

**Ashtead (US) Holdings Limited**  
**Directors' Report and Accounts**  
**30 April 2010**

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## **ASSTEAD (US) HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2010**

The directors present their annual report together with the audited financial statements for the year ended 30 April 2010

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

#### **Review of developments**

The Company has been dormant within the meaning of Section 1169 of the Companies Act 2006 throughout the year. It is anticipated that the Company will remain dormant for the foreseeable future.

#### **Income statement and dividends**

No income statement is presented with these financial statements because the Company has not received any income or incurred any expenditure during either the year under review or the preceding accounting period. There were no other items of comprehensive income during the year under review or in the preceding accounting period.

No dividend was declared by the Company during the year (2009 £183,582,798)

#### **Directors**

The directors who served during the year and subsequently were

SI Robson  
MR Pratt

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

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRS as adopted by the European Union and the Companies Act 2006. These financial statements have been prepared on the going concern basis as it is the directors' intention that the Company will remain dormant for the foreseeable future.

Under company law the directors must not approve the accounts unless they are satisfied that they 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. IAS 1, Presentation of Financial Statements, requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the representation of the effects of transactions, as well as other events and conditions, in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's Framework for the Preparation and Presentation of Financial Statements. In virtually all

## **ASSTEAD (US) HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2010 (continued)**

#### **Statement of directors' responsibilities (continued)**

circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and which 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 2006. They are also responsible for safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors and directors' insurance**

Each of the directors as at the date of approval of this report confirm, as required by Section 418 of the Companies Act 2006, that to the best of their knowledge and belief

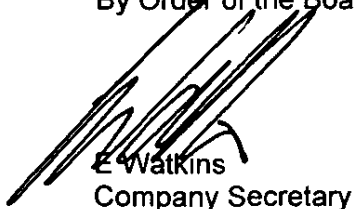
- 1) there is no significant information known to the director relevant to the audit of which the Company's auditors are unaware, and
- 2) each director has taken reasonable steps to make himself aware of such information and to establish that the Company's auditors are aware of it

The Company has maintained insurance throughout the year to cover all directors against liability in relation to the Company.

#### **Auditors**

Deloitte LLP has expressed its willingness to continue in office and, in accordance with Section 489 of the Companies Act 2006, a resolution concerning its reappointment 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

8 September 2010

## **ASHTEAD (US) HOLDINGS LIMITED**

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

We have audited the financial statements of Ashtead (US) Investments Limited for the year ended 30 April 2010 which comprise the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs at 30 April 2010 and of its result for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Separate opinion in relation to IFRSs as issued by the IASB**

As explained in note 1 to the financial statements, the Company in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **ASSTEAD (US) HOLDINGS LIMITED**

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

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

*Edward Hanson*

Edward Hanson (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

8 September 2010

## BALANCE SHEET AT 30 APRIL 2010

	<u>Notes</u>	<u>2010</u> £	<u>2009</u> £
<b>Current assets</b>			
Amount due from parent undertaking	5	<u>1</u>	<u>1</u>
<b>Equity</b>			
Share capital	6	<u>1</u>	<u>1</u>

The financial statements were approved by the Board of Directors on 8 September 2010



SI Robson  
Director

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2010

	<u>Share capital</u> £	<u>Share premium account</u> £	<u>Retained reserves</u> £	<u>Total</u> £
At 1 May 2008	3,370,103	184,322,048	(4,109,352)	183,582,799
Reduction of capital	(3,370,102)	(184,322,048)	187,692,150	-
Dividends paid	-	-	(183,582,798)	(183,582,798)
At 30 April 2009 and 2010	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

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

## **ASHTEAD (US) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2010**

#### **1 Accounting policies**

##### Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly, the Company complies with all IFRS, including those adopted for use in the European Union. The financial statements have been prepared under the historical cost convention. This is the first year that the Company has presented its financial statements under IFRS. No adjustments arose as a result of the adoption of IFRS. The last financial statements under UK GAAP were for the year ended 30 April 2009 and the date of transition to IFRS is therefore the beginning the comparative period, 1 May 2008. A summary of the more important accounting policies, which have been applied consistently, is given in the following paragraphs.

During the year, the Company adopted the following new standards, amendments to standards and interpretations:

- IFRS 1 (revised) First time adoption of IFRS,
- IFRS 3 (revised) Business combinations,
- Amendments to IFRS 1 Additional exemptions for first-time adopters,
- Amendment to IFRS 1 Limited exemption from comparative IFRS 1 disclosure for first-time adopters,
- Amendments to IFRS 2 Group cash-settled share-based payment transactions,
- Amendment to IFRS 7 Improving disclosures about financial instruments,
- IAS 1 (revised) Presentation of financial statements,
- IAS 24 (revised) Related party disclosures,
- Amendments to IAS 27 Consolidated and separate financial statements,
- Amendment to IAS 32 Financial instruments presentation classification of rights issues,
- Amendment to IAS 39 Reclassification of financial assets effective date and transition,
- Amendment to IAS 39 Financial instruments recognition and measurement eligible hedged items,
- Amendment to IFRIC 9 and IAS 39 Embedded derivatives,
- Amendment to IFRIC 14 Prepayments of a minimum funding requirement,
- IFRIC 15 Agreements for the construction of real estate,
- IFRIC 16 Hedges of a net investment in a foreign operation,
- IFRIC 17 Distributions of non-cash assets to owners,
- IFRIC 18 Transfers of assets from customers,
- IFRIC 19 Extinguishing financial liabilities with equity instruments, and
- Improvements to IFRSs (April 2009)

The adoption of these new standards, amendments to standards and interpretations has had no impact on the results or financial position of the Company.

#### **2 Statement of cash flow**

The Company has not prepared a statement of cash flow as there have been no movements in cash during the year under review or in the preceding year.

## ASSTEAD (US) HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2010 (continued)

#### 3 Directors' emoluments

SI Robson was also a director of the ultimate holding company throughout this year and the prior year. The emoluments receivable in respect of his services to that company are shown in that company's accounts. Neither SI Robson nor MR Pratt received any emoluments in respect of their services as directors of Ashtead (US) Holdings Limited in either year.

#### 4 Remuneration of auditors

The audit fee of £500 was paid by Ashtead Group plc, the ultimate parent company (2009 £500).

#### 5 Amount due from parent undertaking

	<u>2010</u> £	<u>2009</u> £
Ashtead Holdings PLC	<u>1</u>	<u>1</u>

In the opinion of the directors the carrying amounts of the receivable is a reasonable approximation of fair value.

#### 6 Share capital

	<u>2010</u> Number	<u>2009</u> Number	<u>2010</u> £	<u>2009</u> £
Ordinary shares of £1 each				
Authorised	<u>246,629,898</u>	<u>246,629,898</u>	<u>246,629,898</u>	<u>246,629,898</u>
Allotted, called up and fully paid	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 7 Contingent liabilities

The Company is a joint guarantor of bank and other borrowing facilities of other Group undertakings under the Group's first priority secured credit facility. At 30 April 2010 the total amount borrowed under these facilities by the Company and others was £384.8m (30 April 2009 £505.7m). In addition, the Group is able to obtain letters of credit under these facilities, which totalled £19.1m at 30 April 2010 (2009 £21.3m). The Company has also guaranteed the 8.625% second priority senior secured notes with a par value of \$250m (£163.3m) and the 9% second priority senior secured notes with a par value of \$550m (£359.3m), issued by Ashtead Holdings PLC and Ashtead Capital, Inc, respectively.

#### 8 Ultimate holding company and controlling party

The Company's ultimate parent, controlling party and ultimate holding company is Ashtead Group plc, a company incorporated and registered in England and Wales and the immediate parent company is Ashtead Holdings PLC, a company registered in England and Wales. The smallest group which includes the accounts of the Company 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 Kings House, 36-37 King Street, London, EC2V 8BB.



## **ASSTEAD (US) HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2010 (continued)**

#### **9 New accounting standards**

The Company has not adopted early the following pronouncements, which have been issued by the IASB or the International Financial Reporting Interpretations Committee ('IFRIC'), but have not yet been endorsed for use in the EU

IFRS 9 - Financial instruments was issued on 12 November 2009 and is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The IASB has issued this standard as the first step in its project to replace IAS 39 - Financial instruments: recognition and measurement. IFRS 9 has two measurement categories being amortised cost and fair value. All equity and debt instruments are to be measured at fair value with the exception of a debt instrument being measured at amortised cost if it is being held by the entity to collect contractual cash flows and the cash flows represent principal and interest. The requirement to separate embedded derivatives from financial assets within hybrid contracts has been removed with them being classified in their entirety at either amortised cost or fair value. Two of the existing three fair value option criteria being 'loans and receivables' and 'held-to-maturity investments' measured at amortised cost will become obsolete under this fair value driven business model. The EU has currently postponed its endorsement of this standard as its IFRS technical advisory body, the European Financial Reporting Advisory Group ('EFRAG') has decided that more time should be taken to consider the output from the entire package of standards that are expected to replace IAS 39 - Financial instruments. The Company is currently assessing the impact and expected timing of adoption of this standard on the Company's results and financial position.

Improvements to IFRSs (2010) was issued in May 2010 and its requirements are effective over a range of dates, with the earliest effective date being for annual periods beginning on or after 1 January 2011. This comprises a number of amendments to IFRSs, which resulted from the IASB's annual improvements project. The Company does not believe the adoption of these amendments will have a material impact on the results or financial position of the Company.