

Ashtead (US) Holdings Limited

Directors' Report and Accounts

30 April 2006

Company Registration No 3061532

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ASHTEAD (US) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2006

The directors present their report and the audited accounts of the Company for the year ended 30 April 2006.

Review of the business and future developments

The Company is an intermediary holding company within the Ashtead Group. The Company's only sources of income were interest from cash on deposit and dividends received from subsidiaries.

Results and dividends

The profit for the year after taxation is £14,292 (2005: £22).

The directors do not recommend the payment of a dividend (2005: £nil).

Principal activities

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

Directors and their interests

The directors who served throughout the year were:

G B Burnett (resigned 31 December 2006)

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 2006 were as follows:

Ordinary shares:

30 April 2006		30 April 2005	
Number of ordinary shares of 10p each		Number of ordinary shares of 10p each	
Beneficial	Non beneficial	Beneficial	Non beneficial
14,741	-	1,992	-

ASSTEAD (US) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2006 (continued)

Interests in share options:

Options at 1 May 2005	Exercised during the year	Options at 30 April 2006	Market price at date of exercise (p)	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)	-	223.75	101.840	Mar 2003	Mar 2010
12,500	(12,500)	-	223.75	124.500	Feb 2004	Feb 2011
20,000	(20,000)	-	107.00	41.500	Feb 2005	Feb 2012
SAYE schemes						
24,029	-	24,029	-	24.270	May 2006	Oct 2006
10,792	-	10,792	-	30.740	Oct 2007	Mar 2008

At 30 April 2006 Mr R Patel also held conditional awards of 11,013 shares (30 April 2005: nil) under the Group's Performance Share Plan.

Statement of directors' responsibilities

United Kingdom 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 at the end of the financial year 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 2006 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.

ASSTEAD (US) HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2006 (continued)

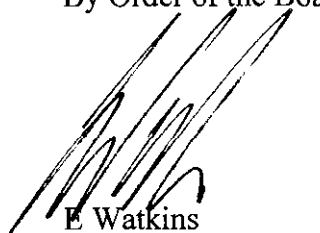
Each of the directors as at the date of approval of this report confirm, as required by Section 234 of the Companies Act 1985, that to the best of their knowledge and belief:

- 1) there is no significant information known to the director relevant to the audit of which the Company's auditors are unaware; and
- 2) each director has taken reasonable steps to make himself aware of such information and to establish that the Company's auditors are aware of it.

Auditors

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

25 January 2007

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 2006 which comprise the profit and loss account, the balance sheet, and the related notes 1 to 11. 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

ASSTEAD (US) HOLDINGS LIMITED

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs at 30 April 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deloitte Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

25 January 2007

ASHTEAD (US) HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2006

	<u>2006</u> £	<u>2005</u> £
Dividend received from subsidiary company	14,286	-
Interest income	<u>6</u>	<u>22</u>
Profit on ordinary activities before and after taxation	<u>14,292</u>	<u>22</u>
Profit for the financial year transferred to reserves	<u>14,292</u>	<u>22</u>

The 2006 and 2005 results are derived from continuing operations.

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 8 to 10 form part of these financial statements.

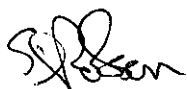
ASSTEAD (US) HOLDINGS LIMITED

BALANCE SHEET AS AT 30 APRIL 2006

	<u>Note</u>	<u>2006</u> £	<u>2005</u> £
Fixed assets			
Investments	6	36,730	187,692,149
Current assets			
Amount due from parent company	187,655,510	2	
Amount due from subsidiary company	14,286	-	
Cash at bank	-	<u>1,083</u>	
	187,669,796	1,085	
Current liabilities			
Amount due to Group companies	-	(1,000)	
Net current assets		<u>187,669,796</u>	<u>85</u>
		<u>187,706,526</u>	<u>187,692,234</u>
Capital and reserves			
Called up share capital	7	3,370,103	3,370,103
Share premium account	8	184,322,048	184,322,048
Profit and loss account	8	<u>14,375</u>	<u>83</u>
Total equity			
shareholders' funds	9	<u>187,706,526</u>	<u>187,692,234</u>

The notes on pages 8 to 10 form part of these financial statements.

The financial statements were approved by the Board of Directors on 25 January 2007.



S I Robson
Director

ASSTEAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2006

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 and UK company law.

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

Mr Burnett and Mr Robson were also directors of the ultimate holding company throughout this year and the prior 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 in either year.

No emoluments were paid to Mr Patel during the year in respect of his services as a director of the Company (2005 - £nil).

3 Cashflow statement and related party disclosures

The Company has taken advantage of the exemption provided in Section 5 of FRS 1 (revised) and has not prepared a cash flow statement.

The Company has taken advantage of the exemption provided in Section 3 of FRS 8 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 FRS 8.

4 Employee information

The Company had no employees in either the current financial year or the previous financial year.

5 Remuneration of auditors

The audit fee was paid by the ultimate parent company in both the current financial year and the previous financial year.

ASSTEAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2006

6 Investments

	<u>2006</u> £	<u>2005</u> £
Investments at cost	<u>36,730</u>	<u>187,692,149</u>

On 26 July 2005, the Company assigned an interest of 51.09% in Ashtead (US) Holdings DGP to its immediate parent company, Ashtead Holdings plc, for £187,655,419. The Company therefore retained an interest of 0.01% in Ashtead (US) Holdings DGP. No gain or loss arose on this transaction.

Following the merger of Ashtead (US) Holdings DGP into Ashtead Holdings LLC, the Company has an interest of 0.01% in Ashtead Holdings LLC.

7 Called up share capital

	<u>2006</u> Number	<u>2005</u> Number	<u>2006</u> £	<u>2005</u> £
Authorised share capital				
Ordinary shares of £1 each	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>	<u>250,000,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>3,370,103</u>	<u>3,370,103</u>	<u>3,370,103</u>	<u>3,370,103</u>

8 Reserves

	<u>Share premium</u> £	<u>Profit & loss account</u> £	<u>Total</u> £
At 1 May 2005	184,322,048	83	184,322,131
Retained profit for the year	—	<u>14,292</u>	<u>14,292</u>
At 30 April 2006	<u>184,322,048</u>	<u>14,375</u>	<u>184,336,423</u>
At 1 May 2004	184,322,048	61	184,322,109
Retained profit for the year	—	<u>22</u>	<u>22</u>
At 30 April 2005	<u>184,322,048</u>	<u>83</u>	<u>184,322,131</u>

ASHTEAD (US) HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 30 APRIL 2006

9 Reconciliation of movement in equity shareholders' funds

	<u>2006</u> £	<u>2005</u> £
Profit for the year	14,292	22
Opening shareholders' funds	<u>187,692,234</u>	<u>187,692,212</u>
Closing shareholders' funds	<u>187,706,526</u>	<u>187,692,234</u>

10 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% (2005: 30%) is as follows:

	<u>2006</u> £	<u>2005</u> £
Profit on ordinary activities before tax	<u>14,292</u>	<u>22</u>
Expected tax charge on profit on ordinary activities at the standard UK corporation tax rate of 30% (2005: 30%)	4,287	7
Tax credit based upon the loss before taxation of £858,381 (2005: £4,864,475) reflecting 51.029% of the Ashtead (US) Holdings DGP loss of £1,682,143 (2005: £9,532,765), at the standard UK corporation tax rate of 30% (2005: 30%)	(257,514)	(1,459,343)
Income not chargeable to corporation tax	(4,286)	-
Group relief surrendered for no consideration	<u>257,513</u>	<u>1,459,336</u>
Actual tax charge for the year	<u>-</u>	<u>-</u>

11 Ultimate holding company and controlling party

The ultimate parent and ultimate holding company is Ashtead Group plc, a company incorporated in Great Britain. 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.