. Land is not depreciated. Hire equipment assets are depreciated so as to write them down to their residual value over their normal working lives which range from three to 15 years depending on the category of the asset.

The principal rates and methods of depreciation used are as follows:

Hire equipment		
Tools and general equipment	-	between three and 10 years straight-line
Non-hire assets		
Freehold buildings and long leasehold improvements	-	over the shorter of the lease period and 50 years straight-line
Short leasehold property improvements	-	over the period of the lease
Fixtures and fittings and office equipment (excluding IT)	-	25%-45% per annum reducing-balance
IT equipment and software	-	between three and five years straight-line, or over the period of software licence (if shorter)
Motor vehicles	-	25% per annum reducing-balance

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

Start-up expenses

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

Leases

Payments made under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Profit and Loss Account as an integral part of the total lease expense.

Financing income and costs

Financial income comprises interest receivable on cash deposits. Interest income is recognised in the Profit and Loss Account as it accrues using the effective interest rate.

Financing costs comprise interest payable on intercompany borrowings, overdrafts and gains and losses on financial instruments that are recognised in the Profit and Loss Account.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

Income tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in shareholder's funds in which case it is recognised in shareholder's funds. Income tax comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities affecting neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Other intangible assets

Intangible assets other than goodwill that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses.

Expenditure on internally generated goodwill and brands is recognised in the Profit and Loss Account as an expense as incurred.

Amortisation

Amortisation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful economic lives of identified intangible assets. Intangible assets excluding goodwill are amortised from the date that they are available for use. For a number of its acquisitions, the Company has identified intangible assets in respect of sole supply contracts, customer lists and non-compete agreements. The values of these intangibles are recognised as part of the identifiable assets, liabilities and contingent liabilities acquired. The useful lives are estimated as follows:

- Sole supply contracts: over the unexpired period of the contracts, up to five years
- Customer lists over the period of agreements: up to ten years
- Non-compete agreements: over the period of the agreement, up to five years
- Brands: over the period of use in the business up to four years

Notes *(continued)*

1 Accounting policies *(continued)*

Impairments

The carrying amounts of the Company's non-financial assets, other than stock and deferred tax, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated, being the higher of net realisable value and value in use, and if there is an impairment loss then this loss is recognised such that the carrying amount is reduced accordingly.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis.

Stock

Stock is stated at the lower of cost and net realisable value, or in the case of ex-hire equipment assets, at the lower of cost less accumulated depreciation and impairment at the date of transfer to stock or net realisable value.

Cost comprises direct materials and, where appropriate, overheads that have been incurred in bringing the stock to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Trade and other debtors

Trade and other debtors are stated at their nominal amount less impairment losses.

Employee benefits

Pension schemes

The Speedy Hire Group offers a stakeholder pension arrangement to employees and in addition makes contributions to personal pension schemes for certain employees. Obligations for contributions to these defined contribution pension plans are recognised as an expense in the Profit and Loss Account as incurred.

Exceptional items

Exceptional items are those material items which, by virtue of their size or incidence, are presented separately in the Profit and Loss Account to give a full understanding of the Company's financial performance. Transactions which may give rise to exceptional items include the restructuring of business activities.

Notes *(continued)*

1 Accounting policies *(continued)*

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The judgements, estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The following accounting policies are limited to those items that would most likely produce materially different results were we to change the underlying judgements, estimates and assumptions.

The following are judgements, apart from those involving estimations that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Tangible assets

In relation to the Company's tangible assets (note 8), useful economic lives and residual values of assets have been established using historical experience and an assessment of the nature of the assets involved. At 31 March 2015, the carrying value of hire equipment was £197.0m *(2014: £186.0m)* representing 98.6% *(2014: 98.6%)* of the total tangible assets. The hire equipment depreciation charge for the year ended 31 March 2015 was £33.6m *(2014: £32.5m)* which represents 10.0% *(2014: 9.9%)* of the average original cost of hire equipment. Both useful economic lives and residual values are reviewed on a regular basis.

Impairment

Goodwill is reviewed annually to assess the requirement for impairment, at 31 March 2015 goodwill was £19.2m *(2014: £19.2m)*. Other intangible assets were £2.6m at 31 March 2015 *(2014: £3.8m)* and are assessed on an ongoing basis to determine whether circumstances exist that could lead to the conclusion that the carrying value of such assets is not supportable. Impairment testing on goodwill is carried out annually and requires assumptions relating to the appropriate discount factors and long term growth prevalent in particular markets as well as short term business performance. The directors draw upon experience as well as external resources in making these assumptions. In the year to 31 March 2015, an impairment review was undertaken in respect of intangible assets and tangible assets and this review concluded that no impairment of assets was required.

Onerous lease provision

The Group has a number of properties which are leased but no longer occupied. The future cost of these ongoing lease obligations is provided for by way of an onerous property contract provision (see note 14), and at 31 March 2015 the amount provided was £4.2m *(2014: £2.4m)*. In determining the level of provision required, the Group assesses the likelihood of mitigating future lease costs as a result of break clauses in leases, or the likelihood of sub-letting the property to third parties. In doing so, the Group obtains external professional advice where the amounts involved are material.

Bad debt provision

The group monitors the risk profile of debtors regularly and makes a provision for amounts that may not be recoverable. When a trade receivable is not collectable it is written off against the bad debt provision. At 31 March 2015, the provision for bad debt was £2.7m *(2014: £2.2m)* along with a £2.2m credit note provision *(2014: £1.4m)* against a total debtor book of £89.7m *(2014: £78.7m)*.

Notes *(continued)*

2 Exceptional items

For the year ended 31 March 2015

Exceptional costs of £6.4m were incurred in the period as the programme to reconfigure the depot network continued. These costs include provisions for onerous leases which remain as a result of the changes and costs related to implementing the change programme.

In addition, costs relating to changes in management totalled £0.9m.

For the year ended 31 March 2014

Exceptional costs of £2.4m were incurred as the cost of change as the business has rolled out its new network structure. The most significant element of the cost (£1.9m) relates to provisions for onerous leases which remain as a result of the changes. The remaining cost of £0.5m is as a result of costs incurred for employee changes as part of the programme.

3 Turnover and operating profit on ordinary activities

Turnover and operating profit on ordinary activities arises from the Company's principal activities which are wholly undertaken within the UK.

Operating profit is stated after charging/ (crediting) the following:

	2015 £000	2014 £000
Amortisation of intangible assets	**1,192**	1,384
Depreciation		
- of owned plant, property and equipment	**34,436**	33,501
Profit on disposal of tangible assets	**(4,970)**	(3,745)
Operating lease rentals		
- land and buildings	**10,073**	11,315
- other assets	**10,440**	10,321
Auditor's remuneration: audit of these financial statements	**109**	109

4 Staff numbers and costs

The average number of people (including directors) employed by the Company during the year, was as follows:

	2015 Number	2014 Number
Employee numbers	**3,149**	3,115

The aggregate payroll costs of these employees were as follows:

	2015 £000	2014 £000
Wages and salaries	**79,126**	77,051
Social security costs	**7,456**	7,534
Pension costs	**1,252**	941
	87,834	85,526

The directors did not receive any remuneration during the current year or prior year in respect of services to the Company.

Notes *(continued)*

5 Financial income and expense

	2015	2014
	£000	£000
Financial income		
Bank interest income	(212)	(129)
Financial expense		
Bank interest expense	35	11
Inter-company loan interest expense	9,265	9,892
Other financial expense	10	10
Foreign exchange loss	4	-
	9,314	9,913
Net financial expense	9,102	9,784

6 Taxation

	2015	2014
	£000	£000
Current tax		
Current tax on income for the year	2,451	2,428
Adjustment in respect of prior years	(280)	663
	2,171	3,091
Deferred tax		
Origination and reversal of temporary differences	210	-
Adjustment in respect of prior years	(25)	(682)
Reduction in tax rates	(468)	(917)
	(283)	(1,599)
Total tax charge	1,888	1,492

The total tax charge in the Profit and Loss Account for the year is lower *(2014: lower)* than the standard rate of corporation tax in the UK of 21% *(2014: 23%)* and is explained as follows:

	2015	2014
	£000	£000
Profit before tax	12,689	8,436
Accounting profit multiplied by the standard rate of corporation tax at 21% *(2014: 23%)*	2,665	1,940
Expenses not deductible and income not taxable, net	(4)	488
Adjustment in respect of prior years	(305)	(19)
Adjustment to deferred taxation relating to future changes in corporation tax rates	(468)	(917)
Tax charge for the year in the Profit and Loss Account	1,888	1,492

Notes *(continued)*

6 Taxation *(continued)*

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly. The deferred tax liability at 31 March 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

7 Investments

The Company's related undertaking is as follows:

	Incorporation and operation	**Principal activity**	**Ordinary share capital held**
SHH 501 Limited	UK	Dormant	100%

8 Tangible assets

	Leasehold Land and Buildings	**Hire Equipment**	**Fixtures, Fittings & Motor Vehicles**	**Total**
	£000	**£000**	**£000**	**£000**
Cost				
At 1 April 2014	3,143	327,957	20,290	351,390
Additions	46	63,471	920	64,437
Disposals	-	(46,518)	(17)	(46,535)
Transfers to stock	-	(5,123)	-	(5,123)
Transfers from group companies	-	1,408	-	1,408
Transfers to group companies	-	(133)	(37)	(170)
At 31 March 2015	**3,189**	**341,062**	**21,156**	**365,407**
Depreciation				
At 1 April 2014	3,136	141,930	17,626	162,692
Charged in the year	10	33,562	864	34,436
Disposals	-	(29,741)	(13)	(29,754)
Transfers to stock	-	(1,655)	-	(1,655)
Transfers to group companies	-	(27)	(32)	(59)
At 31 March 2015	**3,146**	**144,069**	**18,445**	**165,660**
Net book value				
At 31 March 2015	**43**	**196,993**	**2,711**	**199,747**
At 31 March 2014	7	186,027	2,664	188,698

Notes *(continued)*

9 Intangible assets

	Goodwill £000	Customer list £000	Non-compete £000	Brand £000	Supply agreements £000	Total £000
Cost						
At 1 April 2014 and 31 March 2015	**38,347**	**12,286**	**3,262**	**142**	**9,947**	**63,984**
Amortisation						
At 1 April 2014	19,139	9,548	3,262	142	8,938	41,029
Charged in the year	-	801	-	-	391	1,192
At 31 March 2015	**19,139**	**10,349**	**3,262**	**142**	**9,329**	**42,221**
Net book value						
At 31 March 2015	**19,208**	**1,937**	**-**	**-**	**618**	**21,763**
At 31 March 2014	19,208	2,738	-	-	1,009	22,955

Goodwill acquired in a business combination is allocated to cash-generating units (CGUs) according to the lowest level at which management monitor and control the business. Goodwill is tested annually for impairment, or more frequently if there are indications that goodwill might be impaired.

No impairment provisions were booked in the year ended 31 March 2015 *(2014: £nil)*.

10 Stock

	2015 £000	2014 £000
Goods held for resale	**8,385**	11,079

The amount of stock expensed in the year amounted to £42.0m *(2014: £40.8m)*, included within cost of sales. No provision in respect of a write down in stock is held at the year end or prior year end.

Notes *(continued)*

11 Trade and other debtors

	2015 £000	2014 £000
Trade debtors	**84,787**	75,101
Amounts owed by group undertakings	**1,882**	1,938
Other debtors	**4,485**	3,462
Prepayments and accrued income	**-**	33
	91,154	80,534

There are £36.5m *(2014: £26.3m)* of trade debtors that are past due at the balance sheet date that have not been provided against. There is no indication at 31 March 2015 that debtors will not meet their payment obligations in respect of trade debtors recognised in the balance sheet that are past due and un-provided.

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

	2015 £000	2014 £000
At 1 April	**2,190**	2,174
Impairment provision charged to the Profit and Loss Account	**4,322**	4,467
Written off in the year	**(3,771)**	(4,451)
At 31 March	**2,741**	2,190

12 Trade and other creditors

	2015 £000	2014 £000
Trade creditors	**32,836**	34,539
Amounts owed to group undertakings	**69,894**	27,697
Loans owed to group undertakings (see note 13)	**127,913**	152,493
Other taxation and social security	**12,108**	12,199
Accruals	**16,013**	15,990
	258,764	242,918

13 Other interest-bearing loans and borrowings

The Company's interest-bearing loans and borrowings are as follows:

	2015 £000	2014 £000
Current borrowings		
Amounts owed to Group undertakings	**127,913**	152,493
	127,913	152,493

The Company pays interest on bank borrowings and receives interest on bank deposits at rates of interest fixed for one month by reference to the London Inter Bank Offer Rate. Loans from other group undertakings are repayable on demand. Interest is not payable on balances outstanding as a result of routine inter-company trading. Long term inter-company loans bear interest on the same basis as external bank borrowings.

Notes *(continued)*

14 Provisions

	Onerous property contracts £000
At 31 March 2014	2,446
Created in the year	5,316
Provision utilised in the year	(3,517)
At 31 March 2015	**4,245**

The management of the Group's property lease arrangements was transferred to Speedy Transport Limited during the prior year. Speedy Transport Limited acts as manager of the Group's leases, but the underlying liability for the leases, and therefore for the onerous element of those leases, remains with the end user of the properties. As a result, at 31 March 2015 the Company held a provision of £4,245,000 against onerous property contracts *(2014: £2,446,000)*, of which £2,910,000 is payable within one year *(2014: £1,100,000)* and £1,335,000 is due after one year *(2014: £1,346,000)*.

15 Deferred tax (assets) and liabilities

Recognised deferred tax (assets) and liabilities

The deferred tax balances and the movements during the year can be analysed as follows:

	Property, Plant & Equipment £000	Intangible Assets £000	Other £000	Total £000
At 1 April 2013	11,511	(7)	(272)	11,232
Recognised in income	(1,666)	70	(3)	(1,599)
At 31 March 2014	9,845	63	(275)	9,633
Recognised in income	(150)	63	(196)	(283)
At 31 March 2015	**9,695**	**126**	**(471)**	**9,350**

The amount of goodwill that is tax deductible is £19,208,000 *(2014: £19,208,000)*.

16 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 *(2014: 1)* Ordinary shares of £1	**1**	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes *(continued)*

17 Operating lease and capital commitments

The Company had contracted capital commitments amounting to £4,632,000 *(2014: £4,567,000)* at the end of the financial period for which no provision has been made.

The Company has disclosed the operating lease commitments for the properties and vehicles they use. The actual leases are held with various Speedy Group companies, including legacy companies. It is deemed the underlying responsibility is within this Company as the end user of the properties and vehicles.

The properties are occupied mainly as trading premises, although premises are also occupied for central administrative functions. In all cases, the properties are sublet from Speedy Transport Limited. The Company also leases a number of vehicles for use in the course of business from Speedy Transport Limited. The obligations in respect of vehicles are included within 'Other'.

The operating leases had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2015 Land and buildings £000	**2015 Other £000**	2014 Land and buildings £000	2014 Other £000
- not later than year	**11,066**	**8,297**	12,551	8,660
- later than one year but less than five years	**31,206**	**10,400**	31,560	11,982
- later than five years	**13,060**	**572**	18,121	1,619
	55,332	**19,269**	62,232	22,261

Where the Company has vacated a property prior to the end of the lease term, the Company will attempt to sublease such vacant space on short term lets. The sublease rental income for the year to 31 March 2015 was £714*,000 (2014: £841,000)*. The minimum rent receivable under non-cancellable operating leases is as follows:

	2015 £000	2014 £000
Total future minimum lease payments		
- not later than one year	**777**	791
- later than one year and not later than five years	**2,181**	1,499
- later than five years	**163**	230
	3,121	2,520

18 Contingencies

The Company continues to have an unlimited cross guarantee in respect of the net bank borrowings of Speedy Hire Plc and a number of its subsidiaries. At 31 March 2015 such net borrowings amounted to £105.3m *(2014: £84.4m)*.

The Group's bank borrowings at the year end are secured by a fixed and floating charge over the Company's assets.

19 Ultimate parent company and parent company of larger group

The directors consider the ultimate parent company to be Speedy Hire Plc, which is the only undertaking that prepares group accounts including the financial statements of the Company.

The consolidated group accounts are available from: Company Secretary, Speedy Hire Plc, Chase House, 16 The Parks, Newton-le-Willows, Merseyside, WA12 0JQ.