

ASSTEAD (US) HOLDINGS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
30 APRIL 2003
COMPANY REGISTRATION No 3061532



ASSTEAD (US) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2003

The directors present their report and the audited accounts of the Company for the year ended 30 April 2003.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company's only source of income was interest from cash on deposit. The Company is an intermediary holding company within the Ashtead Group.

RESULTS AND DIVIDENDS

The profit for the year after taxation is £10 (2002: £14).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The company's principal activity is that of an investment holding company.

DIRECTORS AND THEIR INTERESTS

The following persons acted as directors during the period:

G B Burnett
S I Robson (resigned 30 August 2002; re-appointed 13 December 2002)
R Patel (appointed 30 August 2002)

There is no provision in the Articles of Association of the Company for retirement of directors by rotation.

All the shares in the Company are held by the ultimate holding company, Ashtead Group plc. The interests of G B Burnett and S I Robson, who are also directors of the ultimate holding company, in the shares of that Company are shown in its accounts. The interests of R Patel in Ashtead Group plc are:

Ordinary shares:

30 April 2003		30 April 2002*	
Number of ordinary shares shares of 10p each		Number of ordinary shares shares of 10p each	
Beneficial	Non Beneficial	Beneficial	Non Beneficial
1,988	-	1,988	-

Interests in share options:

Options at 1 May 2002*	Granted during the year	Options at 30 April 2003	Option price (p)	Earliest normal exercisable date	Expiry date
Discretionary Schemes					
2,000	-	2,000	191.200	Feb 2001	Feb 2008
2,000	-	2,000	177.830	Feb 2002	Feb 2009
3,000	-	3,000	101.840	Mar 2003	Mar 2010
12,500	-	12,500	124.500	Feb 2004	Feb 2011
20,000	-	20,000	41.500	Feb 2005	Feb 2012

ASSTEAD (US) HOLDINGS LIMITED

Interests in share options (continued):

Options at 1 May 2002*	Granted during the year	Options at 30 April 2003	Option price (p)	Earliest normal exercisable date	Expiry date
SAYE Schemes					
22,836	Contract Cancelled		41.600	Apr 2005	Sep 2005
-	24,029	24,029	24.270	May 2006	Oct 2006

* or date of appointment if later

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 April 2003 and that applicable accounting standards have been followed.

The Directors are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Having been appointed by the directors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment and authorising the directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



R E Clark
Secretary

27 October 2003

ASSTEAD (US) HOLDINGS LIMITED

Independent auditors' report to the members of Ashtead (US) Holdings Limited

We have audited the financial statements which comprise the profit and loss account and the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

27 October 2003

ASSTEAD (US) HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2003

	<u>2003</u>	<u>2002</u>
	£	£
Interest receivable	10	14
	----	----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	10	14
	----	----
AMOUNT TRANSFERRED TO RESERVES	10	14
	====	====

The Company has made no recognised gains or losses in the period other than those shown in the profit and loss account above, therefore no separate statement of total recognised gains and losses has been prepared.

The notes on pages 6 to 8 form part of these financial statements.

ASSTEAD (US) HOLDINGS LIMITED

BALANCE SHEET AS AT 30 APRIL 2003

	<u>Note</u>	<u>2003</u> £	<u>2002</u> £
FIXED ASSETS			
Investments	4	167,079,562	101,160,000
CURRENT ASSETS			
Amount due from Group companies	2	2	2
Cash at Bank	1,048	1,038	1,038
	1,050	1,040	1,040
CURRENT LIABILITIES			
Amount due to Group companies	(1,000)	(1,000)	(1,000)
NET CURRENT ASSETS		50	40
		167,079,612	101,160,040
CAPITAL AND RESERVES			
Called up share capital	5	3,000,003	2,000,002
Share premium account	6	164,079,561	99,160,000
Profit and loss account	6	48	38
TOTAL EQUITY			
SHAREHOLDERS' FUNDS		167,079,612	101,160,040

The notes on pages 6 to 8 form part of these financial statements.

The financial statements were approved by the Board of Directors on 27 October 2003.



S I Robson

ASHTeAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2003

1. ACCOUNTING POLICIES

Accounting basis

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

By virtue of section 228 of the Companies Act 1985, the company is not required to prepare group financial statements. Therefore the financial statements present information about the company as an individual undertaking and not about its group.

Investments

Investments in joint ventures are treated as a fixed asset at cost but subject to any provision for permanent impairment.

2. DIRECTORS' EMOLUMENTS

G B Burnett and S I Robson were also directors of the ultimate holding company throughout the year; the emoluments receivable in respect of their services to that company are shown in that company's accounts. No emoluments were paid to Mr Patel during the year in respect of his services as a director of the Company.

3. CASHFLOW STATEMENT AND RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption in FRS1 (revised) and has not prepared a cash flow statement.

The Company has taken advantage of the exemption provided by FRS8 from disclosure of transactions between the companies owned 90% or more by the group. There were no other transactions during the year which would require disclosure under FRS8.

4. INVESTMENTS

	2003 £	2002 £
Investment in partnership: Ashtead (US) Holdings DGP	167,079,562	101,160,000
	=====	=====

ASHTeAD (US) HOLDINGS DGP **Financial information**

	2003 US\$	2002 US\$
Loss for the year	27,793,567	48,668,498
	=====	=====
Accumulated capital and reserves at 30 April 2003	375,415,514	203,379,631
	=====	=====

For illustrative purposes only, the loss for the year and accumulated capital and reserves translated at the year end would be £17,743,595 at an exchange rate of 1.5664 (2002: £33,920,057 at an exchange rate of 1.4348) and £234,898,958 at an exchange rate of 1.5982 (2002: £139,559,206 at an exchange rate of 1.4573) respectively.

The Company has a 51% interest in the partnership.

Ashtead (US) Holdings DGP's principal location of business is at 1013 Centre Road, Wilmington, DE 19805, USA.

ASHTEAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2003

5. CALLED UP SHARE CAPITAL

	2003 Number	2002 Number	2003 £	2002 £
Authorised share capital				
Ordinary shares of £1 each	200,000,000	200,000,000	200,000,000	200,000,000
	=====	=====	=====	=====
Allotted called up and fully paid				
Ordinary shares of £1 each	3,000,003	2,000,002	3,000,003	2,000,002
	=====	=====	=====	=====

On 3 September 2002 the Company issued 1,000,001 Ordinary shares of £1 each at £65.919496 per share.

6. RESERVES

	Share Premium £	Profit & Loss account £	Total £
At 1 May 2002	99,160,000	38	99,160,038
Premium on shares issued	64,919,561	-	64,919,561
Retained profit for the year	-	10	10
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At 30 April 2003	164,079,561	48	164,079,609
	=====	=====	=====

7. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S FUNDS

	2003 £	2002 £
Profit for the year	10	14
Net proceeds of issue of ordinary share capital	65,919,562	-
	-----	-----
	65,919,572	14
Shareholders' funds at 1 May 2002/1 May 2001	101,160,040	101,160,026
	-----	-----
Shareholders' funds at 30 April 2003/30 April 2002	167,079,612	101,160,040
	=====	=====

8. TAXATION

No corporation tax charge arises in the year because for UK tax purposes 51% of the losses of Ashtead (US) Holdings DGP are treated as arising to the Company such that the Company has no profit chargeable to corporation tax.

The reconciliation between the £Nil tax charge for the year and that expected on the basis of the UK standard corporation tax rate of 30% is as follows:

	2003 £'000	2002 £'000
Expected tax credit based on the loss before taxation of £9,049,223 for the year (2002: £17,299,215) at the standard UK corporation tax rate of 30%	(2,715)	(5,190)
Group relief surrendered for no consideration	2,715	5,190
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Actual tax charge for the year	-	-
	=====	=====

ASSTEAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2003

9. ULTIMATE HOLDING COMPANY

The parent and ultimate holding company is Ashtead Group plc, a company registered in England. This company is also parent of the smallest and largest groups for which group accounts are prepared. Copies of the consolidated financial statements of Ashtead Group plc can be obtained from King's Court, 41-51 Kingston Road, Leatherhead, Surrey, KT22 7AP.