


Meeting Date:	Tue, 20 Jul 2010 11:00	Proxy Deadline:	Sun, 18 Jul 2010	Type:	AGM	Issue date:	Tue, 06 Jul 2010
Meeting Location:	The Mere Court Hotel and Conference Centre, Warrington Road, Mere, Knutsford, Cheshire WA16 0RW						
Current Indices:	FTSE SmallCap						
Sector:	Support services						

PROPOSALS	ADVICE
<p>1 Receive Annual Report Business Review meets guidelines. Adequate environmental and employment policies in place.</p>	For
<p>2 Approve the Remuneration Report The annual bonus is based on adjusted profit before tax targets and on key strategic objectives. Whilst an adequate breakdown has been provided, the specific targets have not been quantified. We note that no awards were during the year under review.</p> <p>The primary long term incentive is the Performance Share Plan (PSP) which is based on comparative TSR against the FTSE 250 (excluding investment trusts) sector. PIRC considers that each long term incentive scheme should apply two testing performance conditions concurrently. Both the upper and lower vesting targets are considered to be challenging given the level of award available. We also note that the company is reducing the maximum limit under the scheme from 100% of salary to 70% of salary from FY2010. Awards made during the year under review were worth approximately 150% of salary which exceeded the standard limit. We note that this was a one-off grant for which shareholder approval was sought at the EGM held last year. The Co-Investment Plan (CIP) acts as the deferred bonus plan where 50% of any bonus earned must be compulsorily deferred for three years. Matching shares are then awarded on a 2:1 basis. The scheme is based on EPS as the performance measure. Whilst no bonuses were granted during the year, no awards were made under the CIP.</p> <p>Aggregate awards made during the year are not considered excessive as awards were made only under the PSP. Potential aggregate maximum awards under all the schemes can be considered to be excessive in the future. Executive directors have one year rolling contracts and payments equal to basic salary, accrued bonus and pension contributions are due in lieu of notice. Rating: BBB</p>	For
<p>3 Approve the dividend The Board is recommending a final dividend of 0.2 pence per share. This will bring the total for the year to 0.4 pence per share. Not covered by earnings however the company have informed PIRC that it has sufficient reserves for it's dividend payments.</p>	For
<p>4 Re-Election of David Wallis Chairman. Considered independent on appointment. We also note that Mr. Wallis has now served on the board for over nine years. However there is sufficient independent representation on the board.</p>	For
<p>5 Re-Election of Claudio Veritiero Executive Director. 12 months rolling contract.</p>	For
<p>6 Re-Election of Ishbel Macpherson Senior Independent Director. Independent by PIRC.</p>	For
<p>7 Appoint the auditors and allow the board to determine their remuneration KPMG Audit Plc proposed. Consultancy related non-audit fees of GBP 400,000 exceeds the audit fees during the year under review and on a three year</p>	Oppose

aggregate basis.

- | | |
|--|----------------|
| 8 Issue shares with pre-emption rights | For |
| <p>General authority limited to one third of the issued share capital, and two thirds of the issued share capital if in connection with a pre-emptive rights issue. The requested authority follows the recent published guidance of the Rights Issue Review Group in connection with the ABI. We consider that there is sufficient independent supervision on the Board to monitor the use of the authority and also welcome the commitment that the company has provided PIRC that all directors would seek re-election if the authority is used, as recommended by the published guidance. We recommend support.</p> | |
| 9* Issue shares for cash | For |
| <p>Authority limited to 5% of issued share capital and expires one year from the date of the AGM. Within recommended limits.</p> | |
| 10* Authorise Share Repurchase | For |
| <p>Authority limited to 10% of the issued share capital. Re-purchased shares will be held in treasury or cancelled. Expires no later than the next AGM. Within acceptable limits.</p> | |
| 11* Adopt new Articles of Association | Abstain |
| <p>PIRC considers changes to be reasonable with reference to: the company's objects; articles which duplicate statutory provisions; authorised share capital and unissued shares; redeemable shares; authority to purchase own shares, consolidate and sub-divide shares, and reduce share capital; use of seals; suspension of registration of share transfers; vacation of office by directors; voting by proxies on a show of hands; voting by corporate representatives; Chairman's casting vote; notice of general meetings; adjournments for lack of quorum; voting record date and other general items.</p> <p>With regard to the provision on the change of name, the Companies Act 2006 allows companies to change their name by a procedure set out in its Articles. Accordingly the board is seeking to amend the Articles to give them the authority to change the company's name without recourse to a shareholder vote. We consider that a name change may have significant implications for a company's value where the name of a company is an important aspect of its brand. Also, there can be substantial costs associated with the process of changing a name, including advertising and communications with stakeholders, which would be compounded in the event that the change was later reversed. In our view therefore name changes ought to remain subject to a special resolution of shareholders, an alternative that that the Companies Act continues to provide for. We do not support this element of the proposal.</p> | |
| 12* Notice of General Meetings | For |
| <p>The resolution reflects the implementation of the EU Shareholder Rights Directive into English law, which took place on 3 August 2009. Under the regulations, the minimum notice period for general meetings (other than Annual General Meetings) will increase to 21 days unless certain conditions are met, in which case it may be 14 days. PIRC considers that all companies should aim to provide at least 20 working days notice for general meetings in order to give shareholders sufficient time to consider what are often complex issues; however, we recognise that the proposed change is permissible by the Companies Act and recommend support.</p> | |
| 13 Authorise the use of electronic communications | For |
| <p>The company is seeking shareholder approval to send or supply documents or information in electronic form (for example by email or by publication on the company's website). The company would like to take advantage of this legislation as increased use of electronic communications will deliver cost savings; increase the speed at which the company can communicate with shareholders and will also have environmental benefits through the reduced use of paper and energy required for the production and distribution of documents. Shareholders who wish to elect to continue to receive paper copies of documents will be given the opportunity to do so. Acceptable proposal.</p> | |
| 14 Approve Political Donations | For |
| <p>The company is seeking shareholder approval to make political donations to political parties and/or independent election candidates; to make political donations to political organisations other than political parties and to incur political expenditure provided that the aggregate amount of any such donations</p> | |

and expenditure shall not exceed £50,000. With recommended limits.

* = ***Special Resolution***

Directors

- There is a clear separation of powers at the head of the company.
- Majority of the board, excluding the Chairman, is considered to be independent.
- The Chairman is a member of the Nomination Committee, which we do not support.
- The Audit and Remuneration committees are fully independent.
- Although there was a performance appraisal process in place, the outcomes from the exercise have not been disclosed.

Remuneration

- The annual bonus is based on adjusted profit before tax targets and on key strategic objectives. Whilst an adequate breakdown has been provided, the specific targets have not been quantified. We accept that this may be due to reasons of commercial sensitivity, however we consider it best practice that a company should disclose the performance which lead to the grant of awards. However we note that no awards were during the year under review.
- The primary long term incentive is the Performance Share Plan (PSP) which is based on comparative TSR against the FTSE 250 (excluding investment trusts) sector. PIRC considers that each long term incentive scheme should apply two testing performance conditions concurrently. Both the upper and lower vesting targets are considered to be challenging given the level of award available. We also note that the company is reducing the maximum limit under the scheme from 100% of salary to 70% of salary from FY2010. Awards made during the year under review were worth approximately 150% of salary which exceeded the standard limit. We note that this was a one-off grant for which shareholder approval was sought at an EGM held last year.
- The Co-Investment Plan (CIP) acts as the deferred bonus plan where 50% of any bonus earned must be compulsorily deferred for three years. Matching shares are then awarded on a 2:1 basis. The scheme is based on EPS as the performance measure. Whilst no bonuses were granted during the year, no awards were made under the CIP.
- Combined awards during the year are not considered excessive as awards were made only under the PSP. Potential aggregate maximum awards under all the schemes can be considered to be excessive in the future. Average salaries are below the sector average and no salary increases were made during the year. Directors are required to build up a shareholding of 100% of salary, however, a time frame is not disclosed.
- Executive directors have one year rolling contracts. Payments equal to basic salary, accrued bonus and pension contributions are due in lieu of notice. It is the remuneration committee's policy that no executive director should be entitled to a notice period or payment on termination of employment in excess of such levels. Directors' contracts contain provisions relating to their duty to mitigate.

Audit and reporting

- Consultancy related non-audit fees of GBP 400,000 exceeds the audit fees during the year under review and on a three year aggregate basis.

Share capital and shareholder relations

- The Board is recommending a final dividend of 0.2 pence per share. This will bring the total for the year to 0.4 pence per share.

Company's Primary Objective and/or Strategy

- The company has clearly identified its strategies. In the UK, its strategy is to continue to build relationships to increase its circa 10% market share in the UK hire market. Internationally, its strategy is to work closely with key clients and identify ways in which it can support them in their activities overseas, on a 'follow the customer' principle. It also aims to provide a comprehensive range of consumable items and personal protective equipment for sale as well as advising customers on hire, lease or purchase of their core equipment. It also seeks to extend its core business offering with consultancy, assurance and training services, providing an enhanced portfolio of solutions.

Key Performance Indicators

- The company clearly identifies its KPIs. The financial KPIs are: Revenue; EBITDA and Operating profit. Non-financial KPIs include: customer retention; emissions per vehicle; accident loss frequency rate and rehabilitation agenda.

PIRC Analysis

- The business review contains a forward-looking analysis of the group's activities and performance for the year under review.
- There is a range of information describing the factors which drove performance which provides a backdrop from which the operations of the group can be understood.
- Adequate disclosure on risks and uncertainties.
- Both financial and non-financial KPIs disclosed.

Environment

- The company's environmental policy discloses its commitment to improving and increasing its environmental awareness and reducing the impact of its operations.
- The company had provided PIRC it's up-to-date environmental policy.
- Executive director, Mike McGrath holds responsibility for CSR issues.
- Carbon emissions and energy consumption performance is reported.

Employment

- There is an adequate employment policy in place, as well as equal opportunities and health and safety policy.
- We have previously reported that the chief executive, Mr Corcoran, is responsible for health and safety issues while Mr McGrath is responsible for employee issues.
- Employee surveys have been conducted.
- Targets are in place for employee related indicators.

Community

- There are overarching policies in place which describes the group's values, objectives or commitments with regards to the community.
- There is evidence that the company is forming partnerships with external bodies.
- The group donated GBP 50,000 during the year.

Issue alert

- No issues identified at the date of this report.

FINANCIAL PERFORMANCE

	2010 £	2009 £	2008 £
Year End	31 March	31 March	31 March
Earnings per share (p)	-4.37	-29.57	47.89
Dividend per ordinary share (p)	0.40	12.80	19.80

FINANCIAL ADVISORS & COMPANY CONTACT

Company Secretary	Suzana Koncarevic
Company Address	Chase House, 16 The Parks, Newton-le-Willows, Merseyside, WA12 0JQ

PIRC CONTACT

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1.DIRECTORS

1.1 BOARD OF DIRECTORS

PIRC assesses a non-executive director's independence according to PIRC's shareholder guidelines. Comments represent PIRC's analysis based on information in the report and accounts. *A = audit committee, R = remuneration committee, N = nomination committee, C = CSR or Ethics Committee, * = committee chairman.*

Board changes during year (after previous AGM): None.

David Wallis				Chairman
Age:	n/d	Date Appointed:	2000	Committees: N*
Shares:	187069	Options:	0	LTIP: 0
Severance Entitlement				
Other Positions:	Directorbank Group Limited [Ch], ex-Merchant Retail Group plc [MD], ex-Glisten plc [Ch]			
Comment:	Independent on appointment by PIRC. We note that he has now served on the board for over nine years.			

Steven Corcoran				Chief Executive
Age:	n/d	Date Appointed:	2001	Committees:
Shares:	2186423	Options:	0	LTIP: 1601780
Severance Entitlement	12 months rolling			
Other Positions:	None disclosed			
Comment:	In addition, Mr Corcoran has been awarded 423,298 shares under the Co-Investment Plan.			

Justin Read				Finance Director
Age:	n/d	Date Appointed:	2008	Committees:
Shares:	1201307	Options:	0	LTIP: 1106992
Severance Entitlement	12 months rolling			
Other Positions:	ex-Hanson PLC [MD, Hanson Continental Europe & Head of Corporate Development]			
Comment:	In addition, Mr Read has been awarded 284,729 shares under the Co-Investment Plan.			

Michael McGrath				Executive Director
Age:	n/d	Date Appointed:	2006	Committees:
Shares:	1291500	Options:	0	LTIP: 1036355
Severance Entitlement	12 months rolling			
Other Positions:	Ex-Pinsent Masons [partner]			
Comment:	Managing Director, International Asset Services. Mr McGrath has been awarded 371,663 shares under the Co-Investment Plan.			



Claudio Veritiero		Executive Director		
Age:	n/d	Date Appointed:	2007	Committees:
Shares:	986245	Options:	0	LTIP: 891313
Severance Entitlement	12 months rolling			
Other Positions:	ex-Rothschild			
Comment:	MD UK and Ireland Asset Services. In addition, Mr Veritiero has been awarded 235,856 shares under the Co-Investment Plan.			

Ishbel Macpherson		Senior Independent Director		
Age:	n/d	Date Appointed:	2007	Committees: A, R*, N
Shares:	216940	Options:	0	LTIP: 0
Severance Entitlement				
Other Positions:	May Gurney Integrated Services plc [NED], GAME Group plc [NED], Hydrogen Group plc [NED], Dignity plc [NED], ex-Dresdner Kleinwort Wasserstein [Head of UK Emerging Companies Corporate Finance]			
Comment:	Independent by company, independent by PIRC.			

Peter Atkinson		Non-Executive Director		
Age:	n/d	Date Appointed:	2005	Committees: A, R, N
Shares:	42800	Options:	0	LTIP: 0
Severance Entitlement				
Other Positions:	Macfarlane Group plc [CE], ex-Brambles Industries plc, ex-GKN plc, ex-SC Johnson Wax, ex-Procter and Gamble			
Comment:	Independent by company, independent by PIRC.			

Michael Averill		Non-Executive Director		
Age:	n/d	Date Appointed:	2008	Committees: A, R, N
Shares:	50000	Options:	0	LTIP: 0
Severance Entitlement				
Other Positions:	Enviroco Limited [Ch], ex-Care UK plc [NED], ex-TDG plc [NED], ex-Waste and Resources Action Programme [NED], ex-Shanks Group plc [CE], ex-JBM International Limited [Ch]			
Comment:	Independent by the company, independent by PIRC			

James Morley		Non-Executive Director		
Age:	n/d	Date Appointed:	2009	Committees: A*, R, N
Shares:	158236	Options:	0	LTIP: 0
Severance Entitlement				
Other	Clarkson plc [NED], , Costain Group plc [NED], The Trade Indemnity Group [NED], ex-			

Positions: Primary Insurance Group [COO], ex-The Innovation Group plc [NED], ex-Bankers Investment Trust [NED], ex-WS Atkins [NED]

Comment: Independent by company, independent by PIRC.

1.2 Board Composition (after AGM)

Directors	Number	% of board
Executive Directors	4	44.44
Independent NEDs	4	44.44
'Connected' NEDs	0	0.00
Other	1	11.11
Total	9	100.00

1.3 BOARD COMMITTEES (AFTER AGM)

	Number of members	% indp Co. View	% indp PIRC View	Meetings last year
Whole Board	9	55.56	55.56	8.00
Audit	4	100.00	100.00	5.00
Remuneration	4	100.00	100.00	5.00
Nomination	5	100.00	80.00	2.00

Number of NED-only meetings in year: 2.00

1.4 Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's Shareholder Voting Guidelines. n/d = Not Disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: DIRECTORS	ANALYSIS
<p>A. There should be a clear division of responsibilities at the head of the company</p> <p>a) There is a separate chairman and chief executive</p> <p>b) The chairman has not previously been chief executive</p> <p>c) There is a senior independent director</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>B. The board should contain sufficient numbers of independent non-executives</p> <p>d) There are at least three non-executives on the board</p> <p>e) At least a third of the board is independent by PIRC guidelines</p> <p>f) At least 50% of the board excluding the chairman are independent</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>C. All directors should be accountable to shareholders by facing regular re-election</p> <p>g) All directors are required to seek regular re-election</p> <p>h) All directors face election every year</p>	<p>Yes</p> <p>No</p>
<p>D. There should be an independent and transparent appointments and review process</p> <p>i) Nomination committee composition complies with PIRC guidelines</p> <p>j) Recruitment practices for new directors are transparent</p> <p>k) There is evidence that a process for succession planning exists and is regularly reviewed.</p> <p>l) Process for regular board and individual appraisals and outcome is disclosed</p> <p>m) NEDs should annually appraise the chairman's performance</p> <p>n) Individual director's attendance at board and committee meetings is disclosed</p> <p>o) There is evidence that training needs for the board are regularly reviewed and acted upon</p>	<p>No</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

1.5 Board Analysis

Comments on principle A

There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision.

There is a clear and robust separation of powers at the head of the company. There is a Senior Independent Director appointed.

Comments on principle B

Non-executives are central to an effective and accountable board structure. They should meet at least once a year without executives present (A.1.3) and the annual report should include reference to the number of such meetings. Shareholders may benefit from non-executives serving on the board who can add value whilst not having an outsider's independent perspective. However, such appointments need to be assessed as part of the board's evaluation of its own requirements. PIRC places great importance on there being sufficient number of independent Non-Executive Directors (NEDs) to be able to effectively counterbalance the executive element.

There is an adequate balance between executives and non executives on the board. Majority of the board, excluding the Chairman, is considered independent.

Comments on principle C

It is fundamental to good corporate governance that all directors are required to seek regular re-election by shareholders. The Combined Code provides that: All directors should be subject to election by shareholders at the first annual general meeting after their appointment, and to re-election thereafter at intervals of no more than three years. (A.7.1) PIRC considers annual re-election for each director to be best practice.

Comments on principle D

It is important that the process of board appointments is fully described, in order to demonstrate that appointments have been made on merit and against objective criteria. Boards should look to provide a balanced, meaningful report, bearing in mind the different skills, knowledge and experience the directors bring to the board. The appraisal process should be described for both nonexecutives and executives, including the criteria used and minimum requirements set. Appraisals should be undertaken in relation to individual directors, committees and the board as a whole, and general outcomes should be disclosed. The director or committee responsible for the process should be identified.

Companies should consider the appointment of an independent third-party to conduct the review.

The Chairman of the board chairs the Nomination Committee, which we do not support. Although we note that there was a performance appraisal process where the Chairman and Group Company Secretary engaged the services of specialist performance consultants Lintstock to carry out an independent review of the Board's processes and procedures, and in the past three years the Chairman has undertaken an internal review of the Board's processes and procedures, the outcomes from the process has not been disclosed.

2. DIRECTORS REMUNERATION

2.1 Board Remuneration

	2010		2009		2008
Non-executive directors	% change		% change		
Fees	262,000.00	3.00	252,000.00	8.00	232,000.00
Others					
Non-executives' total	262,000.00	3.00	252,000.00	8.00	232,000.00
Executive directors					
Salaries	1,013,000.00	-3.00	1,053,000.00	29.00	813,000.00
Annual Bonus	0.00		0.00	-100.00	749,000.00
Other Performance Related					
Other Emoluments	54,000.00	25.00	43,000.00	-31.00	63,000.00
Executives' total cash	1,067,000.00	-2.00	1,096,000.00	-32.00	1,625,000.00
Pension: defined contribution payments	155,000.00	0.00	154,000.00	18.00	130,000.00
Share Option Gains	0.00		0.00		0.00
LTIP Gains			203,907.00	-93.00	2,992,000.00
Compensation Payments					
TOTAL EXECUTIVES	1,222,000.00	-15.00	1,453,907.00	-69.00	4,747,000.00

HIGHEST PAID DIRECTOR	2010		2009		2008
	S J Corcoran		S J Corcoran		S J Corcoran
Salary	340,000.00	0.00	340,000.00	4.00	325,000.00
Annual Bonus	0.00		0.00	-100.00	303,000.00
Other Performance-Related					
Other Emoluments	11,000.00	-8.00	12,000.00	20.00	10,000.00
Total Cash	351,000.00	0.00	352,000.00	-44.00	638,000.00
Share option gains	0.00		0.00	-100.00	9,076.00
LTIP gains			201,554.00	-88.00	1,709,710.00
Pension increase	68,000.00	0.00	68,000.00	4.00	65,000.00
TOTAL	419,000.00	-32.00	621,554.00	-74.00	2,421,786.00

Average Executive Director (annualised)	2010 of 4.0		2009 of 4.0		2008 of 3.42
Salary	253,250.00	-3.00	263,250.00	10.00	237,719.00
Total Emoluments	266,750.00	-2.00	274,000.00	-42.00	475,146.00

Comparative salary ranking

Highest paid director:	9th out of 15
Average executive:	10th out of 14
Comparator used:	FTSE SmallCap: Business Support Services

2.2 Executives' incentive bonus structure

Remuneration Advisers:

Scheme	Annual bonus
Maximum Award	120% of base salary.
Performance Conditions	70% based on adjusted profit before tax targets and 30% based on key strategic objectives relating to Group net debt, working capital, gross profit margin, central costs, asset turn, CO2 emissions, strategic development, customer satisfaction and employee engagement. 'Outstanding performance will be required for a maximum bonus to become payable, with no bonus payable unless a number of financial (i.e. adjusted profit before tax) and non-financial thresholds are achieved.)
Comment	No bonuses were paid in the year under review.

Scheme	Performance Share Plan (PSP)
Maximum Award	100% of salary.
Performance Conditions	Based on TSR compared to the FTSE 250 (excluding investment trusts) over three years. 20% vests for median performance rising to full vesting at upper quartile.
Comment	Directors received 152% of base salary during the year.

Scheme	Co-Investment Plan (CIP)
Maximum Award	240% of salary (2:1 matching of any bonus invested. Compulsory 50% of bonus to be deferred)
Performance Conditions	To obtain maximum matching, EPS growth is required to be greater than CPI plus 12.5% per annum, calculated on a compound basis. No awards vest if EPS growth is less than CPI plus 7.5% per annum, also calculated on a compound basis (with straight-line vesting in between).
Comment	No bonuses were granted during the year and as a result, no deferral of bonus awards into this scheme.

2.3 Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's Shareholder Voting Guidelines. It is based on disclosure in the report and accounts. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: REMUNERATION	ANALYSIS
<p>Executive remuneration should be determined by a formal and independent procedure</p> <p>1) Remuneration committee membership meets PIRC guidelines</p> <p>2) Where remuneration consultants are appointed, a statement should be made available of whether they have any other connections with the company.</p>	<p>Yes</p> <p>Yes</p>
<p>There should be full and transparent disclosure of remuneration</p> <p>3) Are executive share schemes' long term performance measures linked to non-financial KPIs?</p> <p>4) Pay elsewhere in the company is considered in determining directors' pay</p> <p>5) The intended balance of the pay package is fully described</p> <p>6) Duration of contracts and company liabilities on termination are given</p> <p>7) Compensation payments or significant changes in policy are fully explained</p> <p>8) Takeover provisions attached to share schemes disclosed</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>Longer term incentives should provide rewards scaled towards superior performance</p> <p>9) Maximum vesting targets are challenging relative to performance required</p> <p>10) Minimum vesting targets are challenging relative to performance required</p> <p>11) Vesting scales are sufficiently broad and geared towards better performance</p> <p>12) There are at least two concurrent performance criteria one of which uses a comparator group or index</p> <p>13) Remuneration committee cannot amend share schemes without prior shareholder approval</p> <p>14) Remuneration committee has no discretion to determine payouts on a takeover</p>	<p>Yes</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p> <p>Yes</p>
<p>Remuneration structure as a whole should not be excessive</p> <p>15) Total potential rewards under all incentive schemes are not excessive</p> <p>16) Directors are required to build up a significant shareholding</p> <p>17) Schemes available to enable all employees to benefit from business success</p> <p>18) Other remuneration practices do not raise concerns</p> <p>19) Performance Period is 5 years or more</p> <p>20) If performance period is 4 years or less there is an additional holding period applied</p>	<p>No</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>No</p>
<p>Contracts policy should balance potential costs to the company with directors' interests</p> <p>21) No current directors have rolling contracts in excess of one year</p> <p>22) Contracts do not provide for liquidated damages in excess of one year's salary in any circumstances</p> <p>23) Future bonuses are not taken into account in determining compensation</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>

2.4 Analysis

Background data

Brokers consensus on future performance

Base EPS:-4.37

Year 2: 1.44p (-132.95%)

Average growth per annum over two years:-66.47%

Average real growth per annum over two years (assumes RPI@3.5%):-69.97%

Disclosure

Figures

Each director's cash remuneration and pension entitlements are satisfactorily disclosed. However, an expected value calculation for share awards is not provided.

Policy

Adequate disclosure of the non-executive remuneration and the company's contract policy. The intended balance of the overall pay package is to ensure that the basic salaries of executive directors are aligned with the lower quartile and median, but that remuneration overall, including awards made under the executive incentive plans have the potential to be in the upper quartile for exceptional performance. Pay elsewhere in the company is considered when determining executive remuneration. No salary increases were made during the year.

Performance targets

The annual bonus is based on adjusted profit before tax targets and on key strategic objectives. Whilst an adequate breakdown has been provided, the specific targets have not been quantified. We accept that this may be due to reasons of commercial sensitivity, however we consider it best practice that a company should be able to disclose the performance which lead to the level of awards made during the year under review. However we note that no awards were made during the year. Performance conditions under the share incentive schemes are described and maximum awards are disclosed.

Disclosure rating: B

Balance of incentive and reward

Long term incentives

The primary long term incentive is the Performance Share Plan (PSP) which is based on comparative TSR against the FTSE 250 (excluding investment trusts) sector. PIRC considers that each long term incentive scheme should apply two testing performance conditions concurrently. Both the upper and lower vesting targets are considered to be challenging given the level of award available. We also note that the company is reducing the maximum limit under the scheme from 100% of salary to 70% of salary from FY2010. Awards made during the year under review were worth approximately 150% of salary which exceeded the standard limit. We note that this was a one-off grant for which shareholder approval was sought at an EGM held last year.

The Co-Investment Plan (CIP) acts as the deferred bonus plan where 50% of any bonus earned must be compulsorily deferred for three years. Matching shares are then awarded on a 2:1 basis. The scheme is based on EPS as the performance measure. Whilst no bonuses were granted during the year, no awards were made under the CIP.

Excessiveness

Combined awards during the year are not considered excessive as awards were made only under the PSP. However as noted above, awards were granted in excess of the stated maximum. Potential aggregate maximum awards under all the schemes can be considered to be excessive in the future. Average salaries are below the sector average. Directors are required to build up a shareholding of 100% of salary, however, a time frame is not disclosed.

Incentive/reward rating: B

Contracts

Executive directors have one year rolling contracts. Payments equal to basic salary, accrued bonus and pension contributions are due in lieu of notice. It is the remuneration committee's policy that no executive director should be entitled to a notice period or payment on termination of employment in excess of such levels. Directors' contracts contain provisions relating to their duty to mitigate.

Contracts rating: B

Overall rating for remuneration report: BBB

3.1 Auditor's Remuneration

Auditors: KPMG AUDIT PLC

Date appointed:

Audit partner: M. Newsholme

Responsible since:

	2010	2009	2008
Statutory audit fee	0.20	0.30	0.30
Non-audit work undertaken by the auditors - PIRC category 1			
Audit-related, mandatory or regulatory			
Tax compliance			
Other non-audit work undertaken by the auditors - PIRC category 2			
Other tax services		0.10	0.20
Acquisition-related		0.00	1.00
Other services	0.40	0.60	
Total non-audit fees (ex. category 1 work)	0.40	0.70	1.20
Total PIRC category 2 non-audit as percent of Statutory audit fee	200.00%	233.33%	400.00%

3.2 Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: AUDIT	ANALYSIS
A. The auditors should be independent of the company and management	
a) No directors have a significant connection with the auditors	Yes
b) Audit firm is subject to regular fixed-term rotation	No
B. Non-audit fees should be disclosed and should not potentially affect independence	
c) An adequate breakdown of the nature of non-audit fees is provided	Yes
d) Level of non-audit fees do not raise independence concerns	No
C. Independent audit committee demonstrates accountability and expertise	
e) A fully independent audit committee exists comprising at least three members	Yes
f) Audit committee includes at least one member with significant financial experience	Yes
g) The audit committee report on its activities complies with PIRC guidelines	Yes
h) Audit committee's policy on awarding non-audit work is fully described	Yes
i) The audit committee should review "whistleblowing" arrangements	Yes
D. Effective Internal Controls	
j) There has been a review of the effectiveness of the internal audit arrangements	Yes

k) Absence of internal audit has been reviewed

n/a

3.3 Audit and Reporting Analysis

Comments on principle A

PIRC believes there is a risk that over time an auditor's familiarity with the audit client's affairs may result in excessive trust. If the same firm continues to hold the position of auditor for many years, then previous judgements are not subject to outside scrutiny. We do not consider that rotation of the audit partner, within the same firm, is sufficient. We continue to maintain that rotation of the audit firm after a period of five years is best practice.

Comments on principle B

Concerning non-audit fees we continue to disagree with the view that audit firms can be employed to provide consultancy services to the management at the same time as undertaking a statutory audit on behalf of the shareholders. PIRC firmly believes that other commercial interests can compromise auditors in their ability to confront directors on difficult issues. We do however operate a materiality threshold for non-audit fees when one of the big four audit companies are engaged, and only when this threshold is exceeded will we make an assessment as to the excessiveness of non-audit work in relation to audit work.

Consultancy related non-audit fees of GBP 400,000 exceeds the audit fees during the year under review and on a three year aggregate basis.

Comments on principle C

The Code requires that the committee should be provided with sufficient resources, that its activities should be reported in a separate section of the directors' report (within the annual report) and that the chairman of the committee should be present to answer questions at the AGM. PIRC believes that the audit committee's report is a cornerstone of good governance and that its approval should become a regular agenda item at the AGM of companies. When constructing the report, the board should be aware of the guidance provided in the Smith Report PIRC believes such a report should cover the issues dealt with by the committee in the year under review rather than merely describing the duties of the committee.

4. SHARE CAPITAL & SHAREHOLDER RELATIONS

4.1 AGM Control Structure

Type	Nominal Currency	Issued (millions)	Authorised (millions)	Par value
Ordinary shares	GBP	517.22	700.00	0.05
Limited voting ord shares	GBP			
Non-voting ord shares	GBP			
Preference shares	GBP			

Significant changes in issued capital: None.

4.2 Disclosed Ordinary Shareholdings (at 18 May 2010)

Directors' interests	1.22%
Fidelity Investments	14.22%
Schroder Investment Management	9.45%
Hermes Investment Management	7.28%
JO Hambro Capital Management	5.01%
Dexia Banque Internationale A Luxembourg	4.59%
Psigma Asset Management	4.46%
Legal & General Investment Management	3.63%
Oberbank Ag	3.55%
Norges Bank Investment Management	3.51%

4.3 Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: SHAREHOLDERS	ANALYSIS
A. Shareholders have an opportunity to vote on dividend policy	
a) Declared dividend or policy is put to the vote	Yes
B. Shareholders should have adequate information and access to all directors	
b) Sufficient biographical information on all directors is disclosed	Yes
c) Justification for new director appointments is provided	n/a
d) Meetings between NEDs and shareholders are reported	Yes
C. All ordinary shares should have equal rights	
e) Each ordinary share has equal voting rights	Yes
f) There is no controlling shareholder	Yes
g) No persons have the right to designate directors to the board	Yes
D. Voting by shareholders should be democratic and transparent	

h) All voting is conducted by poll	No
i) The levels of proxy votes have been disclosed	Yes
j) Steps taken in understanding of the views of major shareholders	Yes

4.4 Share Capital and Shareholder Relations Analysis

Comments on principle A	<p>PIRC considers distribution policy fundamental both to the income requirements of investors and to a company's investment and financial planning. Shareholders have a clear financial interest in maintaining and increasing their income from dividends and other distributions, but without compromising the company's long-term future. The directors may be under pressure to increase short-term distributions, but they must exercise their duty to the company as a whole.</p> <p>The Board is seeking shareholder approval for its dividend.</p>
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Comments on principle B	<p>PIRC believes that shareholders should be prepared to engage with companies where they have concerns or where an issue is unclear, in order to convey their opinions and raise the quality of debate. In the same way, companies should welcome the opportunity to engage with shareholders and prospective investors.</p> <p>The company had met with PIRC in February 2010.</p>
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Comments on principle C	The Company meets best practice in this regard.
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Comments on principle D	<p>PIRC considers poll voting to be the most appropriate way for listed companies to undertake business at general meetings. Insertion of a provision in company Articles mandating poll voting on all resolutions at general meetings will avoid the need for a chairman to decide on use of his powers to call a poll in the event that those present at a meeting deciding on a different voting outcome to that suggested by the postal proxy vote.</p>
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5. OPERATING AND FINANCIAL REVIEW OR BUSINESS REVIEW

5.1 Best Practice

This provides our interpretation of compliance with key guidelines on best practice as set out in ASB Reporting Statement: Operating and Financial Review (January 2006). N.B. Only information in the company's OFR or Business Review is taken into account below except in interpreting guidelines (vii) and (ix) where information elsewhere in the annual report is also considered

BEST PRACTICE FRAMEWORK AND CRITERIA: OFR	ANALYSIS
A. Overview	
i) Does the company have an OFR or Business Review?	Yes
ii) Does the OFR/Business Review have a forward-looking orientation?	Yes
B. Business Nature, Objectives and Strategies	
iii) Does the company explain the market or regulatory environment in which it operates?	Yes
iv) Does the company explain its objectives and/or strategies?	Yes
v) Are the company's objectives and strategies linked to social, environmental or ethical (SEE) matters?	No
C. Analysis of Development and Performance	
vi) Does the company report main trends and factors affecting performance in the year under review AND future prospects?	Yes
vii) Does the company report on risks and uncertainties affecting long-term value?	Yes
viii) Does the OFR contain sufficient disclosure of material issues concerning stakeholders (apart from shareholders) that may affect performance?	Yes
D. Key Performance Indicators	
ix) Does the company disclose both financial and, where appropriate, non-financial key performance indicators in support of its analysis of past and future performance?	Yes

5.2 Analysis

iv) The company has clearly identified its strategies. In the UK, its strategy is to continue to build relationships to increase its circa 10% market share in the UK hire market. Internationally, its strategy is to work closely with key clients and identify ways in which it can support them in their activities overseas, on a 'follow the customer' principle. It also aims to provide a comprehensive range of consumable items and personal protective equipment for sale as well as advising customers on hire, lease or purchase of their core equipment. It also seeks to extend its core business offering with consultancy, assurance and training services, providing an enhanced portfolio of solutions.

vi) The company states that it was able to maximise revenues, optimise costs, generate cash and reduce bank debt. It states that its short-term focus will remain on cash and costs, whilst ensuring that it does not compromise its ability to service its hard-won customer base. The company will focus on growing the existing business organically, with the immediate objective of improving margins in a move towards generating appropriate returns. Additionally, it will nurture its fledgling business in the Middle East.

vii) A detailed breakdown of the risks that the company faces is disclosed. Risks include: attracting and maintaining key staff; business continuity; data and management information; external influences; failure/insolvency of major customer; finance; competition; planning and exchange management and safety.

viii) The business review contains information regarding the group's relationship with its customers and its

employees.

6. CORPORATE SOCIAL RESPONSIBILITY

6.1 Environmental Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: ENVIRONMENT	ANALYSIS
A. There should be a comprehensive, published policy a) Group-wide environmental policy published	Yes
B. There should be clear lines of accountability and management b) Is there board-level responsibility for environmental issues either in the form of a CR committee or a specific director bearing responsibility?	Yes
C. Procedures for stakeholder engagement should be evident c) Environmental standards required of suppliers d) Evidence of structured consultation process to gauge stakeholder views	Yes Yes
D. Companies should report fully on performance e) Target setting disclosed f) Performance evaluated against targets	Yes Yes
E. Audits, external standards and independent verification should be used g) Formal procedures in place for monitoring performance and evaluating outcomes h) Environmental reporting is externally verified	Yes No

6.2 Analysis

Comments on principle A	<p>All companies have environmental impacts, and PIRC expects every listed company to publish a comprehensive environmental policy. Publishing a policy provides a clear message both internally and externally. Such policy documents should be formal statements describing the group's approach to dealing with environmental issues in its operations.</p> <p>A good policy statement should acknowledge the board's responsibilities on environmental issues; cover all group companies; include a commitment to appropriate reporting; and set out the board's objectives in addressing their main environmental impacts, particularly direct and indirect greenhouse gas emissions, energy use, water consumption and waste production.</p>
Comments on principle B	There should be clear lines of accountability and management for environmental issues.
Comments on principle C	As part of ensuring stakeholder accountability, boards should have a structured process of consultation and engagement to gauge and respond to a variety of stakeholder views. Once opinions have been canvassed, they should form part of the review process for policy and objectives.

6.3 Performance Indicators - Environment

	Unit of measurement	2010	2009	2008	KPI in business review	Target set
a) Greenhouse Gas Emissions - Direct	ghg - metric ton CO2e	n/d	41478.0		No	No
b) Greenhouse Gas Emissions - Indirect	ghg - metric ton CO2e	n/d			No	No
c) Water Consumption	water - m3	n/d			No	No
d) Landfill	landfill - Metric Tonnes	n/d			No	No

6.4 Employment Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: EMPLOYMENT AND HUMAN RIGHTS	ANALYSIS
<p>A. There should be a comprehensive, published policy</p> <p>a) Group-wide employment policy published</p> <p>b) Health and safety policy published</p> <p>c) Policy includes a commitment to equal employment opportunities so as to encourage diversity in the workforce</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>B. There should be clear lines of accountability and management</p> <p>d) Board level responsibility for human resource issues identified</p>	<p>Yes</p>
<p>C. Procedures for stakeholder engagement should be evident</p> <p>e) Trade union negotiating framework, works councils or similar strategic-level procedures for information and consultation</p> <p>f) Company undertakes regular employee satisfaction surveys</p>	<p>No</p> <p>Yes</p>
<p>D. Companies should report fully on performance</p> <p>g) Employment performance indicators are disclosed</p> <p>h) Target setting disclosed</p>	<p>Yes</p> <p>Yes</p>
<p>E. Audits, external standards and independent verification should be used</p> <p>i) Performance evaluated against targets</p>	<p>Yes</p>

6.5 Analysis

Comments on principle A	<p>All companies have employment impacts, and PIRC expects every listed company to publish a comprehensive employment policy. Publishing a policy provides a clear message to both internal and external stakeholders. Such policy documents should be formal statements describing the group's approach to dealing with employment issues in its operations.</p> <p>A formal employment policy statement should cover all group companies, acknowledge the board's responsibilities on employment issues, include a commitment to or evidence of appropriate reporting; and set out the board's objectives for addressing their main employment impacts.</p>
Comments on principle B	<p>There should be clear lines of accountability and management for employment related issues.</p>
Comments on principle C	<p>As part of ensuring stakeholder accountability, boards should have a structured process of consultation and engagement to gauge and respond to a variety of stakeholder views. Once opinions have been canvassed, they should form part of the review process for policy and objectives.</p>

6.6 Performance Indicators - Employment

	Unit of measurement	2010	2009	2008	KPI in business review	Target set
a) Workforce Fatalities	total fatalities	n/d			No	N
b) Company Spending on Employees' Training	total in meeting currency	n/d			No	N
c) Employee Turnover	percent	n/d			No	N

6.7 Community Investment Best Practice

This table sets out PIRC's assessment of the company's compliance with standards of best practice as set out in PIRC's shareholder voting guidelines. n/d = not disclosed.

BEST PRACTICE PRINCIPLE AND CRITERIA: COMMUNITY INVESTMENT	ANALYSIS
<p>A. There should be a comprehensive, published policy</p> <p>a) Group-wide community policy published</p>	<p>Yes</p>
<p>B. There should be clear lines of accountability and management</p> <p>b) Is there board-level responsibility for community issues either in the form of a CR committee or a specific director bearing responsibility?</p>	<p>Yes</p>
<p>C. Procedures for stakeholder engagement should be evident</p> <p>c) There is evidence that the company is forming partnerships with external bodies</p> <p>d) There is evidence that the company uses feedback to develop appropriate procedures</p>	<p>Yes</p> <p>Yes</p>
<p>D. Audits, external standards and independent verification should be used</p> <p>e) Company reporting is in accordance with GRI or has had external review</p>	<p>No</p>

6.8 Analysis

<p>Comments on principle A</p>	<p>The company should have a community investment policy in the form of a formal statement outlining the company's position on community involvement. Such a policy should include identification of the company's responsibilities to community stakeholders, the role the company plays in wider society and a description of the company's charitable and community investment objectives.</p> <p>The company should demonstrate it has: informed investors of relevant responsibilities for such issues within the company; established partnerships, where appropriate, with external bodies that may include charities, voluntary organisations, trusts, community support groups or local authorities; and set up a reporting framework to ensure that feedback from community stakeholders is used to develop future policy and procedures.</p> <p>It is clear from the company's disclosure that such policies exists.</p>
<p>Comments on principle B</p>	<p>All companies should evidence clear lines of accountability and management for community related issues.</p> <p>Mike McGrath, the company's commercial director.</p>
<p>Comments on principle C</p>	<p>As part of ensuring stakeholder accountability, boards should have a structured process of consultation and engagement to gauge and respond to a variety of stakeholder views. Once opinions have been canvassed, they should form part of the review process for policy and objectives</p>

6.9 Performance indicators - Community Investment

<p>Unit of</p>

	Unit of measurement	2010	2009	2008
a) Cash Donations (UK)	total in meeting currency	50000.0	76000.0	
b) Cash Donations (Global)	total in meeting currency			
c) Other Company Giving (in kind)	total in meeting currency	n/d		
d) Political Donations (Europe)	total in meeting currency	0.0		
e) Political Donations (outside EU)	total in meeting currency	0.0		

APPENDIX: COMPLIANCE WITH COMBINED CODE OF BEST PRACTICE 2006

Under the listing rules, UK companies are required to make the following disclosures. This table is PIRC's assessment of the company's statements.

Listing rule compliance

Listing Rule		
	a) There is a statement of how the company has applied the Combined Code's principles	Yes
	b) There is a compliance statement; specifying the code provisions with which the company has not complied, if any.	Yes
	c) The board considers that the company complied with the code in full for the whole period	Yes
	d) Is combined code compliance statement complete?	Yes

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