



28 May 2008

SPEEDY HIRE Plc

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 MARCH 2008

Speedy is the UK's No.1 provider of tools and equipment for hire. The Company operates from 488 depots throughout the UK. Speedy Hire also operates in the Republic of Ireland.

The Group's activities are the provision for hire of tools, portable accommodation, compressed air, pumps, lifting, material handling, survey and measurement instrumentation and power generation equipment.

FINANCIAL HIGHLIGHTS

	2008	2007	% Change
Revenue	£465.5m	£335.5m	38.7%
EBITDA*	£131.6m	£100.3m	31.2%
Group operating margin*	13.7%	14.9%	(1.2)ppts
Profit before tax*	£48.1m	£40.5m	18.8%
Basic earnings per share	47.89p	58.74p	(18.5)%
Earnings per share*	73.19p	65.00p	12.6%
Total dividend per share	19.8p	17.0p	16.5%
Operating cash flow	£102.3m	£84.6m	20.9%
Gearing	106.5%	102.9%	3.6ppts
Net Debt/EBITDA	1.9 times	1.8 times	

* pre amortisation and exceptional integration costs

- Year of record results - in line with expectations at time of transformational £115m Hewden Tools acquisition;
- Financial strength maintained – strong operational cash flow, significant bank facility headroom and flexible capex spend;
- Hewden Tools' temporary dilutive impact on operating margin and EPS as anticipated - integration now complete and on track to deliver £20m p.a. synergies as planned;
- £12.5m acquisition of the accommodation business of Carillion Asset Management and five year Strategic Partnering Agreement with Carillion plc announced today – delivers further growth in secured revenue base;
- Confident of further growth in line with our expectations – benefiting from growth in infrastructure spending and growth in industrial customer base.

Outlook

“Two-thirds of our revenues derive from construction and related activities, with growth in infrastructure spending on energy, utilities, road and rail, hospitals, schools, social housing and the Olympics. The other third of our revenue comes from non-construction activities in the industrial sector, which is becoming increasingly important to us. Our share of these markets is expected to grow strongly. Our national capability is essential in being able to service both national contractors and large industrial groups.

We are confident of delivering further growth over the next financial year in line with our expectations. Our key customers, the UK's largest construction and industrial groups, with whom we continue to develop even stronger relationships as we take responsibility for their tool, equipment and service needs, continue to report full order books.”

David Wallis - Chairman

For further information:

Speedy Hire Plc

Steve Corcoran, Chief Executive
Justin Read, Group Finance Director
Tel: 020 7796 4133 on Wednesday 28 May
(thereafter Tel: 01942 720000)

Hudson Sandler

Nick Lyon/Wendy Baker/Kate Hough
Tel: 020 7796 4133

Website: www.speedyhire.plc.uk

There will be an analysts' meeting and conference call at 10.30am today. The presentation slides to accompany the conference call will be available at www.speedyhire.plc.uk from 10.30am this morning. A replay facility for this call will be available from Speedy Hire's website. For conference call details please contact Rebecca Ghent, Hudson Sandler on 020 7796 4133 or rghent@hudsonsandler.com.

High resolution photographs are available to media free of charge at www.vismedia.co.uk.

SPEEDY HIRE Plc
CHAIRMAN'S STATEMENT

Our Performance

The 2007/08 financial year has been seminal in the development of your company. Significant underlying forward momentum has been delivered in all the key financial measures by which we assess the progress of the business. We have achieved increased scale through both strong organic growth and acquisition, good progress has been made in the development of our infrastructure, particularly in the areas of IT capability and the training and development of our team at all levels.

I have summarised our financial performance below. There has been strong growth in revenues, underlying earnings before interest tax depreciation integration costs and amortisation, and pre-tax profits, while as anticipated, the Hewden Tools acquisition outlined below, had a dilutive effect on operating margin and earnings per share, albeit this will be temporary as significant synergy benefits are already beginning to flow. As a result of this strong financial performance, your board is proposing a final dividend of 13.4 pence per share making a total for the year of 19.8 pence per share, an increase of 16.5% over 2007, ahead of the growth in earnings on the increased share capital, following the Placing in June 2007.

	2008	2007	% Change
Revenues	£465.5m	£335.5m	38.7%
EBITDA*	£131.6m	£100.3m	31.2%
Profit before tax*	£48.1m	£40.5m	18.8%
Group operating margin*	13.7%	14.9%	(1.2)ppts
Basic Earnings Per Share	47.89p	58.74p	(18.5)%
Earnings per share*	73.19p	65.00p	12.6%
Return on Capital* (operating)	15.2%	16.9%	(1.7)ppts
Total Equity	£240.1m	£171.1m	40.3%

* *pre amortisation and exceptional integration costs*

I would like to extend the thanks of both the board and shareholders to all members of the Speedy team, now over 5,000 strong, for their outstanding efforts and achievements in what has been a very demanding year.

Our Strategy

Our commercial strategy remains one of growth. We aim to be number one or two in the market segments in which we operate, serving primarily the larger construction and industrial companies and their supply chain. These companies require tools and equipment for longer periods of time and have more complex needs. Our financial strategy is to maintain debt and shareholders' funds broadly in line with one another, whilst ensuring that interest payments are well covered by operating profit. This enables us to continue to invest in new equipment, totaling £104 million in the last financial year, and to maintain the youngest fleet in the hire industry, with an average age of 2.4 years.

In executing our overall strategy, we have made three significant acquisitions in the course of the year. In August 2007 we completed the acquisition of Hewden Tools at a cost of £115 million and Waterford Hire Services at a maximum cost of €6.5 million. In January 2008 we announced the acquisition of Amec Logistics and Support Services for £12.5 million.

The acquisition of Hewden Tools has all but completed the national footprint for tool hire on mainland Britain, giving us a total of 357 tool hire depots. The strategic logic of this transformational deal is to consolidate your company as the clear UK market leader. The integration of this business is now finalised. Depots, vans and equipment were rebranded and a single product catalogue introduced in January 2008. In addition, the new IT system was rolled out throughout Speedy Tools and the former Hewden depots by the end of April 2008. The exceptional costs associated with the integration of Hewden have remained within budget and we are very confident that the synergies predicted at the time of acquisition will all be delivered in the short term and sustained over the coming years. This outcome is a result of meticulous planning and execution, excellent communications and the tremendous teamwork displayed by those people joining us from Hewden.

Waterford Hire, albeit on a different scale, is important in building our brand and business in the Republic of Ireland. Together with additional greenfield openings, this will offer a springboard for future development there, as well as providing valuable lessons in running a business with a different geography, currency, culture and customer base.

The acquisition of Amec Logistics and Support Services enabled us to move into new industrial and infrastructure areas with the provision of a four year exclusive supply agreement and into a wider range of equipment for the Amec group on Preferred Supplier basis. This business is a single point of supply for tools, lifting equipment, accommodation units and survey equipment for Amec and other significant customers. This is a further example of similar such deals concluded over the last few years which together provide two significant positives. Firstly, we have secured contracted revenues in excess of £250 million over the next five years with key customers. Secondly, we have found that actual revenues generated from these accounts almost always exceed contracted revenues, as customers come to rely on the benefits of Speedy's expertise and tailored service.

We have announced today that Speedy has strengthened its relationship with Carillion plc by entering into a new five year Strategic Partnering Agreement, which reinforces Speedy's position as Carillion's preferred supplier of its full range of products and services. As part of the Agreement, Speedy has acquired the accommodation business of Carillion Asset Management Limited.

The achievement of scale, through organic growth and acquisitions, a national footprint and the ability to service completely new markets, now enables us to advance Speedy Hire's business model. The theme of this year's Annual Report is "extending a trusted brand" and that is exactly how we are evolving our strategy. We will continue to supply all the basics of straight forward hire, but build on this foundation with added value services. We are already starting to see longer term arrangements for hire, technical advice, training, particularly on Health and Safety issues and fuel management, as we endeavour to become an indispensable part of our customers' needs.

Another key opportunity for growth is the continued move towards outsourcing by construction and industrial groups which moves the responsibility for ownership, maintenance, testing, and delivery to businesses such as Speedy. In addition, the legislative environment continues to drive demand for product expertise, technical advice, training and environmental responsibility. We see these as great opportunities to become not just a hirer, but a broader service provider to our customers.

Outlook

The consensus of forecasts for economic growth in the UK over the next year or two remains marginally positive and prospects for the majority of our customers remain encouraging. Two-thirds of our revenues derive from construction and related activities. The contraction in housebuilding, which constitutes less than 5% of our revenues, and in speculative commercial development is expected to be more than counter-balanced by growth in infrastructure spending on energy, utilities, road and rail, hospitals, schools, social housing and the Olympics. The other third of our revenue comes from non-construction

activities in the industrial sector, which is becoming increasingly important to us. Our share of these markets is expected to grow strongly. Our national capability is essential in being able to service both national contractors and large industrial groups.

Financially, our debt levels remain comfortable, being well supported by strong cash generation and with over four years to run on our £325 million bank facility, we have ample headroom to finance the current needs of the business.

We are confident of delivering further growth over the next financial year in line with our expectations. Our key customers, the UK's largest construction and industrial groups, with whom we continue to develop even stronger relationships as we take responsibility for their tool, equipment and service needs, continue to report full order books.

Further out is more difficult to predict, but we monitor lead indicators very carefully and the flexibility of our business model gives us some protection against any further adverse developments in the global economic situation. We have ensured that we have flexibility with regards to forward capital commitments by structuring our supply chain so that the cycle for ordering tools and equipment from our suppliers is extremely short. In the event of a downturn in our end markets, we will slow investment and thereby generate more cash.

Whatever the economic circumstances, there are always opportunities to exploit and Speedy Hire has both the culture and now the scale to take advantage of these. Your company is in great shape and well placed to come through the period ahead, even stronger.

SPEEDY HIRE Plc
CHIEF EXECUTIVE'S REVIEW

The Business

Speedy Hire Plc is a business to business company; it is the UK's no.1 provider of tool and equipment hire and a member of the FTSE 250 index. It provides a broad range of products for hire, together with associated services, to the wider construction market, specialist industries, their supply chains and the public sector.

Speedy Hire operates a flexible, delivery based business model and is structured into two divisions, Tool Hire and Equipment Hire, trading from a network of 488 outlets throughout the UK and the Republic of Ireland:

- The Tool Hire Division is made up of five regionally based businesses that offer a comprehensive and modern fleet of small tools for hire including drills, breakers, woodworking tools, heaters, dryers, temporary lighting, small generators, welders, and plumbing equipment, as well as access, landscaping and light plant products. This division operates from 357 sites;

- The Equipment Hire Division consists of five businesses, supplying specialist services in the hire of Lifting, Power, Pumps, Space (portable accommodation) and Survey equipment. These are provided nationally and are operated through 131 sites strategically based throughout the UK and Ireland.

By forging long-term strategic partnerships with major contractors (both nationally and regionally), industrial users and their supply chain, Speedy has been able to develop its network, product range and investment to support the changing needs of its customers.

Market research¹ has identified that our customers both nationally and locally recognise Speedy for availability of quality products, a comprehensive depot network and a broad product range. These are seen as key benefits. They also consider us professional, trustworthy and flexible in our approach. Their overall perception was that we provided the best value-for-money offering. Our high level of customer service is now bringing opportunities in more value-added services such as testing, servicing and inspection.

We also work closely with our suppliers and leverage our scale to find ways to develop products that are more efficient, compliant and productive for our customers.

Although we service many of the UK's largest construction and industrial clients, we have a highly diverse customer base, with no single customer accounting for more than 4% of our revenues.

In September 2007 the group's hire operations in both the North and South of Ireland were merged to establish Speedy Ireland and, with the appointment of a Managing Director, this became our first overseas business. Speedy Ireland is focused on providing a full range of specialised hire services from one operating company. The strategic plan is to build a national network that will enable the business to support the major Irish and UK construction companies that will be involved in the regeneration of Northern Ireland and the delivery of the Irish government's National Development Plan.

Tool Hire division

The Tool Hire division increased revenues by 46.9% in 2007/08 and reported record profits. The addition of 188 depots from the Hewden Tools acquisition drove revenue growth, and was augmented by robust organic growth in each of the Tool Hire regions. This organic growth accounted for the majority of the profit growth, as Hewden Tools, as anticipated, provided only a marginal contribution.

The rapid integration of the Hewden depots has consolidated our leadership of the tool hire segment of the market. We are confident that synergies of £20m pa will be achieved as we continue to leverage operational efficiency across the enlarged business. The costs associated with the integration were £10m and these have been fully expensed in this period.

Up to the time of the Hewden Tools acquisition in August 2007, like-for-like revenue growth for the Tool Hire division was 11.4% and strong momentum was maintained throughout the financial year. As reported in our Interim Report 2007, we are unable to report like-for-like revenue growth in the Tool Hire division until we are past the first anniversary of ownership.

We continued to build upon our fledgling non-hire activities in areas such as training and reported strong growth in safety-related consumable sales, through better category and supplier management. At the same time, we have increased our Centres of Excellence to offer products focused on access, light plant, fencing and safety decking.

We built on the success of our award-winning 'Safety from the Ground Up' campaign to assist customers in implementing health and safety best practices with their directly employed and subcontracted workforce at site level. The positive response to this initiative has encouraged us to expand cover to include dust inhalation and manual handling.

On-site operations continued to be an effective way of tying in to major projects and leveraging Group-wide products. We established new on-site operations at sites related to the London Olympics 2012, the White City development and in support of Ministry of Defence projects.

The main strategic priorities for the Tool Hire division in 2008/09 are as follows:

- To deliver the targeted synergies from the Hewden Tools acquisition;
- To increase margins at Hewden operations in line with those of Speedy's heritage operations;
- To deliver the benefits of cross-selling to our extended customer base;
- To drive like-for-like revenue growth across the network;
- To position the focus of our sales teams towards customers and markets and away from products and territories;
- To build on the success of the 'Safety from Ground Up' initiative.

Equipment Hire division

The Equipment Hire division in 2007/08 reported strong revenue growth of 30.4%, driven by a robust performance from all its businesses: Lifting, Power, Pumps, Space and Survey. The division also completed the integration of the businesses it acquired in the previous year, Lifting Gear Hire and LCH Generators.

During the year the division continued to align itself with its largest customers and established positions in new industrial markets, including nuclear, petrochemical and rail. It also accelerated the development of its engineering services through the acquisition of Amec LSS and expanded its offering in temporary accommodation through the establishment of a dedicated business unit for the provision of modular systems.

In Speedy Power, the generator and compressors offering was aligned more closely to their respective markets through dedicated sales teams. This has enhanced specialisation in these areas and brought the businesses earlier involvement into key projects. The compressor business, in particular, has developed new relationships in specialist industrial markets, such as aeronautical, automotive and telecoms.

At the same time, after careful trials the division extended the provision of additional services such as inspection, testing and training that were acquired with the Lifting Gear Hire acquisition. These services are now more widely available from the Lifting business and, whilst in their infancy, they are showing early signs of securing the business a stronger presence in industrial markets.

The Equipment division has also established on-site facilities in the industrial sector. These supply both the client direct and their facilities management contractors.

The division will continue to drive efforts to increase Group-wide activities in new markets. The main strategic priorities for the Equipment division in 2008/09 are as follows:

- To continue to leverage our presence in non-construction activities;
- To extend our product range further to ensure the widest core offering;
- To increase our site presence with full on-site facilities;
- To continue to roll out a single IT platform;
- To leverage our procurement processes to the benefit of our customers;
- To enhance our operational delivery model to extract maximum synergies and deliver optimum operational effectiveness;
- To evaluate opportunities to support our customers in overseas markets.

The Market

Our market

The UK hire market is valued at around £4.5bn. Driven by growth in outsourcing and regulatory pressures, the market is growing at approximately 4.4% CAGR to exceed £5bn by 2010², giving Speedy a market share of roughly 10%.

The UK hire market is highly fragmented and is served by a range of organisations, the majority of which are either product or regionally specific in their structure. The market in Ireland is less researched and therefore the information available is less comprehensive, however the data available suggests a market value of €325m.

Continued growth in the UK hire market is based on the trend towards hire and away from ownership. Contractors and other operators lower their costs by outsourcing their non-core activities and increasing their emphasis on Health and Safety, quality assurance and supply chain management.

Speedy has built a trusted brand in this market and has a 21-year record of unbroken profitable growth because of its commitment to providing a full range of high quality products and services to major national contractors in the UK construction market and, increasingly, in specialist non-construction sectors and the Republic of Ireland.

At the same time, legislation aimed at encouraging safer working practices continues to emerge. In response, Speedy devised its award-winning 'Safety from the Ground Up' campaign from which to communicate new products and services and advise on compliance and best practice. This has attracted customers to our growing portfolio of initiatives.

More recently, legislation has begun to address the environmental impact of building activities, representing a new opportunity for Speedy to drive growth by servicing customers' needs in this area.

We have sought to benefit from these market dynamics by implementing a growth strategy that differentiates us from our competitors, especially the localised hire operators that are increasingly unable to support the demands of the major contractors and industrial customers for consistency and compliance on a national basis and across a broad product range.

New markets

New business lines have created important revenue streams outside the construction sector, most notably from customers in industrial markets such as the petrochemical, pharmaceutical, steel, nuclear and rail sectors. With the continued drive towards outsourcing, we are realising further opportunities in other non-construction areas such as local authorities and government departments.

Our ability to identify new products has seen us establish dedicated businesses for our offerings in Lifting, Power, Space and Survey and enabled us to expand into overseas markets, such as the Republic of Ireland. Closer alignment with our customers has allowed us to develop additional services, such as testing, maintenance and asset management, thereby creating important new growth platforms for the future.

Our acquisition of Amec LSS in February has enabled us to access new customer businesses in the nuclear and railway industries and has accelerated the establishment of a new hire and service business dedicated to the engineering sector. The transaction has thus positioned the business in a more service based relationship with the Amec group.

Market outlook

We are mindful of the current uncertainties surrounding UK economic growth, although in our own markets we are not currently experiencing any overall downturn.

Whilst housing and commercial office building has contracted significantly, the impact of a reduction in these areas has been offset through the continued investment in improving UK infrastructure and those areas covered by regulatory spend, such as electricity, gas and water. It is increased activity in these areas that has led the majority of our customers report positive market conditions and prospects.

The most recent forecasts for construction output predict annual growth slowing to around 1% pa in 2008-2009, with recovery from 2010 to a more normalised level of c.2.5% pa. This provides a good opportunity for the business because of:

- the continued high levels of activity in the construction market;
- the increased legislative and regulatory emphasis on safer working practices;
- the drive towards outsourcing; and
- the increasing emphasis on quality assurance, supply chain and environmental standards.

This outlook provides us with the confidence to invest where we see the best growth prospects.

In addition, despite our leading market position, our relatively small share of the market (approximately 10% of the overall UK hire market) provides scope for us to continue to expand our position.

We believe growth opportunities will also emerge as major contractors continue to drive value through their supply chain by consolidating their number of suppliers. As a result of this trend Speedy now has:

- an increased amount of secured revenues over the next five years (over £250m);
- an increased number of preferred supplier agreements with the largest UK national contractors and support service groups (19 of the top 25); and
- 13 dedicated customer hire desks through our Hire Direct operation.

The flexibility of our business model enables us to respond quickly to opportunities available in the parts of our market where there is currently most potential. At the present time, this involves supporting customer's construction activities in infrastructure and public services, as well as in non-construction sectors.

Capital structure and treasury

Speedy remains a strongly cash generative company. Our cash flow, expressed as a ratio of EBITDA to revenues, remains strong at 28.3% (2007: 29.9%) and operating cash flow rose 20.9% in the year to £102.3m (2007: £84.6m). Additionally, operating Return on Capital, a key indicator of financial performance, has, despite the temporary dilutive effect of the Hewden Tools acquisition, remained strong at 15.2% (2007: 16.9%), significantly ahead of our average cost of capital.

Speedy's long-term funding is provided through a combination of shareholders' funds and bank debt. At March 31, 2008, shareholders' funds totaled £240.1m and net debt outstanding was £255.6m. The level of gearing therefore was a comfortable 106.5% (102.9%).

While remaining vigilant to changes in interest rates and wider market conditions, the Board believes that Speedy remains a conservatively funded business with the net debt to EBITDA ratio and interest cover at a comfortable 1.9 times and 4.0 times, respectively. The Board considers that a prudent balance between debt and equity helps secure the availability of future finance necessary to ensure that the business can maintain its growth momentum.

During the year we continued to fund growth in Group turnover and increase our market share. Our gross investment in capital expenditure reached £104.1m (2007: £93.4m), with further investment expenditure of £137.4m for acquisitions.

Record levels of investment led to growth in net debt of £79.4m by the year end (2007 outstandings: £176.2m). To support this expansion, a new £325m five-year bank facility was put in place with a group of seven relationship banks. This facility replaced the Group's previous bank facility and provides committed funding to 2012. Sufficient headroom exists within the facility to finance the current needs of the business.

To maintain a suitable balance between debt and equity, during the course of the financial year Speedy Hire increased its shareholders' funds through the placing of 4.36m new shares, equivalent to 9.4% of the shares in issue at the time. The funds raised through the new shares issued were £51.7m, net of expenses.

At Speedy our policy is to hedge some of the risk of interest rate movements. We aim to have between 40% and 70% of our debt covered by interest rate risk management instruments. At year end, we had a number of instruments covering £152m of our debt, with maturity dates of between July 2008 and February 2011.

The Speedy business model contains the flexibility to lower Group debt through reduced investment levels if growth rates slow. Supporting the turnover growth and higher market share enjoyed in the 2008 fiscal year translated into higher net debt. A lower level of turnover growth does not require the same level of investment, with consequent benefits to net debt and gearing.

As part of this process, our capital expenditure is subject to very short forward order requirements and any decision to trim investment can consequently have a rapid impact on free cash flow generation. This, together with our highly flexible operating model, ensures that we are comfortable with our ability to respond quickly in the event of any downturn.

Focus for the Future

A great deal has been achieved over the year. Our national accounts and relationships with our largest customers have moved from strength to strength. At the same time we have positioned ourselves well to benefit from opportunities in our traditional markets as well those that are newer to the hire business. Our key focus is to extract and maximise the full value of the work we have done.

By continuing to broaden our customer base in the industrial markets and strengthening our relationships with our largest national accounts, we will deliver more growth in the year ahead. We will seek to offer our customers more service-based solutions, whilst increasing our strategic alignment to their business.

By achieving new levels of customer intimacy and operational flexibility, we will change our operations to develop alongside them and their market spaces. We will identify new areas of specialisation that we will develop into future platforms for growth.

The continued roll out of our Group-wide business information management system will allow us to achieve better visibility around the system, aligning us more effectively with the market to maximise opportunities. After integrating this system throughout our Tool Hire depot network in 2007/08, we are set to have it fully implemented throughout the Group in the first half of 2009.

We also intend to expand the scope of our successful 'Safety from the Ground Up' campaign in the year ahead to continue providing real solutions to some of the most pressing challenges our customers face. We will continue to invest in the development of our internal infrastructure, our information systems and in the development and training of our people.

We monitor market activity closely and will be mindful of acquisition opportunities that fit our strategic objectives, whether they are of externally facing businesses or of contractors' own fleets.

Looking at the year ahead, we are confident in our ability to maximize the opportunities that lie ahead and to deliver further growth.

Footnotes:

¹Source: B2B International/Intrepid

²Source: AMA Research

Consolidated income statement

for the year ended 31 March 2008

	Note	Before exceptional integration costs	Exceptional integration costs	Total 2008 £m	2007 £m
		2008 £m	2008 £m		
Revenue	2	465.5	-	465.5	335.5
Cost of sales		(167.1)	-	(167.1)	(118.7)
Gross profit		298.4	-	298.4	216.8
Distribution costs		(49.8)	-	(49.8)	(43.2)
Administrative expenses		(191.8)	(10.0)	(201.8)	(127.7)
Analysis of operating profit					
Operating profit before amortisation and exceptional integration costs		64.0	-	64.0	50.0
Amortisation		(7.2)	-	(7.2)	(4.1)
Exceptional integration costs		-	(10.0)	(10.0)	-
Operating profit		56.8	(10.0)	46.8	45.9
Financial income		0.9	-	0.9	0.4
Financial expense	4	(16.8)	(0.4)	(17.2)	(9.9)
Profit before taxation		40.9	(10.4)	30.5	36.4
Taxation	5	(9.2)	3.1	(6.1)	(9.8)
Profit for the financial year		31.7	(7.3)	24.4	26.6
Attributable to:					
Equity holders of the parent				23.3	26.6
Minority interests				1.1	-
				24.4	26.6
				Pence	Pence
Earnings per share					
- Basic	6			47.89	58.74
- Diluted	6			47.49	57.78
Dividend per share	7			19.8	17.0

Consolidated statement of recognised income and expense

for the year ended 31 March 2008

	2008 £m	2007 £m
Cash flow hedges: (Losses)/ Gains taken to equity (net of tax)	(1.2)	0.5
Net (loss)/ income recognised directly in equity (net of tax)	(1.2)	0.5
Profit for the financial year	24.4	26.6
Total recognised income and expense for the financial year	23.2	27.1
Attributable to:		
Equity holders of the Parent	22.1	27.1
Minority interests	1.1	-
	23.2	27.1

Consolidated balance sheet

At 31 March 2008

	<i>Note</i>	2008 £m	2007 £m
ASSETS			
Non-current assets			
Intangible assets	<i>8</i>	127.0	71.3
Property, plant & equipment	<i>10</i>	374.8	295.7
		<hr/>	<hr/>
		501.8	367.0
		<hr/>	<hr/>
Current assets			
Inventories		16.2	10.9
Trade and other receivables		143.6	101.2
Other financial assets		-	0.7
Cash		4.4	10.3
		<hr/>	<hr/>
		164.2	123.1
		<hr/>	<hr/>
Total assets		666.0	490.1
		<hr/>	<hr/>
LIABILITIES			
Current liabilities			
Trade & other payables		(120.0)	(91.8)
Other financial liabilities		(0.5)	-
Provisions		(1.0)	-
Current income tax		(5.9)	(6.0)
		<hr/>	<hr/>
		(127.4)	(97.8)
		<hr/>	<hr/>
Non-current liabilities			
Borrowings	<i>11</i>	(260.0)	(186.5)
Provisions		(1.2)	-
Deferred tax liabilities		(37.3)	(34.7)
		<hr/>	<hr/>
		(298.5)	(221.2)
		<hr/>	<hr/>
Total liabilities		(425.9)	(319.0)
		<hr/>	<hr/>
Net assets		240.1	171.1
		<hr/>	<hr/>
EQUITY			
Share capital	<i>13</i>	2.5	2.3
Share premium account	<i>13</i>	111.0	57.8
Merger reserve	<i>13</i>	3.7	3.7
Hedging reserve	<i>13</i>	(0.7)	0.5
Retained earnings	<i>13</i>	122.3	106.6
		<hr/>	<hr/>
Total equity attributable to equity holders of the parent		238.8	170.9
Minority interests	<i>13</i>	1.3	0.2
		<hr/>	<hr/>
Total equity		240.1	171.1
		<hr/>	<hr/>

Consolidated cash flow statement

for the year ended 31 March 2008

	2008 £m	2007 £m
Cash flow from operating activities		
Profit before tax	30.5	36.4
Adjustment for:		
Financial income	(0.9)	(0.4)
Financial expense	17.2	9.9
Intangible amortisation	7.2	4.1
Depreciation	67.6	50.3
Profit on disposal of property plant and equipment	(9.7)	(7.0)
Equity-settled share-based payments	2.2	1.7
	<hr/>	<hr/>
	114.1	95.0
Increase in inventories	(3.1)	(0.8)
Increase in trade and other receivables	(27.6)	(19.1)
Increase in trade and other payables	18.9	9.5
	<hr/>	<hr/>
Cash generated from operations	102.3	84.6
Interest received	0.9	0.5
Interest paid	(15.5)	(9.8)
Income tax paid	(4.7)	(6.1)
	<hr/>	<hr/>
Net cash flow from operating activities	83.0	69.2
	<hr/>	<hr/>
Cash flow from investing activities		
Acquisition of businesses	(137.4)	(61.9)
Purchase of property, plant & equipment	(104.1)	(93.4)
Disposal of property, plant & equipment	34.4	19.7
	<hr/>	<hr/>
Net cash flow from investing activities	(207.1)	(135.6)
	<hr/>	<hr/>
Net cash flow before financing activities	(124.1)	(66.4)
	<hr/>	<hr/>
Cash flow from financing activities		
Proceeds from shares issued	56.2	-
Share issue costs	(2.8)	-
Proceeds from new loans	73.5	77.0
Dividends paid	(8.7)	(6.7)
	<hr/>	<hr/>
Net cash flow from financing activities	118.2	70.3
	<hr/>	<hr/>
(Decrease) / Increase in cash	(5.9)	3.9
Cash at the start of the year	10.3	6.4
	<hr/>	<hr/>
Cash at the end of the period	4.4	10.3
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements

1 Preparation of preliminary results

The preliminary results have been prepared on the basis of the accounting policies which are to be set out in Speedy Hire Plc's annual report and accounts for the year ended 31 March 2008.

EU Law (IAS Regulation EC1606/2002) requires that the consolidated accounts of the group for the year ended 31 March 2008 be prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for use in the EU ('adopted IFRS').

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 March 2008 or 2007 but is derived from those accounts. Statutory accounts for 2007 have been delivered to the registrar of companies, and those for 2008 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports, and (iii) did not contain statements under section 237(2) or (3) of the Companies Act 1985.

The preliminary results were approved by the board of directors on 27 May 2008.

IFRS 7 'Financial instruments: disclosure' was adopted during the year. As the standard is concerned only with disclosure, its adoption had no impact on either the balance sheet or the income statement.

2 Segmental analysis

The Group's primary segmental reporting format is class of business, as the Group's management and internal reporting are structured in this manner. The Group's activity is conducted solely within the United Kingdom & Republic of Ireland.

	Tools		Equipment		Total	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Analysis of segmental result						
Total revenue	257.8	175.5	217.3	166.6	475.1	342.1
Intra-Group revenue	(1.2)	(0.8)	(8.4)	(5.8)	(9.6)	(6.6)
Revenue	256.6	174.7	208.9	160.8	465.5	335.5
Segmental result before depreciation and exceptional integration costs	67.8	50.5	69.9	56.3	137.7	106.8
Exceptional integration costs	(10.0)	-	-	-	(10.0)	
Depreciation	(33.0)	(22.8)	(29.9)	(25.0)	(62.9)	(47.8)
Amortisation	(2.0)	(0.4)	(5.2)	(3.7)	(7.2)	(4.1)
Result before corporate costs	22.8	27.3	34.8	27.6	57.6	54.9
Corporate costs					(10.8)	(9.0)
Operating profit					46.8	45.9
Net financing costs					(16.3)	(9.5)
Profit before tax					30.5	36.4
Taxation					(6.1)	(9.8)
Profit for the year					24.4	26.6

	Tools		Equipment		Total	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Analysis of segment net assets						
Segmental non-current assets						
Intangible assets	59.8	7.0	67.2	64.3	127.0	71.3
Property, plant & equipment	177.4	119.4	169.3	156.5	346.7	275.9
	<u>237.2</u>	<u>126.4</u>	<u>236.5</u>	<u>220.8</u>	<u>473.7</u>	<u>347.2</u>
Segmental current assets	82.7	66.3	94.7	51.7	177.4	118.0
	<u>319.9</u>	<u>192.7</u>	<u>331.2</u>	<u>272.5</u>	<u>651.1</u>	<u>465.2</u>
Cash and cash equivalents					4.4	10.3
Unallocated assets					10.5	14.6
Total assets					<u>666.0</u>	<u>490.1</u>
Segmental liabilities	(91.0)	(46.1)	(55.1)	(51.3)	(146.1)	(97.4)
Borrowings					(260.0)	(186.5)
Unallocated liabilities					(19.8)	(35.1)
Total liabilities					<u>(425.9)</u>	<u>(319.0)</u>
Net assets					<u>240.1</u>	<u>171.1</u>

	Tools		Equipment		Total	
	2008 £m	2007 £m	2008 £m	2007 £m	2008 £m	2007 £m
Analysis of capital expenditure						
Property, plant & equipment	120.1	38.7	37.9	71.1	158.0	109.8
Intangible assets	60.7	-	2.2	51.5	62.9	51.5
	<u>180.8</u>	<u>38.7</u>	<u>40.1</u>	<u>122.6</u>	<u>220.9</u>	<u>161.3</u>
Segmental capital expenditure						
Unallocated capital expenditure					13.4	7.5
Total capital expenditure					<u>234.3</u>	<u>168.8</u>

3 Exceptional integration costs

Exceptional integration costs relate to the costs associated with the integration of the Hewden Tools acquisition. On 1 August 2007, the Group acquired the trade and assets of the tool hire operation of Hewden Stuart Plc. The costs incurred in the period relate to a provision for lease costs associated with properties made vacant by the relocation of the business into the other depots within the tool network (£2.9m), write off of related fixtures and fittings in the closed depots (£1.3m), re-branding and sales and marketing costs (£1.5m), costs associated with the transitional services arrangements (£1.2m), consultancy and other one off costs associated with the integration (£3.1m).

In addition, and in connection with the acquisition, the Group renegotiated its banking facilities, increasing the available facilities to £325m. Cost associated with the original bank facility amounting to £0.4m which were being charged to profit over the life of the facility have been written off during the period. Further details of the acquisition are contained in note 9. A description of the progress made on the integration programme is included in the business review above.

The resulting tax credit arising from the costs associated with the integration and acquisition amounts to £3.1m.

4 Financial income and expense

	2008	2007
	£m	£m
Financial income		
Bank interest received	0.2	0.2
Gains on hedging instruments	-	0.2
Other interest received	0.7	-
	<hr/> 0.9	<hr/> 0.4
Financial expense		
Interest on bank loans and overdrafts	(16.1)	(9.7)
Amortisation of issue costs	(0.5)	(0.2)
Exceptional amortisation of issue costs	(0.4)	-
Other finance costs	(0.2)	-
	<hr/> (17.2)	<hr/> (9.9)
Net financial expense	<hr/> (16.3)	<hr/> (9.5)

5 Taxation

	2008	2007
	£m	£m
Current tax		
UK corporation tax on profits for the period at 30% (2007: 30%)	4.2	7.8
Adjustment in respect of previous periods	0.4	(1.8)
	<hr/>	<hr/>
Total current tax	4.6	6.0
	<hr/>	<hr/>
Deferred tax		
UK deferred tax at 28% (2007: 30%)	2.8	4.0
Adjustment in respect of prior periods	(1.3)	(0.2)
	<hr/>	<hr/>
Total deferred tax	1.5	3.8
	<hr/>	<hr/>
Total tax expense	6.1	9.8
	<hr/> <hr/>	<hr/> <hr/>

The tax charge for the year is lower than the standard rate of corporation tax in the UK and is explained as follows:

	2008	2007
	£m	£m
Profit before tax	30.5	36.4
	<hr/>	<hr/>
Tax charged at 30% (2007: 30%)	9.2	10.9
Expenses not deductible for tax purposes	1.8	1.7
Non-taxable income	(0.9)	(1.0)
Impact of change in UK corporation tax rate to 28% on deferred tax	(2.6)	-
Share-based payments	(0.5)	-
Non qualifying depreciation	-	0.2
Adjustments to tax in respect of prior years	(0.9)	(2.0)
	<hr/>	<hr/>
Tax charge for the year	6.1	9.8
	<hr/> <hr/>	<hr/> <hr/>
Tax recognised directly in equity (note 13)		
Deferred tax charge/(credit)	1.1	(0.9)
	<hr/> <hr/>	<hr/> <hr/>

6 Earnings per share

Basic earnings per share is based on the profit after income tax attributable to equity holders of the Parent of £23.3m (2007: £26.6m) and the weighted average number of 5 pence ordinary shares in issue during the year of 48,764,167 (2007: 45,194,250).

The weighted average number of ordinary shares used for the diluted earnings per share is calculated as follows:

	2008			2007		
	Earnings £m	Weighted average number of shares million	Earnings per share pence	Earnings £m	Weighted average number of shares million	Earnings per share pence
Basic earnings	23.3	48.8	47.89	26.6	45.2	58.74
Share options	-	0.3	(0.07)	-	0.4	(0.55)
Employee share scheme	-	0.1	(0.33)	-	0.3	(0.41)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Diluted earnings	23.3	49.2	47.49	26.6	45.9	57.78
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The table below reconciles basic earnings per share to earnings per share pre-amortisation and exceptional integration costs.

	2008 pence	2007 pence
Basic earnings per share	47.89	58.74
Intangible amortisation charge after tax per share	10.31	6.26
Exceptional integration costs after tax per share	14.99	-
	<hr/>	<hr/>
Basic earnings per share pre-amortisation and exceptional integration costs	73.19	65.00
	<hr/> <hr/>	<hr/> <hr/>

7 Dividends

The aggregate amount of dividend comprises:

	2008 £m	2007 £m
2007 final – 11.5 pence (2007: 9.4 pence) per share on 48.2m shares (2007: 45.2m)	5.5	4.2
2008 interim – 6.4 pence (2007: 5.5 pence) per share on 50.4m shares (2007: 45.4m)	3.2	2.5
	<hr/>	<hr/>
Aggregate amount of dividends paid in the financial year	8.7	6.7
	<hr/> <hr/>	<hr/> <hr/>

Subsequent to the end of the year, the Directors declared a final dividend of 13.4 pence (2007: 11.5 pence) per share, bringing the total amount payable in respect of the 2008 year to 19.8 pence (2007: 17.0 pence).

The employee benefit trust established to hold shares for the Long Term Incentive Plans has waived its right to the interim and final proposed dividends. At 31 March 2008, the trust held 383,366 5p ordinary shares (2007: 633,788).

8 Intangible fixed assets

	Goodwill £m	Customer lists £m	Non-complete agreements £m	Brand £m	Supply agreements £m	Total £m
Cost						
At 31 March 2006	15.0	3.5	-	0.4	9.0	27.9
Additions through business combinations	33.1	15.0	-	3.4	-	51.5
At 31 March 2007	48.1	18.5	-	3.8	9.0	79.4
Additions through business combinations	39.3	13.0	4.6	0.3	5.7	62.9
At 31 March 2008	87.4	31.5	4.6	4.1	14.7	142.3
Amortisation and impairment						
At 31 March 2006	(1.2)	-	-	-	(2.8)	(4.0)
Charged in year	-	(1.6)	-	(0.7)	(1.8)	(4.1)
At 31 March 2007	(1.2)	(1.6)	-	(0.7)	(4.6)	(8.1)
Charged in year	-	(2.7)	(0.8)	(2.2)	(1.5)	(7.2)
At 31 March 2008	(1.2)	(4.3)	(0.8)	(2.9)	(6.1)	(15.3)
Net book value						
At 31 March 2008	86.2	27.2	3.8	1.2	8.6	127.0
At 31 March 2007	46.9	16.9	-	3.1	4.4	71.3
At 31 March 2006	13.8	3.5	-	0.4	6.2	23.9

Of the total NBV of goodwill as at 31 March 2008, £39.3m related to 2008 acquisitions, £33.1m to 2007 acquisitions, and £13.8m to acquisitions completed prior to 1 April 2007.

Goodwill acquired in a business combination is allocated to groups of cash generating units according to the level at which management monitor that goodwill. Recoverable amounts for cash generating units are based on values in use, which are calculated using cash flow projections for a fifteen year period. The key assumptions in preparing the cash flow projections are discount rates, growth rates, and expected changes in margins. The projections are based on business plans approved by management covering the three year period to March 2011, and assume inflationary growth in revenues with no margin improvement for the following twelve years.

A weighted average cost of capital of 9.4 % has been used to determine the discounted net present value of the cash flows.

As at 31 March 2008, based on the valuation performed, the directors concluded that the realisable value of the cash generating units significantly exceeded their carrying value.

All acquisitions have either been or are in the process of being integrated into the existing Speedy Hire business. As such it is not possible to specifically identify revenue or operating profit arising from the acquisitions.

9 Acquisitions

All acquisitions in the current and prior year have been accounted for under the acquisition method of accounting. An assessment has been made of the fair value to the Group of the assets and liabilities acquired on all acquisitions.

Hewden Tools

The Group acquired the trade and assets of the Hewden Tools business from Hewden Stuart Plc on 1 August 2007, for a total consideration of £118m, comprising entirely £118m in cash and acquisition costs. The Hewden Tools business was a national network of 188 depots, with approximately 1,100 employees.

The initial fair values of the assets and liabilities acquired are as follows:

	Book value at acquisition £m	Accounting policy alignment	Fair value Adjustment £m	Fair value £m
Intangible assets	-	-	17.9	17.9
Hire equipment assets	32.8	17.9	(0.4)	50.3
Other property, plant & equipment	7.9	-	(0.5)	7.4
Inventory	1.9	-	0.3	2.2
Trade and other receivables	17.4	-	(3.6)	13.8
Trade and other payables	(9.4)	-	-	(9.4)
	<u>50.6</u>	<u>17.9</u>	<u>13.7</u>	<u>82.2</u>
Goodwill capitalised				<u>35.8</u>
Total consideration				<u>118.0</u>
Satisfied by:				
- cash consideration				115.0
- costs of acquisition				3.0
				<u>118.0</u>

An independent valuation to identify and determine the value of any intangible assets has been performed following the acquisition. Separable intangible assets have been identified in respect of the business' customer list (£13.0m) non complete agreements (£4.6m) and the use of the Hewden brand for the five-month period to 31 December 2007 (£0.3m).

The customer list intangible has been valued using the ‘excess earnings’ method, and is based on income forecast to be generated over the next ten years. The valuation assumes that the customer attrition rate will be 12.4% per annum, based on management estimates and historical rates recorded by the company. Capital asset charges have been applied using risk-adjusted weighted average costs of capital in respect of fixed assets, working capital and the workforce. Other assumptions used in the valuation include an assumed growth in income from customers of 2.1% per annum. The customer list intangible is being amortised over ten years, which is considered to be the period over which the majority of the benefits are expected to arise. The non-compete intangible has been valued using the incremental income method.

The brand intangible has been valued using the ‘relief-from-royalty’ method, using a royalty rate of 1% of income for the period of ownership. The intangible was amortised in full during the year as use of the trade have ceased in December 2007.

The Group completed a further three acquisitions during the year:

The Group acquired the trade and certain assets of Network Plant Limited for a total consideration of £2.0m in April 2007.

The Group acquired the entire share capital of Waterford Hire Services Limited, a company registered in the Republic of Ireland, in July 2007. The company is a long standing, well respected tool and equipment hire business, with two outlets in Waterford and Kilkenny in the Republic of Ireland. Total consideration was a maximum of €6.5m, comprising €5.2m in cash and acquisition costs, together with a maximum of 74,587 shares in Speedy Hire Plc.

In February 2008, the Group acquired the trade and certain assets of Amec Logistics and Support Services (“LSS”) for a total consideration including fees of £12.7m. As part of the transaction, Amec’s industrial division has entered into a four year exclusive supply agreement with Speedy to provide for hire a wide range of equipment in a variety of industrial related sectors. A preferred supplier agreement has also been established for other UK AMEC divisions.

The initial fair values of the assets and liabilities acquired in total from three acquisitions are as follows:

	Book value at acquisition £m	Fair value Adjustment £m	Fair value £m
Intangible assets	-	5.7	5.7
Hire equipment assets	9.1	0.4	9.5
Trade and other receivables	1.2	-	1.2
Trade and other payable	(0.6)	-	(0.6)
	<hr/>	<hr/>	<hr/>
	9.7	6.1	15.8
	<hr/>	<hr/>	<hr/>
Goodwill capitalised			4.2
			<hr/>
Total consideration			20.0
			<hr/> <hr/>
Satisfied by:			
- cash consideration			18.4
- Share consideration			0.4
- costs of acquisition			1.2
			<hr/>
			20.0
			<hr/> <hr/>

Intangible assets have been identified in respect of the supply contract relating to the Amec LSS acquisition. The contract is for a period of four years and the intangible is being amortised over the contract life. The fair value adjustments relate to the recognition of the supply contract intangible asset and the re-valuation of certain items of property, plant & equipment which was sold shortly after acquisition.

Goodwill has been recognised on the acquisitions as a result of their operating effectiveness within their market places.

10 Property, plant & equipment

	Land & buildings £m	Hire equipment £m	Fixtures, fittings & motor vehicles £m	Total £m
<i>Cost</i>				
At 31 March 2006	16.5	340.0	16.3	372.8
Additions	4.7	82.3	6.3	93.3
Arising on acquisition of businesses	0.2	40.4	8.4	49.0
Disposals	(1.0)	(24.4)	(2.4)	(27.8)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	20.4	438.3	28.6	487.3
Additions	4.0	85.9	14.2	104.1
Arising on acquisition of businesses	0.7	93.3	14.7	108.7
Disposals	(0.3)	(45.8)	(7.7)	(53.8)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	24.8	571.7	49.8	646.3
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Depreciation</i>				
At 31 March 2006	6.8	116.6	8.0	131.4
Charged in year	2.5	45.3	2.5	50.3
Arising on acquisition of businesses	0.1	18.9	6.0	25.0
Disposals	(0.1)	(12.9)	(2.1)	(15.1)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2007	9.3	167.9	14.4	191.6
Charged in year	3.2	60.7	3.7	67.6
Arising on acquisition of businesses	0.2	34.0	7.2	41.4
Disposals	(0.1)	(27.0)	(2.0)	(29.1)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2008	12.6	235.6	23.3	271.5
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value</i>				
At 31 March 2008	12.2	336.1	26.5	374.8
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2007	11.1	270.4	14.2	295.7
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2006	9.7	223.4	8.3	241.4
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The net book value of land and buildings comprises:

	2008	2007
	£m	£m
Freehold properties	2.2	1.0
Long leasehold properties	0.4	0.2
Short leasehold properties	9.6	9.9
	12.2	11.1

11 Borrowings

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

	2008	2007
	£m	£m
Non-current borrowings		
Maturing between two and five years		
-term loan	100.0	-
-revolving credit facility	161.8	187.0
-unamortised issue costs	(1.8)	(0.5)
	260.0	186.5
Less: cash at bank and in hand	(4.4)	(10.3)
Net debt	255.6	176.2

The revolving credit facility can be drawn for various periods specified by the Company, up to the maturity date, with interest being calculated for the drawn period by reference to the London Inter Bank Offer Rate applicable to the period drawn, plus a margin which during the year ranged from 57.5 to 95.0 basis points. The effective interest rate applicable to cash deposits during the year was 4.91%. The effective interest rates on bank overdraft and term loans & revolving credit facilities were 6.29% and 6.73% respectively.

12 Analysis of consolidated net debt

	At 1 April 2007 £m	Non-cash movement £m	Cash flow £m	At 31 March 2008 £m
Cash at bank and in hand	10.3	-	(5.9)	4.4
Non-current borrowings	(186.5)	(0.9)	(72.6)	(260.0)
	(176.2)	(0.9)	(78.5)	(255.6)

13 Reconciliation of movement in consolidated equity

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Retained earnings £m	Sub-total £m	Minority interest £m	Total equity £m
Total equity as at 1 April 2006	2.3	51.0	3.7	-	84.1	141.1	0.2	141.3
Profit for the year	-	-	-	-	26.6	26.6	-	26.6
Dividends	-	-	-	-	(6.7)	(6.7)	-	(6.7)
Gains and losses on cash flow hedges	-	-	-	0.5	-	0.5	-	0.5
Cost of share-based payments	-	-	-	-	1.7	1.7	-	1.7
Tax on items taken directly to equity	-	-	-	-	0.9	0.9	-	0.9
Issue of ordinary shares	-	6.8	-	-	-	6.8	-	6.8
Total equity as at 31 March 2007	2.3	57.8	3.7	0.5	106.6	170.9	0.2	171.1
Profit for the year	-	-	-	-	23.3	23.3	1.1	24.4
Dividends	-	-	-	-	(8.7)	(8.7)	-	(8.7)
Losses on cash flow hedges	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Cost of share-based payments	-	-	-	-	2.2	2.2	-	2.2
Tax on items taken directly to equity	-	-	-	-	(1.1)	(1.1)	-	(1.1)
Issue of ordinary shares	0.2	53.2	-	-	-	53.4	-	53.4
Total equity at 31 March 2008	2.5	111.0	3.7	(0.7)	122.3	238.8	1.3	240.1

Costs attaching to the issue of share capital during the year amounted to £2.8m and have been applied against the share premium account.

14 Annual report and accounts

The Annual Report and Accounts for the year ended 31 March 2008 will be posted to shareholders on or about 13 June 2008