



HSS Hire Group Plc

Strategic transformation complete

Long term commercial agreement for ProService and conditional sale of The Hire Service Company

HSS Hire Group plc ("HSS" or the "Group") today announces results for the 15-month period ended 31 March 2025.

Delivered resilient results against a challenging backdrop and further strategic progress achieved to unlock long-term value for shareholders

Financial Highlights	FY25 (15-month period ended 31 March 2025)	2023 (Year ended 30 December 2023)	
Continuing operations			
Revenue	£379.0m	£312.4m	
Gross profit	£169.1m	£147.1m	
(Loss)/profit before tax	(£130.3m)	£6.9m	
Earnings per share	(18.48p)	0.42p	
Other statutory extracts (APMs)			
Underlying EBITDA ²	£50.5m	£54.5m	
Underlying EBITA ³	£6.6m	£21.6m	
Underlying profit before tax ⁴	(£8.4m)	£9.7m	
Underlying basic EPS	(0.89p)	1.06p	
			Change
Net debt (Including IFRS16)	£97.6m	£111.6m	(£14.0m)
Net debt leverage ⁵ (Including IFRS16)	2.3x	1.9x	(0.4x)
Financial Highlights	LTM 25⁶ (12-month period ended 31 March 2025)	LTM 24⁶ (12-month period ended 31 March 2024)	Change
Proforma Continuing operations			
Revenue	£298.2m	£314.4m	(5.2%)
Underlying EBITDA	£38.8m	£52.9m	(26.7%)
Underlying EBITA	£3.9m	£19.6m	(80.1%)

Notes

1) Results for FY25, 2023 are on a continuing operations basis; excluding the Power businesses which were disposed of in March 2024 and HSS Ireland which was held for sale at 31 March 2025 and sold in May 2025.

2) Underlying EBITDA is defined as operating profit before depreciation, amortisation, and non-underlying items. For this purpose, depreciation includes the net book value of hire stock losses and write-offs, and the net book value of other fixed asset disposals less the proceeds on those disposals.

3) Underlying EBITA defined as Underlying EBITDA less depreciation

4) Underlying Profit before tax defined as profit before tax excluding amortisation of brand and customer lists and non-underlying items

5) IFRS16 leverage is calculated as closing net debt divided by underlying EBITDA. Comparators on a reported basis with no pro-forma adjustments to reflect the disposal of the Power businesses

6) LTM25 (and the comparative LTM24) refers to a management's estimated view of the income statement for the last twelve months (LTM) ending 31st March 2025 and the 12 months ending 31st March 2024 and excludes discontinued operations including the disposal of the Power businesses announced on 7 March 2024 and the disposal of HSS Ireland announced on 1 April 2025 and held for sale at 31 March 2025.

Financial highlights

- The Group delivered a solid performance as it continued to navigate a challenging market environment and focus on the split of the business into two distinct operations with the associated disruption of separation, which occurred on 1 October 2024.
- Recognising the difference in periods (15 months for FY25 vs 12 months for 2023) and also the material changes to the business that took effect from 1 October 2024, including reallocating certain revenues and costs between ProService and The Hire Service Company ("THSC"), reallocating central costs where appropriate and also restructuring THSC following the separation, we have presented Group LTM numbers for FY25 vs the same period in 2024 above but to give a true indication of business performance we have included in each divisional review below a more detailed analysis of both the LTM to March 2025 and proforma numbers for the year ending 31 March 2025.
- Group Revenue on a continuing basis for FY25 was £379.0m (2023: £312.4m), reflecting the additional three months in the reporting period.
- On a last twelve months ("LTM") basis, revenue for LTM25 decreased 5.2% to £298.2m (LTM24: £314.4m) reflecting the contract loss of Amey in June 2024, together with the overall challenging market, offset somewhat by growth in rehire and other revenues in the period.
- ProService reported revenue for FY25 of £362.8m; THSC revenue for FY25 was £132.1m which included £115.9m of intra-group revenue with ProService.
- Underlying EBITDA was £50.5m, with a reduction in margin to 13.3% (2023: 17.4%) reflecting increased costs and a change in revenue mix impacting gross margins.
- On an LTM basis Underlying EBITDA declined 26.7% reflecting the reduction in revenue, a reduction in gross margin with a mix shift towards lower margin rehire and other categories together with increased costs related to the separation and THSC re-sizing and associated cost reductions occurring in the second half. This resulted in LTM25 EBITA falling 80.1% to £3.9m after taking into account relatively fixed depreciation and finance costs.
- Net debt (IFRS16) decreased £14.0m to £97.6m (2023: £111.6m) (Net debt excluding lease obligations decreased £11.1m to £43.2m); proceeds of £30.1m from the strategic exits of Power during the period and HSS Hire Ireland after the period end, were used to repay borrowings and further strengthen the Group's balance sheet.
- IFRS16 leverage as per the Group's covenants at the period end was 2.3x (2023: 1.9x) and interest cover was 4.5x (2023: 6.1x) and within covenant compliance.
- Loss before tax on a continuing basis of (£130.3m) included an impairment charge relating to THSC of £113.5m reflecting the reduced outlook for this business given current market conditions and also the negative impact on expected future performance from the right-sizing that has taken place to reduce THSC's geographical footprint.

Operational highlights

- Significant strategic progress made to evolve HSS with the separation of THSC and ProService on 1 October 2024 enabling each business to independently shape and advance their own growth agenda.
- New structure provided greater optionality to maximise future value for shareholders, enabling the Group to become the market-leading, digitally-led brand for equipment services.
- THSC (formerly HSS Operations) has been re-branded and re-structured operationally, with a number of depots closed to reduce costs. Since the period end it has been expanding its offering to include a range of new small plant and Mechanical and Electrical (M&E) equipment. A review of strategic options for this division is now underway given the current difficult market backdrop which has resulted in the lower levels of profitability in the period continuing in the current year to date.
- ProService has continued to strengthen its attractive technology platform and in the Group's view continues to be the leading digital marketplace for building services in Europe servicing a broad range of buyers and sellers. With over 3,200 customers having used the online marketplace and a growing range of product verticals, ProService is on track to achieve its medium-term target of 7,000 customers self-serving.

Current trading and outlook

The separation of ProService and THSC created a solid foundation for ProService to continue to grow its unique marketplace offering to be able to deliver strong returns from its cash generative model and enables the restructured THSC to continue to diversify the customer base beyond ProService.

The announcement today of a large scale, long-term commercial agreement between ProService and Speedy Hire Plc together with the conditional sale of THSC to funds advised by Endless LLP is a transformational deal for HSS creating an asset-light, full service marketplace business. This deal is expected to close before the end of 2025.

Alan Peterson, Non-Executive Chairman of HSS Hire Group said:

"HSS delivered strong strategic progress during the period in reshaping the Group by successfully separating ProService and THSC. Despite having to bear the considerable burden of increased taxation that came into effect in April 2025, our two businesses are well placed to focus on their respective strategic priorities.

Since the period end we have continued the focus on broadening ProService's product offering whilst maintaining our emphasis on its core hire vertical. In THSC we have completed the rightsizing of the geographical footprint whilst carefully targeting new capital investment in higher demand categories and have continued to develop its direct selling channels. However, the market has remained subdued in H1 to date which has impacted our core hire business in particular which has also continued to be impacted by the loss of the Amey contract in June 2024. We considered how best to allow both businesses to develop and have concluded a transformational deal including a long-term commercial agreement with Speedy Hire Plc. In order to fully focus on our ProService business we have also conditionally agreed the disposal of THSC to Project Mansell Newco Limited Limited, a newly formed company indirectly owned by investment funds managed by Endless LLP.

We are confident that this transformational deal will deliver material added value to our shareholders and customers as we are able to focus our capital on this asset-light, full service marketplace business which is growing at pace."

FY25 Results Presentation

HSS Hire Group Plc will host a virtual presentation for analysts at 9:00am on 6 October 2025. Analysts wishing to attend should contact FTI Consulting to register: hss@fticonsulting.com
An audio recording will be available on our website in due course.

Notes

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- 3) Underlying EBITA defined as Underlying EBITDA less depreciation
- 4) Underlying Profit before tax defined as profit before tax excluding amortisation of brand and customer lists and non-underlying items
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Notes to editors

HSS Hire Group plc operates through two separate but complementary businesses serving predominantly business customers:

HSS ProService ("ProService") is a leading Digital marketplace business focussed on customer and supplier acquisition. Technology driven, scalable and uniquely differentiated, ProService is a one-stop-shop providing a wide range of building-related product and services for over 7,000 active account customers per month, in product verticals including equipment hire, training, fuel, equipment sales and

building materials. ProService acts as principal with buyers and sellers, but all deliveries and collections are the responsibility of sellers (direct to buyer).

HSS The Hire Services Company ("THSC") formerly known as HSS Operations, provides building-related tools, equipment and powered access via its extensive nationwide network of over 130 locations. THSC is dedicated to delivering a personable hire service to over 9,500 end customers across the UK including tradespeople, facilities management and construction companies.

HSS is listed on the AIM Market of the London Stock Exchange. For more information, please see www.hsshiregroup.com.

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This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (together, "MAR"). Upon the publication of this announcement, this inside information is now considered to be in the public domain. The person responsible for arranging the release of this announcement on behalf of HSS is Richard Jones, Interim Group Chief Financial Officer.

Chairman's Statement

The past 15 months represents a period of significant transformation for HSS Hire Group, in line with the strategy we announced in 2022 to better position the Group for long-term, profitable growth. The separation of THSC and ProService has enabled the two businesses to independently shape and advance their own growth agenda, tailored to their individual needs and strategic direction. The foundations are now in place to create long-term value for shareholders.

Our results

We delivered another set of resilient results reflecting the persistent end market headwinds we experienced in the period and our transition to a new operating model. Revenue for FY25 of £379.0m for the 15-month period compared to £312.4m in 2023. Gross margin declined by 250bps as we refocused the business for growth across two discrete verticals, whilst driving operating efficiencies and cost control at a Group level. These cost efficiencies were offset by strategic actions taken during the period to continue to build the ProService platform to position it to deliver sustainable growth and reflecting the costs of separating our ProService and THSC into two fully separate operations. Overall, this resulted in FY25 Underlying EBITDA of £50.5m (2023: £54.5m) and FY25 Underlying EBITA of £6.6m (2023: £21.6m) and a reduction in Underlying EBITDA margin of 410bps. After taking account of non-underlying costs including the impairment relating to THSC, we reported a loss before tax of £130.3m (2023: Profit of £6.9m).

Whilst the change to our year-end and the strategic changes we made to the business during the period make comparisons difficult, we have provided some LTM analysis for both 2025 and the prior year which shows our revenue, EBITDA and EBITA comparing the 12 months to March 2025 with the same prior period on a continuing operations basis. This showed that revenues declined to £298.2m (2023: £314.4m) or 5.2% YoY as a result of the impact of the loss of the Amey contract in late 2024, as previously announced, together with the impact of reducing the size of THSC, offset somewhat by growth in our ProService offering. This reduction in revenue, together with the increased running costs associated with running two discrete management teams, resulted in Underlying EBITDA reducing to £38.8m (2023: 52.9m) or 26.7% YoY and Underlying EBITA reducing 80.1%.

Operational progress

HSS's vision is to be the market-leading, digitally-led brand for equipment services, with sustainability at our core. In order to achieve this, decisive strategic steps have been taken to improve each business and better serve our customers through the separation of ProService and THSC. Strong management teams are now in place for each and the new structure positions THSC as the key supplier to ProService, giving each business space to grow, to drive market share and achieve higher returns.

Led by its new management team, ProService has continued to strengthen its attractive technology platform, helping it to become what we believe is the leading digital marketplace for building services in the UK. With over 7,000 active account customers and over 11,000 active cash customers per month, ProService's lower-cost and flexible operating model provides a key platform for aggregating buyers and sellers across a broad range of building-related products and services. In addition to the equipment rental offering, new and wider ranges of non-rental product verticals have been introduced for our customers in the areas of Equipment Sales, Building Materials and Fuel. The response has been positive, particularly in Fuel, and customer and supplier behaviours continue to evolve as we further deploy our technology. Over 3,200 of our customers have now used our marketplace platform on a self-serve basis and we are targeting 7,000 over the medium term which increases engagement, the opportunity to cross sell and reduces our cost per transaction. ProService's asset-light business model has proven it can deliver excellent customer service in an efficient way, paving the way to becoming the UK's leading business-to-business platform for building services.

For our traditional hire business, this has meant launching a new brand HSS The Hire Service Company ("THSC") previously HSS Operations, in October 2024 supported by a new management team to effect

change. During the year and into the current year, THSC has been right-sized operationally, closing several depots to reduce costs and move equipment geographically into areas of the UK where there is more demand whilst continuing to expand the builders merchant model. Since the period end it has also been expanding its offering to include a range of new small plant and M&E equipment. THSC is now well placed to leverage its diverse product offering and extensive network, although the Board will continue to explore further areas of rationalisation where the outcome is to improve return on capital employed for shareholders. The builders' merchant model has continued to expand, working with new partners such as leading building materials merchants, and there are currently over THSC 130 hire locations, with more merchants in the pipeline and this together with THSC's direct sales model into customers from the sales team established in October 2024 continue to generate new demand.

A sustainable business

Our sustainability agenda remains a key component of our strategic growth plan which reflects both our culture and the business models we have rolled out to support our customers.

In recognition of our commitment to our Net Zero 2040 goal we are proud to be the first in our sector to have our Science Based Targets validated by the SBTi. For the third year in succession, we retained our gold rating in EcoVadis' annual sustainability assessment, which is awarded to only the top 5% of all companies assessed.

2025 also saw ProService launch Greener Alternatives, a tool which complements our Customer Carbon Reporting dashboard to help customers make more informed, sustainability-led choices. These not only represent industry firsts but are a key differentiator to attract further new business. THSC's commitment to sustainability was further demonstrated this year by the launch of our Internal Sustainability Champions Network to recognise greener practices and help local initiatives and has also resulted in the launch of several depot-led projects.

We continued to seek out ways to support our customers in achieving their Net Zero goals, upgrading our fleets, exploring fuel alternatives and other ways to reduce our carbon emissions.

Both businesses remain firmly aligned in their commitment to creating a supportive and inclusive working environment. At THSC, we continue to support and grow our ED&I strategy, inspiring young people through our "Open Door" programme, which is now in its third year. This initiative was further supported with the launch of a dedicated female mentoring scheme at ProService, aimed at progressing women to senior leadership roles.

Colleague engagement, wellbeing, and a strong sense of belonging continue to be shared priorities, reflecting a unified Group-wide ethos that places people at the heart of the Group's long-term success.

Divestments

HSS Power

During March 2024, the Group announced the sale of ABird Limited, ABird Superior Limited and Apex Generators Limited (together the 'Power' Companies) to CES Global for consideration of £20.7m. The sale was undertaken as part of a strategic decision to focus on the core THSC hire business and growth of the ProService. The Group utilised £12.5m of the disposal proceeds to repay borrowings and further strengthen the Group's balance sheet position.

As part of this transaction, HSS entered into a commercial agreement with CES for the cross-hire of power generators and related services to ensure the broadest possible distribution of, and customer access to existing fleets of CES and HSS.

HSS Hire Ireland Limited

On 2 April 2025, the Group announced the sale of HSS Hire Ireland Limited ('HIL'), the Group's Republic of Ireland operations, to Grafton Group plc for total consideration, after taking account of completion adjustments of €28.9m (c.£24.3m), representing a transaction multiple of c.8.7x of HIL's 2024 Underlying EBITA.

The sale completed on 31 May 2025 and reflects the Group's strategic objective of creating a more focused business with reduced debt. Shortly after completion of the disposal, the Group utilised £17.6m of the proceeds to repay borrowings and further strengthen the Group's balance sheet position.

Transformational re-shaping of the Group.

The financial and legal separation of our ProService and THSC businesses equipped each division with the autonomy and leadership to pursue separate growth strategies. The Board is committed to building on the strong proposition of ProService, including broadening the range of suppliers on the platform together with an expanded product offering and reinvesting free cash flow into sales and marketing to support growth initiatives.

Details of the Speedy Hire Commercial Agreement and sale of THSC are detailed in a separate announcement made to the market on 6 October 2025, outlining the strategic progress achieved in order to position the Group to deliver long term profitability.

Our Board

A period of significant transition for the Group resulted in re-invigorating our divisional leadership teams and several Board changes. After eight years in the role, Paul Quested stepped down as Chief Financial Officer on 30 August 2024. On behalf of the Board, I would like to thank Paul for his significant contribution to the Group.

Richard Jones joined HSS as interim CFO on 9 August 2024. With over a decade of experience in financial roles in UK public and private companies, Richard is well placed to help us achieve our strategic, financial and operational objectives. Furthermore, following the separation of ProService and Operations, now THSC, Steve Ashmore was appointed as Executive Chairman of ProService on 1 October 2024 and remains on the Board as an Executive Director and Alan Peterson became non-Executive Chairman of THSC and retained his role as non-Executive Chair of HSS.

FY25 saw some changes to the independent non-executive Board and its committees with the departure of long-serving Directors, Amanda Burton and Doug Robertson and the arrival of Neil Cooper also on 7 January 2025, whose experience and insight is proving valuable to the Board. Ernst Kastner, previously an observer on HSS's Board on behalf of HSS's second largest shareholder since 2020 was also appointed to the Board on 7 January 2025. The experienced Board supports two strong and senior management teams with the execution of their strategic objectives whilst they independently progress their strategy in areas such as ESG, technology development and talent creation.

Dividend

Whilst an interim dividend of 0.187 pence per share was paid in November 2024, the Board have decided not to declare a final dividend for the extended period ending 31 March 2025 reflecting the need to prioritise the allocation of our capital to the ongoing business.

Outlook

HSS has delivered strong strategic progress during the period in reshaping the Group by successfully separating ProService and THSC. Despite having to bear the considerable burden of increased taxation that came into effect in April 2025, following the split of the two businesses we are well placed to focus on ProService's strategic priorities and to drive improved performance at THSC.

With an encouraging pipeline of opportunities for ProService's digital marketplace, the Group is well positioned to benefit as end market conditions improve. Whilst the current market conditions remain challenging, we are optimistic about our long-term prospects and the opportunity to create significant value for shareholders. As part of our strategic review, we are confident in being able to execute our plans to provide longer term capital for the Group to replace our existing lending facilities which are due to be repaid in September 2026.

As part of our strategic review, we are confident in being able to execute our plans to provide longer term capital for the Group to replace our existing lending facilities which are due to be repaid in September 2026 and in doing so, resolve the material uncertainty over going concern.

Alan Peterson OBE
Chairman

6 October 2025

Group Chief Financial Officer Review

Financial highlights

The Group disposed of two businesses, using the funds generated to pay down debt and create additional working capital. During the period, the Power division was sold, and the Group's operations in the Republic of Ireland were then sold subsequent to the year end as part of a strategic decision to focus on the core hire business of THSC.

In addition to the effort expended by the Group's management teams on the restructuring activities above, there has been a continued focus on delivering a leaner operating model. This included further cost saving activities in THSC, with additional location closures on underperforming sites and a focus on higher utilisation locations to drive profitability and reduce operating costs. The cost of implementing these efficiencies in the business was £2.7m which is included within non-underlying items.

The Group's progress on its strategic objective to operationally separate the two divisions, along with the disposal of non-core businesses, has positioned the Group well to deliver on the Board's long-term strategic aims and maximise shareholder value.

Revenue

Group revenue for FY25 was £379.0m (2023: £312.4m). This movement is primarily driven by the current, fifteen-month period being compared against twelve months in the prior year. The average monthly revenue year on year declined slightly, with the difficult market conditions from the prior year continuing into the current period. Revenues on an LTM basis decreased 5.2% to LTM25 revenues of £298.2m (LTM24: £314.4m) reflecting the impact of the contract loss of Amey announced in June 2024 offset somewhat by growth in hire and other revenues in the period.

Group revenue growth is one of our KPIs as, combined with estimates of market size and growth rates, it provides us with a measure of our market share. HSS's revenue recognition accounting policy includes the judgment that some of the Group's contracts with customers contain leases. Accordingly, the policy explains that the Group's hire and rehire revenue streams fall within the scope of IFRS 16 Leases. (see note 4 in the Consolidated Financial Statements).

Segmental performance

Highlights from the Group's segments are shown below, all presented on a continuing basis.

15-month period ended 31 March 2025	ProService	Operations – UK	Corporate	Eliminations ¹	Total
Revenue	£362.8m	£132.1m	–	(£115.9m)	£379.0m
Underlying EBITDA	£15.6m	£37.9m	(£3.0m)	–	£50.5m
Underlying EBITA	£13.2m	(£3.6m)	(£3.0m)	–	£6.6m

12-month period ended 30 December 2023	ProService	Operations – UK	Corporate	Eliminations	Total
Revenue	£311.0m	£109.4m	–	(£108.0m)	£312.4m
Underlying EBITDA	£12.6m	£43.7m	(£1.9m)	£0.1m	£54.5m
Underlying EBITA	£11.0m	£12.3m	(£1.9m)	£0.2m	£21.6m

¹ The 'Eliminations' column shows the value of eliminations in revenue between the trading segments Operations – UK and ProService. Corporate includes only those corporate costs incurred centrally to support the businesses.

Proforma information on ProService and THSC

The operational separation of the ProService and THSC businesses occurred on 1 October 2024. This included the reallocation of certain customers and associated costs from ProService to THSC relating primarily to non-ProService marketplace customers and also the allocation of central costs to ProService and THSC based on staff reallocations and new TSA arrangements.

The Group also changed its year end such that FY25 is a 15-month period whereas 2023 was a 12-month reporting period. The Board acknowledges the challenges that this presents in comparing financial performance period on period.

Therefore, in addition to the twelve month Group proforma financial information provided, proforma financial information for ProService and THSC for the 12-month period ended 31 March 2025 has been prepared and is contained in the respective ProService business review and THSC business review, assuming that the separation of the two businesses occurred on 1 April 2024 rather than 1 October 2024, to assist in investor understanding of the performance of ProService and THSC. No comparative proforma financial information for ProService has been prepared as it was not possible to accurately calculate on an equivalent basis.

Costs

Cost of sales were £209.9m (2023: £165.2m). Gross profit margin fell by 2.5% to 44.6% (2023: 47.1%), partly due to a change in revenue mix, with rehire revenues representing a higher percentage of Group revenue in the current period.

Administrative expenses were £137.5m (2023: £102.1m), and this included non-underlying costs of £4.9m incurred in connection with the operational separation of the two divisions during the period.

Underlying EBITDA and Underlying EBITA

Continuing Underlying EBITDA for FY25 was £50.5m (2023: £54.5m) with Continuing Underlying EBITDA margins lower than FY23 at 13.3% (2023: 17.4%). The reduction in margin period on period is primarily caused by the increased costs relating to the separation and non-underlying costs together with the impact of lower gross margins. Continuing Underlying EBITDA on an LTM basis decreased 26.7% to £38.8m (2023: 52.9m) reflecting the reduction in revenues, a change of mix impacting gross margins and the increased costs of the re-organisation.

Continuing Underlying EBITA for FY25 was £6.6m (2023: £21.6m), a combination of the fall in Continuing Underlying EBITDA noted above and an increased depreciation charge reflecting the 15-month period. On an LTM basis Continuing Underlying EBITA decreased 80.1% to £3.9m (2023: £19.6m) reflecting the reduction in Continuing Underlying EBITDA together with the relatively fixed costs of depreciation and amortisation.

Operating loss and loss before tax

The Group generated an operating loss of £117.8m in FY25 (2023: profit of £17.4m). This included a one-off impairment charge of £113.5m, in the period relating to THSC. As a result loss before tax was £130.3m (2023: profit of £6.9m).

Non-underlying items

During the period, the Group introduced a new Alternative Performance Measure (APM) which distinguished between underlying and non-underlying results. This change was made to allow the users of the financial statements to get a clear view of the underlying performance of the business, excluding the effects of items of income or expense which are not reflective of underlying trading performance.

The table below shows the nature and values of the major categories of non-underlying items on a continuing basis in the current period:

15-month period ended 31 March 2025

Onerous property costs	£0.5m
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15-month period ended 31 March 2025

Costs relating to Group restructuring	£4.9m
Costs relating to network restructuring	£2.7m
Onerous contract costs	£0.3m
Impairment losses on tangible assets	£45.7m
Impairment losses on intangible assets	£67.8m
Total non-underlying items from continuing operations	£121.9m

The most significant item in non-underlying costs is the impairment charge that was recognised against segmental assets allocated to the HSS Operations UK CGU, which includes the operations of THSC. The reason for the impairment charge was a downwards revision in future forecast profits consistent with the Group's recent experience of prolonged, challenging market conditions and expectation that these will continue in the short-term.

The impairment charge recognised is the difference between the segmental assets allocated to the CGU and the estimated recoverable amount, which continues to be based on a value-in-use calculations, with the reduction in the overall value-in-use, an impairment charge of £113.5m has arisen.

Finance costs

The Group incurred finance costs in the period of £12.6m on a continuing basis (2023: £10.4m). These costs relate primarily to the charges associated with the Group's senior finance facility which were £5.9m during the period (2023: £5.3m). The increase period on period was due to the elongated reporting period offset slightly by a fall in SONIA rates during the current period. The Group's leases and hire purchase arrangements gave rise to finance costs of £5.3m (2023: £4.0m), which increased due to an increase in THSC leasing levels during the period, offset by the sale of Power which reduced the lease portfolio.

Taxation

The Group had a tax charge for the year of £0.7m (2023: £4.0m) on continuing operations. The total tax charge including discontinued operations was £1.3m, with a current tax charge of £0.7m (2023: credit of £0.8m) and a deferred tax charge of £0.6m (2023: £5.6m). The deferred tax charge in the previous period was significantly higher due to the derecognition of deferred tax assets in respect of losses when forecasts for the current period results were revised downwards.

Deferred tax assets have been recognised to the extent that management considers it probable that tax losses will be utilised. In the current period a three-year (2023: three-year) recognition window has been applied.

Reported and underlying earnings per share

Our basic and diluted earnings per share ("EPS"), both on a reported and underlying basis, reduced in the current period with reported EPS moving to a loss per share of (18.48) pence (2023: profit per share of 0.42 pence). This was driven by the reduced profit levels in the current period and most significantly, by the impairment charge of £113.5m.

Capital expenditure

Additions to intangible assets during the period were £3.6m (2023: £7.1m). The majority of this spending relates to investment in technology, principally in our Brenda platform to support ProService's future marketplace business growth. The decrease in additions during the period relates principally to the maturity of the platform, with a shift towards more maintenance expenditure and less cost of the costs incurred being original development eligible for capitalisation.

Additions to our property, plant and equipment in respect of hire fleet was £24.3m (2023: £29.6m). The decrease between periods is partly due to the network restructure, which saw a significant volume of hire fleet redeployed to locations with higher utilisation, reducing capital expenditure requirements. This

was offset somewhat after the period by THSC expanding its offering to include a range of new land moving equipment, a completely new product line for the segment.

Trade and other receivables

Gross trade debtors fell significantly in the period, from £76.6m to £64.4m. This decrease is most significantly due to the disposal of the Power companies and the presentation of Ireland as a disposal group classified as held for sale. The disposal of Power reduced trade debtors by £2.2m and £7.5m of trade debtors were classified as held for sale at the balance sheet date.

The remaining decrease of £2.5m has been the product of significant focus and improved performance on cash collections. However, with the ongoing macroeconomic uncertainty, we continue to adapt our processes and systems to mitigate this risk (refer to Principal Risk and Uncertainties) and have applied an adjusted risk factor to expected loss rates in determining the provision for impairment.

Provisions

Provisions reduced £8.5m to £10.1m (2023: £18.6m). The vast majority of this reduction relates to the ongoing annual onerous contract payments to Unipart following the exit from the National Distribution and Engineering Centre in 2018. At 31 March 2025, the remaining balance on this provision was £2.9m, which is due to be fully utilised in the next financial period which will therefore end the contractual obligations to Unipart.

Cash generated from operations

Net cash generated from operating activities was £28.4m, an increase of £8.2m compared with 2023. The increase has been driven by a combination of improved working capital management (inflow of £7.3m compared with an outflow of £11.3m in 2023) and a reduction of £3.2m in hire equipment cash outflows in the current period.

Leverage and net debt

Net debt levels improved by £14.0m to £97.6m (2023: £111.6m) and at 31 March 2025 the Group had access to £58.3m (2023: £68.2m) of combined liquidity from available cash and undrawn borrowing facilities. With the reduced Underlying EBITDA and higher net debt, leverage increased to 2.3x (2023: 1.9x). Interest cover was 4.5x (2023: 6.1x)

The Group refinanced during the current period with changes to its covenant levels to take account of the disposal of Ireland. These are tested quarterly and all have passed with headroom during the period.

Our lenders have provided their support to the transformational re-shaping of the Group announced today including re-setting covenants for the remaining term of the facilities.

Going concern

The Group has continued to trade with sufficient liquidity to fund day to day operations and this has also benefitted from the reduction in the senior term facility following the utilisation of receipts from divestments and the retention of the surplus balance relating to the sale of Ireland, together with careful management of capital including more targeted capex and no final dividend declared for the period.

However, whilst our lenders have approved the reshaping of the Group including the commercial agreement with Speedy Hire and the disposal of THSC which included the re-setting of covenants through to September 2026, ongoing discussions to fully refinance the facilities due to expire in September 2026 have not yet concluded, and as the outcome of these discussions remains uncertain, this gives rise to a material uncertainty as to going concern that the Board is confident will be resolved in the near term following the outcome of the strategic review and conclusion of refinancing discussions.

Use of alternative performance measures to assess and monitor performance

In addition to the statutory figures reported in accordance with IFRS, we use alternative performance measures (APMs) to assess the Group's ongoing performance. The main APMs we use are Underlying

EBITDA, Underlying EBITA, Underlying profit before tax, Underlying earnings per share, Net debt and leverage (or Net Debt Ratio).

We believe that Underlying EBITDA, a widely used and reported metric amongst listed and private companies, presents a 'cleaner' view of the Group's operating profitability for the year by excluding non-underlying costs (including exceptional items), finance costs, tax charges and non-cash accounting elements such as depreciation and amortisation.

Additionally, analysts and investors assess our operating profitability using the Underlying EBITA metric, which treats depreciation charges as an operating cost to reflect the capital-intensive nature of the sector in which we operate. This metric is used to calculate annual bonuses payable to Executive Directors.

The Underlying profit before tax figure comprises the reported profit before tax, amortisation of customer relationships and brands-related intangibles as well as exceptional costs added back. This amount is then reduced by an illustrative tax charge at the prevailing rate of corporation tax to give an Underlying profit after tax.

Analysts and investors also assess our earnings per share using our Underlying earnings per share measure, calculated by dividing Underlying profit after tax by the weighted average number of shares in issue over the period. This approach aims to show the implied underlying earnings of the Group.

In accordance with broader market practice, we comment on the amount of net debt in the business by reference to leverage (or Net Debt Ratio), which is the multiple of our Underlying EBITDA that the net debt represents over a twelve-month period on a last twelve-month basis.

Discontinued operations

During the current period, the Group disposed of the Power CGU and HSS Ireland, a second CGU was classified as an asset held for sale at the period end. As a result, the Group presented these two CGUs as discontinued operations in accordance with the requirements of IFRS 5.

As a result of adopting this presentation, the income statement and related notes to the accounts have been adjusted to show the results consistently on a continuing basis, which includes restating certain comparatives. The results of discontinued operations including the result on disposal were £1.3m in the current period (2023: £1.3m).

Post balance sheet events

Sale of HSS Hire Ireland Limited

Subsequent to the year end, on 1 April 2025, the Group entered into an agreement for the sale of HSS Hire Ireland Limited to a third party, Chadwick's Holdings Limited, a subsidiary of Grafton Group plc.

The sale completed on 31 May 2025 and the business was sold for gross consideration of €28.0m, with customary working capital and debt adjustments resulting in total net cash consideration of €28.9m (c. £24.3m). Net assets disposed were £23.0m (including consolidation related intangibles of £7.5m) for a gain before transaction costs of £1.3m. In connection with the sale of the businesses the Group has incurred transaction costs of c. £1.0m.

The disposed entity was presented as a discontinued operation within these financial statements and contributed revenues of £34.3m to the Group in the current period.

Subsequent to the sale, proceeds of £17.6m were used to make a partial repayment of the Group's senior loan facility, reducing the total liability from £57.5m to £39.9m post period end. The balance of the proceeds were retained as cash on deposit.

Commercial agreement with Speedy Hire and disposal of THSC

Details of the Speedy Hire Commercial Agreement and sale of THSC are detailed in a separate announcement made to the market on 6 October 2025, outlining the strategic progress achieved for the long-term profitability of the Group, more details are included in note 21 below.

Drawdown of the Group's RCF

Subsequent to the year end, on 1 April 2025, the Group drew down £5.0m of the revolving credit facility, leaving £15.0m of the facility available. The £5.0m was drawn to facilitate payments to exit certain THSC trading locations and accelerate cost saving plans in association with the THSC branch network restructure.

The amounts drawn attract interest on the same basis as the Group's senior facility, being SONIA plus margin.

Issue of Shares

After the period end, on 6 June 2025, the Group issued 3,404,025 shares in connection with the Group's share schemes. These shares were part of the FY22 RSA share scheme and were issued for nil consideration. The total increase in the Group's share capital was £34.0k.

Richard Jones

Chief Financial Officer

6 October 2025

ProService Business Review

HSS ProService is a market-leading marketplace for building services in the UK. Acting as principal between buyers and sellers, it offers a one-stop-shop for building-related products and services for a wide range of customers including construction companies, facilities managers and tradespeople across all end-user markets with its suppliers responsible for delivery of hire equipment and other products. We currently have over 7,000 active account customers and 11,000 active cash customers per month, with c.400 active sellers each month in product verticals including equipment hire, training, fuel, equipment sales and building materials. Our buyers range from large enterprises to SMEs and tradespeople. Our sellers range from national players to small local independents.

Investment case

Our business model is asset-light and inherently scalable. Our potential for growth is significant given the size of our market and our technology platform, which has taken several years to develop and we believe is not easily replicated given the complexity of the service offering, particularly in relation to equipment hire. We also believe we have a head-start in terms of our network, with over 7,000 active buyers and c400 active sellers per month, and we have the critical mass to generate powerful network effects. The breadth of our supply chain provides superior availability for buyers, and as more-and-more buyers adopt our marketplace its scale becomes more attractive to sellers.

Our investment case is summarized in four elements:

- Large Building Services Market: highly fragmented, with low digital adoption and limited differentiation, well placed for digital aggregation
- Unique Proposition: omnichannel and easy, push-button technology, already scaled with circular economy dynamics and strong network effects
- Established Proprietary Technology Platform: Underpins our scalable business model and not quickly replicated
- Clear Leader and Significant Head Start: Already the largest rehire broker in Europe. Well established buyer and seller networks

ProService Chief Executive Officer's Review

I would like to thank the entire ProService team for their contribution to our results and their hard work in achieving the reorganisation over several months last year. I continue to be impressed by their dedication to our business and our shared vision.

Our financial results are explained in more detail below. We believe we are the largest digital marketplace for building services in Europe.

Over 3,200 account customers have used our self-serve marketplace with c.2,000 logging in each month. Our medium-term target is to have 7,000 customers that have self-served.

We have started the journey of product diversification and exited the period with 27% of our revenues in March 2025 generated from non-hire product categories, up from 16% in April 2024.

We currently have over 7,000 active account customers and 11,000 active cash customers per month. Average revenue per account customer (ARPC) is over £2,500, and customer churn is c4%. Over one-third of ProService orders are raised by customers themselves, on either our marketplace platform (account customers) or hss.com (cash customers). We have c. 400 active sellers each month. In due course we will be providing selected additional key performance indicators which will assist investors in understanding the performance of the ProService business.

I believe our proposition is market-leading and we are well placed to take advantage of the fragmented nature of the building services sector. We are now wholly focused on driving our marketplace measures and look forward to reporting on our progress.

Tom Shorten

Chief Executive Officer, ProService

ProService Financial Review

ProService	Last 6m Act (Oct'24 – Mar'25)	Prior 6m Act (Apr'24 – Sep'24)	FY25 LTM (Total)	% Change	FY25 ProForma (12m to Mar'25)
Revenue	130.7	151.3	282.1	-13.6%	266.1
Underlying EBITDA	4.3	8.2	12.6	-47.1%	11.0
Underlying EBITA	3.4	7.2	10.6	-52.7%	9.3

The operational separation of the ProService occurred on 1 October 2024. This included the reallocation of certain customers and associated costs from ProService to THSC relating primarily to non-ProService marketplace customers and also the allocation of central costs to ProService based on staff reallocations and new TSA arrangements.

The above tables include financial information prepared on two bases:

- (i) Last Twelve Months (LTM) - The financial performance for ProService over the past 12 months, split into two 6-month periods to reflect the separation occurring on 1 October 2024.
- (ii) Proforma - The financial performance for ProService over the past 12 months assuming that the separation of the two businesses had occurred on 1 April 2024 and adjusting for the revenue and cost impact of the Business Transfer Agreement between ProService and THSC as if this occurred from 1 April 2024 rather than 1 October 2024.

This has been provided to assist in investor understanding of the performance of ProService. No comparative proforma financial information for ProService has been prepared as it was not possible to accurately calculate on an equivalent basis.

Overview

ProService has delivered a resilient set of results in a period of transformation. The business is now well positioned to deliver profitable growth from our broad range of buyers and sellers operating on what we believe to be the leading marketplace in building services.

Financial highlights

FY25 has been a year of transformation for ProService. In September 2024, the management and trading operations of ProService and THSC were separated and in the months prior to this, the current management team was appointed.

As part of the separation a significant number of customer relationships were transferred to THSC (generally, smaller non-marketplace customers), resulting in a material intra-group transfer of sales and profit allowing each business to pursue their different but complementary growth objectives. As part of the mobilisation, intercompany trading arrangements and transitional services were established, with these also implemented from 1 October 2024.

The organisational change inevitably diverted attention from trading in the short term, and this, combined with the relatively weak economic backdrop, made for difficult trading conditions throughout the period. Despite this, and thanks to the efforts of the whole team, ProService delivered a resilient set of results.

Revenue

ProService reported revenue in FY25 was £362.8m (2023: £311.0m). On an LTM basis revenue was £282.1m with the decrease of £20.6m between the first and second 6-month period reflecting both trading performance, but also the transfer of a number of customers to THSC from 1 October. On a proforma basis, revenue for the last twelve-month period to 31 March 2025 was £266.1m.

Hire-related revenue represented c.82% of total ProService revenue before rebates and other income. Our sale verticals of Equipment Sales, Building Materials and Fuel collectively provided 10% of total ProService revenues, with Training the remaining 8% of total ProService revenues. We expect to see growth in non-hire verticals outstrip that of Hire as we expand our product offering to buyers through our growing network of sellers.

Costs

Cost of sales for FY25 was £280.9m, resulting in a gross profit margin of 22.6%. (2023: £242.5m, resulting in gross profit margin of 22.0%). Whilst there is a year-on-year increase, after the separation margins reduced slightly due to the transfer of customers to THSC, but also due to mix. The margins in the new verticals of Equipment, Fuel and Building Materials are lower than Hire and Training.

Consequently, as revenue growth in new verticals outperforms Hire and Training growth this creates a change of mix resulting in slight gross profit margin reduction over time. However, as the cost to transact these new verticals is lower this should improve operating leverage overall and thus should result in rising net profit margins over time.

Indirect costs for the period were £66.3m (2023: £55.9m). The increase was driven primarily by the additional three months in the current period, however the level of indirect costs incurred are lower post separation and these more accurately reflect the go-forward costs for ProService under the Group's revised operating model.

Underlying EBITDA and Underlying EBITA

Underlying EBITDA for FY25 was £15.6m (2023: £12.6m). FY25 results were an Underlying EBITDA margin of 4.3% (2023: 4.1%). Underlying EBITDA expressed as a percentage of Gross Profit, which is a useful indicator of scalable profitability, was 19.0%. On an LTM basis Underlying EBITDA was £12.6m with the change in the last six-month period reflecting a reduction in revenue transferred to THSC, a reduction in gross margin due to changing mix and increased costs relating to the separation. On a proforma basis, Underlying EBITDA was £11.0m (assuming that the separation of the ProService and THSC had occurred on 1 April 2024).

Underlying EBITA for FY25 was £13.2m (2023: £11.0m). This was after taking account of an increase in amortisation charge relating to capitalised IT costs which somewhat offset the increase in Underlying EBITA reported above. Proforma Underlying EBITA was £9.3m (assuming that the separation of the ProService and THSC had occurred on 1 April 2024).

Finance costs

Net finance expenses of £0.4m mainly relates to the discounting on IFRS16 lease liabilities.

Capital expenditure

Additions to intangible assets, property plant and equipment and right of use assets were £5.6m in the 15 months to 31 March 2025 (2023: £9.2m). The main driver of the decrease was a reduction in the amount of capitalised development spend on our marketplace platforms, with a higher volume of spending relating to operational and maintenance activities as the platform matures. In addition, during the year we completely rebuilt the infrastructure and front end of our B2C channel HSS.com, and this was launched at the end of April 2025.

Provisions

Provisions of £0.4m (2023: £0.3m) relate to dilapidations on the handful of properties leased by ProService.

The Hire Service Company (THSC)

HSS The Hire Service Company is a UK-based tool and equipment hire company, established in 1957. The company provides building-related tools, equipment, and powered access throughout the UK. THSC serves over 9,500 end customers, including tradespeople, facilities management, and construction companies in various markets.

Investment case

With an efficient and widespread distribution network and key partnerships with a number of builders' merchants we are well placed to meet the needs of the whole market. We are a key supplier to the ProService business but are expanding our own route to markets, which we expect will reduce the overall reliance on ProService over time.

Our investment case is summarised in four key factors:

1. Market for Hire: the spend on infrastructure and both residential and commercial projects provides market indicators for hire.
2. Distribution network: Our distribution network is significant with a national coverage and high performing depots and an expanding network of builders' merchants as well as a direct sales force operating regionally.
3. Product range: Our product range covers a wide range of the market needs and the mix has been shifted to focus on higher utilisation products over recent years.
4. People: our leadership team has significant tenure in the hire industry and within HSS which is also reflected in the operational levels, bringing best practice across the entire estate to drive profitability.

THSC Chief Executive Officer's Review

I am pleased to report my first results as CEO of THSC. Firstly, it has taken a huge effort from everyone in THSC to change the way they have been working and build out the new processes required to run as an independent business and I would like to thank all the people across the organisation for their contribution to making this a successful transition. I have always been impressed by the versatility of the people within the core HSS business and over the last six months they have shown their commitment to our combined vision for the future of THSC.

Operationally, the business has continued to work in a safe manner and with 7 RIDDORs (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) and 18 LTIs (Lost Time Injury) which compare well to market safety measures.

We have taken steps to right size the business and to develop our own sales channels separate to ProService. This has led to the decision to close certain subscale depots and focus our revised network closer to the depots.

We now have 4,000 customers trading directly with THSC and continue to build this route to market through our 114 builders merchant desks and 21 CDC counters.

We have targeted increasing our revenues from customers other than ProService and whilst in 2023 well over 90% of revenue was from ProService by March 2025 this had reduced to 67% and continues to reduce as we grow our other channels to market. We have added new product ranges towards the end of the year with a return to the inclusion of a range of new small plant and M&E equipment within our core offering. These will provide further momentum to the diversification of the customer base.

Average Order Values (AOV) has improved from £207 in September 2024 to £237 in March 2025 and average hire duration has increased 2.1% over that same period.

Jon Overman

Chief Executive Officer, THSC

THSC Financial Review

THSC	Last 6m Act (Oct'24 – Mar'25)	Prior 6m Act (Apr'24 – Sep'24)	FY25 LTM (Total)	% Change	FY25 ProForma (12m to Mar'25)
Revenue	56.6	50.6	107.2	11.9%	116.7
Underlying EBITDA	12.9	15.9	28.7	-18.8%	30.2
Underlying EBITA	-3.4	-0.8	-4.2	316.8%	(2.8)

The operational separation of THSC occurred on 1 October 2024. This included the reallocation of certain customers and associated costs from ProService to THSC relating primarily to non-ProService marketplace customers and also the allocation of central costs to THSC based on staff reallocations and new TSA arrangements.

The above tables include financial information prepared on two bases:

- (i) Last Twelve Months (LTM) - The financial performance for THSC over the past 12 months, split into two 6-month periods to reflect the separation occurring on 1 October 2024.
- (ii) Proforma - The financial performance for THSC over the past 12 months assuming that the separation of the two businesses had occurred on 1 April 2024 and adjusting for the revenue and cost impact of the Business Transfer Agreement between ProService and THSC as if this occurred from 1 April 2024 rather than 1 October 2024.

This has been provided to assist in investor understanding of the performance of THSC. No comparative proforma financial information for THSC has been prepared as it was not possible to accurately calculate on an equivalent basis.

Financial highlights

FY25 has been a period of transition for THSC, starting the year as the operational arm of the Group fully reliant on intercompany trade with ProService and moving to a standalone business trading both with ProService and directly with its own external customer base. On 1 October 2024, the management and trading operations of ProService and The Hire Service Company were separated and in the months prior to this, the current management team was appointed.

As part of the separation a significant number of customer relationships and associated costs to service these customers were transferred to THSC from ProService, in parallel with the creation of the new trading name THSC. This change allows each business to pursue their different but complementary growth objectives. As part of the separation, intercompany trading arrangements and transitional services were established, with these implemented from the 1 October 2024.

The organisational changes naturally drew focus away from trading in the short term, and when combined with a subdued economic environment, created challenging conditions during the final six months of the period.

Revenue

THSC reported revenue in the period was £132.1m (2023: £109.4m). On an LTM basis revenue was £107.2m, with an increase of £6.0m between the first six months and second six months of the LTM period reflecting both trading performance including new direct channel sales initiatives but also the transfer of a number of customers to THSC from 6 October 2025. On a proforma basis revenue was £116.7m (assuming the separation of THSC had occurred on 1 April 2024).

Core hire revenue was £122.3m representing 92% of revenue with the balance attributed to rehire (through ProService) (3%) and resale (5%). We continue to focus on driving our own customer strategy and investing in further complementary product ranges, which in turn is expected to drive higher attachment rates for other revenue streams as we build deeper customer relationships.

Costs

Our cost of sales, distribution and stock maintenance costs for the period were £49.0m before inclusion of depreciation, resulting in a contribution margin of 62.9% (2023: 68.2%). The decrease was driven by an increase in the post-separation rehire revenue at a much lower margin than core hire together with associated distribution costs. We have continued to focus on cost saving in the indirect costs bases and rationalise the network to provide a stable cost base from which to provide future EBITDA growth.

Indirect costs (excluding depreciation and amortisation) for the period totalled £45.2m (2023: £30.8m).

Underlying EBITDA and Underlying EBITA

Continuing Underlying EBITDA for the period was £37.9m (2023: £43.7m) and in the current period Underlying EBITDA margin was 28.7% (2023: 40.0%). On an LTM basis, Underlying EBITDA was £28.7m with the £12.9m in the second six-month portion of the period reflecting the positive contribution from revenue from customers transferred from ProService on 1 October 2024, offset by a decline relating to the restructuring from October 2024 and increased costs relating to the separation. On a Proforma basis Underlying EBITDA was £30.2m (which assumes the transfer to THSC had occurred on 1 April 2024).

The decrease from 2023 reflects the change to the operating model, which includes a higher mix of lower margin revenue lines like rehire, alongside the increased indirect costs assumed from ProService to manage the builders' merchant locations.

Underlying EBITA for the period was a loss of £3.6m (2023: £12.3m). The loss was a result of higher depreciation on property leases and expanded hire stock and a higher cost base following separation and the impact of lower underlying EBITDA. On a proforma basis Underlying EBITA was a loss of £2.8m. (assuming the separation of THSC had occurred on 1 April 2024).

Impairment of tangible and intangible assets

The division recognised an impairment charge of £113.5m, first against allocated goodwill of £64.3m and software of £3.5m, then allocated pro-rata amongst the tangible assets of the CGU for a total of £45.7m impairment of tangible assets including right of use assets.

The impairment charge was driven by challenging trading conditions experienced during the reporting period continuing after the period end necessitating a downwards revision of the forecasts for the CGU. The outcome of the strategic review of THSC has been announced with these results and is discussed in more detail in note 21 to the financial statements.

Finance costs

Net finance expense of £5.5m (including non-underlying items) mainly reflects the discounting on IFRS16 lease liabilities across properties, vehicles and some hire stock assets. Additionally, £1.1m relates to the interest on hire purchase arrangements secured against specific items of hire stock.

Capital allocation

Our objective is to create a sustainable business by strengthening our direct routes to market, thereby reducing our dependency on ProService as our major customer. To support this strategy, whilst we have continued to be cautious about the overall level of capital investment in our hire fleet overall, we will continue to invest selectively in certain areas of our hire fleet where possible to enhance the breadth and quality of service we offer our customers.

Capital expenditure

Additions to hire fleet assets, property plant and equipment and right of use assets were £46.8m in the period (2023: £41.2m). The main driver of the increase is the additional three-month period. The reduction in the average monthly investment in the hire fleet is due to the reduction in the size of the network and allowed for consolidation of our stock lines, aimed at creating greater efficiency and improved utilisation of the products.

Provisions

Provisions of £9.8m (2023: £17.5m) relate mainly to dilapidations on the leased properties with the reduction due to the reduction in size of the estate and settlements on closed sites in the period.

GROUP SUSTAINABILITY

In FY24 we published our third ESG Impact Report, in line with our commitment to update and publish annually so that, as a Group, we continue to hold ourselves accountable to our ESG vision, strategy and goals.

SUSTAINABILITY AT HSS PROSERVICE

ProService is the technology-based business unit of the HSS Group. As a marketplace business, its purpose is to offer our buyers (customers) tens of thousands of products and services wherever and whenever they want, at the click of a button, via our sellers (suppliers).

As an asset-free business, the challenges faced are materially different from those of THSC, however the commitment to minimising our environmental impact and scale our sustainability efforts remains steadfast.

By leveraging the data and digital tools available in-house, we are becoming the more reliable and sustainable organisation in our market.

SCIENCE BASED TARGETS INITIATIVE

We take our ambitious Net Zero 2040 target seriously. That is why we are proud to be the first in our sector to have our Science Based Targets (SBTs) validated by the Science Based Target initiative (SBTi) in May 2023.

This means that our near and long-term emissions reduction targets, whilst drastic, are achievable. We've also committed to align with a 1.5°C rise in global temperatures compared with pre-industrial levels through the Business Ambition for 1.5°C campaign.

ECOVADIS GOLD AWARD

For the third time now, we have participated in a group-wide EcoVadis audit, and yet again we have made progress in our efforts. In 2024, we maintained our prestigious Gold award and climbed from the top 95th percentile to the top 98th percentile, just narrowly coming short of a Platinum award by 1%.

With over 130,000 rated companies in more than 180 countries globally, EcoVadis is one of the world's most trusted platforms for externally verifying an organisation's sustainability efforts, covering a wide range of topics pertaining to the Environment, Labour & Human Rights, Ethics and Sustainable Procurement. Therefore, to be in the top 2% is testament to our progress.

CARBON DISCLOSURE PROJECT (CDP)

The CDP is a global non-profit organisation that allows companies, cities, states and regions manage and disclose their environmental impacts. Every year, since our inaugural disclosure we have attained a higher mark. In 2024, we were proud to achieve an A rating for the first time.

GREENER ALTERNATIVES

In 2024 we launched the Greener Alternatives feature to our self-service platform, ProService Marketplace. This revolutionary tool is designed to help buyers make more sustainable choices by highlighting environmentally friendlier equipment options at point of order, alongside the commercial implications in terms of price.

By providing clear comparisons between standard and low-emission or electric alternatives, it empowers our users to consciously reduce their carbon footprint without compromising on performance. This feature not only supports businesses in meeting their environmental goals but also simplifies the decision-making process and provides easy oversight as to which users are making greener choices, and those that aren't. This enables more senior members of an organisation to look at individual adoption rates and have targeted discussions to enforce a culture.

CUSTOMER CARBON REPORTING

Following a successful and informative series of pilot projects in 2023, we launched our industry-first Customer Carbon Reporting Dashboard at scale, for all customers on HSS ProService Marketplace in

2024. This is a key milestone in our commitment to delivering innovative, value-added services to our already revolutionary self-service platform.

Since launch the feedback from our stakeholders has been overwhelmingly positive. It empowers our customers to monitor and manage their use-phase and transport-associated carbon emissions with clarity and confidence, whilst providing our internal stakeholders with a powerful key differentiator to attract new business with confidence.

However, we never rest on our laurels at ProService and we're already exploring ways to expand this further by aligning to our verticals such as fuel, building materials, equipment sales, training and more. We look forward to providing further updates on our efforts in this area, but providing a free, easy to use and accurate tool that is third party verified is proving vital to customer retention.

SOCIAL VALUE

Increasing emphasis is being placed on measuring the positive social value we, as a Group, are having on communities and the nation owing to our operations. Increasingly, social value is a deciding factor on whether bid submissions are successful or not, as a result a growing number of our stakeholders have asked us to quantify this. We have listened and acted.

In 2024, we engaged a specialist partner in THRIVE to help us measure, track and improve the already impressive social value we add. We now have the facility to quantify this and are happy to report that in 2024 we added £197.0m in social value, focusing specifically on three themes in our first reporting year: Tackling Economic Inequality, Fighting Climate Change and Well-being.

This in inaugural report is great step on our way to becoming an even better company for all our stakeholders, and no doubt there are data points we've been unable to report on until we further develop our ERP system, which is an ongoing project.

The weighting of our first social value reports (on a calendar year basis) and their sub-themes are:

Tackling Economic Inequality: £197,010,435

- Create new businesses, new jobs and new skills
- Increase supply chain resilience and capacity

Fighting Climate Change: £2,093,645

- Effective stewardship of the environment

Wellbeing: £333,841

- Improve health and wellbeing
- Improve community integration

VOLUNTEERING HOURS

4,551

DONATIONS

£125,366

SUPPLIER AUDITING

In 2024, we continued to maintain the safest and largest network of sellers in Europe, offering our buyers the peace of mind that whatever they hire or buy they will receive the same level of excellent service, quality and safe products and services.

For this reason, we have a supplier auditing policy which stipulates that all preferred suppliers must pass an audit annually, carried out by our internal team of qualified, competent and experienced auditors. The type of audit i.e. physical or desktop varies depending on their risk rating, however no supplier is permitted to have two consecutive desktop audits. This somewhat stringent measure ensures

that we are operate in an effective working partnership with our entire supply chain, using it as an opportunity not to be punitive but supportive to our crucial supply chain.

The next step is to automate this process, and we are developing an all-in-one seller portal which will streamline the commercial, operational and ESG aspects of our individual seller relationships. This will not replace the important work of our auditors, merely complement it by automating certain aspects such as compliance documentation, insurance documentation, product offerings, pricing, coverage etc.

WASTE

ProService has a much smaller estate than our partners at THSC, comprising of an office in Manchester and a training location in Birmingham. As an asset-free business, the waste that we produce as a result of our operations is different in nature and volume than that of THSC. However, we are still committed to achieving improved landfill diversion rate, recycling ratios and altogether avoiding the creation of new waste.

We have a well-established Dry Mixed Recycling bin system that all colleagues have received training on and are working towards the elimination of single-use plastics in our operations, which has contributed to a rise in our recycling ratio to 27%

As a technology-based business, every colleague at ProService is issued with a company laptop to ensure that all colleagues have the tools necessary to effectively carry out their duties, wherever they are. We have engaged with a specialist Waste Electrical and Electronic Equipment (WEEE) company to effectively and responsibly dispose of our electric waste at the end of its ProService life.

This ensures that all possible WEEE waste has its data securely and irrevocably removed, before being refurbished and sold to other organisations, thus extending its lifespan further. The agreement we have made is that 60% of net profits from the resale of these items comes back to ProService.

Taking this further, we are exploring options for a similar partnership to remove and recycle other office waste such as chairs, desks etc.

ROADSHOWS

Product innovation is vital for the construction industry to reduce its environmental impact and play its part in helping the UK reach net zero. According to Hansard and UK Government data, the construction process is responsible for 10 to 13% of UK's annual greenhouse gas emissions. However, if you take into account the built environment as a whole (including embodied carbon) this figure rises to c25%.

As we expand our verticals such as building materials, equipment sales and fuel the need for product innovation is more important than ever. Therefore, in 2024 we continued with our now well-established Innovation Roadshows.

Spread across four locations throughout the UK, 90 suppliers met with over 500 colleagues and customers, showcasing hundreds of the most innovative products available on HSS ProService Marketplace. The purpose was simple: spread awareness of the fantastic products and services available to drive new enquiries that grow business and reduce environmental impact.

SUSTAINABILITY AT HSS: THE HIRE SERVICE COMPANY

HSS: THSC is the operational and asset-heavy business unit of the HSS Group. As a traditional hire company, with locations throughout the UK, a vast commercial transport fleet and extensive fleet of equipment, THSC remains a leading UK-based tool and equipment hire specialist.

The very nature of the business means that it is crucial to the HSS Group reaching our stated ESG goals, including Net Zero 2040. Whilst the challenges faced are different to that of ProService, it is crucial that both businesses focus on their own respective areas where they have a material impact.

By continuing in our well-established efforts to reduce operational emissions, THSC is already a leader in reducing its environmental impact.

FLEET

We have continued to make progress on our journey to transitioning our company car and operational fleet of vehicles into low-carbon alternatives or electric vehicles (EVs) where practicably possible, given current business requirements.

In 2024, as vehicle leases expired, we moved to 83% of our company car fleet being either plug-in hybrids (PHEV's) or EVs (31% being pure EV) with the remaining 17% of vehicles with emissions of less than 120g CO₂. This means we are on target to achieve our 2030 goal to exceed 60% of our company car fleet being either PHEVs or EVs and have already exceeded our 2025 goal of 40%.

Unfortunately, EV and PHEV technology still is not able to deliver the mileage we require to maintain our high level of customer service in our commercial fleet, if we were to convert our entire fleet to EV/PHEV. That's why we have introduced 3.5t EV Dropside vehicles in targeted locations where their daily requirements are in line with current mileage technology.

However, we are taking action where we can; for example, we have converted 50% of our mobile engineer fleet to low-emission PHEV vans from diesel vans and have introduced four x EV pick-up trucks which are suitable for the more rugged, brownfield sites we sometimes have to attend.

After analysing our routing and miles per job data for each location, combined with trials in 2023, we are proud to announce that 13% of our 3.5 ton delivery vehicles are now zero-emissions.

We aren't just stopping there: our partnership with Microlise continues and means that we can monitor our drivers' habits and behaviours on the road, such as excessive acceleration and braking, all of which can potentially be unsafe, burn unnecessary fuel and potentially damage our brand reputation. This software enables our operation managers to review this data and have targeted conversations with our driver colleagues, so that we are completing jobs safely, economically and with reduced environmental impact.

WASTE

With a vast network of locations throughout the UK, THSC produces a different type of waste than their office-based partners in ProService.

In 2023, we removed general waste skips from all locations to improve our waste segregation and therefore recycling ratios. This had an immediate positive effect, and we're happy to report that this trend has continued in 2024, with our recycling ratio for skips improved – contributing to the overall increase in landfill diversion rate, from 90% to 97% in 2024.

We have also continued with our proven waste league tables per location. This encourages healthy competition between branches with incentives on offer for categories such as least waste produced, most recycled, etc.

Combined with our colleagues' efforts in ProService, this means we are well on target to achieve 95% zero-waste to landfill target in 2025 and 60% reuse and recycle rate across all locations.

WATER

Water saving is an often-forgotten aspect of improving environmental performance. However, we recognise that the nature of our operations and the changing climate means that it is of increasing importance to us.

We use water for a range of necessary things, from ensuring a clean and safe workspace, personal hygiene and also cleaning equipment. In 2023, we started to take action and gained 81% visibility of water usage across our entire estate.

Now that we have a clear understanding of the water we use, we can start to implement water-saving measures and are actively exploring a range of measures such as: low-flow taps, toilets and urinals, leak detectors and closed-loop water systems for equipment cleaning.

Staff training is vital, and we are working with our L&D team to implement a training module that educates on the importance of water conservation and how best to achieve it. We are looking forward to updating you further on our efforts in this regard.

KEY BIODIVERSE AREA (KBA) REPORT

HSS has always fostered a strong reputation for effective governance which we feel is necessary for an ethical, profitable and environmentally sustainable business. This is one of the reasons that we submitted a voluntary Task Force on Climate-related Financial Disclosures (TCFD) Report in 2022.

With the Taskforce for Nature-related Financial Disclosures (TNFD) on the horizon, we have produced our first ever HSS Sites Biodiversity Report. This report identifies whether our business has operational activities which are proximal to biodiversity-sensitive areas and details our potential environmental risk, impact and mitigation measures.

This report provides an early indication of potential concerns regarding biodiversity, and serves to give guidance that can be used for informed decision making within THSC.

As the nature of and composition of our estate changes over time, we will update this report and look forward to sharing our progress.

EMPOWERING OUR PEOPLE

At THSC, we recognise that building a sustainable business starts with empowering our people. We have always believed and understand that as the challenges change and ESG landscape evolves, so must we. In 2024, we expanded our e-learning courses to include an additional 13 modules, ensuring that all colleagues understand the role they play in supporting our sustainability goals. These modules cover topics such as energy conservation, responsible waste management and the environmental impact of our operations.

However, all things in business are only effective if they are driven from a strong leadership position. For that reason, environmental responsibility is embedded at all levels of leadership within THSC, from our senior leadership team (SLT) right through to our junior managers.

Regular updates on environmental performance and initiatives are reviewed by our SLT, ensuring accountability and strategic alignment with our goals. This top-down commitment is complemented by the launch of our Internal Sustainability Champions Network, which sees colleagues from across the business who advocate for greener practices and help local initiatives. The purpose of these champions is to act as conduits between our high-level sustainability goals and our day-to-day operations, encouraging further behavioural change and identifying any opportunities for improvement that may have been overlooked.

This relatively new initiative has already contributed to several successful depot-led projects which we look forward to updating you on in 2026. We believe this demonstrates that our approach to including all colleagues, at all levels, is central to our success.

ENERGY EFFICIENCY IN OUR OPERATIONS

As a part of our ongoing commitment to reducing our environmental impact, THSC has continued to invest in energy-efficient technologies and practices across our operations, following the findings from the UK Government's Energy Savings Opportunity Scheme (ESOS) in which we identified energy-efficiency projects across our entire estate in 2023.

For the past 5 years we have invested in greener products, including upgrading our lighting systems in 2024 across all branches and distribution centres to LED and automatic light sensors, which improve energy efficiency and improve safety by ensuring areas are properly illuminated when required, resulting in measurable reductions in electricity usage. We are already well on our way to reduce energy consumption by 30% per site by 2030, and will exceed this target if we remain on our current trajectory.

We have continued to track and monitor energy use across our operations and produce monthly reports on energy consumption, supplemented with quarterly league tables on performance. This healthy competition, reinforced by energy efficiency training to all staff, will contribute to the behavioural change that we will require in order to decarbonise our operations in line with our targets.

Our transition towards lower carbon operations must also include more technology however, so we have begun evaluating the installation of solar photovoltaic (PV) potential across all locations - despite already procuring 100% green electricity.

We are already well on our way to reduce energy consumption by 30% per site by 2030, and will exceed this target if we remain on our current trajectory.

IMPROVING PRODUCT CIRCULARITY

In line with our commitment to make the hire industry improve its already impressive circularity credentials, we have advanced our efforts to extend the lifespan of our products and reduce waste in new and innovative ways.

Whilst we continue to send safe equipment to auction and strip other equipment for parts to maximise the lifespan of equipment as much as possible, in 2024 we began a new initiative with original equipment manufacturers (OEMs), specifically piloting a scheme to manage the end-of-life process for fibreglass steps – a frequently used and difficult to recycle product in our fleet.

This pilot has proven both operationally effective and environmentally beneficial, successfully diverting material from landfill whilst strengthening further our partnership attitude with suppliers.

Building on this success, we plan to expand the programme to include more difficult to recycle or resell product categories and deepen our collaboration with OEMs.

RISK MANAGEMENT

MANAGING RISK AND UNCERTAINTY

"We have empowered Group businesses to grow, working closely with management teams to build bespoke risk registers and assurance programmes, to help identify and manage emerging issues."

Mark Shirley

Risk and Assurance Director

We employ a comprehensive risk management process to help the Group identify emerging risks, assessing impact and ensuring appropriate mitigating actions are put in place. Assurance programmes are in place to support Group business, with monthly Executive Management Team (EMT) discussions and quarterly Board review.

Ownership

The EMTs are responsible for delivery, setting the risk appetite, tolerance and culture to achieve its goals. The Audit Committee plays a key supporting role through monitoring the effectiveness of risk management and the control environment, reviewing and requesting deep dives on emerging risk areas and directing and reviewing independent assurance.

The Group's EMTs have overall responsibility for day-to-day risk management. Mark Shirley, HSS' Risk and Assurance Director, maintains the Group's risk register which is reviewed in detail by the Audit Committee on a quarterly basis with changes to the risk landscape, assessment and mitigating actions agreed.

The ProService risk register is maintained by ESG Director Matt Adams and THSC Risk Register is maintained by Mark Shirley. Both are reviewed quarterly by the respective EMTs teams with each risk assigned a specific risk owner to manage mitigation actions for each identified risk.

Identification and assessment

Risks are identified through a variety of sources, both internal and external, to ensure that key developing themes are considered. This process is focused on those risks which, if they occurred, would have a material financial or reputational impact on the Group.

Management identifies the controls in place for each risk and assesses the impact and likelihood of the risk occurring, taking into account the effect of these controls, with the result being the residual risk. This assessment is compared with the Group's risk appetite to determine whether further mitigating actions are required.

All risks have an overall EMT owner responsible for their day-to-day management. Health and safety and ESG are key areas in our industry and, as such, require collective ownership to continually improve. There is an established Executive Health and Safety Forum (THSC) which is CEO-Chaired, made up of the EMTs, the Risk and Assurance Director, the Quality Manager and Head of Learning and Development. The Forum meets bi-monthly (and more frequently if required) to review trends, incidents and issues.

Throughout the year an ESG Committee chaired by the ESG Director oversaw improvement actions and monitored risk and opportunities. ESG risk is integrated into our risk management process as part of the Group's commitment to the requirements of CFD.

Monitoring

The Risk and Assurance Director reports and meets with the Group CFO and each divisional CFO monthly to review the findings of risk-based assurance activity. Risk-based assurance work is then reported to the Audit Committee on a quarterly basis for review.

Culture and values

The Board is cognisant that risk management processes alone are not enough to mitigate risk, and behaviour is a critical element in risk management. The well-being of our colleagues, the drive and skill sets they bring and the training and environment we provide are key to our success. These are underpinned in the HSS values, which are vital in us achieving our strategy as well as mitigating the risks associated with it.

HOW WE MANAGE RISK

We adopt a three lines of defence model for managing risk, providing the Board and the EMTs with assurance that risk is appropriately managed. This is achieved by dividing responsibilities as follows:

THE FIRST LINE OF DEFENCE

Functions that own and manage risk.

THE SECOND LINE OF DEFENCE

Functions that oversee or specialise in specific risk such as Health, Safety, Environment and Quality (HSEQ), Supply Chain Auditors, Performance Reporting, and Control Risk Self-Assessment (CRSA) audits undertaken by regional management.

THE THIRD LINE OF DEFENCE

Functions that provide independent assurance, in the HSS case primarily Internal Audit.

Macroeconomic risk

This continues to be the highest-rated risk facing the Group with a combination of conflict, political change, protectionism, increased National Insurance rates and high interest rates affecting consumer confidence in construction and therefore UK growth. Continued high levels of insolvency mean we continue to refine and invest in our credit control systems.

Within THSC, over the past 12 months we have closed a number of depots to reduce costs and move equipment geographically into areas where there is more demand. The company has also restructured its business to have one reporting line for sales and operations for locations under the COO.

ProService's lower-cost and flexible operating model continues to be key in combating inflationary pressures.

We closely monitor conditions and take action as appropriate to manage the trading conditions.

Business separation

With the Group separating into two businesses with their own management teams, there has been a degree of supporting activity and change to assurance projects and programmes across the year.

Both ProService and THSC have established risk registers that reflect their own individual risks that feed into the Group risk register. Both businesses have separate assurance programmes and monthly reports and meetings to update EMTs on any emerging issues so they can be managed.

RISK MANAGEMENT FRAMEWORK

1ST LINE OF DEFENCE

Owns and manages risk and implements/operates business controls

Who is responsible:

- Operational management/colleagues

Activity/controls:

- Policies and procedures

- Internal controls
- Planning, budgeting, forecasting processes
- Delegated authorities
- Business workflows/IT system controls
- Personal objectives and incentives

2ND LINE OF DEFENCE

Oversight of risks and control compliance through dedicated compliance teams, CRSA, and financial and operational reporting and monitoring

Who is responsible:

- Compliance/oversight functions, finance and regional management

Activity/controls:

- HSEQ team with audit programme in place
- Rehire Supply Chain Audit Team
- Environmental/legal/regulatory compliance
- Risk management
- Controls compliance monitoring
- Management/Board reporting and review of KPIs and financial performance
- Corporate policies and central function oversight

3RD LINE OF DEFENCE

Segregated functions that provide assurance

Who is responsible:

- Internal Audit

Activity/controls:

- Approved internal audit plan
- Internal Audit has reporting line to Audit Committee
- Regular Internal Audit updates at Audit Committee

INDUSTRY AND ISO ACCREDITATIONS

EXTERNAL AUDIT

FY24/25 RISK MANAGEMENT DEVELOPMENTS

The focus in FY24/25 changed to focus organisation's risk and assurance needs on the separate businesses, ensuring each business had access to appropriate resources to support the EMTs whilst maintaining PLC Board oversight of risk via the Group Audit Committee.

Introduced a balanced scorecard to evaluate health and safety performance across locations and departments, using a blend of audit scores and performance data, with a focus on safety and standards and communicating and celebrating good performance in our location.

Built separate risk registers and assurance programmes for ProService and THSC.

Created separate tracking reports for both businesses around health and safety and fraud risk.

Built capacity in both businesses to enable separate application for ISO accreditation, ensuring each business has separate policy, procedures and management systems.

Fraud Training implemented for both customer-facing colleagues and credit controllers across Group businesses. Real-life examples flagged through the industry fraud forum used to bring emerging trends to light.

ProService developed a new customer complaints module to give better insight into supply chain performance.

FY25/26 PLANNED IMPROVEMENTS TO RISK MANAGEMENT PROCESS

The focus for FY25/26 will be on building on the initiatives launched in 24/25 and ensuring we support individual businesses to grow alongside the Group.

Introduce a balanced scorecard relating to Internal Audit activity, building on the balanced scorecard launched for health and safety last year.

The realigning of sales and operations enables the audit team to do more analysis around how effectively assets are utilised, to improve efficiency and reduce costs.

Work with a third party specialist to revamp health and safety training, drawing on trainers with a military background experience.

Evolve the risk management process, to make the Group analysis of risk less manual from each business.

Increase intercompany audit work to give the Board assurance that the businesses continue to work effectively to grow the Group revenue and profit.

Expand the coverage of ISO 27001 to get wider assurance over information security management.

PRINCIPAL RISKS AND UNCERTAINTIES

Key – Movement

No movement: = Up: ↑ Down: ↓

Key risk	Description and impact	How we mitigate	What we have done in FY24/25
1. MACROECONOMIC CONDITIONS Movement = Owner: Steve Ashmore ProService Executive Chairman	The Group's sales and profits, either volume or price, are adversely impacted by any decline in the macroeconomic environment. International conflicts, inflationary pressures and the higher cost of borrowing lowers growth, affecting demand, supply chains and financial performance.	The Group is not over-exposed to any one area or segment. Ongoing monitoring and modelling of macroeconomic indicators and performance, both of which are reviewed regularly by the EMTs.	We have continued to maintain tight cost control measures, due to market confidence and demand being affected by political uncertainty, conflict and high interest rates. THSC closed a number of depots where demand was softer and restructured the operational side of the business, to bring sales and operations back under one management line, reducing costs and headcount. The low-cost merchant model has been expanded to increase the number of hire locations to over 130.
2. COMPETITOR CHALLENGE Movement = Owner: Steve Ashmore ProService Executive Chairman	A highly competitive and fragmented industry, with the chance that increased competition could result in excess capacity, therefore creating pricing pressure and adverse impacts on planned growth.	ProService employs differentiated technology platforms, including fully integrated self-service interfaces for customers, suppliers and colleagues, providing fast and efficient user journeys. Through our continually expanding supply chain, the Group gives customers a one-stop shop providing access to a huge range of products and complementary services such as training courses. Our organisational structure allows for a strong focus on sales acquisition. We have a low-cost operating model, providing national coverage from a network of central distribution centres (CDCs), builders merchants and traditional branches.	Following separation of ProService and THSC and establishment of separate EMTs, clearly defined visions and strategic objectives have been created for each, providing focus to advance their differentiated propositions.

Key risk	Description and impact	How we mitigate	What we have done in FY24/25
3. STRATEGY EXECUTION Movement ↑ Owner: Richard Jones Group Chief Financial Officer	Failure to successfully implement the Group's strategic plans alongside lower-than-expected realised benefits leads to reduced forecast financial performance in terms of revenue growth and cost savings. In addition, this includes the risk that the announcements made today regarding the future strategic initiatives do not complete and alternative options need to be considered.	Two clearly defined and communicated strategic plans are in place. Clear governance structure, with defined accountabilities. Implementation of projects is monitored by the Board, including resource allocation. Monthly updates, including initiative-specific deep dives, provided to the Board. With regard to the strategic initiatives due to complete subsequent to the reporting date, the Board engages in regular dialogue with stakeholders and has considered a range of alternative scenarios should the strategic actions not complete.	Due to the risk of pursuing two separate strategies in a challenging market the risk rating has been increased. The Group separated into businesses with their own EMTs, reporting directly into the main Board, with an added Group CFO and Chairman representing ProService and THSC. This gives each business the freedom to pursue separate strategic objectives, whilst maintaining a close working relationship under close monitoring of the Board. The ProService strategy is to target large clients, grow verticals, enhance the technology platform, and to improve supply management through automation. The ProService self-service marketplace has continued to gain momentum over the course of the year. THSC strategy centres on growing local customers through their direct sales team, CDCs and merchant networks. THSC has continued to adapt its merchant model, changing locations and the partners they work with, including a number of strategic closures to focus on ensuring coverage matches the demands of the market. The Group has engaged in active discussions with lenders regarding the strategic initiatives and have obtained consent for their execution. The Group has also considered alternative options as a contingency in the event that these strategic initiatives do not complete after the period end.
4. CUSTOMER SERVICE Movement = Owner: Steve Ashmore ProService Executive Chairman	The provision of the Group's expected service levels depends on its ability to efficiently transport the hire fleet across the network to ensure it is in the right place, at the right time and of the appropriate quality.	National reach and presence through CDCs, branches, builders merchant partners and online. Diverse range of rehire suppliers provides ongoing flexibility to ensure continuity of supply for customers.	We continue to invest in training for colleagues to improve the quality of our service. A new customer complaints portal was established in ProService, to ensure quality is maintained in supply chain and customers remained satisfied. THSC have restructured to bring the sales and operational elements of the business back under one management line, ensuring there is a more customer-centric approach.

Key risk	Description and impact	How we mitigate	What we have done in FY24/25
	Management of customer relationships is important to ensure appropriate payment is received for the quality of service provided. Any disruption in supply, quality or relationship management can reduce revenue and drive additional costs into the business.	Clear business continuity plans to maintain supply. Extensive and continued training to ensure testing and repair quality standards are maintained. Audits and reporting covering quality, contracts and complaints. Business accreditations are maintained, including ISO 9001, providing customers with confidence in the quality of the services provided.	THSC invested in new equipment requested by merchant customers, investing in diggers, dumpers, powered access, and manufacturing and engineering equipment.
5. THIRD PARTY RELIANCE Movement = Owner: Richard Jones Group Chief Financial Officer	THSC and ProService are reliant on each other to increase revenue and Group profitability, which requires diligence. The majority of ProService's revenue is derived from the Services business which is dependent upon the performance of third party service providers, whilst THSC is also reliant on ProService and the merchant model. If any third parties become unable or refuse to fulfil their obligations, or violate laws or regulations, there could be a negative impact on the Group's operations leading to an adverse impact on profitability and publicity.	Third party rehire suppliers are subject to rigorous onboarding processes. Each supplier is subject to demanding service level agreements with performance monitored on an ongoing basis. The wide and diverse range of rehire suppliers provides flexibility to select those who meet required service levels. Extensive commercial and risk assessment process undertaken before and after entering into a relationship with a builders merchant or opening a new location.	The risk description was changed to reflect the separation of Group businesses and their reliance on working together profitably. The new structure places THSC as the key supplier to ProService. The builders merchant model has continued to expand, working with new partners such as Selco. There are currently over 130 hire locations, with more merchants in the pipeline.

Key risk	Description and impact	How we mitigate	What we have done in FY24/25
6. IT INFRASTRUCTURE Movement = Owner: Richard Jones Group Chief Financial Officer	The Group requires an IT system that is appropriately resourced to support the business. An IT system malfunction may affect the ability to manage operations and distribute hire equipment and service to customers, affecting revenue and reputation. An internal or external security attack could lead to a potential loss of confidential information and disruption to transactions with customers and suppliers.	Third party specialists are used to assess the appropriateness of IT controls, including the risk of malicious or inadvertent security attacks. Firewalls, antivirus software, endpoint detection and clean-up tools are used to protect against malicious attempts to penetrate the business IT environment and remove malware or similar agents. Procedures to update supplier security patches. Multi-factor Authentication login security technology in place for all colleagues remotely accessing the Group's systems. Regular disaster recovery tests conducted and appropriate back-up servers to manage the risk of primary server failure. Cross-departmental Data Governance team to ensure that business processes are, and continue to be, adequate. Ongoing resilience and penetration testing.	Whilst we have continued to invest in security to reduce the risk and have improved performance, it comes with the backdrop of the UK experiencing a greater threat, and we have decided to keep risk scoring at the same level. Investment has continued in IT infrastructure and our evolving cyber security plan. Phishing alerts are reduced significantly due to our investment in cyber security. A cyber security week was held in October to ensure colleagues are aware of threats and good practice. Restrictions were introduced for Artificial Intelligence (AI) solutions via our firewall controls, reducing the risk of data leakage when using AI for analytical purposes. ISO 27001 and Cyber Essentials certifications were successfully completed, and we are working on plans to expand the scope and coverage of accreditation going forward.
7. FINANCIAL Movement ↑ Owner: Richard Jones Group Chief Financial Officer	7a. Funding (liquidity /headroom) – Loss of available funds and access to borrowing at reasonable rates to allow the businesses to function and grow to deliver their strategies. In addition, that trading results reach a position whereby covenant compliance	Working capital management with cash collection targets (which roll up into our net debt KPI). Extensive credit checking for account customers with strict credit control over a diversified customer base. Comprehensive risk reporting including regular detailed credit limit reviews. Credit insurance in place to minimise	This risk was split into two separate risks mid-year and the rating increased. This was to reflect the different teams managing the risk: Finance for funding, and Operations colleagues managing the trading risk. It also reflects the current UK insolvency rate, combined with higher interest rates. The Group has utilised the proceeds of the sale of our HSS Power division to reduce our debt position. The proceeds from the sale of the Irish business will also be reinvested to reduce debt to improve liquidity. The Group has negotiated an extension to its existing debt facilities. This will provide an

Key risk	Description and impact	How we mitigate	What we have done in FY24/25
	becomes an issue and might prevent access to liquidity. 7b. Operational – The companies do not trade in a profitable way and are not rewarded appropriately for the service provided.	exposure to larger customer default risk. Investigation team focused on minimising the Group's exposure to fraud. Clearly defined authorisation matrix governing payments and amendments.	extension to September 2026 for the existing term debt of £57.5m and also liquidity in the form of a revolving credit facility (RCF) of £20m. The Group is currently reviewing arrangements with lenders in light of the forecast breach of the Group's covenants during the period of assessment for going concern and we expect discussions with lenders to be successful.
8. Skills, Resources and Oversight Movement ↓ Owner: Steve Ashmore ProService Executive Chairman	The Group needs to ensure the appropriate skills, resources and management oversight is in place to support the existing and future growth of the business. Failure to attract and retain the necessary high-performing colleagues could adversely impact targeted financial performance. Global inflationary pressures impact ability to retain colleagues.	Market rates are regularly benchmarked to ensure competitive pay and benefits packages. Training for colleagues is provided at all levels to build capability and improve compliance. Training is role-related and behaviour-focused, via blended learning. Colleague engagement surveys are conducted, with actions taken as a result of feedback. Recruitment programmes working with third parties such as prisons offering opportunities to ex-offenders. Initiatives such as Earn as you Learn.	The risk has been reframed to focus on skills and resources and the risk rating reduced to reflect the headcount reductions over the course of the year. The increase in Employers' NI, coupled with the lowering of the payment threshold and above-inflation National Living Wage significantly increased wage costs (£2.5m). The separation and restructuring of both businesses and closing of depots has led to efficiencies and a reduction in headcount helping to manage the increased cost. With the moving of sales and operations under one management line in THSC, support and training has been provided to colleagues to help them adapt to the wider scope of responsibilities. ProService has been able to reduce headcount through restructures and innovation.
9. LEGAL AND REGULATORY REQUIREMENTS Movement = Owner: Daniel Joll General Counsel	Failure to comply with applicable law and regulation could have severe ramifications, including reputational damage and/or financial loss or penalty.	Robust governance is maintained within the Group, including a strong financial structure, assurance provision from internal and external audit, and employment of internal specialist expertise supported by suitably qualified and experienced external practitioners. Training and awareness programmes focusing on a variety of key topics such as anti-bribery, anti-modern	Execution and reputational risk (including leak risk) around corporate projects was a key risk this year, which was mitigated with careful project planning and project execution, with advice and assistance from our corporate advisers.

Key risk	Description and impact	How we mitigate	What we have done in FY24/25
		slavery, anti-facilitation of tax evasion, data protection legislation, ED&I and price collusion have all been in place during 2024. Whistleblowing process in place providing colleagues with the ability to raise non-compliance issues, which the Company Secretary discusses with the Audit Committee and the Board.	
10. SAFETY Movement = Owner: Steve Ashmore ProService Executive Chairman	The Group operates in industries where safety is paramount for colleagues, customers and the general public. Failure to maintain high safety standards could lead to the risk of serious injury or death.	Clear health and safety policy with ongoing risk management and monitoring of accidents and incidents. Health and Safety Forum chaired by the CEO and comprising senior managers with responsibility for setting direction and monitoring progress. Fully skilled HSEQ team and internal investigators providing assurance and support. Mandatory training programmes for higher-risk activities. The Group is ISO 45001 Health and Safety accredited.	Seven RIDDORs were reported in the period, down from six reported in the previous year. To improve engagement in safety training we started working with an outside company giving a military perspective to safety training. The aim is to mix up our approach in delivering safety training and recognises the importance of colleague training in preventing accidents A balanced scorecard to evaluate health and safety performance in locations was launched using a range of metrics to rate safety performance and celebrate and reward locations monthly.
11. ESG Movement = Owner: Matt Adams ESG Director	If the Group fails to set and meet appropriate ESG goals, there may be an adverse reputational impact with stakeholders and it could limit ability to trade with customers. This could result in revenue reduction, deterring people from joining the business and limiting	The Group has a comprehensive set of procedures in place to minimise adverse environmental impact, including procurement of electricity from renewable sources, third party monitoring of utility consumption and waste management. Procedures are in place to manage social and governance risks, many of which	Political lobbying relating to net zero has not affected the corporate drive to reach net zero. Whilst we continue to see increased demand for environmental data relating to product performance, this is not being translated into demand for lower-emission products as customers remain resistant to environmentally better performing products if there is a higher cost.

Key risk	Description and impact	How we mitigate	What we have done in FY24/25
	attractiveness to investors.	are covered in key risks 8, 9 and 10. The Group is ISO 14001 Environmental Management accredited. An ESG Committee that oversees improvement actions and monitors progress. Monthly Board updates on ESG progress.	

CONSOLIDATED INCOME STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2025

		15-month period ended 31 March 2025			12-month period ended 30 December 2023		
	Note	Underlying £000s	Non- underlying costs (note 4) £000s	Total £000s	Underlying £000s	Non- underlying costs (note 4) £000s	Total £000s
Revenue	2	378,992	–	378,992	312,359	–	312,359
Cost of sales		(209,926)	–	(209,926)	(165,215)	–	(165,215)
Gross profit		169,066	–	169,066	147,144	–	147,144
Distribution costs		(33,503)	–	(33,503)	(25,767)	–	(25,767)
Administrative expenses		(129,511)	(3,094)	(132,605)	(99,650)	(2,458)	(102,108)
Impairment loss on tangible assets	4, 9, 10	–	(45,714)	(45,714)	–	–	–
Impairment loss on intangible assets	4, 8	–	(67,834)	(67,834)	–	–	–
Impairment loss on trade receivables and contract assets	11	(2,770)	–	(2,770)	(2,151)	–	(2,151)
Other operating income	3	501	–	501	194	–	194
Exceptional items (non-finance)	4	–	(4,892)	(4,892)	–	41	41
Operating profit		3,783	(121,534)	(117,751)	19,770	(2,417)	17,353
Net finance expense		(12,216)	–	(12,216)	(10,075)	–	(10,075)
Exceptional items (finance)	4	–	(334)	(334)	–	(353)	(353)
(Loss)/profit from continuing operations before tax		(8,433)	(121,868)	(130,301)	9,695	(2,770)	6,925
Income tax (charge)/credit	6	(686)	–	(686)	(3,987)	–	(3,987)
(Loss)/profit from continuing operations		(9,119)	(121,868)	(130,987)	5,708	(2,770)	2,938
Profit from discontinued operations, net of tax	4, 19	3,168	(1,894)	1,274	1,339	(40)	1,299
(Loss)/profit for the financial period		(5,951)	(123,762)	(129,713)	7,047	(2,810)	4,237
Alternative performance measures for continuing operations (£000s)							
Underlying EBITDA	20	50,464			54,506		
Underlying EBITA	20	6,600			21,589		
Underlying profit before tax	20	(8,433)			9,695		
Earnings per share for continuing operations (pence)							
Basic (loss)/earnings per share	7	(0.89)		(18.48)	1.06		0.42
Diluted (loss)/earnings per share	7	(0.88)		(18.03)	1.02		0.40
Continuing and discontinued operations (pence)							
Basic (loss)/earnings per share	7	(0.50)		(18.30)	1.29		0.60
Diluted (loss)/earnings per share	7	(0.48)		(17.85)	1.25		0.58

1 The notes supporting the income statement have been restated to disclose continuing operations (see note 19), the comparative figures for prior period have been re-presented, so that amounts relate to all operations that have been discontinued by the end of the reporting period for the latest period presented

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2025

	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Profit for the financial period	(129,713)	4,237
Items that may be reclassified to profit or loss:		
Foreign currency translation differences arising on consolidation of foreign operations	(542)	(231)
Other comprehensive loss for the period	(542)	(231)
Total comprehensive profit for the period attributable to owners of the Group	(130,255)	4,006

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 31 MARCH 2025

	Note	31 March 2025 £000s	30 December 2023 £000s
ASSETS			
Non-current assets			
Intangible assets	8	71,991	152,982
Property, plant and equipment	9	38,034	93,183
<i>Of which – Hire equipment</i>	9	32,843	81,191
<i>Of which – Non-hire equipment</i>	9	5,191	11,992
Right of use assets	10	28,708	51,811
<i>Of which – Hire equipment</i>	10	1,737	2,592
<i>Of which – Non-hire equipment</i>	10	26,971	49,219
Deferred tax asset	16	3,479	2,012
		142,212	299,988
Current assets			
Inventories		3,017	3,823
Trade and other receivables	11	72,362	93,441
Cash and cash equivalents		23,914	31,931
		99,293	129,195
Assets classified as held for sale	18	32,629	–
		131,922	129,195
Total assets		274,134	429,183
EQUITY			
Share capital	17	7,108	7,050
Share premium	17	45,552	45,552
Foreign exchange translation reserve		(1,195)	(653)
Other reserves		97,780	97,780
Retained (deficit)/earnings		(99,645)	33,456
Total equity		49,600	183,185

	Note	31 March 2025 £000s	30 December 2023 £000s
LIABILITIES			
Current liabilities			
Trade and other payables	12	81,652	85,317
Lease liabilities	13	12,562	14,548
Borrowings	14	4,810	5,545
Provisions	15	5,632	4,816
		104,656	110,226
Liabilities directly associated with assets held for sale	18	10,250	–
		114,906	110,226
Non-current liabilities			
Lease liabilities	13	38,796	42,822
Borrowings	14	64,152	79,015
Provisions	15	4,517	13,753
Deferred tax liabilities	16	2,163	182
		109,628	135,772
Total liabilities		224,534	245,998
Total equity and liabilities		274,134	429,183

The Financial Statements were approved and authorised for issue by the Board of Directors on 6 October 2025 and were signed on its behalf by:

Richard Jones
Director

6 October 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2025

	Share capital £000s	Share premium £000s	Merger reserve £000s	Foreign exchange translation reserve £000s	Retained earnings £000s	Total equity £000s
At 31 December 2022	7,050	45,552	97,780	(422)	32,503	182,463
Profit for the period	–	–	–	–	4,237	4,237
Foreign currency translation differences on consolidation of foreign operations	–	–	–	(231)	–	(231)
Total comprehensive profit for the period	–	–	–	(231)	4,237	4,006
Transactions with owners recorded directly in equity:						
Dividends paid	–	–	–	–	(3,877)	(3,877)
Share-based payment charge	–	–	–	–	593	593
At 30 December 2023	7,050	45,552	97,780	(653)	33,456	183,185
Loss for the period	–	–	–	–	(129,713)	(129,713)
Foreign currency translation differences on consolidation of foreign operations	–	–	–	(542)	–	(542)
Total comprehensive profit for the period	–	–	–	(542)	(129,713)	(130,255)
Transactions with owners recorded directly in equity:						
Shares issued (see note 17)	58	–	–	–	(58)	–
Dividends paid	–	–	–	–	(3,958)	(3,958)
Share-based payment charge	–	–	–	–	628	628
As at 31 March 2025	7,108	45,552	97,780	(1,195)	(99,645)	49,600

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2025

	Note	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Profit for the financial period		(129,713)	4,237
Adjustments for:			
Tax	6	1,280	4,743
Amortisation		2,840	1,943
Impairment loss on tangible assets		45,714	–
Impairment loss on intangible assets		67,834	–
Depreciation		40,632	33,673
Accelerated depreciation relating to hire stock customer losses and hire stock write-offs		7,566	6,653
Accelerated depreciation of other property, plant and equipment and right of use assets		1,582	1,459
Loss on disposal of property, plant and equipment and right of use assets		7,073	2,504
Gain on disposal of leases		(8,191)	(1,795)
Gain on disposal of intangibles		(5)	–
Capital element of receipts from net investment in sublease		141	143
Share-based payment charge		628	593
Loss on disposal of discontinued operations	19	16	–
Foreign exchange loss/(gain) on operating activities		79	(23)
Net finance expense	5	12,989	10,926
Changes in working capital (excluding the effects of disposals and exchange differences on consolidation):			
Inventories		(258)	(44)
Trade and other receivables		6,849	(5,767)
Trade and other payables		6,093	(2,327)
Provisions		(5,375)	(3,192)
Net cash flows from operating activities before purchase of hire equipment		57,774	53,726

	Note	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Net cash flows from operating activities before purchase of hire equipment		57,774	53,726
Purchase of hire equipment		(19,546)	(22,789)
Cash generated from operating activities		38,228	30,937
Interest paid		(11,899)	(9,550)
Income tax repaid/(paid)		2,045	(1,183)
Net cash generated from operating activities		28,374	20,204
Cash flows from investing activities			
Proceeds on disposal of business, net of cash disposed of	19	20,321	–
Proceeds on disposal of non-hire property, plant and equipment		17	541
Purchases of non-hire property, plant, equipment and software	8, 9	(7,585)	(10,090)
Net cash used in investing activities		12,753	(9,549)
Cash flows from financing activities			
Dividends paid		(3,958)	(3,877)
Facility arrangement fees		(698)	(35)
Repayment of borrowings		(12,500)	–
Capital element of lease liability payments		(20,256)	(15,729)
Capital element of hire purchase arrangement payments		(8,174)	(6,703)
Net cash used in financing activities		(45,586)	(26,344)
Net (decrease)/increase in cash and cash equivalents		(4,459)	(15,689)
Net effects of foreign exchange on cash and cash equivalents		(260)	(89)
Cash and cash equivalents at the start of the year		31,931	47,709
Cash and cash equivalents at the end of the year		27,212	31,931
<i>Cash and cash equivalents comprise:</i>			
Cash at bank		23,914	–
Cash associated with disposal groups classified as held for sale		3,298	31,931
Cash and cash equivalents at the end of the year		27,212	31,931

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

1. BASIS OF PREPARATION

a) Reporting entity

The Company is a public limited company which was listed on the London Stock Exchange up until 14 January 2021, when the Group's ordinary shares of one pence each were admitted to trading on AIM. The Company is incorporated under the Companies Act 2006 and domiciled in the United Kingdom. The address of the Company's registered office is Building 2, Think Park, Mosley Road, Manchester, M17 1FQ. These Consolidated Financial Statements comprise the Company and its subsidiaries (the Group).

The financial information for the period ended 31 March 2025 and the year ended 30 December 2023 does not constitute the company's statutory accounts for those years. Statutory accounts for the year ended 30 December 2023 have been delivered to the Registrar of Companies. The statutory accounts for the period ended 31 March 2025 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The auditors' reports on the accounts for the period ended 31 March 2025 and for the year ended 30 December 2023 were unqualified and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The auditors report on the accounts for the period ended 31 March 2025 drew attention to a material uncertainty relating to going concern. No such matter was drawn to the reader's attention in the auditors report on the accounts for the year ended 30 December 2023.

The Annual Report and Accounts for the period ended 31 March 2025 will be posted to shareholders during October 2025.

b) Statement of compliance

The Group Financial Statements of HSS Hire Group plc have been prepared in accordance with UK adopted international accounting standards and the Companies Act 2006.

During the period, the Group has changed its accounting reference date from 31 December to 31 March. This change was made to accommodate group restructuring activities.

Historically, the Directors have taken advantage of the option within Section 390 of the Companies Act 2006 to prepare their Financial Statements up to a date seven days either side of the Group's former accounting reference date of 31 December. These accounts cover the 65-week period from 31 December 2023 to 31 March 2025 (2023: 52-week period from 1 January 2023 to 30 December 2023).

c) Functional and presentational currency

These Financial Statements are presented in pounds sterling (£), which is the Group's presentational currency. The functional currency of the parent and subsidiaries is pounds sterling, except for HSS Hire Ireland Limited that is incorporated in the Republic of Ireland, which has the euro as its functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d) Basis of preparation

These Financial Statements have been prepared under the historical cost convention. The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

e) Going concern

At 31 March 2025, the Group's financing arrangements consisted of a drawn senior finance facility of £57.5m, and an undrawn revolving credit facility (RCF) of £20.0m, of which £5m was drawn as on 1 April 2025. Cash at the balance sheet date was £23.9m (excluding cash within disposal groups) providing available liquidity of £43.9m (2023: £56.9m). Since the year end, following the sale of the HSS Ireland business for £24.3m (see note 34), the Group has repaid £17.6m of senior finance facility leaving a balance of £39.9m remaining. Both the senior finance facility and RCF are subject to net debt leverage and interest cover financial covenant tests each quarter. At the financial year end the Group had 34% and 29% headroom against these covenants respectively (2023: 44% and 54% respectively).

Since the period end we have been focused on continuing to broaden ProService's offering whilst continuing to focus on its core hire vertical. In THSC we have completed the rightsizing of the geographical footprint whilst carefully targeting new capital investment in higher demand categories and have continued to develop its direct selling channels. However, the market has remained subdued to date and has impacted our core hire business in particular which, has also continued to be impacted by the loss of the Amey contract in June 2024.

During the 15 month period to 31 March 2025, the Group completed an extension agreement in respect of its existing finance facilities. This extension took the Group's facilities from the initial expiry date of November 2025 to the end of September 2026, which falls within the period in the Going Concern assessment.

In determining whether the Going Concern basis of preparation is appropriate, the Group considers its ability to continue in operation whilst meeting its liabilities as they fall due for the foreseeable future. This assessment includes consideration of the Group's covenants in respect of the term loan and revolving credit facility (RCF).

In accordance with the requirements of IAS 1 Presentation of Financial Statements, the Directors have assessed the Group's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements, to the end of October 2026 (the "assessment period").

In doing so, the Group has evaluated base case forecasts which include a reasonably probable downside scenario. This includes lower revenue expectations as compared to the initial budget, reflective of the continuing subdued market for hire, assumes no improvement in the market for the rest of our financial year, further delay in the conversion of new larger customers in ProService and continued caution in terms of capital deployed into our hire fleet with a resultant impact on core hire revenues. The Directors, when considering mitigating actions, have also considered a range of further potential downside scenarios, including more severe but plausible trading outcomes, further cost inflation, delayed revenue recovery, and the crystallisation of identified operational risks.

Management has also prepared contingency scenarios involving more extensive restructuring, targeted asset disposals to reduce debt and provide additional group liquidity and execution of other strategic initiatives to focus on high value areas of the business with lower capital requirements and reduced operating costs. As noted above, under the base case scenario, the forecasts indicate a breach of the Group's financial covenants during the assessment period and insufficient liquidity to settle the Group's bank facilities at the end of September 2026.

Should a breach of covenants occur, the facilities may be withdrawn and require immediate repayment. The Group's forecasted cash is insufficient to immediately repay these if repayment is demanded following a breach of covenants, or to repay the facilities at the settlement date. In mitigation of these risks, as separately announced today, the Directors have entered into several commercial arrangements to resolve the covenant issue:

- An arrangement between HSS ProService and SpeedyHire for ProService's platforms to be used to serve Speedy's customers, with the hire contracts fulfilled using Speedy's distribution network and plant,
- A buyer has been identified for THSC following the Board's strategic review of the business, and;
- Consent has been arranged with the Group's lenders for the proposed transactions, which also include the provision of a covenant waiver and adjustment for the post-disposal period to allow the Group time to embed the operational changes, but no commitment to refinance the Group's existing bank facilities at the end of their current term.

Despite the potential covenant breach in the base case, the outcome of these Commercial Arrangements demonstrate that the Group will maintain sufficient liquidity headroom and cash reserves throughout the assessment period, until the time when the Group's bank facilities fall due for repayment, as well as mitigating the covenant breach that has been forecast.

However, notwithstanding the announcement of the above commercial arrangement, completion of these remains conditional and therefore covenant breaches could still occur and the loan facilities remain due for repayment at the end of September 2026. As such, the Directors acknowledge the existence of a material uncertainty, which may cast significant doubt upon the Group's ability to continue as a going concern.

If the above commercial arrangements do not complete as expected, or if the Groups bank facilities are not refinanced in due course, the facilities may be withdrawn and require immediate repayment. As such, the Group may be unable to realise its assets and discharge its liabilities in its ordinary course of business. However, the Group continues to explore refinancing options with existing and alternative lenders and remains confident that new facilities will be in place prior to the expiry of existing ones.

On this basis, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that it remains appropriate to prepare the financial statements on a going concern basis.

The financial statements have been prepared on a going concern basis and do not include any adjustments that would be required should the going concern basis of preparation no longer be appropriate. Such adjustments could be material and could affect the carrying amounts assets and liabilities reported in the statement of financial position. Areas of the financial statements that could be impacted include, but are not limited to:

- Useful economic lives and residual values of tangible and intangible assets;
- Valuation of goodwill;
- Measurement of right-of-use assets (currently based on a value-in-use approach assuming continuation of operations without realisation of strategic options); and
- Recognition of deferred tax assets.

f) Basis of consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred.

Unless merger accounting has been adopted in specific circumstances, the Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

2. SEGMENT REPORTING

As discussed in the Group's H1-24 interim financial statements, the Group had moved on from the legal separation of ProService and Operations in 2022, to full separation of the commercial and operational activities of both of the major divisions. The main two divisional structures remain:

- ProService – Digital marketplace business focused on customer and supplier acquisition. Technology-driven, extremely scalable and uniquely differentiated including training services.
- Operations – Fulfilment business including power generation, focused on health and safety and quality, with circular economy credentials, comprehensive national footprint and high customer satisfaction.

Despite the changes in the organisation during the period, the Group's Chief Operating Decision Maker continues to be the Board of Directors for the Group as a whole.

The Group formalised the commercial and operational separation of THSC and ProService through a Business Transfer Agreement ('BTA') at the end of September 2024. As part of this agreement, specific assets and liabilities of the ProService business were transferred to THSC. In addition to the transfer of these assets and liabilities, certain specific customer contracts and employees were also transferred. The net assets transferred during the period were £6.1m which were settled through Intercompany. The impact of the transfer of customer contracts was an additional £21.5m of revenue within the Operations – UK segment in the current period. If the transaction happened at the start of the period, the approximate additional revenue would have been £13.4m.

With the operational and commercial separation of the two major divisions during the period, it has become possible to more directly assign the Group's central costs against the operating segments they principally relate to. Accordingly, the Group has revised its segments during the period to present a 'Corporate' costs segment, which has a lower cost base than the historic 'Central' segment. Due to this change, in accordance with IFRS 8, comparative information for the Group's operating segments has been restated to present the previous segment note on this basis. The total figure for central costs retrospectively allocated to HSS ProService and HSS Operations from the Central segment in the comparative period information is £9.4m.

In addition, the elimination of transactions between trading segments on consolidation has been presented in a separate standalone column 'Eliminations', rather than presented in combination with the 'Corporate' costs. The comparative period has also been restated to be shown on this basis for comparability.

All segment revenue, operating profit, assets and liabilities are attributable to the principal activity of the Group, being the provision of tool and equipment hire and related services in, and to customers in, the United Kingdom except for the HSS Operations – Ireland segment whose revenues are derived from customers in the Republic of Ireland. No single customer represented more than 10% of Group revenue in the current year (2023: none).

15-month period ended 31 March 2025

	ProService £000s	Operations – UK £000s	Corporate £000s	Eliminations £000s	Total £000s
Equipment hire and related revenue	146,349	122,323	–	(108,877)	159,795
Equipment rehire	149,672	3,596	–	(3,462)	149,806
Sale of goods and related services	38,399	6,171	–	(3,587)	40,983
Training services rendered	28,408	–	–	–	28,408
Total revenue	362,828	132,090	–	(115,926)	378,992
Cost of sales (exc. Depreciation and amortisation)	(280,927)	(8,704)	–	116,089	(173,542)
Distribution costs (exc. Depreciation and amortisation)	–	(28,204)	–	–	(28,204)
Stock maintenance costs (exc. Depreciation and amortisation)	–	(12,107)	–	–	(12,107)
Contribution	81,901	83,075	–	163	165,139
Contribution margin	22.6%	62.9%	–	–	43.5%
Indirect costs (exc. Depreciation and amortisation)	(66,301)	(45,152)	(3,059)	(163)	(114,675)
Underlying EBITDA	15,600	37,923	(3,059)	–	50,464
Less: Depreciation	(2,351)	(41,481)	–	(32)	(43,864)
Underlying EBITA	13,249	(3,558)	(3,059)	(32)	6,600
Less: Amortisation	(1,966)	(851)	–	–	(2,817)
Underlying operating profit/(loss)	11,283	(4,409)	(3,059)	(32)	3,783
Net finance expenses	(421)	(5,199)	(6,596)	–	(12,216)
Underlying profit/(loss) before tax	10,862	(9,608)	(9,655)	(32)	(8,433)
Less: Non-underlying items					(121,868)
Loss from continuing operations before tax					(130,301)

The 'Eliminations' column shows the value of eliminations in revenue between the trading segments Operations – UK and ProService. Corporate includes only those corporate costs incurred centrally to support the businesses.

Year ended 30 December 2023

	ProService £000s	Operations – UK £000s	Corporate £000s	Eliminations £000s	Total £000s
Equipment hire and related revenue	143,143	104,403	–	(103,706)	143,840
Equipment rehire	121,791	–	–	(586)	121,205
Sale of goods and related services	26,593	4,983	–	(3,710)	27,866
Training services rendered	19,448	–	–	–	19,448
Total revenue	310,975	109,386	–	(108,002)	312,359
Cost of sales (exc. Depreciation and amortisation)	(242,460)	(3,770)	–	108,112	(138,118)
Distribution costs (exc. Depreciation and amortisation)	–	(21,484)	–	–	(21,484)
Stock maintenance costs (exc. Depreciation and amortisation)	–	(9,576)	–	–	(9,576)
Contribution	68,515	74,556	–	110	143,181
Contribution margin	22.0%	68.2%	–	–	45.8%
Indirect costs (exc. Depreciation and amortisation)	(55,913)	(30,842)	(1,921)	–	(88,676)
Underlying EBITDA	12,602	43,714	(1,921)	110	54,505
Less: Depreciation	(1,573)	(31,405)	–	61	(32,917)
Underlying EBITA	11,029	12,309	(1,921)	171	21,588
Less: Amortisation	(1,245)	(573)	–	–	(1,818)
Underlying operating profit/(loss)	9,784	11,736	(1,921)	171	19,770
Net finance expenses	(235)	(3,402)	(6,438)	–	(10,075)
Underlying profit/(loss) before tax	9,549	8,334	(8,359)	171	9,695
Less: Non-underlying items					(2,770)
Profit from continuing operations before tax					6,925

31 March 2025

	ProService £000s	Operations – UK £000s	Corporate £000s	Eliminations £000s	Total £000s
Additions to non-current assets					
Property, plant and equipment	526	22,895	–	–	23,421
Right of use assets	2,759	23,880	–	(686)	25,952
Intangibles	2,344	1,219	–	–	3,563
Non-current assets – Net book value					
Property, plant and equipment – Hire equipment	–	32,843	–	–	32,843
Property, plant and equipment – Non-hire assets	707	4,484	–	–	5,191
Right of use assets – Property	1,582	11,281	–	(474)	12,389
Right of use assets – Vehicles	2,546	11,973	–	–	14,519
Right of use assets – Hire and non-hire assets	13	1,787	–	–	1,800
Intangibles – Goodwill	37,964	–	–	–	37,964
Intangibles – Brands and Customer Relationships	21,900	–	–	–	21,900
Intangibles – Software	12,127	–	–	–	12,127
Deferred tax assets	1,217	2,262	–	–	3,479
Current assets – Net book value					
Inventories	–	3,017	–	–	3,017
Trade and other receivables	62,905	27,376	11,466	(29,385)	72,362
Cash	12,796	4,727	6,391	–	23,914
Current liabilities – Net book value					
Trade and other creditors	(69,587)	(30,363)	(5,575)	23,873	(81,652)
Lease liabilities	(1,444)	(11,118)	(992)	992	(12,562)
Borrowings	–	(4,810)	–	–	(4,810)
Provisions	(4)	(5,628)	–	–	(5,632)
Non-current liabilities – Net book value					
Lease liabilities	(2,803)	(35,993)	(4,520)	4,520	(38,796)
Borrowings	–	(7,624)	(56,528)	–	(64,152)
Provisions	(354)	(4,163)	–	–	(4,517)
Deferred tax liabilities	(2,163)	–	–	–	(2,163)
Net assets excluding disposal group assets and liabilities classified as held for sale					
	77,402	51	(49,758)	(474)	27,221

In the current period, the Group designated the assets and liabilities of HSS Hire Ireland Limited as held for sale. This entity represents the entirety of the Operations – Ireland segment and accordingly does not feature in the segmental balance sheet above as at 31 March 2025. The prior period comparatives have been prepared in a manner consistent with the balance sheet and accordingly include the assets and liabilities of Operations – Ireland; see note 18 for more details.

30 December 2023

	ProService £000s	Operations – UK £000s	Operations – Ireland £000s	Corporate £000s	Eliminations £000s	Total £000s
Additions to non-current assets						
Property, plant and equipment	458	26,081	5,539	–	–	32,078
Right of use assets	3,037	15,100	741	309	–	19,187
Intangibles	5,718	1,340	–	–	–	7,058
Non-current assets – Net book value						
Property, plant and equipment – Hire equipment	–	71,635	9,556	–	–	81,191
Property, plant and equipment – Non-hire assets	649	10,608	735	–	–	11,992
Right of use assets – Property	1,143	29,267	1,645	–	(441)	31,614
Right of use assets – Vehicles	3,333	13,316	956	–	–	17,605
Right of use assets – Hire and non-hire assets	–	2,592	–	–	–	2,592
Intangibles – Goodwill	37,964	70,381	7,510	–	–	115,855
Intangibles – Brands and Customer Relationships	21,900	342	–	–	–	22,242
Intangibles – Software	11,748	3,137	–	–	–	14,885
Deferred tax assets	–	2,012	–	–	–	2,012
Current assets – Net book value						
Inventories	–	3,656	167	–	–	3,823
Trade and other receivables	145,622	160,686	7,631	20,550	(241,048)	93,441
Cash	5,536	9,078	7,401	9,916	–	31,931
Current liabilities – Net book value						
Trade and other creditors	(86,119)	(99,658)	(11,897)	(121,585)	233,942	(85,317)
Lease liabilities	(1,228)	(13,089)	(806)	(992)	1,567	(14,548)
Borrowings	–	(5,545)	–	–	–	(5,545)
Provisions	(220)	(4,505)	(91)	–	–	(4,816)
Non-current liabilities – Net book value						
Lease liabilities	(3,498)	(37,422)	(1,773)	(5,667)	5,538	(42,822)
Borrowings	–	(9,930)	–	(69,085)	–	(79,015)
Provisions	(117)	(12,975)	(661)	–	–	(13,753)
Deferred tax liabilities	–	(182)	–	–	–	(182)
Net assets	136,713	193,402	20,373	(166,862)	(441)	183,185

31 March 2025					
	ProService £000s	Operations – UK £000s	Corporate £000s	Eliminations £000s	Total £000s
Lease liability payments					
Less than one year	1,444	11,118	992	(992)	12,562
Two to five years	2,529	27,033	3,325	(3,325)	29,562
More than five years	274	8,960	1,195	(1,195)	9,234
Repayment of borrowings					
Less than one year	–	4,810	–	–	4,810
Two to five years	–	7,624	57,500	–	65,124
More than five years	–	–	–	–	–
Total					
Less than one year	1,444	15,928	992	(992)	17,372
Two to five years	2,529	34,657	60,825	(3,325)	94,686
More than five years	274	8,960	1,195	(1,195)	9,234
	4,247	59,545	63,012	(5,512)	121,292

30 December 2023						
	ProService £000s	Operations – UK £000s	Operations – Ireland £000s	Corporate £000s	Eliminations £000s	Total £000s
Lease payments						
Less than one year	1,228	13,089	806	992	(1,567)	14,548
Two to five years	2,970	27,283	1,298	3,896	(3,710)	31,737
More than five years	528	10,139	475	1,771	(1,828)	11,084
Borrowings						
Less than one year	–	5,545	–	–	–	5,545
Two to five years	–	9,930	–	69,085	–	79,015
More than five years	–	–	–	–	–	–
Total						
Less than one year	1,228	18,634	806	992	(1,567)	20,093
Two to five years	2,970	37,213	1,258	72,981	(3,710)	110,752
More than five years	528	10,139	475	1,771	(1,828)	11,084
	4,726	65,986	2,579	75,744	(7,106)	141,930

The timing of the satisfaction of performance obligations as it relates to revenue recognition is shown below:

15-month period ended 31 March 2025					
	ProService £000s	Operations – UK £000s	Corporate £000s	Eliminations £000s	Total £000s
Revenue from operating leases	267,130	104,230	–	(93,003)	278,357
Revenue recognised at a point in time	67,290	27,860	–	(22,923)	72,227
Revenue recognised over time	28,408	–	–	–	28,408
Total revenue recognised	362,828	132,090	–	(115,926)	378,992

Year ended 30 December 2023					
	ProService £000s	Operations – UK £000s	Corporate £000s	Eliminations £000s	Total £000s
Revenue from operating leases	236,445	84,749	–	(84,638)	236,556
Revenue recognised at a point in time	55,082	24,637	–	(23,364)	56,355
Revenue recognised over time	19,448	–	–	–	19,448
Total revenue recognised	310,975	109,386	–	(108,002)	312,359

3. OTHER OPERATING INCOME

	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Property sublease rental and service charge income	501	236

During the period, the Group received sublet rental income of £0.1m (2023: £0.1m) on vacant properties.

4. NON-UNDERLYING AND EXCEPTIONAL ITEMS

Items of income or expense have been shown as exceptional either because of their size or nature or because they are outside the normal course of business. As a result, during the period ended 31 March 2025 the Group has recognised exceptional items as follows:

	Non-underlying		Exceptional items		Total
	Included in administrative expenses £000s	Included in finance expense £000s	Included in loss on disposal £000s	Included in administrative expenses £000s	Total £000s
15-month period ended 31 March 2025					
Onerous property costs	–	–	–	483	483
Costs relating to branch network restructure	813	77	–	1,805	2,695
Costs relating to group restructure	2,281	–	–	2,604	4,885
Onerous contract (note 15)	–	257	–	–	257
Impairment loss on tangible fixed assets (notes 9 and 10)	–	–	–	45,714	45,714
Impairment loss on intangibles (note 8)	–	–	–	67,834	67,834
Non-underlying from continuing operations	3,094	334	–	118,440	121,868
Disposal costs – Discontinued operations	234	–	–	1,018	1,252

Loss arising on business divesture (note 19)	–	–	642	–	642
Non-underlying from total operations	3,328	334	642	119,458	123,762

During the year ended 30 December 2023, the Group recognised exceptional items analysed as follows:

	Non-underlying		Exceptional items		Total
	Included in administrative expenses £000s	Included in finance expense £000s	Included in other operating income £000s	Included in administrative expenses £000s	Total £000s
12-month period ended 30 December 2023					
Onerous property costs	–	42	(41)	798	799
Costs relating to branch network restructure	–	–	–	1,467	1,467
Costs relating to group restructure	–	–	–	221	221
Onerous contract (note 15)	–	311	–	(28)	283
Non-underlying from continuing operations	–	353	(41)	2,458	2,770
Onerous property costs – Discontinued operations	–	–	–	40	40
Non-underlying from total operations	–	353	(41)	2,498	2,810

Non-underlying and exceptional items incurred in FY25 and FY23

Costs related to onerous properties:

The Group continues to incur some costs in respect of historic properties closed as part of the exit of a number of stores announced back in October 2020. In the period, an exceptional cost of £0.5m (2023: £0.8m) has been recognised against these locations.

Costs related to group restructure

During the current year, the Group continued to develop its strategy of operational separation of the Operations and ProService segments and at the start of October, conducted a restructuring exercise to enable both businesses to operate on a standalone basis. This included the transfer of certain customer contracts, as well as the assets and liabilities of the builders merchant locations previously operated by ProService.

The costs included in the current year of £4.9m relate primarily to the legal and professional fees associated with these restructuring activities. The Group expects similar costs to be incurred in the future as the businesses continue to operate more independently, however there is no reliable estimate of these costs available at this time. In the prior year, the group restructure costs relate to £0.2m of residual costs incurred in connection with the original separation of the ProService business.

Costs related to branch network restructure

During the prior year, the Group took the strategic decision to migrate the remaining UK HSS branches to the builders merchant model. The impact of the change includes the closure of 31 locations during the current period (2023: 16 branches). This strategic initiative is expected to generate annual cost savings of c£1.9m (2023: c£1.0m).

The total costs incurred in respect of the UK branch network restructure in the current period were £2.7m (2023: £1.5m). These costs materially all relate to accelerated depreciation on the exit of these trading locations. These costs are incurred where useful economic life estimates for assets at these branches, which cannot be repurposed elsewhere, have been revised downwards to the expected closure date.

Onerous contract

The Group maintains a provision to cover the expected outflows related to its onerous contract with Unipart for the NDEC operation which ceased in early 2018 (note 15). The liability at the balance sheet date is £2.9m (2023: £6.8m). The discount rate used to calculate the present value of the provision is the five-year UK gilt rate of 4.05% (2023: 3.98%). Application of the new discount rate at the balance sheet date resulted in a credit to the income statement of £Nil (2023: credit of £28k), recognised as exceptional in line with the original provision. A finance charge for the discount unwind of £0.3m (2023: £0.3m) was recognised through exceptional finance costs.

Impairment loss on tangible and intangible assets (see notes 8, 9 and 10)

During the period, the Group identified indicators of impairment and following the completion of the impairment review, an impairment charge of £113.5m was recognised against the goodwill, intangible and tangible assets allocated to the HSS Operations UK CGU. More details can be found in note 8.

5. NET FINANCE EXPENSE

	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Interest on senior finance facility	5,946	5,278
Debt issue costs	640	506
Interest on lease liabilities	4,227	3,270
Interest on hire purchase arrangements	1,118	705
Unwind on discounted provisions	639	647
Interest on other bank loans and overdrafts	331	169
Other interest payable	54	51
Gross finance expense	12,955	10,626
Bank interest receivable	(405)	(198)
Net finance expense	12,550	10,428
Finance expense from discontinued operations	439	498
Total finance expense for statement of cash flows	12,989	10,926

6. INCOME TAX CHARGE

a) Analysis of tax charge in the period

	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Current tax charge/(credit)		
UK corporation tax on the result for the period	558	236
Adjustments in respect of prior years	156	(1,061)
Total current tax charge/(credit)	714	(825)
Deferred tax charge for the period		
Deferred tax charge for the period	(359)	4,935
Deferred tax impact of change in tax rate	–	(27)
Adjustments in respect of prior years	925	660
Total deferred tax charge (see note 16)	566	5,568
Income tax charge	1,280	4,743
Continuing and discontinued operations		
Income tax expense from continuing operations	686	3,987
Income tax expense from discontinued operations	594	756
	1,280	4,743

b) Factors that may affect future tax charge

The standard rate of UK corporation tax increased to 25% from 1 April 2023. The increased rate has been used to calculate the above deferred tax disclosures.

At 31 March 2025 the Group had an unrecognised deferred tax asset relating to losses of £29.5m (2023: £21.1m). The gross value of this balance at 31 March 2025 was £117.9m (2023: £84.5m).

At 31 March 2025 the Group also had an unrecognised deferred tax asset relating to temporary differences on plant and equipment, intangible assets and provisions of £11.8m (2023: £3.1m). The gross value of this balance at 31 March 2025 was £47.3m (2023: £12.5m).

The unrecognised deferred tax assets have not been recognised on the basis that it is not sufficiently certain when taxable profits that can be utilised to absorb the reversal of the temporary difference will occur.

c) Factors affecting the income tax charge/(credit) in the period

The tax assessed on the profit for the period differs from the standard UK corporation rate of tax. The differences are explained below:

	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
(Loss)/Profit after tax	(129,713)	4,237
Income tax expense, including on discontinued operations	1,280	4,743
Profit before tax, including discontinued operations	(128,433)	8,980
Profit before tax multiplied by the effective standard rate of corporation tax of 25% (2023: 23.5%)	(32,108)	2,110
Effects of:		
Unprovided deferred tax movements on short-term temporary differences and capital allowance timing differences	10,868	(2,715)
Adjustments in respect of prior years	1,109	(380)
Expenses not deductible for tax purposes	17,358	261
(Recognition)/derecognition of brought forward tax losses and temporary timing differences	4,228	6,485
Utilisation of unrecognised tax losses brought forward	–	(739)
Differential in overseas tax rates	(175)	(252)
Impact of change in tax rate	–	(27)
Income tax charge/(credit)	1,280	4,743

The charge of £17.4m (2023: £0.3m) arising in respect of expenses not deductible is mainly attributable to costs associated with the impairment of intangible assets, share options awarded to some employees and the Group exiting property leases. The amount has increased in the current period due mainly to the impairment losses (see note 8).

The deferred tax charge of £0.6m (2023: £5.6m) was substantially lower as during the prior year there was a marked reduction in forecasted levels of loss utilisation with an associated derecognition of deferred tax assets on the balance sheet.

7. EARNINGS PER SHARE

Basic earnings per share:

	Profit after tax from total operations	Profit after tax from continuing operations	Weighted average number of shares	Earnings after tax from total operations per share	Earnings after tax from continuing operations per share
15-month period ended 31 March 2025	(129,713)	(130,987)	708,819	(18.30)	(18.48)
Year ended 30 December 2023	4,237	2,938	704,988	0.60	0.42

Basic earnings per share is calculated by dividing the result attributable to equity holders by the weighted average number of ordinary shares in issue for that period. Diluted earnings per share is calculated using the profit for the period divided by the weighted average number of shares outstanding assuming the conversion of potentially dilutive equity derivatives outstanding, being market value options, nil-cost share options (LTIP shares) and restricted stock grants.

Diluted earnings per share:

	Profit after tax from total operations	Profit after tax from continuing operations	Weighted average number of shares	Earnings after tax from total operations per share	Earnings after tax from continuing operations per share
15-month period ended 31 March 2025	(129,713)	(130,987)	726,597	(17.85)	(18.03)
Year ended 30 December 2023	4,237	2,938	728,238	0.58	0.40

The following reconciles basic earnings per share and the underlying basic earnings per share:

	15-month period ended 31 March 2025		Year ended 30 December 2023	
	Total pence	Continuing pence	Total pence	Continuing pence
Basic earnings per share	(18.30)	(18.48)	0.60	0.42
Add back:				
Non-underlying items per share ¹	17.46	17.19	0.40	0.39
Amortisation of customer relationships and brands per share ²	–	–	0.02	–
Tax charge per share	0.18	0.10	0.67	0.57
Underlying earnings before tax	(0.66)	(1.19)	1.69	1.38
Charge:				
Tax charge at prevailing rate	0.16	0.30	(0.40)	(0.32)
Underlying basic earnings per share	(0.50)	(0.89)	1.29	1.06

The following reconciles diluted earnings per share and adjusted diluted earnings per share:

	15-month period ended 31 March 2025		Year ended 30 December 2023	
	Total pence	Continuing pence	Total pence	Continuing pence
Diluted earnings per share	(17.85)	(18.03)	0.58	0.42
Add back:				
Non-underlying items per share ¹	17.03	16.77	0.39	0.39
Amortisation of customer relationships and brands per share ²	–	–	0.02	–
Tax charge per share	0.18	0.09	0.66	0.57
Underlying earnings before tax	(0.64)	(1.17)	1.65	1.38
Charge:				
Tax charge at prevailing rate	0.16	0.29	(0.40)	(0.32)
Underlying diluted earnings per share	(0.48)	(0.88)	1.25	1.06

1 Non-underlying items per share is calculated as total finance and non-finance non-underlying items divided by the diluted weighted average number of shares in issue through the period.

2 Amortisation of customer relationships and brands per share is calculated as the amortisation charge on customer relationships and brands divided by the diluted weighted average number of shares in issue through the period.

All of the Group's potentially dilutive equity derivative securities were dilutive for the purpose of diluted earnings per share in both 2025 and 2023. The weighted average number of shares for the purposes of calculating the underlying diluted earnings per share is as follows:

Weighted average number of shares	15-month period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Basic	708,819	704,988
LTIP share options	1,018	3,003
Restricted stock grant	16,730	20,164
Company Share Option Plan (CSOP) options	30	83
Diluted	726,597	728,238

8. INTANGIBLE ASSETS

	Goodwill £000s	Customer relationships £000s	Brands £000s	Software £000s	Total £000s
Cost					
At 31 December 2023	115,855	25,400	22,585	39,462	203,302
Additions	–	–	–	3,569	3,569
Reclassification of assets as held for sale (see note 18)	(7,510)	–	–	(4)	(7,514)
Disposed of with business divestiture (see note 19)	(6,053)	(900)	(685)	–	(7,638)
Disposals	–	–	–	(42)	(42)
At 31 March 2025	102,292	24,500	21,900	42,985	191,677
Amortisation					
At 31 December 2023	–	25,382	361	24,577	50,320
Charge for the period	–	14	4	2,822	2,840
Impairment charge	64,328	–	–	3,506	67,834
Disposed of with business divestiture (see note 19)	–	(896)	(365)	–	(1,261)
Disposals	–	–	–	(47)	(47)
At 31 March 2025	64,328	24,500	–	30,858	119,686
Net book value					
At 31 March 2025	37,964	–	21,900	12,127	71,991
Analysis of goodwill, indefinite life brands, other brands and customer relationships by cash generating unit:					
Allocated to	Goodwill £000s	Indefinite life brands £000s	Other brands £000s	Customer relationships £000s	Total £000s
HSS Core Operations	–	–	–	–	–
HSS ProService	37,964	21,900	–	–	59,864
At 31 March 2025	37,964	21,900	–	–	59,864

	Goodwill £000s	Customer relationships £000s	Brands £000s	Software £000s	Total £000s
Cost					
At 1 January 2023	115,855	25,400	22,585	32,764	196,604
Additions	–	–	–	7,058	7,058
Disposals	–	–	–	(360)	(360)
At 30 December 2023	115,855	25,400	22,585	39,462	203,302
Amortisation					
At 1 January 2023	–	25,291	327	23,119	48,737
Charge for the year	–	91	34	1,818	1,943
Disposals	–	–	–	(360)	(360)
At 30 December 2023	–	25,382	361	24,577	50,320
Net book value					
At 30 December 2023	115,855	18	22,224	14,885	152,982

Analysis of goodwill, indefinite life brands, other brands and customer relationships by cash generating unit:

Allocated to	Goodwill £000s	Indefinite life brands £000s	Other brands £000s	Customer relationships £000s	Total £000s
HSS Core Operations	64,328	–	–	–	64,328
HSS ProService	37,964	21,900	–	–	59,864
HSS Core – Ireland	7,510	–	–	–	7,510
HSS Power	6,053	–	324	19	6,396
At 30 December 2023	115,855	21,900	324	19	138,098

Following the disposal of the Power companies during the period, the only intangible assets from business combinations on the balance sheet are goodwill and the indefinite life brand.

For the purpose of calculating Underlying EBITDA and Underlying EBITA, amortisation is calculated as the total amortisation for the period as well as the loss on disposal of intangible assets.

The Group tests property, plant and equipment, right of use assets, goodwill and brands for impairment annually and considers at each reporting date whether there are indicators that impairment may have occurred. In identifying indicators of impairment management considers current market capitalisation, asset obsolescence and closures, adverse trading performance and any other relevant wider economic or operational factors.

The recoverable amounts of the goodwill and indefinite life brands, which are allocated to CGUs, are estimated from VIU calculations from current and prior reporting periods, which model pre-tax cash flows for the next five years (2023: five years) together with a terminal value using a long-term growth rate. The key assumptions underpinning the recoverable amounts of the CGUs tested for impairment are those regarding the discount rate, long-term growth rate, forecast EBITDA and capital expenditure including cash flows required to maintain the Group's right of use assets.

The key variables applied to the VIU calculations were determined as follows:

- Cash flows, including forecast capital expenditure, were derived based on the budget for FY26 and the following two years (to the end of FY28).
- Cash flows were then tapered down to a long-term growth rate to reflect expectations of spend in the following years, for a model of five years in total after which a long-term growth rate into perpetuity is applied to calculate a terminal value. The long-term growth factor used was 2.0% for each of the CGUs (2023: 2.0%), being the long-term inflation target per the Bank of England.
- A pre-tax discount rate of 13.6% (2023: 13.3%), calculated by reference to a weighted average cost of capital based on an industry peer group of quoted companies and including a 3.1% premium reflective of the Group's market capitalisation (2023: 3.1%).

Based on the testing performed, the Directors have identified an impairment within HSS Core Operations. The impairment identified was £113.5m in total. As this impairment exceeds the Goodwill of £64.3m allocated to the CGU, the remaining impairment charge was allocated pro-rata to the other assets of the CGU, except software against which a full impairment was allocated. The allocation exercise is illustrated below:

HSS Core Operations – Segmental Assets (£m)	Pre-impairment	Impairment	Closing
Intangible assets – goodwill	£64.3m	(£64.3m)	–
Intangible assets – software	£3.5m	(£3.5m)	–
Property, plant and equipment	£65.5m	(£27.8m)	£37.7m
Right of use assets	£42.2m	(£17.9m)	£24.3m
Net working capital	(£9.4m)	–	(£9.4m)
Total	£166.1m	(£113.5m)	£52.6m

There was no impairment in respect of the Group's other remaining CGU, HSS ProService, in respect of any of the property, plant and equipment, goodwill or indefinite life brands at the balance sheet date.

The Group's recent Annual Reports have shown a progressive reduction in the headroom in the HSS Core Operations CGU over the past few years as the hire market continues to be challenging, with many peers experiencing similar reductions in demand in recent years. The Group's previous budget and forecast for the HSS Core Operations CGU have been revised downwards in light of the challenging market conditions and this has been the main trigger for the impairment charge.

An impairment charge may be identified or increased if changes to any of the factors mentioned above become significant. This includes under-performance versus forecasts, negative changes in the UK tool hire market, a deterioration in the UK economy, or other factors which would cause the Directors to reconsider their assumptions and revise their cash flow projections. Given the material nature of the impairment charge and the significant estimation uncertainty involved, the Group has disclosed below the potential change to the impairment charge based on the following adjustments to estimates included in the VIU model.

Change in assumption within the value in use models for HSS Core Operations	Adj.	Change	Adj.	Change
Permanent reduction in EBITDA of X%	1%	(£3.0m)	2%	(£5.6m)
Increase in the discount rate of X%	1%	(£3.0m)	2%	(£5.5m)
Reduction in the long-term growth rate to X%	1%	(£2.2m)	0%	(£4.1m)
Impact of a reduction in the required annual capital expenditure budget of £Xm to deliver forecast EBITDA	£1m	£9.4m	£2m	£18.8m

As the Goodwill has been fully impaired in HSS Core Operations, further impairment charges identified would be assessed against the carrying value of other assets of the CGU in accordance with IAS 36, which have a carrying value of £52.6m after the impairment charge.

The Directors consider the impact of climate-related risks and opportunities in the VIU calculation. Specifically, assumptions are incorporated around the performance of certain weather dependent seasonal revenue streams. The Directors have not identified any other significant climate-related factors to incorporate into the VIU calculation.

The Directors also noted that the market capitalisation of the Group at the balance sheet date was below the consolidated net asset position – which is an indicator that an impairment may exist. Whilst this indicator of impairment has been noted, there is no identified impairment recognised beyond those identified in the impairment reviews noted above.

The Directors carried out sensitivity analysis on various inputs to the models, including growth rates and discount rates, which did not result in an impairment charge for HSS ProService. The level of headroom was sufficient that the Directors did not believe a reasonably possible change could trigger an impairment in this CGU.

The following tables summarise the results of sensitivity testing and scenario modelling on the headroom from impairment testing in respect of the Group's CGUs in the current and prior period:

	31 March 2025			30 December 2023	
	HSS ProService	HSS ProService	HSS Core Operations	HSS Power	HSS Operations – Ireland
Headroom between VIU and carrying value before sensitivity	£9.8m	£25.3m	£31.5m	£2.2m	£10.9m
Discount rate required to eliminate the headroom above	14.8%	16.3%	15.7%	14.5%	19.7%
Long-term growth rate required to eliminate the headroom above	0.5%	(2.0%)	(1.4%)	0.4%	(7.8%)
The permanent reduction in EBITDA before an impairment would be triggered	7.2%	9.2%	5.6%	3.1%	14.2%
Headroom with 0% long-term growth and an increase of 1% to the discount rate before mitigating actions	(£9.4m)	£3.3m	(£0.3m)	(£2.0m)	£5.5m

At the balance sheet date, the Group's HSS Operations - Ireland CGU was designated as a disposal group held for sale. At this time the Group considered whether there was any impairment to recognise against the disposal group.

The Directors considered the net assets of the disposal group against the anticipated disposal proceeds which were deemed the recoverable amount, less the forecast costs of disposal. On this basis it was determined that no impairment was required. Whilst this judgement is significant to the Financial Statements, the post-year end disposal of HSS Hire Ireland has provided further evidence of the recoverable amount for the CGU (see note 21).

9. PROPERTY, PLANT AND EQUIPMENT

	Land & buildings £000s	Plant & machinery £000s	Materials & equipment held for hire £000s	Total £000s
Cost				
At 31 December 2023	35,759	21,912	181,054	238,725
Transferred from right of use assets	–	–	658	658
Transferred to right of use assets	–	–	–	–
Additions	1,489	1,545	24,332	27,366
Disposals	(7,744)	(3,599)	(26,179)	(37,522)
Disposed on business divestiture (note 19)	(1,414)	(1,291)	(39,278)	(41,983)
Reclassification of assets as held for sale (note 18)	(2,145)	(1,894)	(21,200)	(25,239)
Re-measurement	(610)	–	–	(610)
Foreign exchange differences	(36)	(7)	(400)	(443)
Transfers	605	(636)	–	(31)
At 31 March 2025	25,904	16,030	118,987	160,921
Accumulated depreciation				
At 31 December 2023	26,539	19,140	99,863	145,542
Transferred from right of use assets	–	–	428	428
Transferred to right of use assets	–	–	–	–
Charge for the year	2,589	1,294	18,181	22,064
Disposals	(7,217)	(3,495)	(18,890)	(29,602)
Disposed on business divestiture (note 19)	(1,007)	(1,210)	(26,757)	(28,974)
Reclassification of assets as held for sale (note 18)	(1,675)	(1,714)	(11,201)	(14,590)
Impairment of property, plant and equipment (note 8)	2,396	903	24,502	27,801
Accelerated depreciation on exit of trading locations	342	9	–	351
Foreign exchange differences	(14)	(3)	(85)	(102)
Transfers	–	(134)	103	(31)
At 31 March 2025	21,953	14,790	86,144	122,887
Net book value				
At 31 March 2025	3,951	1,240	32,843	38,034

Accelerated depreciation on exit of trading locations relates to additional depreciation charged as a result of reductions to specific useful economic lives when branches cease operations early: see note 4 for more details.

	Land & buildings £000s	Plant & machinery £000s	Materials & equipment held for hire £000s	Total £000s
Cost				
At 1 January 2023	35,045	29,196	174,508	238,749
Transferred from right of use assets	–	–	372	372
Transferred to right of use assets	–	–	(483)	(483)
Additions	1,680	847	29,551	32,078
Disposals	(724)	(8,128)	(22,753)	(31,605)
Re-measurement	(216)	–	–	(216)
Foreign exchange differences	(26)	(3)	(141)	(170)
At 30 December 2023	35,759	21,912	181,054	238,725
Accumulated depreciation				
At 1 January 2023	23,957	26,122	100,895	150,974
Transferred from right of use assets	–	–	323	323
Transferred to right of use assets	–	–	(380)	(380)
Charge for the year	2,531	1,248	15,296	19,075
Disposals	(444)	(8,124)	(16,382)	(24,950)
Accelerated depreciation on exit of trading locations	507	9	–	516
Foreign exchange differences	(12)	–	(4)	(16)
Transfers	–	(115)	115	–
At 30 December 2023	26,539	19,140	99,863	145,542
Net book value				
At 30 December 2023	9,220	2,772	81,191	93,183

The transferred from right of use category represents the acquisition of right of use assets at expiry of the lease in cases where the title is transferred to the Group. Impairment testing performed on non-current assets can be found in note 8, which includes the impairment review of intangible assets.

The impairment charge recognised against property, plant and equipment of £27.8m is a product of the impairment review in respect of HSS Core Operations which is discussed in more detail in note 8.

Included within property, plant and equipment are assets against which charges have been registered as security against their acquisition through hire purchase arrangements. The total value of assets subject to these securities at the balance sheet date was £21.0m (2023: £20.5m).

During the prior year, as part of a routine review of the useful lives of assets, the Group revised the useful economic lives of assets included within the 'material and equipment held for hire' class of property, plant and equipment. As part of this review, the Group has considered the levels of disposals and write-offs for these assets, as well as their period of service in the business and anticipated remaining useful economic lives. The result of this review was that certain assets' useful lives were extended but remained within the original estimates as disclosed in note 4 to the Group's 2022 Consolidated Financial Statements, with one exception.

The Group's powered access equipment had previously been depreciated over between five and ten years but has been revised to between five and fifteen years from the start of the prior period; this was due to evidence that this equipment was being consistently used for a period in excess of its original estimate. The total impact of the change was a reduction in depreciation for these assets of £2.7m in the prior financial period; the impact on future periods is expected to be materially the same as the current year subject to the impact of future additions and disposals. All changes to estimates have been applied prospectively.

10. RIGHT OF USE ASSETS

	Property £000s	Vehicles £000s	Equipment for internal use £000s	Equipment held for hire £000s	Total £000s
Cost					
At 31 December 2023	52,935	27,908	–	4,134	84,977
Additions	8,376	18,019	137	1,384	27,916
Re-measurements	(247)	–	–	–	(247)
Transferred to property, plant and equipment	–	–	–	(658)	(658)
Transferred from property, plant and equipment	–	–	–	–	–
Disposals	(13,847)	(9,316)	–	(555)	(23,718)
Disposed of with business divestiture (see note 19)	(3,779)	(1,801)	(30)	–	(5,610)
Reclassification of assets as held for sale (see note 18)	(2,393)	(2,127)	–	–	(4,520)
Foreign exchange differences	(88)	(59)	–	–	(147)
At 31 March 2025	40,957	32,624	107	4,305	77,993
Accumulated depreciation					
At 31 December 2023	21,321	10,303	–	1,542	33,166
Transferred to property, plant and equipment	–	–	–	(428)	(428)
Transferred from property, plant and equipment	–	–	–	–	–
Charge for the period	9,088	8,471	44	965	18,568
Accelerated depreciation on exit of trading locations	1,232	–	–	–	1,232
Impairment of right of use assets (note 8)	8,318	8,829	–	766	17,913
Disposals	(8,751)	(7,954)	–	(277)	(16,982)
Disposed of with business divestiture (see note 19)	(1,942)	(748)	–	–	(2,690)
Reclassification of assets as held for sale (see note 18)	(677)	(769)	–	–	(1,446)
Foreign exchange differences	(21)	(27)	–	–	(48)
At 31 March 2025	28,568	18,105	44	2,568	49,285
Net book value					
At 31 March 2025	12,389	14,519	63	1,737	28,708

	Property £000s	Vehicles £000s	Equipment for internal use £000s	Equipment held for hire £000s	Total £000s
Cost					
At 1 January 2023	56,895	31,613	520	3,606	92,634
Additions	5,243	12,882	–	1,062	19,187
Re-measurements	(608)	–	–	–	(608)
Transferred to property, plant and equipment	–	–	–	(372)	(372)
Transferred from property, plant and equipment	–	–	–	483	483
Disposals	(8,558)	(16,573)	(520)	(645)	(26,296)
Foreign exchange differences	(37)	(14)	–	–	(51)
At 30 December 2023	52,935	27,908	–	4,134	84,977
Accumulated depreciation					
At 1 January 2023	20,540	18,909	502	870	40,821
Transferred to property, plant and equipment	–	–	–	(323)	(323)
Transferred from property, plant and equipment	–	–	–	380	380
Charge for the period	6,625	6,976	18	979	14,598
Accelerated depreciation on exit of trading locations	943	–	–	–	943
Disposals	(6,787)	(15,582)	(520)	(364)	(23,253)
At 30 December 2023	21,321	10,303	–	1,542	33,166
Net book value					
At 30 December 2023	31,614	17,605	–	2,592	51,811

The transferred to property, plant and equipment category represents the acquisition of right of use assets at expiry of the lease in cases where the title is transferred to the Group.

Accelerated depreciation on exit of trading locations relates to additional depreciation charged as a result of reductions to specific useful economic lives when branches cease operations early: see note 4 for more details.

The impairment charge recognised against right of use assets of £17.9m is a product of the impairment review in respect of HSS Core Operations which is discussed in more detail in note 8.

11. TRADE AND OTHER RECEIVABLES

31 March 2025				
	Gross £000s	Provision for impairment £000s	Provision for credit notes £000s	Net of provision £000s
Trade receivables	64,419	(2,998)	(4,821)	56,600
Accrued income	4,653	(39)	–	4,614
Total trade receivables and contract assets	69,072	(3,037)	(4,821)	61,214
Net investment in sublease	23	–	–	23
Other debtors	3,982	–	–	3,982
Prepayments	7,143	–	–	7,143
Total trade and other receivables	80,220	(3,037)	(4,821)	72,362

30 December 2023				
	Gross £000s	Provision for impairment £000s	Provision for credit notes £000s	Net of provision £000s
Trade receivables	76,620	(3,607)	(5,528)	67,485
Accrued income	13,318	(103)	–	13,215
Total trade receivables and contract assets	89,938	(3,710)	(5,528)	80,700
Net investment in sublease	569	–	–	569
Other debtors	5,846	–	–	5,846
Prepayments	6,326	–	–	6,326
Total trade and other receivables	102,679	(3,710)	(5,528)	93,441

Included in other debtors is £Nil (2023: £2.8m) relating to tax receivables.

The following table details the movements in the provisions for impairment of trade receivables and contract assets and credit notes:

	31 March 2025 Provision for impairment £000s	31 March 2025 Provision for credit notes £000s	30 December 2023 Provision for impairment £000s	30 December 2023 Provision for credit notes £000s
Balance at the beginning of the period	(3,710)	(5,528)	(3,449)	(5,554)
Increase in provision	(2,770)	(4,493)	(2,183)	(4,166)
Disposed of with business divestiture (note 19)	45	63	–	–
Reclassified as part of assets held for sale (note 18)	110	142	–	–
Utilisation	3,288	4,995	1,922	4,192
Balance at the end of the period	(3,037)	(4,821)	(3,710)	(5,528)

The bad debt provision based on expected credit losses and applied to trade receivables, all of which are current assets, is as follows:

31 March 2025	Current £000s	0-60 days past due £000s	61-365 days past due £000s	1-2 years past due £000s	Total £000s
Trade receivables and contract assets	54,938	5,710	6,576	1,848	69,072
Expected loss rate (%)	0.7%	2.5%	21.9%	59.0%	4.4%
Provision for impairment	359	145	1,443	1,090	3,037

30 December 2023	Current £000s	0-60 days past due £000s	61-365 days past due £000s	1-2 years past due £000s	Total £000s
Trade receivables and contract assets	73,810	7,594	7,031	1,503	89,938
Expected loss rate (%)	0.6%	2.4%	24.1%	90.6%	4.1%
Provision for impairment	469	184	1,696	1,361	3,710

Contract assets consist of accrued income which is invoiced to customers in the next financial period.

The bad debt provision is estimated using the simplified approach to expected credit loss methodology and is based upon past default experience and the Directors' assessment of the current economic environment for each of the Group's ageing categories.

The Directors have given specific consideration to the macroeconomic uncertainty leading to pressures on businesses facing staff and material shortages and, more latterly, increased inflation. At the balance sheet date, similar to 2023, the Group considers that historical losses are not a reliable predictor of future failures and has exercised judgement in increasing the expected loss rates across all categories of debt. In so doing the Group has applied an adjusted risk factor of 1.125x (2023: 1.25x) to reflect the increased risk of future insolvency. In so doing the provision has been increased by £0.43m (2023: £0.7m) from that which would have been required based on loss experience over the past two years. As in the prior year, historical loss rates have been increased where debtors have been identified as high risk with a reduction applied to customer debt covered by credit insurance.

The total amount expensed was £3.5m (2023: £3.0m). Unless the counterparty is in liquidation, these amounts are still subject to enforcement actions.

In line with the requirements of IFRS 15, provisions are made for credit notes expected to be raised after year end for income recognised during the year.

The combined provisions for bad debt and credit notes amount to 11.4% of trade receivables and contract assets at 31 March 2025 (2023: 10.3%). A 0.5% increase in the combined provision rate would give rise to an increased provision of £0.4m (2023: £0.4m).

12. TRADE AND OTHER PAYABLES

	31 March 2025 £000s	30 December 2023 £000s
<i>Current</i>		
Trade payables	50,339	50,410
Other taxes and social security costs	4,516	4,631
Other creditors	2,322	1,020
Accrued interest on borrowings	499	716
Accruals	22,790	27,204
Deferred income	1,186	1,336
	81,652	85,317

All deferred income relates to goods and services to be provided to customers in the next financial period.

13. LEASE LIABILITIES

	31 March 2025 £000s	30 December 2023 £000s
Lease liabilities – Current	12,562	14,548
Lease liabilities – Non-current	38,796	42,822
	51,358	57,370

The interest rates on the Group's lease liabilities are as follows:

		31 March 2025	30 December 2023
Equipment for hire	Fixed	6.3 to 19.1%	10.6 to 19.1%
Other	Fixed	3.5 to 7.7%	5.7 to 6.1%

The weighted average interest rates on the Group's lease liabilities are as follows:

	31 March 2025	30 December 2023
Lease liabilities	6.9%	6.4%

The lease liability movements are detailed below:

	Property £000s	Vehicles £000s	Equipment for hire and internal use £000s	Total £000s
Lease liability movement				
At 31 December 2023	35,940	18,158	3,272	57,370
Additions	7,690	18,049	1,488	27,227
Re-measurements	(321)	–	–	(321)
Unwind of discount	2,506	1,631	413	4,550
Payments (including interest)	(12,829)	(9,995)	(1,982)	(24,806)
Disposals	(4,883)	(1,579)	–	(6,462)
Disposed of with business divestiture (see note 19)	(2,019)	(1,028)	(27)	(3,074)
Reclassification of liabilities as held for sale (see note 18)	(1,761)	(1,278)	–	(3,039)

Foreign exchange differences	(70)	(17)	–	(87)
At 31 March 2025	24,253	23,941	3,164	51,358

	Property £000s	Vehicles £000s	Equipment for hire and internal use £000s	Total £000s
Lease liability movement				
At 1 January 2023	39,268	13,472	3,552	56,292
Additions	5,167	12,955	1,126	19,248
Re-measurements	(720)	–	–	(720)
Unwind of discount	2,320	764	536	3,620
Payments (including interest)	(9,483)	(7,924)	(1,942)	(19,349)
Disposals	(584)	(1,091)	–	(1,675)
Foreign exchange differences	(28)	(18)	–	(46)
At 30 December 2023	35,940	18,158	3,272	57,370

The Group's leases have the following maturity profile:

	31 March 2025 £000s	30 December 2023 £000s
Less than one year	15,622	17,735
Two to five years	35,558	37,765
More than five years	11,038	13,375
	62,218	68,875
Less interest cash flows:	(10,860)	(11,505)
Total principal cash flows	51,358	57,370

The maturity profile, excluding interest cash flows, of the Group's leases is as follows:

	31 March 2025 £000s	30 December 2023 £000s
Less than one year	12,562	14,548
Two to five years	29,562	31,737
More than five years	9,234	11,085
	51,358	57,370

14. BORROWINGS

	31 March 2025 £000s	30 December 2023 £000s
Current		
Hire purchase arrangements	4,810	5,545
Non-current		
Hire purchase arrangements	7,624	9,930
Senior finance facility	56,528	69,085
Total non-current borrowings	64,152	79,015

The senior finance facility is stated net of transaction fees of £1.0m (2023: £0.9m) which are being amortised over the loan period.

The nominal value of the Group's loans at each reporting date is as follows:

	31 March 2025 £000s	30 December 2023 £000s
Hire purchase arrangements	12,434	15,475
Senior finance facility	57,500	70,000
Revolving credit facility	–	–
	69,934	85,475

The senior finance facility and revolving credit facility are covered by composite company unlimited multilateral guarantee across all Group subsidiaries and are secured over the assets of Hampshire TopCo Limited and Hero Acquisitions Limited and all of its subsidiaries. These subsidiaries comprise all of the trading activities of the Group. The £20.0m revolving credit facility includes a £6.0m overdraft facility.

The Group had undrawn committed borrowing facilities of £34.4m at 31 March 2025 (2023: £36.3m), including £14.4m (2023: £11.3m) of finance lines to fund hire fleet capital expenditure not yet utilised. Including net cash balances, the Group had access to £58.3m of combined liquidity from available cash and undrawn committed borrowing facilities at 31 March 2025 (2023: £68.2m).

The interest rates on the Group's borrowings are as follows:

			31 March 2025	30 December 2023
Hire purchase arrangements	Floating	percentage above NatWest base rate	2.2 to 2.5%	2.2 to 2.5%
Senior finance facility	Floating	percentage above SONIA	3.5%	3.0%
Revolving credit facility	Floating	percentage above NatWest base rate	3.5%	3.0%

The margin above of 3.5% (2023: 3.0%) that applies to the senior finance facility and revolving credit facility is subject to a ratchet mechanism, the output of which, following the refinancing exercise during the period ranges from 3.00% to 4.00% (2023: 2.75% to 3.75%). The specific margin to apply is dependent on the Group's net leverage position and updated quarterly based on the latest position.

The weighted average interest rates on the Group's borrowings are as follows:

	31 March 2025	30 December 2023
Hire purchase arrangements	6.9%	7.7%
Senior finance facility	8.0%	8.2%
Revolving credit facility	8.0%	8.2%

Amounts under the revolving credit facility are typically drawn for a one- to three-month borrowing period, with the interest set for each borrowing period based upon SONIA and a fixed margin.

The Group's borrowings have the following maturity profile:

	31 March 2025		30 December 2023	
	Hire purchase arrangements £000s	Borrowings £000s	Hire purchase arrangements £000s	Borrowings £000s
Less than one year	5,464	4,574	6,333	5,733
Two to five years	8,254	59,889	10,805	75,096
	13,718	64,463	17,138	80,829
<i>Less interest cash flows:</i>				
Hire purchase arrangements	(1,284)	–	(1,663)	–
Senior finance facility	–	(6,963)	–	(10,829)
Total principal cash flows	12,434	57,500	15,475	70,000

15. PROVISIONS

	Onerous property costs £000s	Dilapidations £000s	Onerous contracts £000s	Total £000s
At 31 December 2023	554	11,215	6,800	18,569
Additions	402	1,339	–	1,741
Utilised during the period	(499)	(1,871)	(4,111)	(6,481)
Unwind of discount	18	390	258	666
Impact of change in discount rate	(5)	127	(1)	121
Unused amounts reversed	(311)	(2,763)	–	(3,074)
Foreign exchange	–	(29)	–	(29)
Disposed of with business divestiture (see note 19)	–	(621)	–	(621)
Reclassification of liabilities as held for sale (see note 18)	–	(743)	–	(743)
At 31 March 2025	159	7,044	2,946	10,149
Current	146	2,540	2,946	5,632
Non-current	13	4,504	–	4,517
At 31 March 2025	159	7,044	2,946	10,149

	Onerous property costs £000s	Dilapidations £000s	Onerous contracts £000s	Total £000s
At 1 January 2023	117	11,380	9,806	21,303
Additions	492	230	–	722
Utilised during the period	(60)	(508)	(3,289)	(3,857)
Unwind of discount	5	377	311	693
Impact of change in discount rate	–	907	(28)	879
Unused amounts reversed	–	(1,153)	–	(1,153)
Foreign exchange	–	(18)	–	(18)
At 30 December 2023	554	11,215	6,800	18,569
Current	271	1,477	3,068	4,816
Non-current	283	9,738	3,732	13,753
At 30 December 2023	554	11,215	6,800	18,569

Onerous property costs

The provision for onerous property costs represents the current value of contractual liabilities for future rates payments and other unavoidable costs (excluding lease costs) on leasehold properties the Group no longer uses. The additions of £0.4m (2023: £0.5m) and the release of the provision of £Nil (2023: £Nil) have been treated as exceptional and are included in the property cost charge of £0.5m (2023: £0.8m) (note 4). These additions relate primarily to the UK branch network restructure discussed further in note 4. The releases in the prior year are the result of early surrenders being agreed with landlords – the associated liabilities are generally limited to the date of surrender but provided to the date of the first exercisable break clause to align with recognition of associated lease liabilities.

The liabilities, assessed on a property-by-property basis, are expected to arise over a period of up to three years (2023: six years) with the weighted average period expected for onerous property costs being 2.0 years (2023: 2.6 years). The onerous property cost provision is discounted at a rate of 4.28% (2023: 3.48%), representing a short-term risk-free rate based upon UK five-year GILT rates. Sensitivity analysis has not been conducted due to the immaterial nature of the remaining provision.

Dilapidations

An amount equal to the provision for dilapidation is recognised as part of the asset of the related property. The timing and amounts of future cash flows related to lease dilapidations are subject to uncertainty. The provision recognised is based on management's experience and understanding of the commercial retail property market and third party surveyors' reports commissioned for specific properties in order to best estimate the future outflow of funds, requiring the exercise of judgement applied to existing facts and circumstances, which can be subject to change. The estimates used by management in the calculation of the provision take into consideration the location, size and age of the properties. The weighted average dilapidations provision at 31 March 2025 was £6.16 per square foot (psf) (2023: £8.61 psf). The decrease is mainly due to a revision of the £ psf estimates in line with actual expenditure on the exit of properties. Estimates for future dilapidations costs are regularly reviewed as and when new information is available. Given the large portfolio of properties, the Directors do not believe it is useful or practical to provide sensitivities on a range of reasonably possible outcomes on a site-by-site basis. Instead, consideration is given to the impact of a sizeable shift in the average rate. A £1.00 psf increase in the dilapidations provision would lead to an increase in the provision at 30 December 2023 of £1.1m (2023: £1.2m).

The dilapidations provisions have been discounted depending on the remaining lease term and the rate is based on the five- or ten-year UK gilt yields of 4.28% and 4.68% respectively (2023: 3.48% and 3.54% respectively). A 1% increase in both the discount rates at 31 March 2025 would decrease the dilapidations provision by £0.3m (2023: £0.5m). The inflation rate applied in the calculation of the dilapidations provision was 3.5% for year 1 and thereafter 2.0% (2023: 5% for year 1 and a 2.5% average used thereafter).

The aggregate movement in additions, releases and change in discount rate has generated a net decrease of £1.3m (2023: decrease of £0.1m) to property, plant and equipment through asset additions, re-measurements and disposals.

Onerous contract

The onerous contract represents amounts payable in respect of the agreement reached in 2017 between the Group and Unipart to terminate the contract to operate the NDEC. Under the terms of that agreement, at 31 March 2025 £2.9m is payable over the period to 2026 (2023: £6.8m) and £3.3m has been paid during the year (2023: £3.3m). The provision has been re-measured to present value by applying a discount rate of 4.05% (2023: 3.98%). A 1% increase in the discount rate at 31 March 2025 would decrease the provision by £0.1m (2023: £0.1m).

16. DEFERRED TAX

Deferred tax is provided in full on taxable temporary differences under the liability method using applicable tax rates.

Deferred tax asset/(liability)	Other temporary timing differences £000s	Tax losses £000s	Property, plant and equipment and other items £000s	Acquired intangible assets £000s	Total £000s
At 31 December 2023	1,130	882	(96)	(86)	1,830
(Charge)/credit to the income statement – continuing operations	(1,130)	2,597	(21)	(2,116)	(670)
(Charge)/credit to the income statement – discontinued operations	–	–	67	37	104
Disposed of with business divestiture (note 19)	–	–	–	52	52
At 31 March 2025	–	3,479	(50)	(2,113)	1,316

Deferred tax asset/(liability)	Other temporary timing differences £000s	Tax losses £000s	Property, plant and equipment and other items £000s	Acquired intangible assets £000s	Total £000s
At 1 January 2023	–	7,367	148	(117)	7,398
(Charge)/credit to the income statement – continuing operations	1,130	(6,485)	(25)	–	(5,380)
(Charge)/credit to the income statement – discontinued operations	–	–	(219)	31	(188)
At 30 December 2023	1,130	882	(96)	(86)	1,830

Deferred tax assets have been recognised to the extent that management considers it probable that tax losses will be utilised. Due to trading losses in prior years, the Directors expect to phase in the recognition of taxable losses expected to be utilised in the medium and long term as they can better assess the probability of their utilisation. The level of losses to be utilised is measured by reference to the Board-approved budget and three-year plan, which, is also used to determine value in use for the Group's cash generating units, as discussed in note 8. In the period ended 31 March 2025 a three-year (2023: three-year) recognition window has been applied.

The net deferred tax liability on property, plant and equipment and other items, and the deferred tax liability on acquired intangible assets, are stated after offset of deferred tax assets from available tax losses of £3.0m (2023: £2.9m) and £5.5m (2023: £5.5m) respectively.

At 31 March 2025, the Group had an unrecognised deferred tax asset relating to losses of £29.5m (2023: £21.1m). The gross value of the balance at 31 March 2025 was £117.9m (2023: £84.5m).

At 31 March 2025, the Group also had an unrecognised deferred tax asset relating to temporary differences on plant and equipment, intangible assets and provisions of £11.8m (2023: £3.1m). The gross value of the balance at 31 March 2025 was £47.3m (2023: £12.5m).

A deferred tax liability of £2.1m (2023: £0.1m) has been recognised on the net book value of brands. The Group is recognising the deferred tax liability on the basis that it will crystallise at a single point in time (2023: over time). On this basis the Group no longer expects to be able to fully mitigate the deferred tax liability with available carried forward tax losses that are subject to loss restrictions.

17. SHARE CAPITAL

The number of shares in issue and the related share capital and share premium are as follows:

	Ordinary shares Number	Ordinary shares £000s	Share premium £000s
At 30 December 2023	704,987,954	7,050	45,552
Shares Issued	5,818,910	58	–
At 31 March 2025	710,806,864	7,108	45,552

18. ASSETS HELD FOR SALE

HSS Hire Ireland Limited

Subsequent to the current period, the Group entered into a Share Purchase Agreement ('SPA') with a third party to sell the entire 100% shareholding of the Group subsidiary HSS Hire Ireland Limited, a company incorporated in the Republic of Ireland. The agreement was signed on 1 April 2025 and completed at the end of May 2025.

During January 2025, being the point at which the disposal group for the assets and liabilities for HSS Hire Ireland Limited was classified as held for sale, depreciation on non-current assets ceased in accordance with IFRS 5.

	As at 31 March 2025		
	Current £000s	Non-Current £000s	Total £000s
Goodwill (note 8)	–	7,510	7,510
Intangible assets other than goodwill (note 8)	–	4	4
Property, plant and equipment (note 9)	–	10,649	10,649
Right of use assets (note 10)	–	3,074	3,074
Inventories	158	–	158
Trade and other receivables	7,936	–	7,936
Cash	3,298	–	3,298
Assets classified as held for sale	11,392	21,237	32,629

Trade and other payables	6,468	–	6,468
Provisions (note 15)	198	545	743
Lease liabilities (note 13)	973	2,066	3,039
Liabilities directly associated with assets held for sale	7,639	2,611	10,250

More information in respect of the discontinued operation associated with HSS Hire Ireland Limited can be found in note 19. Details of the post balance sheet events associated with this transaction can be found in note 21.

19. BUSINESS DISPOSAL

HSS Power

During the current period, on 7 March 2024, the Group announced the sale of ABird Limited, ABird Superior Limited and Apex Generators Limited (together the 'Power' companies) to CES Global. The sale was undertaken as part of a strategic decision to focus on the core business and growth of the ProService and THSC businesses. The consideration for the sale was entirely settled in cash.

As part of this transaction, HSS has entered into a commercial agreement with CES for the cross-hire of power generators and related services to ensure the broadest possible distribution of, and customer access to, both parties' existing fleets. The Board expects this commercial arrangement to ensure that even post-disposal, the sales in respect of the Power hire stock will continue through ProService under the new commercial agreement.

Shortly after the disposal, the Group utilised £12.5m of the proceeds to repay borrowings and further strengthen the Group's balance sheet position. As discussed more fully in note 2, the results of the Power companies were previously reported within the Group's 'Operations – UK' reporting segment, with a significant element of revenues recorded through the ProService business.

HSS Hire Ireland Limited ('HIL')

Subsequent to the balance sheet date, on 1 April 2025, the Group announced the sale of HSS Hire Ireland Limited, the Group's operations in the Republic of Ireland to Chadwick's Holdings Limited, a subsidiary of Grafton plc. The sale was undertaken as part of a strategic decision to focus on the core business and growth of the ProService and THSC businesses. As the transaction was not complete at the balance sheet date, the Group has reclassified the assets and liabilities associated with HSS Hire Ireland Limited as held for sale. The transaction completed on 31 May 2025 and generated disposal proceeds of £24.3m before final working capital adjustments. Shortly after the disposal, the Group utilised £17.6m of the proceeds to repay borrowings and further strengthen the Group's balance sheet

position. As discussed more fully in note 2, the results of HIL were presented as a separate operating segment, Operations – Ireland.

The Group have restated comparative figures for the income statement throughout the financial statements in accordance with IFRS 5. The table below shows the details results of discontinued operations:

Discontinued operations – 15-month period ended 31 March 2025	HSS Power £000s	HSS Hire Ireland Limited £000s	Total £000s
Revenue	4,052	34,325	38,377
Other operating income	–	(71)	(71)
Expenses other than finance costs, amortisation and depreciation	(3,402)	(27,162)	(30,564)
Depreciation	(847)	(3,928)	(4,775)
Amortisation	(18)	–	(18)
Operating (loss)/profit from discontinued operations	(215)	3,164	2,949
Net finance expenses	(119)	(320)	(439)
Taxation (charge)/credit	104	(698)	(594)
(Loss)/profit from trade within discontinued operations, net of tax	(230)	2,146	1,916
Loss on disposal of discontinued operations	(642)	–	(642)
(Loss)/profit from discontinued operations, net of tax	(872)	2,146	1,274

Discontinued operations – Year ended 30 December 2023	HSS Power £000s	HSS Hire Ireland Limited £000s	Total £000s
Revenue	9,409	27,342	36,751
Other operating income	37	(183)	(146)
Expenses other than finance costs, amortisation and depreciation	(4,228)	(21,787)	(26,015)
Depreciation	(4,846)	(3,067)	(7,913)
Amortisation	(125)	–	(125)
Operating (loss)/profit from discontinued operations	247	2,305	2,552
Net finance expenses	(273)	(224)	(497)
Taxation (charge)/credit	(212)	(544)	(756)
(Loss)/profit from discontinued operations, net of tax	(238)	1,537	1,299

	Period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Basic earnings/(loss) per share (p) from discontinued operations	0.18	0.18
Diluted earnings/(loss) per share (p) from discontinued operations	0.18	0.18
Weighted average number of shares (000s)	708,819	704,988

Weighted average number of diluted shares (000s)	726,597	728,238
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The Group's cash flows from discontinued operations were as follows:

	Period ended 31 March 2025 £000s	Year ended 30 December 2023 £000s
Cash flows from operating activities	(2,755)	5,865
Cash flows from investing activities (including net cash flows on business divestiture)	20,129	141
Cash flows from financing activities	(2,801)	(2,936)
Total cash flows for the period from discontinued operations	14,573	3,070

Below is a detailed breakdown of the result on disposal:

	HSS Power £000s
Description of assets and liabilities	
Goodwill	6,053
Brand and customer lists	324
Property, plant and equipment	13,009
Right of use assets	2,920
Deferred tax assets	56
Inventories	908
Trade and other receivables	3,018
Cash	369
Trade and other payables	(2,148)
Provisions	(621)
Deferred tax liabilities	(108)
Lease liabilities	(3,074)
Net assets disposed of	20,706
Total consideration	20,690
Less: net assets disposed of	(20,706)
Loss on disposal before costs	(16)
Less: costs of disposal	(626)
Total loss on disposal	(642)
Cash consideration received	20,690
Cash disposed of	(369)
Net cash inflow on disposal of discontinued operations	20,321

20. ALTERNATIVE PERFORMANCE MEASURES

Earnings before interest, tax, depreciation and amortisation (EBITDA) and Underlying EBITDA, earnings before interest, tax and amortisation (EBITA) and Underlying EBITA and Underlying profit before tax are alternative, non-IFRS and non-Generally Accepted Accounting Practice (GAAP) performance measures used by the Directors and management to assess the operating performance of the Group.

EBITDA is defined as operating profit before depreciation and amortisation. For this purpose depreciation includes: depreciation charge for the year on property, plant and equipment and on right of use assets; the net book value of hire stock losses and write-offs; the net book value of other fixed asset disposals less the proceeds on those disposals; impairments of tangible fixed assets; the net book value of right of use asset disposals, net of the associated lease liability disposed of; and the loss on disposal of subleases. Amortisation is calculated as the total of the amortisation charge for the year and the loss on disposal of intangible assets. Non-underlying items are added back to EBITDA to calculate Underlying EBITDA, along with any impairment losses on intangible assets.

EBITA is defined by the Group as operating profit before amortisation. Non-underlying items are added back to EBITA to calculate Underlying EBITA, as well as impairment losses on intangible assets.

Underlying profit before tax is defined by the Group as profit before tax, amortisation of customer relationships and brands-related intangibles as well as non-underlying items.

The Group discloses Underlying EBITDA, Underlying EBITA and Underlying profit before tax as supplemental non-IFRS financial performance measures because the Directors believe they are useful metrics by which to compare the performance of the business from period to period and such measures similar to Underlying EBITDA, Underlying EBITA and Underlying profit before tax are broadly used by analysts, rating agencies and investors in assessing the performance of the Group. Accordingly, the Directors believe that the presentation of Underlying EBITDA, Underlying EBITA and Underlying profit before tax provides useful information to users of the Financial Statements.

As these are non-IFRS measures, other entities may not calculate the measures in the same way and hence are not directly comparable.

Underlying EBITDA is calculated as follows:

	Year ended 31 March 2025 £000s Continuing	Year ended 31 March 2025 £000s Total	Year ended 30 December 2023 £000s Continuing	Year ended 30 December 2023 £000s Total
Operating profit	(117,751)	(114,802)	17,354	19,906
Add: Depreciation	43,864	48,639	32,917	40,830
Add: Amortisation of intangible assets	2,817	2,835	1,818	1,943
Add: Non-underlying items (note 4)	121,534	122,786	2,417	2,457
Underlying EBITDA	50,464	59,458	54,506	65,136

Underlying EBITA is calculated as follows:

	Year ended 31 March 2025 £000s Continuing	Year ended 31 March 2025 £000s Total	Year ended 30 December 2023 £000s Continuing	Year ended 30 December 2023 £000s Total
Operating profit	(117,751)	(114,802)	17,354	19,906
Add: Amortisation of intangible assets	2,817	2,835	1,818	1,943
Add: Non-underlying items (note 4)	121,534	122,786	2,417	2,457
Underlying EBITA	6,600	10,819	21,589	24,306

Underlying profit before tax is calculated as follows:

	Year ended 31 March 2025 £000s Continuing	Year ended 31 March 2025 £000s Total	Year ended 30 December 2023 £000s Continuing	Year ended 30 December 2023 £000s Total
Profit before tax	(130,301)	(128,433)	6,925	8,980
Add: Amortisation of acquired intangibles (note 8)	–	18	–	125
Profit before tax and amortisation of acquired intangibles	(130,301)	(128,415)	6,925	9,105
Add: Non-underlying items (finance and non-finance) (note 4)	121,868	123,762	2,770	2,810
Underlying profit before tax	(8,433)	(4,653)	9,695	11,915

21. POST BALANCE SHEET EVENTS

Sale of HSS Hire Ireland Limited

Subsequent to the year end, on 1 April 2025, the Group entered into an agreement for the sale of HSS Hire Ireland Limited to a third party, Chadwick's Holdings Limited, a subsidiary of Grafton plc.

The business was sold for gross consideration of €28.0m, with draft customary working capital and debt adjustments resulting in draft cash consideration of €28.9m or £24.3m. Net assets disposed were £23.0m (including consolidation-related intangibles of £7.5m) for a gain before transaction costs of £1.3m. In connection with the sale of the businesses the Group has incurred transaction costs of c£1.0m.

The disposed entity was presented as a discontinued operation within these Financial Statements and contributed revenues of £34.3m and net profit of £2.1m to the Group in the current period (see note 19).

Subsequent to the sale, proceeds of £17.6m were used to make a partial repayment of the Group's senior loan facility, reducing the total liability from £57.5m at the year end to £39.9m.

Issue of shares

After the period end, on 6 June 2025, the Group issued 3,404,025 shares in connection with the Group's share schemes. These shares were part of the FY22 RSA share scheme and were issued for nil consideration. The total increase in the Group's share capital was £34.0k.

Commercial agreement with Speedy Hire and disposal of THSC

Subsequent to the year end, in parallel with the release of these results, the Group announced that it has entered into a new five-year commercial supplier agreement (Commercial Agreement) with Speedy Hire (Speedy), with an option to extend for three years, resulting in Speedy Hire becoming the principal equipment supply partner to ProService replacing The Hire Service Company ("THSC").

In addition, Speedy will place a substantial portion of its third-party rehire, resale and training through ProService.

Additionally, the Group today announces the disposal of the entire issued share capital of HSS Service Group Limited, trading under the brand The Hire Service Company to a third party, a newly formed company indirectly owned by investment funds advised by Endless LLP.

The Commercial Agreement (and therefore indirectly the THSC Disposal) is conditional on the satisfaction of CMA conditions. In consideration, Speedy will pay the Group £35.0m as consideration for:

- Ordinary shares in the Group, comprising approximately 9.99% of the enlarged ordinary share capital of the Group.
- Certain fixed assets of THSC, including motor vehicles and hire equipment that will be on hire through the ProService platform at Completion.

In addition to the above,

- Speedy will assume certain lease liabilities of THSC in respect of properties, motor vehicles and hire equipment.
- A number of the employees of the Group are envisaged to transfer to Speedy under TUPE pursuant to the sale and purchase of assets.
- Speedy will procure certain training related assets and liabilities of HSS Training Limited.

The result of the Commercial Agreement for THSC is that it will no longer be the primary supplier for ProService, its largest customer, other than for certain hire equipment pursuant to a separate agreement, which will have a material impact on THSC's financial position.

The consideration receivable under the Commercial Agreement will be used to fund a seller contribution to THSC as it transitions to becoming an independent business under new ownership following completion, together with fees and other expenses related to these transactions.

To facilitate the Group's transition to a digital marketplace, it has entered into an agreement to dispose of THSC, for gross consideration of £1 and a contribution of approximately £26.0m to facilitate a viable separation. The £26.0m would be payable with an initial instalment of £16.0m and a deferred amount of £10.0m to be settled within twelve months.

The whole transaction is conditional on the UK Competition and Markets Authority (CMA) approval and would be expected to complete before the end of the calendar year.

Subject to completion of the transactions above the Group's lenders have agreed to a revised covenant package for the period to 30 September 2026 (being the date of expiry of the facility) in exchange for a commitment to commence refinancing measures no later the end of October 2025.

The outcome of these commercial agreements could materially change the carrying values of certain assets and liabilities as compared to amounts reported as at the balance sheet date.

Drawdown of the Group's revolving credit facility

Subsequent to the year end, on 1 April 2025, the Group drew down £5.0m of the RCF, leaving additional facility of £15.0m available. The £5.0m was drawn to facilitate payments to exit trading locations and accelerate cost saving plans in association with the branch network restructure.

The amounts drawn by the Group are for a three-month term and attract interest on the same basis as the Group's senior facility, being SONIA plus margin (see note 14).