

ASSTEAD (US) HOLDINGS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
30 APRIL 2004
COMPANY REGISTRATION No 3061532



ASSTEAD (US) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2004

The directors present their report and the audited accounts of the Company for the year ended 30 April 2004.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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

RESULTS AND DIVIDENDS

The profit for the year after taxation is £13 (2003: £10).

The directors do not recommend the payment of a dividend (2003: £nil).

PRINCIPAL ACTIVITIES

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

SHARE CAPITAL

On 16 April 2004, 370,100 new Ordinary Shares of £1 each were issued at a premium of £54.69464015 per share to Ashtead Holdings plc.

DIRECTORS AND THEIR INTERESTS

The following persons acted as directors during the period:

G B Burnett
S I Robson
R Patel

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

The Company is a wholly owned subsidiary of Ashtead Group plc. The interests of G B Burnett and S I Robson, who are also directors of Ashtead Group plc, in the shares of that company are shown in that company's accounts. The interests of R Patel in Ashtead Group plc at 30 April 2004 were as follows:

Ordinary shares:

30 April 2004		30 April 2003	
Number of ordinary shares of 10p each		Number of ordinary shares of 10p each	
Beneficial	Non Beneficial	Beneficial	Non Beneficial
1,992	-	1,988	-

Interests in share options:

Options at 1 May 2003	Granted during the year	Options at 30 April 2004	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**DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2004** (continued)

Interests in share options (continued):

Options at 1 May 2003	Granted during the year	Options at 30 April 2004	Option price (p)	Earliest normal exercisable date	Expiry date
SAYE Schemes 24,029	-	24,029	24.270	May 2006	Oct 2006

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 2004 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The Company decided to appoint Deloitte & Touche LLP as auditors. Accordingly, PricewaterhouseCoopers LLP resigned on 23 March 2004 and Deloitte & Touche LLP was appointed by the directors on the same date. Deloitte & Touche LLP has expressed its willingness to continue in office and a resolution concerning its re-appointment and authorising the directors to fix its remuneration will be proposed at the Annual General Meeting.

By Order of the Board



E Watkins
Company Secretary

21 December 2004

ASHTEAD (US) HOLDINGS LIMITED

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

We have audited the financial statements of Ashtead (US) Holdings Limited for the year ended 30 April 2004 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

22 December 2004

ASSTEAD (US) HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2004

	2004	2003
	£	£
Interest receivable	<u>13</u>	<u>10</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>13</u>	<u>10</u>
PROFIT FOR THE FINANCIAL YEAR AND TRANSFERRED TO RESERVES	<u>13</u>	<u>10</u>

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 2004

	<u>Note</u>	<u>2004</u> £	<u>2003</u> £
FIXED ASSETS			
Investments	4	187,692,149	167,079,562
CURRENT ASSETS			
Amount due from Group companies	2	2	2
Cash at Bank	<u>1,061</u>	<u>1,048</u>	<u>1,050</u>
	1,063	1,050	
CURRENT LIABILITIES			
Amount due to Group companies	(1,000)	(1,000)	
NET CURRENT ASSETS		<u>63</u>	<u>50</u>
		<u>187,692,212</u>	<u>167,079,612</u>
CAPITAL AND RESERVES			
Called up share capital	5	3,370,103	3,000,003
Share premium account	6	184,322,048	164,079,561
Profit and loss account	6	<u>61</u>	<u>48</u>
TOTAL EQUITY			
SHAREHOLDERS' FUNDS	7	<u>187,692,212</u>	<u>167,079,612</u>

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

The financial statements were approved by the Board of Directors on 21 December 2004.



S I Robson
Director

ASSTEAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2004

1. ACCOUNTING POLICIES

Accounting basis

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom 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 held as fixed assets are stated at cost less 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. They did not receive any emoluments from Ashtead (US) Holdings Limited. 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 provided in Section 5 of FRS1 (revised) and has not prepared a cash flow statement.

The Company has taken advantage of the exemption provided in Section 3 of 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

	2004	2003
	£	£
Investment in partnership: Ashtead (US) Holdings DGP	<u>187,692,149</u>	<u>167,079,562</u>

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

	2004	2003
	US\$	US\$
Loss for the year	<u>24,970,989</u>	<u>27,793,567</u>
Accumulated capital and reserves at 30 April 2004	<u>424,365,302</u>	<u>375,415,514</u>

For illustrative purposes only, the loss for the year and accumulated capital and reserves translated at the year end would be £14,522,661 at the average exchange rate for the year of 1.71945 (2003: £17,743,595 at the average exchange rate for the year of 1.56640) and £239,294,746 at the year end exchange rate of 1.77340 (2003: £234,898,958 at the year end exchange rate of 1.59820) respectively.

The Company has a 51.029% (2003: 51.029%) 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 2004

5. CALLED UP SHARE CAPITAL

	2004 Number	2003 Number	2004 £	2003 £
Authorised share capital				
Ordinary shares of £1 each	<u>250,000,000</u>	<u>200,000,000</u>	<u>250,000,000</u>	<u>200,000,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>3,370,103</u>	<u>3,000,003</u>	<u>3,370,103</u>	<u>3,000,003</u>

On 16 April 2004, 370,100 new Ordinary Shares of £1 each were issued at a premium of £54.69464015 per share to Ashtead Holdings plc.

6. RESERVES

	Share premium £	Profit & loss account £	Total £
At 1 May 2003	164,079,561	48	164,079,609
Premium on shares issued	20,242,487	-	20,242,487
Retained profit for the year	-	13	13
At 30 April 2004	<u>184,322,048</u>	<u>61</u>	<u>184,322,109</u>

	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
At 30 April 2003	<u>164,079,561</u>	<u>48</u>	<u>164,079,609</u>

7. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S FUNDS

	2004 £	2003 £
Profit for the year	13	10
Net proceeds of issue of ordinary share capital	<u>20,612,587</u> 20,612,600	<u>65,919,562</u> 65,919,572
Shareholders' funds at 1 May 2003/1 May 2002	<u>167,079,612</u>	<u>101,160,040</u>
Shareholders' funds at 30 April 2004/30 April 2003	<u>187,692,212</u>	<u>167,079,612</u>

ASHTeAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2004

8. TAXATION

No corporation tax charge arises in the year because for UK tax purposes 51.029% 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% (2003: 30%) is as follows:

	2004 <u>£'000</u>	2003 <u>£'000</u>
Profit on ordinary activities before tax	—	—
Tax on ordinary activities at the standard UK corporation tax rate of 30% (2003: 30%)	-	-
Expected tax credit based on the loss before taxation of £7,410,756 for the year, (2003: £9,049,223) reflecting 51.029% of the Ashtead (US) Holdings DGP loss, at the standard UK corporation tax rate of 30% (2003: 30%)	(2,223)	(2,715)
Group relief surrendered for no consideration	<u>2,223</u>	<u>2,715</u>
Actual tax charge for the year	<u>—</u>	<u>—</u>

9. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The ultimate parent and ultimate holding company is Ashtead Group plc, a company registered in England. The smallest group for which group accounts are prepared is Ashtead Holdings plc. The largest group for which group accounts are prepared is Ashtead Group plc. 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.