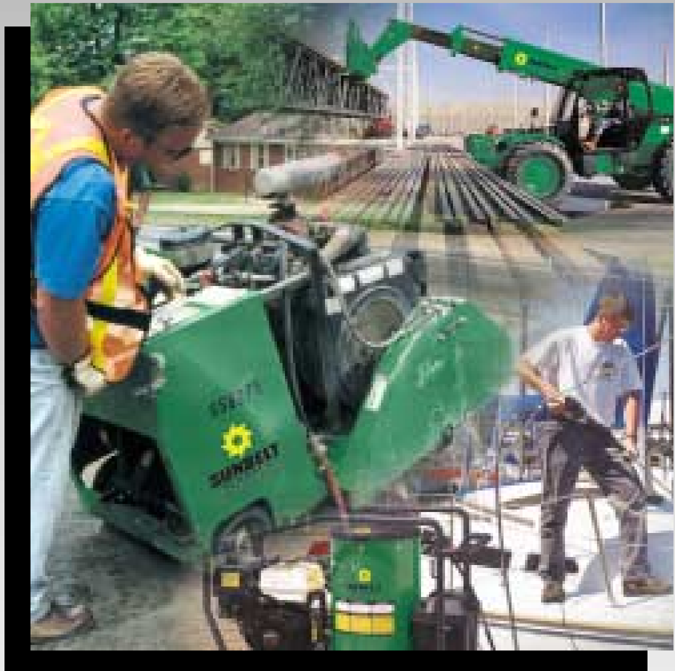

ASHTEAD GROUP PLC

ANNUAL REPORT & ACCOUNTS 2001

The integration within a matter of three months of the acquired BET USA business with our existing Sunbelt operations, which more than doubled the size of our US business, will enable us to pursue our objective of increasing our 2% market share and improving on our fifth place in this growing $23 billion US market. In the UK we need to recover from this year's setback with controlled investment and management in a difficult market. Adjusted Group profits are up for the ninth successive year and, to reflect the Board's confidence in the future prospects of the Group, the dividend for the year has been increased by 11%.

Peter Lewis
31 July 2001

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Financial Highlights

The results for the year, expressed in accordance with all currently applicable accounting standards including FRS 3 and FRS 18 are as follows:

	2000/01	1999/00
	£m	£m
Revenues	**552.0**	302.4
EBITDA	**190.8**	124.3
Operating profit	**69.0**	57.1
Profit before tax	**11.9**	46.2
Earnings per share	**7.0p**	12.8p

The directors consider that the underlying performance of the business is best described by the following adjusted figures that exclude non-recurring and non-cash items associated with the BET USA acquisition:

	Previous accounting basis			New accounting basis under FRS 18		
	2000/01	1999/00	Increase	**2000/01**	1999/00	Increase
	£m	£m	%	**£m**	£m	%
Adjusted EBITDA*	**210.9**	127.3	66	**205.6**	124.3	65
Adjusted operating profit*	**99.7**	59.4	68	**91.1**	57.5	58
Adjusted profit before tax*	**58.9**	48.5	21	**50.3**	46.6	8
Adjusted earnings per share*	**21.6p**	13.5p	60	**18.9p**	12.9p	47
Dividends per share	**3.50p**	3.16p	11	**3.50p**	3.16p	11

** before exceptional BET USA integration and financing costs, non-recurring salary costs paid to redundant former BET USA staff and the non-cash items of goodwill and convertible loan interest amortisation. A full reconciliation between adjusted profits and profits under FRS 3 is given on page 14.*

ASHTEAD GROUP PLC

CHAIRMAN'S REPORT

Your Group has steadily built a growing presence in America since it began its activities there 11 years ago. It has been the strategic goal of your management for more than three years to secure a larger share of the market by a quality acquisition to supplement our organic growth.

Dear Owner,

This was arguably the most important 12 months in your Group's 17 year history. As a result of the acquisition in June 2000 of BET USA from Rentokil Initial your Group has practically doubled in size. By this transaction, Ashtead realised its long held strategic plan of a substantial presence in the growing, but still underdeveloped, US market to add to its established leadership in the UK. The prompt integration programme represented management's biggest test to date. The successful merger of BET USA with Sunbelt is a welcome reaffirmation of the appeal and robustness of our unique business model.

In the light of the acquisition of BET USA and the subsequent increase in the scale of the business, the Board has chosen to adopt early the new Financial Reporting Standard (FRS 18) and as a result has conducted a full review of all of its accounting practices. Whilst this makes an already complex set of accounts more complicated it provides a consistent basis for future reporting.

For the year just ended adjusted profits before tax on the previous accounting basis were £58.9m, on the revised FRS 18 basis £50.3m and on a pre-tax basis under FRS 3 and FRS 18 £11.9m. Further details of the effects of adopting FRS 18 are included in the accompanying financial review. Your directors consider that the underlying performance of the business is best described in the adjusted figures that exclude non-recurring and non-cash items associated with the BET USA acquisition. Subsequent references in this commentary are to the adjusted figures on the post FRS 18 basis.

Group review

Following the acquisition of BET USA revenue increased 83% to £552.0m (£302.4m). Adjusted EBITDA, arguably the most important result for a rental company, rose 65% to £205.6m (£124.3m) with adjusted operating profit up 58% to £91.1m (£57.5m). Adjusted earnings per share were 47% higher at 18.9p (12.9p). Your directors are recommending an increased final dividend (the twelfth consecutive period it has been raised) of 2.88p making a total for the year of 3.5p - up 11% - to reflect their confidence in the future progress of the enlarged Group.

There has been a significant change in the scale of your Group. This year's revenue was more than double that of two years ago; adjusted EBITDA for the year was greater than revenue of three years ago and adjusted operating profit has more than doubled in the same period.

Sunbelt

Your Group has steadily built a growing presence in America since it began its activities there 11 years ago. It has been the

The installation of a 75kVA power pack by A-Plant providing emergency electricity supplies to rural communities

strategic goal of your management for more than three years to secure a larger share of the market by a quality acquisition to supplement our organic growth. BET USA has proved to be the ideal vehicle to add to the largely home-grown Sunbelt business. Your Group enjoys a significant advantage over its US competitors in that, prior to more than doubling the size of its US business with this purchase, it had already established a unique operating culture in the industry.

Our approach of a highly devolved management style with emphasis on the local profit motive in which all staff participate in the monthly paid profit share programme is firmly rooted in Sunbelt. Thus, it was possible to extend quickly our "personal responsibility/personal reward" ethos to BET USA despite it having been run as three separate businesses under successive previous owners. The successful integration of BET USA into Sunbelt in 70 days is a testimony to local management's strength in depth.

There continues to be a fundamental and growing demand for the rental option, which accounts for an estimated 20-25% of US product usage compared with 75-80% in the more mature UK market. In a slowing US economy, rental may achieve yet greater prominence and Sunbelt's integrated business is set to increase its current 2% share of the US$23 billion market. Good progress was made in raising BET USA margins towards the levels historically earned by Sunbelt.

Sunbelt performed strongly, with operating profits rising to £62.4m (£21.4m), as the rate of growth in the US economy slowed. The core Sunbelt locations achieved strong like for like revenue growth of 20% in US dollars with the total core business (including recently opened locations) growing 51% overall.

A-Plant

The results of A-Plant this year were a setback. EBITDA was broadly unchanged year on year at £75.2m (£74.3m) but, due to the increased depreciation charge, operating profits declined 25% to £25.1m, the first reduction in A-Plant's operating profits since 1992. The UK market also continues to be competitive. The attempts of last October to achieve a much needed price rise met with some success. However business levels were held back by the rigours of exceptionally wet weather resulting in lower construction activity and the ripple effect from the prolonged foot and mouth epidemic.

With hindsight it was a mistake to invest so heavily in the early part of the year in an attempt to pre-empt market positions. However, capital expenditure in the current year will be much less as a result of last year's expenditure. Looking forward, the principal features of the UK market are likely

Ashtead Technology Rentals is probably the only rental company in North America supplying instruments for cleanroom performance testing

ASHTEAD GROUP PLC

for some time to be continued rationalisation among competitors but with sustained demand for the rental product. Whilst these structural changes in the market take place, your management are resolved to restrict future cost growth and capital investment until conditions exist to provide a better return on capital.

Ashtead Technology

Ashtead Technology has continued its recovery from the impact of the low oil prices of two years ago. Operating profits rose 44% to £3.6m. After a period of difficult trading conditions, North Sea activity is greater in the UK sector but less buoyant in the Norwegian area. South East Asia is already showing increased demand and confidence has at last returned to the offshore market in America. With the acquisition of Response Rentals last October, Ashtead Technology became a major participant in the environmental products rental market in the United States. This new range offers attractive development opportunities in many of the other markets served.

Financial

Net cash inflow from operating activities before exceptional BET USA integration costs rose by 55% to a record £173.0m (£111.4m).

Exceptional integration costs at £12.3m were somewhat higher than the £10m estimate we gave when the BET USA acquisition was announced in April 2000. The majority of the expenditure was for rebranding the BET USA product range (£8.9m). The total also includes staff redundancy and office closure costs of £1.2m and other one-off costs of £2.2m. No further integration costs are anticipated.

Consistent with previous years, the sale of retired assets generated a profit over book value of £6.8m (£6.0m).

The tax credit of £10.9m comprises a credit of £1.2m in respect of current tax and a credit of £9.7m relating to deferred tax. The current tax credit arises because no tax is due in respect of the current year and due to a reduction in the level of the required provisions for previous years. The deferred tax credit arises partly in the US where unused tax losses carried forward eliminate any potential deferred tax liability and partly in the UK where the potential deferred tax liability is lower than in the previous year.

Staff

Every member of staff makes his or her unique contribution to our success. Monthly paid profit share was earned by staff at all levels in the amount of £13.2m (£5.9m) reflecting the profits they generated. We are pleased for them and hope they make more each year.

A portable diesel air compressor and pneumatic demolition tool

Current and future trading

Overall the year has begun in line with expectations with Group revenues in May and June up 29%. In the same period, on a like for like basis, Sunbelt's same store revenues grew by 10%, A-Plant's grew by 2% and Ashtead Technology's by 28%.

The Group's objectives for the current year are to continue to grow the Sunbelt Profit Centre network with around 30 new branch openings this year. A-Plant will concentrate on improving its operating efficiencies. Both companies will place focus on increasing returns on capital employed. Capital expenditure will reduce significantly year on year. Ashtead Technology is expected to continue its progress of the last twelve months.

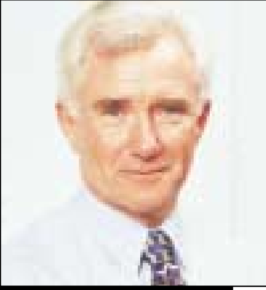
The Group cannot be immune from macro-economic conditions in the UK and USA. However, current trading levels and the long term opportunities for growth in the Group's US markets result in an expectation of a satisfactory outcome for the current year and optimism about the Group's future prospects.

My retirement

It was announced with the preliminary results that I have chosen to retire at the end of July 2001. In my 61st year and after more than 17 years as your Chairman, almost all in an executive capacity, I decided it was the right time to step down.

We have come a long way since we started in May 1984 with five branches and revenues of less than £2m. Ashtead is now one of the largest companies of its kind in the world. I want to thank all stakeholders in the Company: staff, shareholders, customers, suppliers and advisers for their unstinting support over nearly two decades. To this "A-team" goes the credit for our success. I wish the Group and everyone associated with it and, of course, my successor, Henry Staunton, many more triumphs in the future.

Peter Lewis
Chairman
31 July 2001



The year just ended saw a significant change of scale and focus in your Group with turnover rising by 83% to £552.0m and the original cost of our rental fleet approximating £1 billion. We also became the fifth largest equipment rental company in the United States where Sunbelt now provides 68% of our adjusted operating profits compared with 37% a year ago.

Results

After what has in many ways been one of the most challenging years for your Group, it is pleasing to report strong adjusted earnings per share performance (up 47%) and an enhanced competitive position in each of our markets. As usual, our detailed seven-year record is shown at the end of this Annual Report (page 63) and you will note consistent year on year growth in all important measures.

Nevertheless, it is the recent past and future opportunities on which I shall be concentrating in this report. The year just ended saw a significant change of scale and focus in your Group with turnover rising by 83% to £552.0m and the original cost of our rental fleet approximating £1 billion. We also became the fifth largest equipment rental company in the United States where Sunbelt now provides 68% of our adjusted operating profits compared with 37% a year ago.

The US Market

Sunbelt trebled in size last year. This was the result not only of the acquisition of BET USA from Rentokil on 1 June 2000, but also of strong organic growth from the core Sunbelt business reflecting in part the opening of 22 Profit Centres in the previous year. However, I am pleased to report that, when these too are excluded, our like-for-like revenue growth rate (measured in US dollars) was 20% demonstrating the strength of our profit centre model, with its focus on profit share based on local performance, and of our US management team. It is to their credit that they integrated our largest ever acquisition in less than three months while maintaining the above-mentioned growth in the original Sunbelt businesses. It is worth noting that the integration was effectively of three cultures into Sunbelt as we inherited through BET USA three different regional businesses with different trading names and management styles. For this reason, it was doubly important that change was made and made quickly.

Sunbelt's 2000/01 results were achieved amid increasing concerns about the strength of the US economy. In this context, Sunbelt's second half performance, which showed an increase on the first half, is very encouraging. As many of our competitors are financially constrained following their significant acquisition activity over the past 3-4 years, we believe this offers Sunbelt an opportunity to increase its market share, which currently stands at only 2%.

The measured build-up of our US operations, almost entirely by greenfield openings over more than a decade prior to the BET USA acquisition, has stood us in good stead. The new financial year has also started well with same store revenues up 10% in the two months to end June and our strategy over the next year and beyond is to resume our

Two skid-steer loaders removing silt from the spillway of a dam in North Carolina

opening programme on our new enlarged geographical base at the rate of 30 Profit Centres a year.

Currently only 20-25% of manufactured product - it was only 5% a few years ago - is distributed through rental in the USA compared with approximately 80% in the UK and in Japan. Yet the US rental market, estimated at $23bn, is already almost seven times the size of the UK market and is set to grow substantially. Hence, Sunbelt's opportunity is to take a growing share of a potentially very large market.

The UK Market

Highly competitive conditions have characterised the UK market in which A-Plant trades. We have seen significant changes in that our largest competitor has become the subsidiary of Caterpillar's UK distributor while another public company, once the UK's leading non-operated equipment rental company, has sold off its fleet and abandoned the general equipment market.

As noted in our interim statement, it was in anticipation of increasing consolidation that A-Plant invested in its rental fleet at the beginning of the past financial year. In practice, although many companies have been put up for sale, much consolidation is still to take place. Against this background, it was decided to limit capital expenditure in the second half - £9m was spent compared with £58m in the first half. The general strategy is to improve returns on invested capital by controlling costs, raising prices wherever possible and making our existing assets "sweat". To this end, price increases were put in place at the beginning of the second half with reasonable success, despite some sacrifice of volume, with the net effect that revenues increased by 7% for the year as a whole compared with 5% in the first half.

Although full year adjusted operating profits were 25% down on the previous year, A-Plant's second half performance gives modest grounds for optimism given the extremely difficult trading conditions in a year which included the effects of a fuel strike, the foot and mouth epidemic and the wettest weather since records began in many parts of the country.

In the coming year, the drive will be to improve returns on invested capital. As a much more mature business than Sunbelt, it is anticipated that A-Plant will be cash positive in the coming year. It is also a year in which the drive will be to reap the benefits, in terms of customer satisfaction, flowing from our significant investment in IT and our national training centre.

Our scale as a market leader in both the UK and the USA and the ownership of our major UK competitor indirectly by a manufacturer

A-Plant Rentarc and A-Plant Power Generation supply a wide range of electrical power production equipment

have strengthened our competitive position vis-a-vis our suppliers, many of whom are themselves market leaders in both countries. The number of these major vendors and the brand range of product they supply are important to us as we continue to enter into long term agreements with major national and regional customers. At the same time, we will seek to supplement this competitive advantage with strong support for local customers through our decentralised profit centre structure.

Offshore & Environmental Markets

The past year has also seen a change of scale in Ashtead Technology, again through the acquisition of an American rental company. Its move into a wide range of environmental equipment takes us into an area which promises excellent growth, as we further develop its product ranges and introduce them to existing Ashtead Technology businesses in Europe and SE Asia.

In the year just ended we saw a consistently good performance in Singapore, a greatly improved second half in Houston and a slow market remaining in Aberdeen. However, the North Sea market has now started to improve and, as we enter our new fiscal year, our Ashtead Technology businesses are trading well - with the offshore business alone growing 28% in the two months to the end of June. I therefore look forward to an enhanced profit contribution from this cash generative business in the coming year.

Outlook

In the UK we expect competitive conditions to continue, resulting in the demise of a number of players through consolidation and downsizing. On the other hand, benefits should accrue from added value offered to customers through our extranet facility and a new sales development programme currently being put in place. Despite some recent concerns for the economy at large, forecasts for what remains A-Plant's largest customer base, the construction industry, together with significant planned increases in public spending, suggest a relatively sound trading environment and it is inconceivable (surely!) that the same combination of weather and disease will affect the current year as it did the last. We are looking, therefore, for concentration on delivery of improved returns from your A-Plant management team, who have worked enormously hard on your behalf in the past year in very trying conditions.

In the United States the dominant economic theme is the degree, if any, to which a full scale recession should be anticipated. To the extent that there is uncertainty, customers faced with equipment buying decisions will be more inclined to rent; to the extent that the market can currently be gauged, we are not experiencing recessionary conditions but we are outperforming our competitors; to the extent there is a future downturn, our

operating history, including our management in the worst-ever UK recession of the early 1990s which resulted in a significantly increased market share, should provide us with some competitive advantage.

We are not recession proof, but we believe we are recession resistant. During the last US recession there was no reduction in the size of the rental market and a very significant subsequent increase. Our aim is for good like-for-like increases in the core Sunbelt business, improved margins from the ex BET USA business as the profit share culture continues to take hold, and managed growth, substantially from new openings, as we increase the number of US Profit Centres from 163 at year end to a little over 200.

Finally, as I have previously indicated, we believe Ashtead Technology will be enjoying good trading conditions in the coming year as increased levels of investment follow the sustained rise in oil prices from the $10 a barrel level of two years ago.

George Burnett,
Chief Executive
31 July 2001

Top: Sunbelt Rentals and A-Plant offer a wide range of non-mechanical plant such as acrow props and equipment, scaffolding and access towers

Bottom: A-Plant's anti-vandal security units provide safe storage on site

Completion of the BET USA transaction required a complete restructuring of the Group's finances. On 1 June 2000, or shortly thereafter, all of the Group's existing debts were repaid and replaced with drawings under the new $825m committed secured loan facility which was also utilised to finance the cash element of the consideration.

Adoption of FRS 18

The Group has adopted early the new Financial Reporting Standard number 18 (FRS 18) in its accounts for the year ended 30 April 2001. Adoption of FRS 18 required a full review of all the Group's accounting policies and estimation techniques (the latter being the methods by which accounting policies are implemented). This review was conducted in accordance with FRS 18 which requires that, where a choice of treatment is available, the "most appropriate" accounting policies and estimation techniques shall be used. Implementation of FRS 18 had effect in the following three areas:

Accounting policy changes

Contributions received from equipment vendors to the Group's selling and marketing expenses were previously accounted for as a reduction in the costs to which they related (and thus as a credit to operating profit). Although the prices the Group pays for its rental equipment have generally not increased and in very many cases have decreased since these arrangements were first established some five years ago, it has now been decided instead to treat the amounts received as a reduction in the value of the rental equipment acquired in the period to which they relate. This change in treatment has been implemented retrospectively as required by FRS 18 with a prior year adjustment made to fixed assets and to reserves.

Stationery used in the UK is now accounted for by writing off to operating costs the cost of stationery ordered and delivered in the period rather than the estimated amount of stationery consumed. This change in treatment has, as required by FRS 18, been implemented retrospectively with a prior year adjustment to eliminate the balance of £0.5m for year end stationery holdings previously included in debtors and prepayments.

Revisions to estimation techniques

Non-mechanical equipment (acrow props and equipment, aluminium access towers and steel scaffolding) has until now been held in fixed assets at cost with write offs booked against cost of sales in respect of both equipment sold in the period and equipment becoming damaged or broken or otherwise unusable in the period. To ensure that all such equipment physically exists, twice yearly stock checks are undertaken in September and March during which any damaged or broken equipment is identified for subsequent write off. Because these items mostly comprise steel or aluminium poles, the deterioration in their condition occurring annually is minimal. The Group's experience is also that, because it buys these items in bulk, the selling price for individual items exceeds their original cost.

However, having regard to the FRS 18 requirement to apply the "most

One of A-Plant's many articulated booms to put you in the right position

appropriate" accounting policies and estimation techniques and in light of the increased materiality of these items following the acquisition of BET USA, which had a large fleet of steel scaffolding, it has been decided in future to depreciate these assets over 20 years to zero residual value. Under FRS 18, the introduction of a depreciation charge where none previously existed is a change to a more appropriate estimation technique to be implemented in line with the principles set out in FRS 15: Tangible Fixed Assets. Consequently the impact of the new practice is being implemented prospectively by way of an increased depreciation charge with no adjustments being made to opening reserves.

The effect of these adjustments on the profit for the period and on asset values at both 30 April 2001 and 2000 is shown in the table:

	Reduction in profits		Reduction in net assets	
	2000/01	1999/00	***2001***	2000
	£m	£m	***£m***	£m
Pre-tax profit/net assets under previous accounting policies and estimation techniques	***20.8***	48.1	***269.0***	246.4
Accounting policy changes				
Contributions to sales and marketing expenditure:				
- reduced EBITDA & hence lower fixed asset additions	***(5.5)***	(3.0)	***(16.7)***	(11.0)
- reduced depreciation charge/accumulated depreciation	***1.7***	1.1	***4.0***	2.1
Stationery	***0.2***	-	***(0.5)***	(0.7)
Total accounting policy changes accounted for retrospectively	***(3.6)***	(1.9)	***(13.2)***	(9.6)
Estimation technique changes				
Non-mechanical equipment depreciation: -additional depreciation charge for the year	***(5.0)***	-	***(5.0)***	-
Effect on goodwill amortisation	***(0.3)***	-	***(0.3)***	-
Total impact of implementing FRS 18	***(8.9)***	(1.9)	***(18.5)***	(9.6)
Pre-tax profit/net assets under FRS 18	***11.9***	46.2	***250.5***	236.8

Reaching the top with an A-Plant vertical personnel lift

A Sunbelt Rentals backhoe loader in operation at a residential construction site

In the remainder of this financial review the figures quoted are taken from the financial statements, after implementation of the above accounting changes, except where otherwise stated. The figures quoted are also, except where noted, stated on an adjusted basis excluding exceptional BET USA integration and financing costs, non-recurring salary costs paid to redundant former BET USA staff and the non-cash items of goodwill and convertible loan interest amortisation.

Profit & loss account

Revenue

Total revenue increased by 83% to £552.0m. Sunbelt Rentals' revenue increased from £113.1m to £345.7m, an increase of 206%, with A-Plant's rising from £181.5m to £194.5m, an increase of 7%, and Ashtead Technology's increasing from £7.8m to £11.8m, an increase of 51%. Acquired BET USA locations contributed £175.2m to Sunbelt Rentals' revenue with core Sunbelt locations growing 51% overall. On a same store, like for like basis, Sunbelt Rentals' revenue grew 20% measured in US dollars.

Staff costs

Staff costs, including salary costs paid to redundant BET USA employees, constitute the largest single expense of the business. Total staff costs have increased from £88.0m to £170.2m. The average number of employees has increased from 3,729 to 5,834 with 6,043 on the payroll at 30 April 2001 (30 April 2000 - 3,930). Staff costs include profit share paid of £13.2m (£5.9m).

Depreciation and gain on sale of fixed assets

The depreciation charge for each business for the year was:

	Rental equipment	Other assets	Total
	£m	£m	£m
Sunbelt Rentals	55.8	4.6	60.4
A-Plant	42.9	7.2	50.1
Technology	3.9	0.1	4.0
	102.6	11.9	114.5

The gain on sale of assets this year was £6.8m compared with £6.0m in the previous year.

Earnings before interest, taxation, depreciation and amortisation (EBITDA)

Adjusted EBITDA, which is perhaps the best measure of performance for a rental business as it eliminates the variations in depreciation rates resulting from the differing methods and lives applied by different businesses, rose by 65% from £124.3m to an adjusted £205.6m before non-recurring salary costs for redundant BET USA staff and the exceptional BET USA integration costs. After these costs EBITDA was £190.8m.

Operating profit

Adjusted operating profit for the year by business division is summarised in the table below:

	Turnover		Operating profit		Net assets	
	2001	2000	***2001***	2000	***2001***	2000
	£m	£m	***£m***	£m	***£m***	£m
				(restated)		(restated)
Sunbelt Rentals						
- excluding BET Profit Centres	***170.5***	113.1				
- BET Profit Centres	***175.2***	-				
	345.7	113.1	***62.4***	21.4	***571.0***	173.7
A-Plant	***194.5***	181.5	***25.1***	33.6	***283.6***	259.3
Ashtead Technology	***11.8***	7.8	***3.6***	2.5	***12.2***	8.2
	552.0	302.4	***91.1***	57.5	***866.8***	441.2
Exceptional integration costs	***-***	-	***(12.3)***	-	***-***	-
Redundant BET staff salary costs	***-***	-	***(2.5)***	-	***-***	-
Goodwill amortisation	***-***	-	***(7.3)***	(0.4)	***-***	-
Central items*	***-***	-	***-***	-	***(616.3)***	(204.4)
	552.0	302.4	***69.0***	57.1	***250.5***	236.8

* net borrowings and deferred taxation

Operating margins

As shown above, operating profit under FRS 3 was £69.0m representing an operating margin of 12.5%. Adjusted EBITDA and adjusted operating margins were:

	EBITDA margin		Operating profit margin	
	2000/01	1999/00	***2000/01***	1999/00
	%	%	***%***	%
Sunbelt Rentals	***35.5***	40.0	***18.1***	18.9
A-Plant	***38.7***	40.9	***12.9***	18.5
Technology	***64.4***	61.5	***30.5***	32.1
Overall group	***37.3***	41.1	***16.6***	19.0

The reduced margin earned by Sunbelt Rentals resulted from the inclusion within its results of the lower margin BET USA business. A-Plant's margins fell 5% at the adjusted EBITDA level but declined more substantially at the operating profit level reflecting the increased investment in its rental fleet at the beginning of the calendar year. Technology's EBITDA margin improved as its markets recovered from the low oil price effect of the late 1990's. Overall group margins declined mainly due to the impact of the BET USA acquisition.

Interest payable and similar charges

	2000/01	1999/00
	£m	£m
Bank interest payable	***41.4***	12.0
Bank interest receivable	***(0.6)***	(1.1)
Net bank interest payable	***40.8***	10.9
Interest amortisation on convertible loan note	***6.6***	-
Exceptional one off costs re new banking facilities	***9.7***	-
	57.1	10.9

Bank interest payable relates primarily to the interest payable on the variable rate, secured bank facility. Interest is payable under this facility at an average premium of 250 basis points over three month LIBOR for the currency in which the loan is drawn. Interest on US$250m of this bank debt has been fixed at 6.825% by three year forward interest rate agreements entered into in August 2000. The impact of these swaps is recognised rateably over their life as part of bank interest payable as is the 0.75% commitment fee payable on the undrawn element of the facility which is committed at US$825m. The average borrowing rate experienced during the year on bank borrowings (including the 250 basis point premium) was approximately 9%.

A ride-on scrubber from Sunbelt Rentals' fleet of mobile 'large area' cleaning equipment

Although no cash interest is payable on the convertible loan until the first anniversary of its issue (i.e. from 1 June 2001), accounting standards require the loan, which has a par value of £134m, to be recorded at its fair market value at date of issue (assessed independently by Schroder Salomon Smith Barney at £121.3m). The difference between these amounts is then required to be amortised to bring the loan up to its £134m par value over its life. Effectively this results in a non-cash interest charge of £6.6m in 2000/01 and an interest charge in future years which will reflect not only the 5.25% fixed interest cost actually payable to the loan note holders (£7.0m per annum) but also a further non-cash charge of approximately £0.7m annually to give a total annual interest cost on this loan of approximately £7.7m in future years.

Exceptional one-off costs re new banking facilities comprise £8.3m in respect of the underwriting fees paid to the banks which arranged the new loan facility and £1.4m in respect of the repayment premium payable on the early redemption of Sunbelt's private placement debts. The underwriting fees were payable to the banks which arranged the new secured bank loan facility to guarantee availability of the necessary loan finance through the period from announcement of the acquisition until its approval by shareholders at the EGM held for this purpose. Expensing these costs under FRS 4 rather than capitalising them as part of the acquisition resulted in credits being available for them in the Group's tax computations. The premium on early redemption of the Sunbelt private placement debt was incurred because these fixed rate borrowings were redeemed early at a time when lower interest rates prevailed than those current when the debt was first raised.

Profit before tax measured in accordance with FRS 3

As a result of the significant one-off exceptional items incurred following the BET USA acquisition, profits before tax measured under FRS3 after goodwill amortisation, exceptional items and convertible loan interest reduced by 74% to £11.9m (£46.2m).

Adjusted profits before taxation

Adjusted profits before taxation rose by 8% to £50.3m (£46.6m) on the FRS 18 basis. Adjusted profits before tax are stated excluding exceptional BET USA integration and financing costs, non-recurring salary costs paid to redundant former BET USA staff and the non-cash items of goodwill and convertible loan interest amortisation.

As noted above, in future years convertible loan interest will become a cash charge and thus, for 2001/02 and thereafter, adjusted profits before taxation will be stated after convertible loan interest but before goodwill amortisation.

The reconciliation of adjusted profits before tax to pre-tax profits under FRS 3 is as follows:

	Previous accounting basis		New accounting basis under FRS 18	
	2000/01	1999/00	***2000/01***	1999/00
	£m	£m	***£m***	£m
				(restated)
Adjusted pre tax profit for the year	***58.9***	48.5	***50.3***	46.6
Exceptional BET USA integration costs	***(12.3)***	-	***(12.3)***	-
Exceptional costs re new bank facility	***(9.7)***	-	***(9.7)***	-
Non recurring BET USA salary costs	***(2.5)***	-	***(2.5)***	-
Non cash interest convertible loan interest	***(6.6)***	-	***(6.6)***	-
Goodwill amortisation	***(7.0)***	(0.4)	***(7.3)***	(0.4)
Pre-tax profits under FRS 3	***20.8***	48.1	***11.9***	46.2

Exceptional BET USA integration costs:

	£m
Rebranding costs relating to the acquired premises and rental equipment	8.9
Redundant staff	1.2
Other integration costs	2.2
	12.3

The fleet repainting programme - to brand the acquired premises and fleet into Sunbelt's corporate colours - was largely complete as of 30 April 2001 and was undertaken by a combination of external contractors and specially retained paintshop staff. Rebranding costs also include paint and other materials used in the rebranding programme.

Redundant staff costs related to a combination of office staff made redundant from the former head offices of BET USA and to staff reductions in the Profit Centres completed following the introduction of our computer systems into these locations. A total of 224 positions were made redundant.

Other one-off costs include new signage at all the acquired locations and writing off prepaid advertising expenditure in BET USA's name as well as previously capitalised property improvements at closed locations.

Taxation

The tax credit of £10.9m comprises a credit of £1.2m in respect of current tax and a credit of £9.7m relating to deferred tax. The current tax credit reflects the fact that no tax is estimated to be payable in the current year in either the UK or the US due to the impact of accelerated capital allowances (or tax depreciation) in the US, the financing structure adopted for the acquisition and a credit arising in respect of the previous year based on the latest computations submitted to the tax authorities. In achieving this result, minimal capital allowances were claimed in the UK tax calculations for the year. Furthermore tax allowances claimed in the year in the US have resulted in significant unused losses. Taken together these benefits are anticipated to be sufficient to ensure that the Group has no material current tax liability for the foreseeable future.

The deferred tax credit arises partly in the US where the unused tax losses carried forward are now sufficient to eliminate any potential deferred tax liability and partly in the UK as a result of the disclaiming of capital allowances discussed above.

Earnings per share

Basic earnings per share computed by reference to the FRS 3 pre-tax profit on the new accounting basis reduced by 45% to 7.0p per share whilst adjusted earnings per share computed on the adjusted pre-tax profit rose 47% to 18.9p. The reconciliation between the two is shown below:

	2000/01	1999/00
	p	p
Adjusted earnings per share	*18.9*	12.9
Exceptional BET USA integration costs	*(3.8)*	-
Exceptional costs re new bank facility	*(3.0)*	-
Non recurring salary costs paid to redundant former BET USA staff	*(0.8)*	-
Accrued non-cash interest amortisation on convertible loan	*(2.0)*	-
Goodwill amortisation	*(2.3)*	(0.1)
Basic earnings per share	*7.0*	12.8

Dividend

The dividend per share has been increased 11% to 3.5p per share for the year as a whole. The final dividend of 2.88p per ordinary share will be paid on 10 October 2001.

Ashtead Technology Rentals provides inspection and testing equipment to a variety of industrial and commercial users

A-Plant temporary toilets provide a portable solution for outdoor events

Balance sheet

Fixed Assets

Total additions to fixed assets in the year were £237.7m of which £217.5m was spent on rental equipment. Expenditure on rental equipment was as follows:

	Expansion	Replacement	Total
	£m	£m	£m
Sunbelt	91.0	55.3	146.3
A-Plant	36.3	30.7	67.0
Technology	3.3	0.9	4.2
	130.6	86.9	217.5

Expenditure on replacement was unusually high in Sunbelt in the year because, following the acquisition of BET USA, Sunbelt has rationalised the number of manufacturers' aerial work platform assets held to eliminate, generally on a one for one basis, equipment from peripheral manufacturers previously used by BET USA. This programme was undertaken both to reduce exposure to the potential decline in the acceptability in the US market of certain manufacturers' product and to reduce the need to carry spare parts inventory and to train staff in the use and maintenance of such a large number of manufacturers' product.

The depreciation charge for the year, as detailed on page 12, was £114.5m in total, of which £102.6m was for rental equipment.

Current assets

Stocks increased by 53% to £15.3m and trade debtors by 58% to £125.7m compared with last year. Both these increases reflect, predominantly, the acquisition of BET USA. Debtor days for the Group have reduced from 71 days last year to 64 days at 30 April 2001. The bad debt charge as a percentage of turnover fell from 2.0% to 1.2%.

Trade and other creditors

Group creditor days have reduced from 174 to 132 days. Suppliers continue to be paid in accordance with the individual payment terms agreed with each of them. The total amount payable within trade creditors, bills payable and accruals directly attributable to the purchase of rental equipment is £150.2m (£115.7m).

Despite the significant increase in the size of the Group following the BET USA acquisition bills payable increased from £81.7m to only £90.7m. This reflects the fact that increasingly major manufacturers are prepared to work with the Group without requiring the use of bills giving added flexibility to the Group's financing plans. The Group expects that in future, whilst remaining a continuing feature of its

financing plans, bills will no longer be a substantial element in its overall financial structure.

Bank borrowings

Completion of the BET USA transaction required a complete restructuring of the Group's finances. On 1 June 2000, or shortly thereafter, all of the Group's existing debts were repaid and replaced with drawings under the new $825m committed secured loan facility which was also utilised to finance the cash element of the consideration. This facility is multi currency and can be drawn in combinations of US dollars, Sterling and Euros. Interest is payable at variable rates linked to underlying market rates traded in the London interbank market.

The facility was led and underwritten by Citibank NA, LloydsTSB Bank plc and Bank of America. Subsequently it was syndicated by these banks to a wider banking group and there are now approximately 35 lenders involved in the provision of finance to the Group.

At 30 April 2001 £483.0m was drawn under the facility with the remainder of the commitment (US$133.5m or £93.3m) available to meet future expansion and working capital requirements. £261.1m ($375m) is drawn under a seven year medium term loan with the remainder (£221.9m) drawn under a 364 day revolving credit agreement which is committed until 31 May 2005. Both are presented in the balance sheet under creditors due in more than one year because drawings under the revolving credit facility are replaced by new drawings under the same committed facility on a rolling basis as they mature.

The facility is repayable at maturity except that there is a notional 1% amortisation of the term loan each year on the anniversary of its issue and the revolving facility reduces in two tranches of $50m each on 31 May 2003 and 2004 before becoming repayable in full at 31 May 2005. The Group can prepay all or part of the facility without penalty save for a 1% fee on the term loan for prepayment prior to 31 May 2002.

The facility is secured by means of fixed and floating charges over substantially all of the Group's assets. The Group is required to demonstrate compliance with certain financial covenants relating the ratios of EBITDA to debt levels and to interest and the ratio of debt levels to the value of tangible assets on a quarterly basis.

Adjustments to these covenants have recently been agreed with the banking group to address, inter alia, the impact of the adoption of the new accounting basis.

Other borrowings

Part of the consideration for the BET USA acquisition was satisfied by the issue of the £134m nominal value 5.25% unsecured convertible loan note, due 2008 which is currently held by the vendor, Rentokil Initial PLC. No interest was payable on this loan note in its first year of issue and from 1 June 2001 it bears interest at a fixed discounted rate of 5.25% per annum. It is convertible into 89.3m ordinary shares at any time after 1 June 2001 at the holder's option and is repayable at par in June 2008 if not previously converted. Rentokil are unable to transfer the convertible without Ashtead's consent and certain orderly marketing restrictions also apply to ordinary shares issued through conversion.

As discussed under interest above, accounting standards required the loan note to be included in the accounts at its fair market value of £121.3m, when issued on 1 June 2000 as part consideration for the acquisition, and for this amount to then be amortised up to par value over its 8 year life. These calculations generate the £6.6m interest amortisation charge this year resulting in a net carrying value of £127.9m at 30 April 2001.

Although not in immediate prospect (based on the share price of 96.5p ruling on 31 July 2001), conversion of the convertible loan note would significantly reduce the Group's balance sheet gearing position from its current 240% at year end (77% at 30 April 2000, prior to the acquisition) to a pro forma 127% (calculated assuming conversion had taken place at 30 April 2001). Furthermore such a strengthening of the Group's balance sheet would enable the current bank debt to be refinanced soon thereafter at a substantially reduced borrowing premium from the current 250 basis points. The resulting interest saving, together with the interest on the convertible which would no longer be payable after conversion, would mean that the act of

An electric chop saw cutting industrial steel tubing - an example from Sunbelt Rentals' extensive range of small tools

conversion (involving the issue of 89.3m new ordinary shares) has a broadly neutral impact on earnings per share once the existing bank facility has been refinanced.

Acquisitions

The acquisition of BET USA on 1 June 2000 was the largest single acquisition the Group has ever made, effectively doubling revenues in the US in a single stride. Two other acquisitions were also made in the year: Response Rentals, an onshore environmental equipment rental business was acquired by Ashtead Technology and Sunbelt Rentals made an early small infill acquisition of a single profit centre business in Seattle on the West Coast of the United States.

The impact of these acquisitions, which generated total goodwill of £148.1m, is shown in note 22 to the financial statements. The goodwill arising on these acquisitions is being amortised over 20 years.

Financial instruments

The Group's financial instruments comprise borrowings, some cash and liquid resources, and various items such as trade debtors, trade creditors and bills of exchange payable, etc., that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

In addition to the foregoing, on 24 August 2000 Ashtead Group plc entered into forward rate agreements with LloydsTSB Bank plc and Bank of America under which the variable interest rates payable under the bank facility on a total of US$250m of borrowings were exchanged for a three year fixed interest rate of 6.825%.

Other derivative transactions completed in the year related to the settlement in June 2000 of the interest rate and currency exchange agreement with LloydsTSB Bank plc originally entered into when the Sunbelt private placements were first drawn in 1998 and 1999. The Group also entered into a short term currency hedge on 20 April 2000 to fix the dollar price of the cash element of the consideration for BET USA at US$294.9m (£186m).

Derivative transactions are only undertaken for the purposes of managing funding and managing interest rate risk and currency risk. The Group does not trade in financial instruments. The main risks arising from the Group's financial instruments are interest risk, liquidity risk and foreign currency risk. The Board reviews and agrees objectives and treasury policies for managing each of these risks and they are summarised below.

Interest rate risk management

The Group's interest rate management policy is to use a combination of fixed and variable rates of interest to provide some element of protection against sudden changes in the level of interest rates. New derivative transactions are only entered into with the authority of the Group's Executive Committee and the Finance Director provides a regular report on treasury matters to each Board Meeting in which the need for new derivative transactions is reviewed and discussed. At 30 April 2001 some 50% of the Group's borrowings were at fixed rates (comprising $250m of the bank debt on which interest rates have been fixed for three years as described above and the £134m convertible loan on which interest is fixed at 5.25%).

Liquidity risk

The Group's policy is to ensure continuity of funding which is currently provided through the $825m committed secured loan facility and the eight year convertible loan with the result that all the Group's loan facilities (other than short term overdrafts) currently have a maturity of at least four years although the amount available for borrowing reduces by $50m at each of 30 April 2003 and 2004. At 30 April 2001, US$133m or £93.3m remained undrawn under the Group's committed borrowing facilities. The Group anticipates that borrowing levels will rise in the period to 31 October 2001 as it completes the payments due to its equipment vendors for first half 2000/01 capital expenditure. Thereafter, the subsequently lower levels of capital expenditure should result in repayment of debt.

Foreign exchange risk management

With a significant portion of the Group's operations based outside the

Four large diesel-driven trash pumps acting as a sewer bypass near Charlotte, North Carolina

UK, the Group faces currency risk on its non sterling net assets as the translation of overseas subsidiaries can have a considerable effect on the Group's reported net assets. The main exposures are to the US dollar and the Euro (Irish punt) exchange rates against sterling.

The Group seeks to mitigate the effect of these structural currency exposures by matching the currency of third party borrowings against the currency of earnings generated from assets. At 30 April 2001, total net borrowings of £612.3m were drawn as to a net £399.7m in US dollars, £9.0m in Euros and £203.8m in sterling less £0.2m in Singapore dollars where there was net cash in hand.

The Group's exposure to exchange rate movements on trading transactions is relatively limited. All Group companies invoice revenues in their respective local currency and generally incur expense and, except in the Republic of Ireland, purchase assets in their local currency. Consequently the Group does not routinely hedge either forecast foreign exchange exposures or the impact of exchange rate movements on the translation of overseas profits into sterling. Foreign exchange risk on significant non-trading transactions (eg acquisitions) is considered on an individual basis.

Counterparty risk

The Group is exposed to credit risk related losses in the event of non-performance by a counterparty to its interest rate hedging financial instruments. This risk is managed by entering into derivative transactions only with institutions with a strong credit rating and by limiting the total exposure to any single counterparty. At 30 April 2001 the counterparties, to the Group's interest rate hedging transactions were LloydsTSB Bank plc and Bank of America who are not expected to fail to meet their obligations.

Ian Robson

Ian Robson
Finance Director
31 July 2001

OPERATIONAL REVIEW - SUNBELT RENTALS

Right: An electric driven welder allows repairs to be carried out during an industrial plant shutdown

Far right: Underground utility lines being located with a Sunbelt Rentals vacuum evacuator system

The bringing together of our own 91 Profit Centres with the 59 previously owned by Rentokil Initial in June 2000 transformed your US business. We moved quickly and effectively to consolidate our new found premier position as the fifth largest company in our $23 billion market.

Divisional review on an adjusted basis	New accounting basis under FRS 18		
	2000/01	1999/00 (restated)	Increase
	£m	£m	%
Turnover:			
excluding BET Profit Centres	***170.5***	113.1	51
BET Profit Centres	***175.2***	-	-
Total	***345.7***	113.1	206
EBITDA	***122.8***	45.2	172
EBITDA margin %	***35.5***	*40.0*	-
Depreciation	***(60.4)***	(23.8)	154
Operating profit	***62.4***	21.4	192
Operating profit margin %	***18.1***	*18.9*	-
Rental equipment capex:			
- *expansion*	***91.0***	60.0	52
- *replacement*	***55.3***	14.2	289
	146.3	74.2	97
Net assets employed	***571.0***	173.7	229
Profit Centres at year end	***163***	88	85
Number of staff at year end	***3,471***	1,220	185

The bringing together of our own 91 Profit Centres with the 59 previously owned by Rentokil Initial in June 2000 transformed your US business. We moved quickly and effectively to consolidate our new found premier position as the fifth largest company in our $23 billion market. The operational integration of the two businesses was accomplished in 70 days. I wish to record my thanks to all Sunbelt staff, including especially our new colleagues, for their tremendous efforts in achieving what none of our competitors has even attempted - an immediate integration to a single, homogeneous business. Equally as pleasing in the past year was the achievement by the core Sunbelt Profit Centres of strong like for like revenue growth in US dollars of 20%.

So, with our large unified business up and running, we turn our attention to the future. As is proper for any service business, Sunbelt's obsession is its focus on the

customer. We can now provide a pan American service with 163 Profit Centres in 27 states at year end. Our range of product is the most diverse offered in our industry. As we extend our policy of providing "clusters" of Profit Centres in major conurbations, we have also stratified our product offering by creating specialised units for those products that require particular expertise. Thus a customer can call any Profit Centre and, no matter how specialist their requirement, they are put in contact immediately with the appropriate personnel. By working together in groups our goal is to provide a level of service beyond expectations. The customer does not want to hear claims about service, he wants to experience it.

An example of this specialisation is our 12 Pump and Power Profit Centres offering up to 150 horse power 12" pumps and up to 1500 kilowatt portable generators. Taken together these businesses have increased their total revenues by 62% year on year. The potential for continued expansion is very substantial indeed.

We have other prospective benefits in the form of the dividends to be reaped from the 22 Profit Centres opened in the year to April 2000. Inevitably, it takes some time - typically up to 3 years - for new Profit Centres to attain the same level of profitability as the established network. In this year and next we will therefore enjoy a growing contribution from the substantial opening program in the year to April 2000.

In the year to 30 April 2001 we opened just 10 new Profit Centres whilst our concentration was on the integration process. Together with the new Profit Centres added as we split out acquired scaffold operations into separately managed businesses, we ended the year with a total of 163 Profit Centres. In the new financial year I expect we will add a further 30, mostly by way of greenfield openings or, if the opportunities arise, local acquisitions. As a result of the prompt integration programme we are able to concentrate all our attention in this first full year on the commercial development of our enlarged enterprise - both in improved performance from our existing businesses (some 163 at year end) and in the renewed opening programme.

We are not complacent about the potential impact on our performance of a slowing American economy. However, we have yet to experience any significant nationwide downturn in demand and, indeed, like for like revenues have increased by 10% in the first two months of the new financial year. We are therefore looking to continue the strong same store growth pattern of previous years whilst recognising that the larger one becomes the harder it is to outgrow the overall market to the extent we have achieved in the recent past. However, our target remains double digit same store growth in percentage terms throughout the whole of the coming year.

We may be the fifth largest in our 15,000 strong universe but we have only a 2% market share which means there is 98% still available! Our goal is to continue to improve our service levels which will lead inexorably to an increase in our share of the market no matter the overall economic conditions with which we are faced.

Bruce Dressel
President and Chief Executive
Sunbelt Rentals Inc
31 July 2001

The results of A-Plant this year were a setback. Whilst revenues rose by 7% in the year as a whole - against only 5% in the first half - there is no disguising that this was a difficult year with the first reduction in our operating profits since 1992.

Divisional review on an adjusted basis	New accounting basis under FRS 18		
	2000/01	1999/00 (restated)	Increase
	£m	£m	%
Turnover	***194.5***	181.5	7
EBITDA	***75.2***	74.3	1
EBITDA margin %	***38.7***	*40.9*	-
Depreciation	***(50.1)***	(40.7)	23
Operating profit	***25.1***	33.6	(25)
Operating profit margin %	***12.9***	18.5	-
Rental equipment capex:			
- *expansion*	***36.3***	30.5	19
- replacement	***30.7***	34.4	(11)
	67.0	64.9	3
Net assets employed	***283.6***	259.3	9
Profit Centres at year end	***273***	261	5
Number of staff at year end	***2,498***	2,672	(7)

Results

The results of A-Plant this year were a setback. Whilst revenues rose by 7% in the year as a whole - against only 5% in the first half - there is no disguising that this was a difficult year with the first reduction in our operating profits since 1992.

However, there were some highlights in our performance. Revenue from national and large regional accounts with long term agreements grew faster than the average at 16% for the year as a whole and represented 22% of the total. We initiated the first full price increase programme seen on a national basis in our industry for many years and were successful in raising prices for the latter part of the year. EBITDA improved from £74.3m to £75.2m but EBITDA margins declined 5% to 38.7% (40.9%). However, the increased depreciation expense on the new capital spend meant that operating profit fell 25% to £25.1m (£33.6m).

Prospects

Although it has been a difficult year, there are positive signs for the future. As yet, we have not enjoyed the benefits of our substantial investment over the last two years in new technology, which has the dual benefits of reducing our costs and improving our service. We will soon add a customer extranet to our website which will allow customers to review their account status online with a commensurate reduction in reciprocal administrative costs. A-Plant's established intranet is also being merged with the Company's online contract and invoicing systems resulting in control of growing communication costs and facilitating access to all our systems amongst the greatest number of our staff.

Concurrently we are introducing automatic pricing on the computer of our rental and ancillary revenues, thereby increasing efficiencies in both contract and invoice generation. These measures are part of a series which will have the effect of releasing commercial staff from time spent on administrative roles, which can instead be used to promote customer relationships.

During the year our training school, which opened last year, completed training courses for over 500 participants. We will continue to benefit from our industry leadership role in training.

We believe that the successful future progress of A-Plant will result from our sustained investment in these two key areas of training and communication which we regard as pivotal to success in a multi-location service business.

This year's setback - our first in a decade - is being used by management as a spur to improve our performance at all levels. Your management is determined to move forward from this year's profit decline and, over time, to restore returns on capital employed to acceptable levels.

Ted Forshaw
Chief Executive - A-Plant
31 July 2001

Above left: Tree planting less backbreaking with an A-Plant skidsteer and auger

Above right: A-Plant 32 x 10 site offices arriving at the start of a major contract

Below: Take 'Advantage' of A-Plant with its gold loyalty card

Right: High value, high accuracy multi-beam sonar for underwater imaging

Far right: The Response acquisition expanded Ashtead Technology Rentals' fleet to include ambient air monitoring and gas detection analysers

We are now a much more broadly based business than we were a year ago. We have, however, maintained our focus in the rental of technology-based equipment to industrial users. We simply have more products to offer more customers.

Divisional review on an adjusted basis	New accounting basis under FRS 18		
	2000/01	1999/00	Increase
	£m	£m	%
Turnover	***11.8***	7.8	51
EBITDA	***7.6***	4.8	58
EBITDA margin %	***64.4***	*61.5*	-
Depreciation	***(4.0)***	(2.3)	74
Operating profit	***3.6***	2.5	44
Operating profit margin %	***30.5***	*32.1*	-
Rental equipment capex:			
- expansion	***3.3***	1.5	120
- replacement	***0.9***	1.1	(18)
	4.2	2.6	62
Net assets employed	***12.2***	8.2	49
Profit Centres at year end	***7***	3	133
Number of staff at year end	***61***	36	69

Self-propelled pipeline inspection camera

Markets

As expected, the year did not see anything approaching a full recovery in the offshore market. The demand in the North Sea remained weak with an oversupply of equipment having a continuing negative effect on pricing. The Aberdeen Profit Centre faced severe price pressure from its competitors and customers who were themselves experiencing poor returns. Even so we believe that Aberdeen held its market share in the offshore business. Successful efforts were made to increase the scope of our non-oil related business both on and offshore. Recent investment in non-destructive testing, remote visual inspection and cable tracking equipment brought immediate returns in the year. Our marketing programme, which has been enhanced by improved information systems, gave us the ability to introduce new product both quickly and profitably.

Singapore again produced a good

performance as it benefited from field developments in the Philippines, Malaysia, Indonesia and to a lesser extent in New Zealand. Singapore also saw further business from the subsea cable market and new business from the dredging industry following substantial investment in new multi-beam technology. Here again, sales and marketing efforts made in previous years meant we did not miss the opportunity to take full advantage of the Asian market upswing.

Houston finally saw some life return to their offshore business in the second half of the year as Gulf of Mexico development projects were given the go ahead. During the downturn the Houston operation was, of necessity, transformed. The lost offshore revenue was more than replaced by the development of a nationwide onshore rental business. We now have an operation better able to deal with any future oil downturn and one which will be less seasonal.

Response Rentals

In October 2000 we purchased Response Rentals, a US environmental equipment rental business. The purchase price represented a multiple of 3.2 times last twelve months adjusted EBITDA. The product range comprises a wide variety of instruments to sample, measure and monitor environmental factors including air and water quality, hazardous waste, toxic gases, noise vibration and industrial hygiene. We now have four new locations in North America supplying this wide product range to a large and diverse customer base. These new locations have also opened up local supply channels to expand our existing onshore equipment rentals. The business now trades under the Ashtead Technology brand and has been fully integrated into our operational, quality, and financial control procedures.

We expect to increase the geographical spread of the environmental business through our other locations in the UK and Singapore as well as further development in the US

Prospects

A year ago we said we would see further expansion in our onshore business and this has proved to be the case. This business revolves around the supply of non-destructive testing and remote visual inspection equipment where we have transferred our experience in subsea solutions to supply technology that is used in practically every onshore industry. In the US particularly we have developed a number of national accounts for which we are lead or sole supplier of this equipment. The product range offers real potential and this business will be further developed this year.

The fundamental changes in the business during the year could not have happened without the exceptional efforts of the workforce. The existing survey and inspection staff toiled successfully in very tough market conditions. Our new colleagues in the environmental business met and exceeded growth targets whilst having simultaneously to deal with new systems and procedures integration.

In this coming year the prospects for the offshore business should continue to improve. We expect Aberdeen to benefit from an increase in North Sea developments. This will consolidate the gains already made from contracts awarded by US and European contractors working in the booming West African market. In Singapore, we foresee a fall-off in business from the cable laying market but this should be more than made up by growth in the offshore and dredging markets. Houston already has a strong order book and prospects for the full year are very positive.

We are now a much more broadly based business than we were a year ago. We have, however, maintained our focus in the rental of technology-based equipment to industrial users. We simply have more products to offer more customers.

Rob Phillips
Managing Director, Ashtead Technology
31 July 2001

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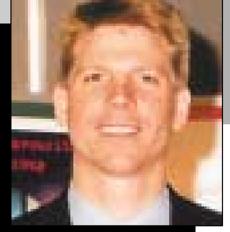

4

1. PETER LEWIS, Non-executive Chairman

Aged 60, Peter Lewis has been Non-executive Chairman since 1 February 2001 following his retirement from his role of Executive Chairman, which position he had held from May 1984 when he and George Burnett effected the management buy-in of Ashtead Plant Hire Company Limited. He is Non-executive Chairman of The Electronics Boutique plc. Peter Lewis is Chairman of the Nominations Committee and a member of the Audit and Remuneration Committees. He is standing down from the Board on 31 July 2001 and will be succeeded as Non-executive Chairman by Henry Staunton.

Executive Directors

2. GEORGE BURNETT, MA, LLB, CA, Chief Executive

Aged 54, George Burnett, MA, LLB, CA, was Managing Director from May 1984 until being appointed Chief Executive in February 2000. He is a non-executive director of Henderson Strata Investments plc and Chairman of the Governors of the Surrey Institute of Art and Design, University College. The re-election of George Burnett, who retires by rotation in accordance with the Articles of Association, as a director of the Company will be proposed at the Annual General Meeting.

3. IAN ROBSON, BSC, FCA, Finance Director

Aged 42, Ian Robson, BSc, FCA, was appointed Finance Director on 26 June 2000 having joined the Group on 22 May 2000. For the preceding four years he held a series of senior financial positions in Reuters Group Plc and before that he was a partner of Price Waterhouse (now PricewaterhouseCoopers).

4. BRUCE DRESSEL,

President and Chief Executive Officer - Sunbelt Rentals

Aged 37, Bruce Dressel is President and Chief Executive Officer of Sunbelt Rentals Inc, the Group's equipment rental division in the USA. Bruce Dressel has some 20 years experience in the industry and joined the Group on the acquisition of the business of McLean Rentals in March 1996.

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5. TED FORSHAW, Chief Executive Officer - A-Plant

Aged 50, Ted Forshaw is Chief Executive Officer of A-Plant, the Group's equipment rental division in the UK and the Republic of Ireland. Ted Forshaw has some 34 years experience in the industry and joined the Group in 1987 on the acquisition of Keyplant Limited.

Non-executive Directors

6. ALAN WHEATLEY, FCA,
Deputy Chairman and senior independent non-executive director

Aged 63, Alan Wheatley, FCA, is currently Chairman of Special Utilities Investment Trust plc and a non-executive director of Legal & General Group Plc, Babcock International Group Plc, ComXo plc and of IntaMission plc. Alan Wheatley is Chairman of the Remuneration Committee and a member of the Audit and Nominations Committees. The re-election of Alan Wheatley, who retires by rotation in accordance with the Articles of Association, as a director of the Company will be proposed at the Annual General Meeting.

7. PHILIP LOVEGROVE, LLM,
independent non-executive director

Aged 64, Philip Lovegrove, LLM, is Chairman of VTR plc and W T Foods plc and a non-executive director of Environmental Polymers plc. He is Chairman of the Audit Committee and a member of the Remuneration and Nominations Committees.

8. HENRY STAUNTON, BA, FCA,
independent non-executive director

Aged 53, Henry Staunton, BA, FCA, is Finance Director and Deputy Chairman Media Ventures of Granada plc. He is also a non-executive director of EMAP Plc and of ITV Digital plc. Henry Staunton is a member of the Audit and Remuneration Committees. Henry Staunton will become Non-executive Chairman on 1 August 2001 on the retirement of Peter Lewis.

Details of the Directors' contracts, emoluments and share interests can be found in the Report of the Remuneration Committee on pages 34 to 38.

Advisers

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1 Embankment Place
London WC2N 6RH

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Lloyds TSB Registrars
The Causeway
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Financial PR Advisers
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UK Brokers and Investment Bankers
Schroder Salomon Smith Barney
Citigroup Centre
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Canary Wharf
London E14 5LB

US Investment Bankers
Salomon Smith Barney
38 Greenwich Street
New York
New York 10013

Directors' Report

The Directors present their report and the audited accounts for the financial year ended 30 April 2001.

Principal activities

The principal activity of the Company is that of an investment holding and management company.
The principal activity of the Group is the rental of equipment to industrial and commercial users.

Trading results & dividends

The Group's consolidated profit before taxation for the year is £11.9m. A review of the Group's performance is given on pages 2 to 25.

An interim dividend of 0.62p per ordinary share was paid on 6 April 2001.

The Directors recommend that a final dividend of 2.88p per ordinary share amounting to £9.3m be paid to the holders of the ordinary shares and that £11.5m be transferred to reserves. If approved, this dividend will be paid on 10 October 2001 to ordinary shareholders on the record at 7 September 2001.

Share capital

The following investors, in addition to PD Lewis and GB Burnett, have notified the Directors that they hold or are beneficially interested in 3% or more of the Company's ordinary share capital as set out below:

	At 31 July 2001
	%
Schroders Investment Management Limited	12.7
Henderson Investment Management Limited	10.7
Barclays Bank plc	10.2
Lazard Asset Management	4.2
Prudential Portfolio Managers	3.9
UBS Asset Management Limited	3.5
Deutsche Asset Management	3.2

Share option schemes

At 30 April 2001, the following shares were subject to option:

Discretionary schemes	*Number of shares*	*Option price per share*
Exercisable between 16 September 1995 and 16 September 2002	1,046,038	14.870p
Exercisable between 26 August 1997 and 26 August 2004	1,487,900	61.440p
Exercisable between 27 September 1998 and 27 September 2005	1,622,188	72.535p
Exercisable between 27 February 2000 and 27 February 2007	457,500	134.665p
Exercisable between 27 February 2000 and 27 February 2007	1,303,700	132.250p
Exercisable between 3 February 2001 and 3 February 2008	319,700	191.200p
Exercisable between 5 February 2001 and 5 February 2008	2,486,500	184.200p
Exercisable between 5 January 1998 and 5 January 2004	2,248	170.370p
Exercisable between 24 February 2002 and 24 February 2009	540,450	177.830p
Exercisable between 26 February 2002 and 26 February 2009	1,140,800	172.500p
Exercisable between 22 February 2003 and 22 February 2010	1,127,000	102.000p
Exercisable between 8 March 2003 and 8 March 2010	401,000	101.840p
Exercisable between 8 August 2003 and 8 August 2010	920,500	102.500p
Exercisable between 16 August 2003 and 16 August 2010	29,500	101.670p
Exercisable between 9 February 2004 and 9 February 2011	3,672,890	125.000p
Exercisable between 26 February 2004 and 26 February 2011	555,750	124.500p
	17,113,664	

SAYE scheme	*Number of shares*	*Option price per share*
Exercisable between 1 April and 30 September 2002 (5 year contract)	644,662	98.000p
Exercisable between 1 April and 30 September 2001 (3 year contract)	67,741	152.140p
Exercisable between 1 April and 30 September 2003 (5 year contract)	97,064	152.140p
Exercisable between 1 September 2001 and 28 February 2002 (5 year contract)*	1,752	117.880p
Exercisable between 1 April and 30 September 2002 (3 year contract)	111,896	133.600p
Exercisable between 1 April and 30 September 2004 (5 year contract)	51,897	133.600p
Exercisable between 1 April and 30 September 2003 (3 year contract)	808,484	81.340p
Exercisable between 1 April and 30 September 2005 (5 year contract)	428,504	81.340p
Exercisable between 1 April and 30 September 2004 (3 year contract)	353,884	94.800p
Exercisable between 1 April and 30 September 2006 (5 year contract)	129,940	94.800p
	2,695,824	

** These options result from the rolling over of options under the Sheriff Holdings share option schemes into options under the Company's schemes.*

Employees

The total number of employees worldwide of the Group at 30 April 2001 was 6,043.

The Group makes every reasonable effort to give disabled applicants, and existing employees becoming disabled, opportunities for work, training and career development in keeping with their aptitudes and abilities. The Group is an equal opportunities employer.

The Group has taken action consistently through the year to introduce, maintain and develop arrangements aimed at involving employees in its affairs. The Group has a positive approach to health and safety at work and to compliance with the provisions of the Health and Safety at Work Act 1974 and a copy of its formal health and safety policy statement is on display at all Group locations in the UK.

The Group encourages employees to become shareholders through discretionary and SAYE share option schemes. Details of options outstanding under these schemes are set out above.

Directors and directors' insurance

Details of the current directors of the Company are given on page 26. In addition, A Anderson served as a director in the year until his retirement on 26 June 2000. The Company has maintained insurance throughout the year to cover all directors against liabilities in relation to the Company and its subsidiary undertakings.

Future developments

The Group seeks to develop by expansion of its activities in equipment rental in the United Kingdom, the United States, the Republic of Ireland and the offshore oil and gas industries throughout the world.

Policy on payment of suppliers

Suppliers are paid in accordance with the individual payment terms agreed with each of them. The number of Group creditor days at 30 April 2001 was 132 days (30 April 2000 - 174 days) which reflects the terms agreed with individual suppliers. There were no trade creditors in the Company's balance sheet at any time during the past two years.

Political and charitable donations

The Group made charitable donations amounting to £1,500 (£1,300) in the UK during the year. No political donations were made.

Directors' Report

Environmental report

The Group, through its equipment purchasing policies, maintenance programmes and environmental monitoring practices, endeavours to ensure that its trading activities have as little adverse impact on the environment as it is possible to achieve. In pursuit of this ideal, the Group has developed environmental management processes which are designed to ensure:

- compliance with relevant legislation;
- removal of potential causes of environmental damage where practicable; and
- continuous reduction in environmental impact through monitoring and corrective action.

The Group's continued investment in its rental fleet, along with its maintenance programmes, minimises both pollution to the atmosphere and accidental contamination. The facilities the Group maintains throughout its Profit Centre network enables waste to be disposed of correctly, bulk fuels to be stored safely and fleet cleaning and maintenance to be carried out efficiently. Prior to acquisition, environmental surveys were conducted at the BET USA locations and improvements have subsequently been made as required to ensure compliance with the Group's environmental standards.

Group companies have documented procedures operating at Profit Centre level for fleet maintenance, removal of waste from customers' sites back to Company premises for safe disposal as well as contractual arrangements for the disposal of all major waste products.

The Group's Performance Standards teams measure and monitor environmental performance and control measures at Profit Centres as part of their rolling audit programme and report their findings to senior operational management.

Auditors

PricewaterhouseCoopers 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.

Annual General Meeting

The Annual General Meeting will be held at 12 noon on Monday, 8 October 2001, at Citigroup's offices at Stirling Square, 5-7 Carlton Gardens, London SW1Y 5AD. For ordinary shareholders, a separate Notice of Annual General Meeting, which includes an explanation of the proposed resolutions, will be mailed nearer the time. In addition to the ordinary business of the Meeting, shareholder consent will be sought to renew authorities for the directors to allot ordinary shares in the Company.

By Order of the Board

Robert Clark
Company Secretary
31 July 2001

Corporate Governance Report

The Group is committed to high standards of corporate governance. The Board recognises that it is accountable to the Company's shareholders for corporate governance and this statement describes how the relevant principles have been practised by the Company.

The Company complied during the year with the principles of corporate governance set out in Section I of the Combined Code save that:

(1) the service contracts of Peter Lewis, George Burnett, Bruce Dressel and Ted Forshaw provide for either notice periods in excess of one year or pre-determined compensation in excess of one year's salary. Details of these arrangements and the justification for them are given in the Remuneration Committee Report;

(2) technically, under the Company's Articles of Association, only two directors are required to retire by rotation each year meaning that, since February 2000, when the Group Board was expanded to eight members, the requirement in the Code for every director to stand for re-election every third year has not been stipulated in the Articles. At the Annual General Meeting, the Company will seek shareholders' approval to amend the Articles to ensure compliance with the Code. In the meantime, however, no director has served for more than three years since last elected by shareholders;

(3) there was no formal documented procedure for a director to obtain independent professional advice at the Company's expense. A procedure was put in place in June 2001;

(4) the three executive directors appointed in 2000 have not yet attended a training course on their responsibilities as board members. The Board has now agreed that in future all newly appointed directors will attend an appropriate training course within six months of appointment unless their previous experience on other boards makes this inappropriate. The executive directors appointed in 2000 will be attending a suitable course within the next six months.

The Board and the Executive

The Group Board currently comprises the non-executive Chairman, the Chief Executive, the Finance Director, the executive heads of Sunbelt and A-Plant and three non-executive directors. Short biographies of the directors are given on page 26.

All directors are responsible under the law for the proper conduct of the Company's affairs. The directors are also responsible for ensuring that the strategies proposed by the executive directors are discussed in detail and critically assessed to ensure that they conform with the long term interests of shareholders and are compatible with the interests of employees, customers and suppliers. The Board has reserved to itself those matters which reinforce its control of the Company.

To ensure that the directors are suitably briefed to fulfil their roles, regular reports and briefings are provided to the Board by the executive directors and the company secretary. The Board normally meets at least five times a year and there is contact between meetings to advance the Company's activities. The directors also have access to the company secretary and a procedure has recently been adopted for them to take independent advice as needed at the Company's expense.

Board sub-committees

Executive Committee

The Board has delegated authority for the day-to-day management of the Company to the Executive Committee chaired by George Burnett. The Committee, of which Peter Lewis and Ian Robson are the other members, meets periodically as necessary to discharge its functions. Henry Staunton will become a member of this Committee when Peter Lewis retires.

Audit Committee

Comprising the non-executive directors under the chairmanship of Philip Lovegrove, the Audit Committee meets twice a year to consider the draft interim and final financial statements and to receive the report of the Auditors. The Committee considers the effectiveness of the Group's internal controls and its financial and accounting policies and practices and also meets periodically with the heads of the US and UK Performance Standards (Internal Audit) teams. It also deals with any matters which may be brought to the attention of the Committee by the Auditors.

Corporate Governance Report

Nominations Committee

With Peter Lewis as chairman, and Alan Wheatley and Phillip Lovegrove as members, the Nominations Committee is responsible for recommending to the Board any new appointments of directors. Henry Staunton will succeed Peter Lewis as chairman of this committee when Peter Lewis retires.

Remuneration Committee

Comprising the four non-executive directors under the chairmanship of Alan Wheatley, the Remuneration Committee is responsible for setting the remuneration packages of the executive directors and for establishing the terms and conditions of their employment.

Financial reporting

The directors are required by UK company law and financial reporting standards to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and of the profit and cash flows of the Group for the period.

In preparing the financial statements applicable accounting standards have been followed, suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made.

Going concern

The directors also have a responsibility under UK company law and financial reporting standards to prepare the financial statements on a going concern basis unless the entity is being liquidated or the directors have no realistic alternative but to liquidate the entity or to cease trading. When preparing the financial statements the directors are also required to assess whether there are any significant doubts concerning the Group's ability to continue as a going concern.

After making appropriate enquiries the Directors have reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements. In forming this view the Directors have reviewed the Group's budget and cash flow forecast for the year to 30 April 2002 and outline projections for the subsequent year.

Internal controls

The directors acknowledge their responsibility for the Group's system of internal control and confirm they have reviewed its effectiveness. In doing so, the Group has taken note of the guidance for directors on internal control, Internal Control: Guidance for Directors on the Combined Code (the Turnbull Guidance).

The Board confirms that there is a process for identifying, evaluating and managing significant risks faced by the Group. This process has been in place for the full financial year and is ongoing. It is kept under regular review by the Executive Committee and is considered periodically by the Board and accords with the Turnbull Guidance.

The Board considers that the Group's internal control system is appropriately designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Any such control system, however, can only provide reasonable and not absolute assurance against material misstatement or loss. The concept of reasonable assurance recognises that the cost of a control procedure should not exceed the benefits.

During the year ended 30 April 2001, the directors were not aware of any control breakdowns which resulted in a material loss.

During the year, led by the directors of the Sunbelt and A-Plant Performance Standards (internal audit) teams with input from the Finance Director, the executive managers of each of the Group's businesses reviewed the risks that could impede the achievement of the objectives for their businesses. For each significant risk, an overview of the risk, details of how it is managed and any improvement actions required were documented. A similar review was undertaken in conjunction with the Finance Director of the risks faced at Group level. A report was prepared in April/May 2001 summarising the results of this work for the information of the Board which also discussed the preliminary risk assessment for the Group at its January meeting.

At the year end, before producing this statement on internal control for the annual report and accounts, the Board considered the operational effectiveness of the Group's internal control systems on the basis of the report discussed above. This review included consideration of each of the most significant risks the Group faces and how well these are controlled and managed. The control system includes written policies and control procedures, clearly drawn lines for accountability and delegation of authority, and comprehensive reporting and analysis against budgets and latest forecasts. In a growing group of the size and complexity and geographical diversity of Ashtead, it should be expected that minor breakdowns in established control procedures might occur. There are supporting policies and procedures for investigation and management of control breakdowns at any of the Group's Profit Centres or elsewhere.

The Audit Committee has met with the heads of the Performance Standards (internal audit) teams for both Sunbelt and A-Plant and discussed the results of their work. The Audit Committee also meets with PricewaterhouseCoopers twice annually to discuss the results of their work. In relation to internal financial control, the Group's control and monitoring procedures include:

a) the maintenance and production of accurate and timely financial management information, including a monthly profit and loss account for each Profit Centre;

b) the control of key financial risks through clearly laid down authority levels and proper segregation of accounting duties at the Group's accounting support centres of which there are now eight following the BET USA and Response Rentals acquisitions;

c) the preparation of a regular financial report to the Board including profit and loss accounts for the Group and each subsidiary, balance sheets and cash flow statements;

d) the preparation of annual budget and periodic update forecasts which are reviewed by senior management and the Executive Committee and provided to the Board;

e) a programme of periodical rotational rental equipment inventories conducted fortnightly at each Profit Centre by equipment type and independently checked on a sample basis;

f) full inventory counts at all Profit Centres on at least a six monthly basis with independent scrutiny on a sample basis; and

g) comprehensive audits of all Profit Centres carried out on average at least once per year by the Performance Standards Department. These reports are copied to the Finance Director to whom the heads of the Sunbelt and A-Plant Performance Standards Departments have direct access in the event of any issues which they may need to discuss independently of the operational management team.

By order of the Board

Robert Clark
Company Secretary
31 July 2001

Remuneration Committee Report

Structure of the Committee

During the year the Committee consisted of the three non-executive directors under the Chairmanship of Mr AE Wheatley. After agreement of his new contract and on becoming non-executive Chairman, Mr Lewis also became a member of the Committee with effect from 15 January 2001. None of the Committee has any personal financial interests, other than as shareholders, in the matters to be decided.

Remuneration policies

In formulating its policies, the Committee has access to professional advice from outside the Company and to publicly available reports and statistics. Executive remuneration packages are designed to attract, motivate and retain directors of the high calibre needed to achieve the Group's objectives and to reward them for enhancing value to shareholders. The main elements of the remuneration package for executive directors and senior management are:

a) basic annual salary and benefits in kind;
b) annual performance bonus payments;
c) share option incentives; and
d) pension arrangements.

In assessing all aspects of pay and benefits, the Company compares packages offered by similar companies, which are chosen having regard to:

a) the size of the company (turnover, profits and number of people employed);
b) the diversity and complexity of its businesses;
c) the geographical spread of its businesses; and
d) their growth, expansion and change profile.

In making the comparisons, the Company takes into consideration the international scope, complexity and speed of change of the Group's business and, particularly, its recent rapid growth in the USA. In relation to share option awards, the Committee's policy is to make regular awards to senior staff in order that their personal interests are aligned with those of shareholders. The value of the shares underlying the options awarded is assessed by reference to a number of factors including the employee's salary, seniority and length of service.

The Committee implements its remuneration policies by the design of reward packages for executive directors comprising the appropriate mix of salary, performance related cash incentive bonuses and share options. Mr Burnett, with the approval of the Board, holds two non-executive appointments outside the Group and is allowed to retain the fees arising therefrom. None of the other executive directors has any outside appointments.

The remuneration of the non-executive directors is determined by the Board. With the exception of Mr Lewis whose contract is discussed below, none of the non-executive directors has a service contract with the Company and their appointment is therefore terminable by the Board at any time.

Executive Directors' service agreements

Mr P D Lewis retired as executive Chairman to become employed as part-time non-executive Chairman of Ashtead Group plc and of Sunbelt Rentals Inc under a new contract effective 1 February 2001. Mr Lewis has decided to retire fully and has given notice to terminate his contract on 31 July 2001. On retirement Mr Lewis will not receive any payments beyond his remuneration accrued up to that date.

Mr G B Burnett's service agreement, first entered into on 27 November 1986 and amended periodically until consolidation into a new agreement dated 21 May 1997, provides for termination by either party by the giving of two years' notice. However, Mr Burnett is entitled at any time after reaching age 59 to give at least six months' notice to retire from age 60. Otherwise the contract remains in place until he reaches age 65. The unexpired period of the contract is a little over 10 years.

The service agreement between the Company and Mr SI Robson, dated 4 August 2000, after a fixed initial term which expires on 4 August 2001, is terminable by either party giving the other twelve months' notice.

Mr Dressel entered into a new service agreement with Sunbelt Rentals Inc on 15 January 2001 under which he is employed as its President and Chief Executive Officer for an automatically extended rolling period of two years until the contract is terminated. Mr Dressel may not terminate the contract in the first two years but can do so at any point thereafter by giving 180 days' notice to Sunbelt. Early termination provisions apply should there be a change of control of Ashtead Group, defined as at least 50% of the voting rights becoming held by a single person. Sunbelt, however, can only terminate Mr Dressel's employment by giving two years' notice except in the case of misconduct. On termination, except on change of control, Mr Dressel is prohibited from working in the rental industry in the USA for two years. The Remuneration Committee considered that it was appropriate to secure the services of Mr Dressel for a minimum period of two and a half years in light of the importance of his contribution to Sunbelt's successful development within the Group and accordingly decided to depart from the recommendations of the Combined Code by entering into a contract with more than one year's notice.

Mr Forshaw is employed under a service agreement dated 17 February 1993, as amended on 3 December 1997, with Ashtead Plant Hire Company Limited, the company of which he is Chief Executive Officer. The contract provides for termination by either party giving not less than 12 months' notice to the other party except where there has been a change of control of Ashtead Group plc, control being defined as 50.1% of voting rights, when the notice period is 18 months. The Committee considered it appropriate to retain this provision within Mr Forshaw's service agreement when he was appointed to the Board for similar reasons to Mr Dressel.

The service agreements of the executive directors all contain suitable non-compete provisions appropriate to their roles in the Group.

Directors' emoluments

The emoluments of the directors, which are included in staff costs in note 3 to the Accounts, were as follows:

	Fees £'000	*Salary £'000*	*Performance related bonus £'000*	*Other benefits in kind £'000*	*Total emoluments excluding pension £'000*
2000/01					
PD Lewis	-	199	541	15	755
GB Burnett	-	216	541	23	780
SI Robson	-	152	161	29	342
A Anderson	-	23	-	3	26
JB Dressel	-	233	245	1	479
EJ Forshaw	-	180	46	9	235
AE Wheatley	55	-	-	-	55
PA Lovegrove	30	-	-	-	30
HE Staunton	25	-	-	-	25
	110	1,003	1,534	80	2,727
1999/00					
PD Lewis	-	214	373	20	607
GB Burnett	-	214	373	22	609
A Anderson	-	138	249	12	399
JB Dressel	-	50	33	2	85
EJ Forshaw	-	34	7	2	43
AE Wheatley	25	-	-	-	25
PA Lovegrove	25	-	-	-	25
HE Staunton	25	-	-	-	25
	75	650	1,035	58	1,818

The emoluments of SI Robson are those for the period from his appointment on 26 June 2000. The emoluments of A Anderson are those for the period to his resignation on 26 June 2000. In addition, an ex-gratia payment of £30,000 was made to Mr Anderson at the time of his retirement. The emoluments of JB Dressel and EJ Forshaw for the year ended 30 April 2000 are those for the period from their appointment on 2 February 2000.

Remuneration Committee Report

Directors' emoluments continued

The performance related cash incentive bonuses of Mr Lewis and Mr Burnett are based on long term growth in profit before tax adjusted to take account of the growth in earnings per share. Those of Mr Dressel and Mr Forshaw are based upon the achieved growth in the operating profit and returns of their respective businesses, Sunbelt Rentals and A-Plant, subject to adjustment at the discretion of the Remuneration Committee. Finally, that of Mr Robson was discretionary in the first year of his appointment and was set by the Remuneration Committee in the light of his and the Group's performance.

A common bonus plan for all Executive Directors has been introduced by the Committee for the year to 30 April 2002 under which annual bonuses will be linked to operating performance in the year.

Directors' pension benefits

	Age at 30 April Years	Accrued pensionable service at 30 April Years	Directors contributions paid £	Accrued Annual Pension* £	Increase in annual pension at 30 April £
2001					
GB Burnett	54	17	-	330,588	62,455
SI Robson	42	1	7,600	6,000	6,000
EJ Forshaw	50	8	6,750	18,889	8,361
2000					
PD Lewis	59	16	-	360,694	84,279
GB Burnett	53	16	-	268,133	62,920
A Anderson	53	12	7,096	124,831	27,912
EJ Forshaw	49	7	1,687	10,191	404

* *Comparatives for 2000 have been adjusted to correct a calculation error.*

Under the terms of his service contract, Mr Burnett is entitled to retire at age 60 with a pension of two-thirds of gross remuneration on retirement. It was considered appropriate to include the performance related bonus in pensionable earnings as this arrangement was agreed more than ten years ago and the bonus forms a significant part of Mr Burnett's earnings. However, it is proposed to amend Mr Burnett's service contract to base his pension on two-thirds of his annual salary with effect from 1 May 2001. Although Mr Burnett's pension is linked to his final salary, it is funded through contributions to the managed fund of an independent insurance company. Mr Burnett's pension in payment increases in line with price inflation, up to 7% a year. A spouse's pension of two-thirds of Mr Burnett's retirement benefit is payable in the event of his death either before or after retirement. The Company receives regular advice from external advisers on the level of contributions required to meet the anticipated final salary liability. The current level of funding is as most recently recommended by the advisers.

Mr Lewis' pension entitlement and the funding thereof were similar to those of Mr Burnett until his retirement when the fund supporting the entitlement was realised to purchase an annuity giving him his contractual pension of £373,776, equal to two-thirds of final gross remuneration, of which £13,082 accumulated during the year.

Under the terms of his contract, Mr Robson is entitled to retire at age 60 on a pension equal to one-thirtieth of his final gross salary for each year of pensionable service. He is a member of the Company's Retirement Benefits Plan, which is a defined benefits scheme, in respect of his earnings up to the Inland Revenue limit. The pension in respect of his earnings above that limit is provided by an unapproved unfunded retirement benefits arrangement agreed between him and the Company. Mr Robson's contract also contains early retirement provisions allowing him to retire and draw a pension based on actual years of service, but without deduction for early payment which take effect once he has completed ten years service with the Company (or at anytime after age 50 if there is a change of control). Mr Robson pays contributions equal to 5% of his salary, all of which was paid to the pension scheme in the current year.

Mr Forshaw is also a member of the Company's Retirement Benefits Plan and is entitled to retire at age 65 on a pension of one-sixtieth of basic salary for each year of pensionable service.

Mr Dressel is a member of a US defined contributions plan to which the Group contributed £3,600 in the year (£2,000 in the period from his appointment on 2 February 2000 to 30 April 2000).

Mr Anderson is a pensioner member of the Retirement Benefits Plan since his resignation on 26 June 2000 when he took early retirement on a pension based on one - thirtieth of his gross remuneration (excluding benefits in kind) for each year of service reduced to take account of its early payment. His pension at retirement amounted to £76,944, which included an accrual of £1,734 for service in the current year and a reduction of £49,621 to reflect its early payment. Taking early retirement at a reduced pension is an opportunity available to all members of the Company's Retirement Benefits Plan.

For members of the Company's Retirement Benefits Plan, except where otherwise stated:

- in the event of death, between leaving service and retirement while retaining membership of the Plan, a spouse's pension equal to 50% of the member's deferred pension calculated at the date of death plus a return of his contributions;
- in the event of death in retirement, a spouse's pension equal to 50% of the member's pension at the date of death;
- option to retire at any time after age 50 with the Company's consent. Early retirement benefits are reduced by an amount agreed between the Actuary to the Plan and the Trustees as being reasonable;
- pension increases in line with the increase in the Retail Price Index but capped at 5% per annum; and
- transfer values do not include discretionary benefits.

Directors' interests in shares

The Directors of the Company are shown below together with their interests in the share capital of the Company:

	31 July 2001 Number of ordinary shares of 10p each		*30 April 2001 Number of ordinary shares of 10p each*		30 April 2000 Number of ordinary shares of 10p each *or date of appointment where later*	
	Beneficial	*Non-beneficial*	*Beneficial*	*Non-beneficial*	Beneficial	Non-beneficial
PD Lewis	*12,000,000*	*-*	*12,000,000*	*-*	12,000,000	-
GB Burnett	*12,000,000*	*1,056,192*	*12,000,000*	*1,056,192*	12,000,000	1,056,192
SI Robson	*11,000*	*-*	*11,000*	*-*	11,000	-
BJ Dressel	*200,000*	*-*	*200,000*	*-*	-	-
EJ Forshaw	*15,024*	*-*	*15,024*	*-*	15,024	-
PA Lovegrove	*182,500*	*-*	*182,500*	*-*	157,500	-
HE Staunton	*145,000*	*-*	*145,000*	*-*	45,000	-
AE Wheatley	*132,000*	*-*	*132,000*	*-*	72,000	-

Remuneration Committee Report

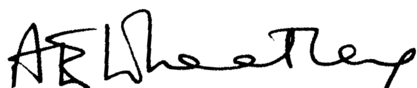
Directors' interests in share options

	Options at 1 May 2000	Granted during the year	Exercised/ lapsed during year	Market price at date of exercise	Options at 30 April 2001	Exercise price	Earliest normal exercise date	Expiry
Discretionary schemes								
PD Lewis	521,362	-	-	-	***521,362***	14.870p	Sept 1995	Sept 2002
	491,400	-	-	-	***491,400***	61.440p	Aug 1997	Aug 2004
	487,494	-	-	-	***487,494***	72.535p	Sept 1998	Sept 2005
	200,000	-	-	-	***200,000***	132.250p	Feb 2000	Feb 2007
	350,000	-	-	-	***350,000***	184.200p	Feb 2001	Feb 2008
	166,700	-	-	-	***166,700***	172.500p	Feb 2002	Feb 2009
GB Burnett	521,362	-	-	-	***521,362***	14.870p	Sept 1995	Sept 2002
	491,400	-	-	-	***491,400***	61.440p	Aug 1997	Aug 2004
	487,494	-	-	-	***487,494***	72.535p	Sept 1998	Sept 2005
	200,000	-	-	-	***200,000***	132.250p	Feb 2000	Feb 2007
	350,000	-	-	-	***350,000***	184.200p	Feb 2001	Feb 2008
	166,700	-	-	-	***166,700***	172.500p	Feb 2002	Feb 2009
	-	300,000	-	-	***300,000***	102.500p	Aug 2003	Aug 2010
	-	90,000	-	-	***90,000***	125.000p	Feb 2004	Feb 2011
SI Robson	-	29,500	-	-	***29,500***	101.670p	Aug 2003	Aug 2010
	-	195,500	-	-	***195,500***	102.500p	Aug 2003	Aug 2010
	-	230,000	-	-	***230,000***	125.000p	Feb 2004	Feb 2011
EJ Forshaw	109,210	-	-	-	***109,210***	61.440p	Aug 1997	Aug 2004
	152,334	-	-	-	***152,334***	72.535p	Sept 1998	Sept 2005
	60,000	-	-	-	***60,000***	132.250p	Feb 2000	Feb 2007
	125,000	-	-	-	***125,000***	184.200p	Feb 2001	Feb 2008
	-	230,000	-	-	***230,000***	125.000p	Feb 2004	Feb 2011
JB Dressel	60,000	-	-	-	***60,000***	132.250p	Feb 2000	Feb 2007
	200,000	-	-	-	***200,000***	184.200p	Feb 2001	Feb 2008
	66,700	-	-	-	***66,700***	172.500p	Feb 2002	Feb 2009
	-	140,000	-	-	***140,000***	102.500p	Aug 2003	Aug 2010
	-	230,000	-	-	***230,000***	125.000p	Feb 2004	Feb 2011
SAYE scheme								
PD Lewis	9,948	Contract matured without options being exercised			***-***	98.000p	April 2000	Sept 2000
GB Burnett	17,602		-	-	***17,602***	98.000p	April 2002	Sept 2002
S I Robson	-	17,800	-	-	***17,800***	94.800p	April 2006	Sept 2006
EJ Forshaw	17,602	-	-	-	***17,602***	98.000p	April 2002	Sept 2002

The market price of the Company's shares at the end of the financial year was 105.5p; the highest and lowest share prices during the financial year were 138.0p and 80.5p respectively.

Following his retirement from full time office, Mr Lewis' holdings of options granted in September 1992, September 1994 and August 1995 would have lapsed on 31 July 2001 in accordance with the rules of the approved share option scheme unless previously exercised. Accordingly, on 18 July 2001 he exercised all these options crystallising a profit of £804,716. Consequent upon his complete retirement on 31 July 2001, his other options will lapse unless exercised by 31 July 2002.

Mr Forshaw and Mr Dressel also hold awards over 250,000 units each under the Company's Cash Incentive Scheme which were granted on 22 February 2000 at a price of 102p per unit. These awards are subject to the same performance conditions as apply to the Company's unapproved share option scheme and are exercisable on 22 February 2003 if the performance criteria have been satisfied when the difference between the mid market price of Ashtead Group shares on that day and the grant price multiplied by the number of units held will be paid to them by way of a cash award.



Alan Wheatley
Chairman of the Remuneration Committee
31 July 2001

Statement of Directors' Responsibilties

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit or loss for the financial year.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently supported by judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless this is inappropriate

The Directors are also responsible for keeping proper accounting records 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 1985. The Directors also have responsibility for taking reasonable steps to safeguard the assets of the Group and prevent and detect fraud and other irregularities.

By order of the Board

Robert Clark
Company Secretary
31 July 2001

Independent Auditors' Report to the Members of Ashtead Group plc

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes and the additional disclosures within the remuneration committee report relating to the remuneration of the directors specified for our review by the London Stock Exchange.

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, United Kingdom Auditing Standards issued by the Auditing Practices Board and the Listing Rules of the Financial Services Authority.

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 or the Listing Rules 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, the chairman's report, the chief executive's review, the financial review, the Sunbelt Rentals, A-Plant and Ashtead Technology operational reviews and the corporate governance report.

We review whether the corporate governance statement reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

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 affairs of the company and the group at 30 April 2001 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
31 July 2001

Consolidated Profit & Loss Account

For the year ended 30 April 2001

	Notes	2001 £m	2000 £m (restated)
Turnover: - continuing activities		376.8	302.4
- acquisitions		175.2	-
	2	552.0	302.4
Cost of sales	23	(430.8)	(220.4)
Gross profit		121.2	82.0
Administrative expenses		(52.2)	(24.9)
Operating profit	2,3	69.0	57.1
Net interest payable and similar charges	5	(57.1)	(10.9)
Profit on ordinary activities before taxation		11.9	46.2
Taxation on profit on ordinary activities: - current tax	6	1.2	0.8
- deferred tax	6, 19	9.7	(5.7)
		10.9	(4.9)
Profit for the financial year	21	22.8	41.3
Equity dividends	8	(11.3)	(10.2)
Retained profits transferred to reserves		11.5	31.1
Basic earnings per share	9	7.0p	12.8p
Diluted earnings per share	9	6.7p	12.6p

Consolidated Statement of Total Recognised Gains & Losses

	Notes	2001 £m	2000 £m (restated)
Profit for the financial year		22.8	41.3
Foreign currency translation differences		1.7	(0.8)
Total recognised gains and losses relating to the year		24.5	40.5
Prior period adjustments	27	(9.6)	
Total gains and losses recognised since the last annual report		14.9	

All acquisitions made this year were immediately integrated into the Group's ongoing operations. No segregated operating profit information is therefore available.

There is no material difference between the results shown above and those which would have been shown on a historical cost basis.

Comparative figures have been restated as described in note 27.
The notes on pages 45 to 62 form part of these financial statements.

Consolidated Balance Sheet at 30 April 2001

	Notes	2001 £m	2000 £m (restated)
Fixed assets			
Intangible assets			
- goodwill	10	**150.7**	9.9
Tangible fixed assets:			
- rental equipment	11	**725.6**	450.1
- other fixed assets		**76.9**	62.5
	11	**802.5**	512.6
Total fixed assets		**953.2**	522.5
Current assets			
Stock	13	**15.3**	10.0
Debtors	14	**125.7**	79.4
Short term investments	26 (c)	**-**	15.0
Cash at bank and in hand	26 (c)	**1.1**	0.1
		142.1	104.5
Creditors - amounts falling due within one year			
Bank loans and overdrafts	15	**(2.2)**	(96.7)
Trade and other creditors	16	**(222.7)**	(169.6)
		(224.9)	(266.3)
Net current liabilities		**(82.8)**	(161.8)
Total assets less current liabilities		**870.4**	360.7
Creditors - amounts falling due after more than one year			
Bank and other loans		**(483.3)**	(109.7)
5.25% unsecured convertible loan note, due 2008	20	**(127.9)**	-
	17	**(611.2)**	(109.7)
Provision for liabilities and charges			
Deferred taxation	19	**(4.0)**	(13.1)
Other provisions	19	**(4.7)**	(1.1)
		(8.7)	(14.2)
Total net assets		**250.5**	236.8
Capital and reserves			
Called up share capital	20	**32.4**	32.3
Share premium account	21	**100.1**	99.7
Revaluation reserve	21	**0.5**	0.5
Profit and loss account	21	**117.5**	104.3
Total capital and reserves (equity interests)		**250.5**	236.8

The notes on pages 45 to 62 form part of these financial statements. Comparative figures have been restated as described in notes 17, 19 and 27.

These financial statements were approved by the Board on 31 July 2001.

GB Burnett
SI Robson

Company Balance Sheet at 30 April 2001

	Notes	2001 £m	2000 £m (restated)
Fixed assets			
Tangible fixed assets	11	-	3.4
Investments in group companies	12	348.5	224.2
		348.5	227.6
Current assets			
Debtors	14	133.5	125.1
Creditors - amounts falling due within one year			
Loans and overdrafts	15	-	(0.3)
Trade and other creditors	16	(11.4)	(10.3)
		(11.4)	(10.6)
Net current assets		122.1	114.5
Total assets less current liabilities		470.6	342.1
Creditors - amounts falling due after more than one year			
5.25% unsecured convertible loan note, due 2008	17	(127.9)	-
Other loan notes	17	(0.3)	(0.3)
		(128.2)	(0.3)
Total net assets		342.4	341.8
Capital and reserves			
Called up share capital	20	32.4	32.3
Share premium account	21	100.1	99.7
Revaluation reserve	21	198.6	198.7
Profit and loss account	21	11.3	11.1
Capital and reserves (equity interests)		342.4	341.8

The notes on pages 45 to 62 form part of these financial statements.
Comparative figures have been restated as described in note 17.
These financial statements were approved by the Board on 31 July 2001.

GB Burnett
SI Robson

Consolidated Cash Flow Statement

For the year ended 30 April 2001

	Notes		2001		2000
		£m	£m	£m (restated)	£m (restated)
Net cash inflow from operating activities					
Cash inflow before integration costs	26(a)		***173.0***		111.4
Exceptional BET USA integration costs			***(10.3)***		-
Net cash inflow from operating activities			***162.7***		111.4
Returns on investments and servicing of finance					
Interest received		***0.6***		1.0	
Interest paid		***(37.3)***		(11.3)	
Exceptional costs re new bank facility		***(9.7)***		-	
Net cash outflow from returns on investments and servicing of finance			***(46.4)***		(10.3)
Taxation inflow/(outflow)			***1.7***		(3.2)
Capital expenditure					
Purchase of tangible fixed assets		***(202.6)***		(163.4)	
Sale of tangible fixed assets		***38.3***		25.0	
Net cash outflow from capital expenditure			***(164.3)***		(138.4)
Acquisitions & disposals outflow	26(d)		***(214.1)***		(11.3)
Equity dividends paid			***(10.4)***		(8.9)
Net cash outflow before management of liquid resources and financing			***(270.8)***		(60.7)
Inflow from management of liquid resources due to decrease in short term investments	26(c)		***15.6***		0.3
Financing					
Issue of ordinary share capital		***0.5***		-	
Drawdown of loans	26(e)	***466.6***		29.3	
Redemption of loans	26(e)	***(170.3)***		(9.3)	
Principal payment under hire purchase agreements		***-***		(2.3)	
Net cash inflow from financing			***296.8***		17.7
Increase/(decrease) in cash	26(b)		***41.6***		(42.7)

All acquisitions made this year were immediately integrated in to the Group's ongoing operations. No segregated cash flow information is therefore available.

Comparative figures have been restated as described in note 27.
The notes on pages 45 to 62 form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 April 2001

1 Accounting policies

Accounting convention and basis of consolidation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold properties and in accordance with applicable accounting standards. The financial statements include the results of the Company and all its subsidiaries. A summary of the more important accounting policies, which have been applied consistently with the exception of the impact of the early adoption of FRS 18: Accounting Policies as described in note 27, is given in the following paragraphs. Comparative figures have been restated to reflect the change in accounting policies and also as described in notes 17 and 19 to accord with the current year presentation.

Foreign currency translation and derivative financial instruments

Exchange differences arising from the retranslation of the opening net investment of overseas subsidiaries and the difference between the inclusion of their profits at average rates of exchange in the Group profit and loss account and the closing rate are dealt with as movements on reserves. Assets and liabilities in foreign currencies including long term liabilities are translated at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account. This treatment is required by Statement of Standard Accounting Practice number 20 (SSAP 20) in order to give a true and fair view of the Group's results. Compliance with SSAP 20 overrides paragraph 12, Schedule 4, of the Companies Act 1985 which states that only profits realised at the balance sheet date should be included in the profit and loss account.

The Group uses derivative financial instruments to manage its interest rate exposures. These are principally swap agreements used to manage the balance between fixed and floating rate finance on long term debt. The Group accounts for such derivatives, which are only used for hedging purposes, using the accrual method under which amounts payable or receivable in respect of derivatives are recognised rateably in net interest payable over the period of the contract. They are not revalued to fair value or shown on the Group balance sheet at the balance sheet date.

Turnover

Turnover represents the total amount receivable for the provision of goods and services to customers net of returns and value added tax. Rental income is recognised on a straight line basis over the period of the contract.

Fixed assets

Fixed assets are stated at historical cost or valuation (net of any discounts received) less accumulated depreciation and provisions for impairment where appropriate. Leasehold properties are amortised over the life of each lease. Other fixed assets are depreciated on a straight line basis applied to the opening cost to write down each asset to its residual value over its useful economic life. The rates in use are as follows:

	Per annum
Freehold property	4%
Rental equipment	5% to 33%
Motor vehicles	16% to 25%
Office and workshop equipment	20%

Notes to the Financial Statements

For the year ended 30 April 2001

Fixed assets that are not capable of individual identification (non-itemised equipment), are depreciated so as to write them down to their residual value over their useful economic lives of 5 to 20 years. Some of the Group's freehold and long leasehold properties were revalued on the basis of their open market value at 30 April 1989. On adoption of FRS 15 the Group followed the transitional provisions to retain the book value of land and buildings that were revalued in 1989 but not to adopt a policy of revaluation in future.

Repairs and maintenance

Repair and maintenance of rental equipment is charged against revenue costs incurred in the period.

Acquisitions and goodwill

Acquisitions during the financial year have been accounted for on an acquisition basis and the results of companies acquired are therefore included from the effective date of acquisition. The net tangible assets of companies acquired are incorporated in the consolidated accounts at their fair value to the Group. In accordance with the requirements of FRS 7, post acquisition integration expenses are charged to the profit and loss account and, where material, disclosed as an exceptional item.

Goodwill, being the difference between the cost and fair value of the Group's share of net assets acquired, arising on all acquisitions since 1 May 1999 has been capitalised in the year in which it arises and is amortised on a straight line basis over its useful economic life. Goodwill arising before 1 May 1999 has been deducted from the accumulated profit and loss account reserve but will be written back and taken to the profit and loss account in the event that it either becomes impaired or if the business to which it relates is disposed of.

Deferred taxation

Deferred taxation is provided on the liability method in respect of timing differences between profits as computed for taxation purposes and profits as stated in the accounts is provided only to the extent that there is a reasonable probability that a liability will crystallise in the foreseeable future.

Operating leases

Operating lease rentals are charged against profits on a straight line basis over the period of the lease.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pensions

The Group operates defined benefit and defined contribution pension plans for the benefit of its employees under arrangements established by Group companies. In respect of the defined benefit plans, actuarial valuations are made regularly and the contributions payable are adjusted as appropriate. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the Group benefits from the employees' services. The effect of variations from regular cost are spread over the expected remaining service lives of the members of the plan. Contributions to defined contribution plans are expensed as incurred.

Investments

Investments in subsidiary undertakings are stated at cost less any necessary provision for impairment in the parent company balance sheet. Where an investment in a subsidiary undertaking is transferred to another subsidiary undertaking, any uplift in the value at which it is transferred over its carrying value is treated as a revaluation of the investment prior to the transfer and is credited to the revaluation reserve.

2 Segmental analysis

The Group operates one class of business: rental of equipment. The segmental analysis by geographic unit is given below:

	Turnover		Operating profit		Net assets	
	2001	2000	**2001**	2000	**2001**	2000
	£m	£m	**£m**	£m	**£m**	£m
				(restated)		(restated)
North America	**350.2**	114.4	**61.2**	21.5	**577.9**	175.9
United Kingdom	**199.7**	186.6	**26.8**	35.8	**286.9**	262.9
Rest of World	**2.1**	1.4	**0.6**	0.2	**2.0**	2.4
	552.0	302.4	**88.6**	57.5	**866.8**	441.2
Exceptional integration costs	**-**	-	**(12.3)**	-	**-**	-
Goodwill amortisation	**-**	-	**(7.3)**	(0.4)	**-**	-
Central items*	**-**	-	**-**	-	**(616.3)**	(204.4)
	552.0	302.4	**69.0**	57.1	**250.5**	236.8

** net borrowings and deferred taxation*

There is no material difference between turnover by origin as shown above and turnover by destination. Acquisitions in the year added £175.2m to revenue in the North American segment. Exceptional integration costs were incurred in the North American segment (see note 23).

3 Operating profit

Operating profit is stated after charging / (crediting) :	**2001**	2000
	£m	£m
		(restated)
Staff costs:		
Salaries	**149.7**	74.7
Social security costs	**17.4**	8.9
Other pension costs	**3.1**	4.4
Depreciation	**114.5**	66.8
Goodwill amortisation	**7.3**	0.4
Profits on disposal of fixed assets	**(6.8)**	(6.0)
Hire of plant and machinery	**15.9**	2.5
Other operating leases	**13.1**	6.3

Audit fees payable to PricewaterhouseCoopers were £259,500 (2000 - £165,000). This includes £20,000 (2000 - £20,000) in respect of the parent company. Fees paid to PricewaterhouseCoopers for non-audit services (largely in connection with acquisitions) amounted to £999,400 (2000 - £4,950) in the UK and £140,600 in the US (2000 - £nil).

Profits on disposal of fixed assets have been included within operating profit as they resulted from routine sales of rental equipment and are considered in effect to be no more than required adjustments to depreciation previously charged.

4 Directors' emoluments

Directors' remuneration and interests are given in the Report of the Remuneration Committee on pages 34 to 38.

Notes to the Financial Statements

For the year ended 30 April 2001

5 Net interest payable and similar charges

	2001 £m	2000 £m
Bank interest payable	41.4	12.0
Accrued interest amortisation on convertible loan	6.6	-
Total interest payable	48.0	12.0
Bank interest receivable	(0.6)	(1.1)
Exceptional costs re new bank facility	9.7	-
	57.1	10.9

6 Taxation

	2001 £m	2000 £m
UK Corporation tax at 30% (2000 - 30%)		
- current year charge	0.1	1.4
- credit in respect of prior year	(1.1)	(2.4)
	(1.0)	(1.0)
Double taxation relief	(0.1)	(0.1)
	(1.1)	(1.1)
Overseas taxation		
- current year charge	0.1	0.3
- credit in respect of prior year	(0.2)	-
	(0.1)	0.3
Total current tax credit	(1.2)	(0.8)
Deferred taxation (credit)/charge (see note 19)	(9.7)	5.7
	(10.9)	4.9

The deferred tax credit arises partly in the US where the unused tax losses carried forward are now sufficient to eliminate any potential deferred tax liability and partly in the UK as a result of the disclaiming of capital allowances.

7 Profit and loss account

Ashtead Group plc has not presented its own profit and loss account as permitted by section 230 (3) of the Companies Act 1985. The amount of the profit for the financial year dealt with in the accounts of Ashtead Group plc is £11.5m (2000 - £11.9m).

8 Equity dividends

	2001 £m	2000 £m
Interim dividend paid at 0.62p net per share (2000 - 0.56p)	2.0	1.8
Proposed final dividend of 2.88p net per share (2000 - 2.60p)	9.3	8.4
	11.3	10.2

9 Earnings per share

Earnings per share for the year ended 30 April 2001 have been calculated based on the profit for the financial year and on 323,334,079 ordinary shares, being the weighted average number of ordinary shares in issue during the year (2000 - 322,987,960 ordinary shares). Diluted earnings per share for the year are computed using the profit for the financial year and the diluted number of shares calculated as follows:

	2001 Profit for the financial year £m	2001 Weighted average no of shares millions	2000 Profit for the financial year £m	2000 Weighted average no of shares millions
As used in the calculation of basic earnings per share	22.8	323.3	41.3	323.0
Outstanding share options	-	3.0	-	4.0
Unsecured convertible loan stock after assumed tax at the UK standard rate of 30% (£2.0m)	4.6	81.9	-	-
As used in the calculation of diluted earnings per share	27.4	408.2	41.3	327.0

10 Intangible assets - goodwill

	Cost £m	Amortisation £m	Net book value £m
Group			
At 1 May 2000	10.3	(0.4)	9.9
Arising in respect of acquisitions in the year	148.1	-	148.1
Amortisation during the year	-	(7.3)	(7.3)
At 30 April 2001	158.4	(7.7)	150.7

Goodwill written off directly to reserves as at 30 April 2001 was £58.1m (2000 - £58.1m).

An amortisation period of 20 years has been selected for the goodwill arising on acquisitions in the year and in previous years because this is considered to best represent the useful life of the goodwill arising on these acquisitions.

11 Tangible fixed assets

Group	Freehold property £m	Leasehold property £m	Rental equipment £m	Office & workshop equipment £m	Motor vehicles £m	Total £m
Cost or valuation						
At 1 May 2000 as previously reported	36.6	15.1	640.5	14.7	27.1	734.0
Prior year adjustments	-	-	(11.0)	-	-	(11.0)
At 1 May 2000 (as restated)	36.6	15.1	629.5	14.7	27.1	723.0
Exchange differences	1.0	0.7	33.4	0.6	0.9	36.6
Acquisitions	1.8	1.1	169.3	0.7	1.6	174.5
Additions	1.7	7.2	217.5	4.5	6.8	237.7
Disposals	(0.1)	(0.7)	(86.9)	(3.8)	(7.5)	(99.0)
At 30 April 2001	41.0	23.4	962.8	16.7	28.9	1,072.8

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11 Tangible fixed assets (continued)

Group	Freehold property £m	Leasehold property £m	Rental equipment £m	Office & workshop equipment £m	Motor vehicles £m	Total £m
Depreciation						
At 1 May 2000 as previously reported	3.6	3.0	181.5	8.1	16.3	212.5
Prior year adjustments	-	-	(2.1)	-	-	(2.1)
At 1 May 2000 (as restated)	3.6	3.0	179.4	8.1	16.3	210.4
Exchange difference	0.1	0.2	9.9	0.5	0.6	11.3
Charge for the period	0.8	1.7	102.6	3.3	6.1	114.5
Disposals	-	(0.6)	(54.7)	(3.6)	(7.0)	(65.9)
At 30 April 2001	**4.5**	**4.3**	**237.2**	**8.3**	**16.0**	**270.3**
Net book value						
At 30 April 2001	**36.5**	**19.1**	**725.6**	**8.4**	**12.9**	**802.5**
At 30 April 2000 (restated)	33.0	12.1	450.1	6.6	10.8	512.6

The net book amount of leasehold property comprises:	2001 £m	2000 £m
Long leasehold	**2.1**	2.1
Short leasehold	**17.0**	10.0
	19.1	12.1

The closing net book value of property stated at cost or valuation may be analysed as follows:	Freehold £m	Leasehold £m
Stated at cost	35.0	18.1
Stated at valuation performed at 30 April 1989	1.5	1.0
	36.5	**19.1**
The net book value at which assets stated at valuation would have been shown if they had not been revalued is as follows:	**1.2**	**0.8**

Fixed assets in the Company comprising freehold and leasehold property which had a net book value of £3.4m at 30 April 2000 were transferred in the year to a subsidiary at their net book value.

12 Investments

Company	Shares in group companies £m	Loans to group companies £m	Total £m
At 1 May 2000	224.2	-	224.2
Additions in the year	-	124.4	124.4
Transfer of Group undertaking to subsidiary	(0.1)	-	(0.1)
At 30 April 2001	**224.1**	**124.4**	**348.5**

The Company's principal subsidiaries are:

Name	Country of Incorporation	Principal country in which subsidiary undertaking operates
Ashtead Plant Hire Company Limited	England	United Kingdom
Ashtead Plant Hire Company (Ireland) Limited	England	Republic of Ireland
Ashtead Technology Limited	Scotland	United Kingdom
Ashtead Technology (South East Asia) pte Limited	Singapore	Singapore
Ashtead Technology (North America) Inc.	USA	USA
Sunbelt Rentals Inc.	USA	USA

The issued share capital (all of which comprises ordinary shares) of subsidiaries is 100% owned by the Company or by subsidiary undertakings and all subsidiaries are consolidated. The principal activity of each subsidiary undertaking listed above is equipment rental. All of the above subsidiaries are held by Ashtead Group plc except for Sunbelt Rentals Inc, and Ashtead Technology (North America) Inc, which are owned indirectly through other subsidiary undertakings.

13 Stock

Group	2001 £m	2000 £m
Raw materials, consumables and spares	12.9	7.7
Goods for resale	2.4	2.3
	15.3	10.0

14 Debtors

	The Group 2001 £m	The Group 2000 £m (restated)	The Company 2001 £m	The Company 2000 £m
Trade debtors	107.4	69.6	-	-
Amounts due from group undertakings	-	-	133.0	124.7
Prepayments and accrued income	18.3	9.8	0.5	0.4
	125.7	79.4	133.5	125.1

Comparative figures have been restated as described in note 27.

15 Bank loans and overdrafts

	The Group 2001 £m	The Group 2000 £m (restated)	The Company 2001 £m	The Company 2000 £m (restated)
Secured bank overdrafts	2.2	41.1	-	-
Short term portion of unsecured loans	-	55.6	-	0.3
	2.2	96.7	-	0.3

Comparative figures have been restated to correct a misclassification of £0.3m previously included in short term loans. Bank overdrafts are secured by fixed and floating charges over the Group's assets.

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For the year ended 30 April 2001

16 Trade and other creditors

	The Group 2001 £m	The Group 2000 £m (restated)	***The Company 2001 £m***	The Company 2000 £m
Trade creditors	***69.8***	31.9	***-***	-
Bills payable	***90.7***	81.7	***-***	-
Taxation	***1.9***	1.6	***-***	1.1
Other taxes and social security	***9.3***	4.1	***-***	-
Other creditors	***-***	0.2	***-***	-
Proposed dividend	***9.3***	8.4	***9.3***	8.4
Accruals and deferred income	***41.7***	41.7	***2.1***	0.8
	222.7	169.6	***11.4***	10.3

Accruals and deferred income at 30 April 2000 included accrued deferred consideration of £4.8m. Comparative figures have been restated for the transfer to other provisions described in note 19.

17 Creditors - amounts falling due in more than one year

Loans are payable as follows:	***The Group 2001 £m***	The Group 2000 £m (restated)	***The Company 2001 £m***	The Company 2000 £m (restated)
Between two and five years (secured bank debt)	***221.9***	22.5	***-***	-
Over five years:				
Secured bank debt	***261.1***	86.9	***-***	-
Loan notes	***0.3***	0.3	***0.3***	0.3
5.25% Unsecured convertible loan note due 2008	***127.9***	-	***127.9***	-
	611.2	109.7	***128.2***	0.3

Interest is payable on these loans currently at rates between 5% and 9%. Loans payable in between two and five years relate to revolving advances within the US$825m committed secured senior credit facility. These revolving advances were repayable in June 2001 but have been presented as long term because the revolving advance facility is committed until 31 May 2005. The secured bank debt over five years relates to the medium term bank loan also provided under the senior credit facility which is repayable on 31 May 2007. Secured bank debt is secured by way of fixed and floating charges over substantially all of the Group's assets. Comparative figures have been restated to correct a misclassification of £0.3m previously included in short term loans.

18 Financial instruments

A discussion of financial instruments used by the Group and its approach to managing foreign exchange risk are included in the financial review on pages 18 and 19. Short term debtors and creditors have been excluded from all the following disclosures (except the currency profile of monetary assets).

a) The currency and interest rate profile of the Group's financial assets is:

	Total £m	Floating rate deposits £m	Fixed rate deposits £m	Financial assets on which no interest is received £m	Fixed rate deposits: Weighted average interest rate at 30 April %	Fixed rate deposits: Weighted average time for which rate is fixed Years
Sterling	0.3	-	-	0.3	-	-
Irish punt (Euro)	0.3	0.3	-	-	-	-
US dollar	0.3	-	-	0.3	-	-
Singapore dollar	0.2	-	-	0.2	-	-
At 30 April 2001	***1.1***	***0.3***	***-***	***0.8***	***-***	***-***
Sterling	0.1	-	-	0.1	-	-
Irish punt (Euro)	8.5	-	8.5	-	5.4	0.2
US dollar	6.5	-	6.4	0.1	7.0	0.9
At 30 April 2000	15.1	-	14.9	0.2	6.5	0.5

Floating rate financial assets are deposited for variable periods at prevailing money market rates.

b) The currency and interest rate profile of the Group's financial liabilities is:

	Total £m	Floating rate borrowings £m	Fixed rate borrowings £m	Fixed rate borrowings: Weighted average interest rate at 30 April %	Fixed rate borrowings: Weighted average time for which rate is fixed Years
Sterling	204.1	75.9	128.2	5.6	7.2
US dollar	400.0	225.3	174.7	6.8	2.3
Euros	9.3	9.3	-	-	-
At 30 April 2001	***613.4***	***310.5***	***302.9***	***6.3***	***4.4***
Sterling	83.3	68.0	15.3	6.1	0.5
US dollar	123.1	36.2	86.9	7.0	8.3
At 30 April 2000	206.4	104.2	102.2	6.6	7.1

The Group's fixed rate borrowings at 30 April 2001 comprised the £134m nominal value unsecured convertible loan note due 2008 (see note 20) on which interest is fixed at 5.25% per annum payable half yearly effective from 1 June 2001, one year after its issue in connection with the acquisition of BET USA and US$250m (£174.7m) of the borrowings under the group's secured loan facility on which interest rates have been fixed by means of two interest rate swaps executed in August 2000 with LloydsTSB Bank plc (US $125m) and Bank of America (US$125m). Interest payable on floating rate borrowings is linked to LIBOR rates for the relevant currency.

c) Currency profile of monetary assets

During the year the Company has used financial instruments for the purpose of managing funding, interest rate and currency risk. Such derivative financial instruments are only used to manage or hedge underlying exposures and not to create exposures. At 30 April 2001 the only currency exposures in the Group's operations in currencies other than their own functional currency related to payables of £25.9m in the US, £16.6m of which is payable in pounds sterling and £9.3m of which is payable in Euros, and payables of £11.4m in the Republic of Ireland, all of which is payable in pounds sterling. The equivalent comparatives at 30 April 2000 were payables of £6.0m in the US, payable in pounds sterling and payables of £9.3m in the Republic of Ireland, also payable in pounds sterling.

Notes to the Financial Statements

For the year ended 30 April 2001

18 Financial instruments (continued)

d) Maturity of financial liabilities

The maturity profile of the Group's financial liabilities included in note 15 and 17 was:

	2001	2000
	£m	£m
		(restated)
In one year or less	***2.2***	96.7
In more than two years but not more than five years	***221.9***	22.5
In more than five years	***389.3***	87.2
	613.4	206.4

e) Borrowing facilities

The Group has various borrowing facilities available to it. Undrawn committed facilities available at 30 April 2001 in respect of which all conditions precedent had been met totalled £93.3m and relate to the undrawn balance of the revolving loan commitment under the Group's senior secured bank loan facility which expires in more than two years but less than five years.

f) Fair value of financial assets and liabilities

The table below provides a comparison by category of the carrying amounts and the fair values of the Group's financial assets and liabilities at 30 April 2001. Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties and includes accrued interest. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest and exchange rates.

Summary of methods and assumptions

- Bank loans and overdraft, loan notes, cash and short term investments: - fair value approximates to the carrying value because of the short maturity of these items or because they bear interest at floating rates which are reset to market rates at intervals of less than one year.
- 5.25% convertible loan note: - fair value at 30 April 2001 is calculated by reference to an independent opinion provided by Schroder Salomon Smith Barney
- Interest rate swap agreements: - fair value is determined by reference to market quotations obtained with reference to interest rates ruling at 30 April 2001

	Book value	***Fair value***
At 30 April 2001	***£m***	***£m***
Primary financial instruments held or issued to finance the Group's operations:		
Short term borrowings and overdrafts	2.2	2.2
Other secured bank loans (all of which bear interest at floating rates)	483.0	483.0
Other loan notes	0.3	0.3
5.25% unsecured convertible loan note due 2008	127.9	131.1
Cash at bank	(1.1)	(1.1)
	612.3	***615.5***
Derivative financial instruments held to manage interest rate profile:		
Interest rate swaps (net loss)	-	8.0

At 30 April 2000	*Book value £m*	*Fair value £m*
US$ Private Placement Notes	86.9	87.6
Bank loans and overdrafts	119.5	119.5
Cash at bank	(0.1)	(0.1)
Liquid resources	(15.0)	(15.0)
	191.3	***192.0***

	£m	*£m*
Foreign exchange contract re BET USA acquisition (net loss)	-	3.8

In line with the Group's accounting policy of accounting for derivatives used to manage the balance between fixed and floating rate interest rates on long term debt rateably in earnings over the period of the contracts, £3.1m of the total unrecognised loss on the interest rate swaps of £8.0m at 30 April 2001 (computed by reference to interest rates ruling at year end) will be recognised in the year ending 30 April 2002.

19 Provisions for liabilities and charges

Deferred taxation

	Provided in the accounts		*Full potential liability*	
	2001	2000	***2001***	2000
	£m	£m	***£m***	£m (restated)
Short term timing differences	***(0.2)***	(0.3)	***(3.7)***	(0.3)
Tax effect of losses in subsidiary company	***-***	-	***(26.2)***	(13.7)
Accelerated capital allowances	***4.2***	13.4	***94.1***	51.6
	4.0	13.1	***64.2***	37.6

The movement in the year is as follows:

	Provided in the accounts £m	*Full potential liability £m*
At 1 May 2000	13.1	37.6
Exchange differences	0.6	1.7
Relating to the acquisition of BET USA	-	18.4
Credited in the year	(9.7)	6.5
At 30 April 2001	***4.0***	***64.2***

No deferred tax has been provided in respect of the surplus arising on revaluation of the Group's properties because all of the properties are employed in the Group's business, and it is not the Group's intention to dispose of any of them. In any event, the likelihood of a material tax liability arising on disposal is remote due to the availability of rollover relief. Additionally no deferred tax is provided on the unremitted earnings of overseas subsidiaries because it is not intended to remit these in the foreseeable future.

Notes to the Financial Statements

For the year ended 30 April 2001

19 Provisions for liabilities and charges (continued)

Other provisions

The movement in the year is as follows:

	Self insurance £m	Other £m	Total £m
As at 1 May 2000 as previously stated	-	-	-
Restatement	0.6	0.5	1.1
At 1 May 2000 restated	0.6	0.5	1.1
Exchange differences	0.7	0.1	0.8
Utilised	(6.8)	(0.9)	(7.7)
Charged in the year	8.4	2.1	10.5
At 30 April 2001	**2.9**	**1.8**	**4.7**

Comparative figures have been restated in order to adhere to the presentation of provisions adopted this year.

Self insurance provisions relate to the estimated liability in respect of costs to be incurred under the Group's self insurance programmes for events occurring on or prior to the year end. The provision is determined, with advice from external insurance brokers, based on claims notified to date plus an allowance for claims incurred but not yet reported. The majority of the amount provided is expected to be utilised within one year.

Other provisions include individually insignificant items expected to be utilised within one year.

20 Called up share capital and 5.25% unsecured convertible loan note due 2008

Ordinary shares of 10p each	2001 Number	2000 Number	2001 £m	2000 £m
Authorised	**450,000,000**	376,000,000	**45.0**	37.6
Allotted, called up and fully paid	**323,611,327**	323,052,685	**32.4**	32.3

During the year to 30 April 2001, 558,642 ordinary shares were issued for cash to employees exercising options granted over the Company's share capital.

Also on 1 June 2000, in connection with the acquisition of BET USA, the Company issued the 5.25% £134m nominal value unsecured convertible loan note due 2008. This loan note is convertible, at the holder's option, into 89,333,333 ordinary shares at any time after 1 June 2001 and if not converted is redeemable at par on 1 June 2008. The convertible loan note bore no interest in its first year of issue. No transfer of the loan note is permitted in its first year of issue and thereafter it may only be transferred with the consent of the Company which will be granted if the Company is satisfied that the transferee (and any connected persons) would not, in consequence of the transfer, hold ten per cent or more of the issued share capital of the Company after conversion. Certain orderly marketing restrictions also apply to ordinary shares issued through conversion.

21 Movements in shareholders' funds

Group	Share capital £m	Share premium account £m	Revaluation reserve £m	Profit and loss account £m	Total £m	2000 £m (restated)
Profit for the year	-	-	-	22.8	22.8	41.3
Equity dividends	-	-	-	(11.3)	(11.3)	(10.2)
	-	**-**	**-**	**11.5**	**11.5**	**31.1**
Other recognised gains and losses relating to the year	-	-	-	1.7	1.7	(0.8)
Share capital subscribed	0.1	0.4	-	-	0.5	-
Net additions to shareholders' funds	0.1	0.4	-	13.2	13.7	30.3
At 1 May 2000 as previously reported	32.3	99.7	0.5	113.9	246.4	214.2
Prior year adjustment	-	-	-	(9.6)	(9.6)	(7.7)
At 1 May 2000 as restated	32.3	99.7	0.5	104.3	236.8	206.5
Closing shareholders' funds	**32.4**	**100.1**	**0.5**	**117.5**	**250.5**	**236.8**

Comparative figures have been restated as described in note 27.

Company	Share capital £m	Share premium account £m	Revaluation reserve £m	Profit and loss account £m	Total £m	2000 £m (restated)
Profit for the year	-	-	-	11.5	11.5	11.9
Equity dividends	-	-	-	(11.3)	(11.3)	(10.2)
	-	**-**	**-**	**0.2**	**0.2**	**1.7**
Transfer of Group undertaking to subsidiary	-	-	(0.1)	-	(0.1)	-
Revaluation of investment in subsidiary undertakings	-	-	-	-	-	198.2
Share capital subscribed	0.1	0.4	-	-	0.5	-
Net additions to shareholders' funds	0.1	0.4	(0.1)	0.2	0.6	199.9
Opening shareholders' funds	32.3	99.7	198.7	11.1	341.8	141.9
Closing shareholders' funds	**32.4**	**100.1**	**198.6**	**11.3**	**342.4**	**341.8**

Notes to the Financial Statements

For the year ended 30 April 2001

22 Acquisitions

The goodwill arising on the acquisitions completed in the year is:

Assets acquired at provisional fair value:	*BET USA Fair value adjustments* Original book value £m	Alignment of accounting policies £m	Valuation adjustments £m	At provisional fair values £m	Other acquisitions £m	Total £m
Fixed assets	225.5	(35.1)	(17.4)	173.0	1.5	174.5
Stocks	10.6	-	(6.0)	4.6	-	4.6
Debtors	33.8	(1.1)	(0.3)	32.4	-	32.4
Cash	2.0	-	-	2.0	-	2.0
Creditors	(25.4)	-	(3.6)	(29.0)	-	(29.0)
	246.5	**(36.2)**	**(27.3)**	**183.0**	**1.5**	**184.5**
Consideration (including costs):						
Cash paid				204.9	6.4	211.3
5.25% convertible loan stock, due 2008 issued at fair market value at date of issue				121.3	-	121.3
				326.2	**6.4**	**332.6**
Goodwill arising				**143.2**	**4.9**	**148.1**

The fair value of assets acquired has been determined on a provisional basis with the main adjustments being needed to apply Group depreciation methods, to write down acquired fixed assets and inventory to their fair value determined in accordance with FRS 7 and in respect of termination costs incurred in relation to an onerous contract. The fair market value of the convertible loan stock at its date of issue was determined by Schroder Salomon Smith Barney.

BET USA was acquired on 1 June 2000. Its trading results in its most recent full year prior to its acquisition (year ended 31 December 1999) and in the five months to 31 May 2000 are summarised in its reporting currency (US dollars) in the table below:

	Year ended 31 December 1999 $m	*Five months ended 31 May 2000 $m*
Revenues	376	149
Operating costs	(328)	(138)
Operating profit	48	11
Interest payable and similar charges	(27)	(4)
Profit on ordinary activities before taxation	21	7
Tax on profit on ordinary activities	(2)	(1)
Profit on ordinary activities after taxation	19	6
Dividend	(18)	-
Retained profit for the period	1	6

Other insignificant acquisitions in the year include Response Rentals, acquired by Ashtead Technology on 1 October 2000. No fair value adjustments were required for the other acquisitions.

23 Exceptional integration costs

Exceptional integration costs included in cost of sales relate to the acquisition of BET USA and comprise:

	£m
Rebranding programme for acquired premises and rental equipment	8.9
Redundancies	1.2
Other integration costs	2.2
	12.3

24 Operating leases

Minimum annual commitments under existing operating leases may be analysed by date of expiry of the lease as follows:

	2001 £m	2000 £m
Land and buildings:		
Expiring in one year	1.1	0.4
Expiring between two and five years	5.5	1.4
Expiring in more than five years	7.3	5.6
	13.9	7.4
Other:		
Expiring in one year	4.4	-
Expiring between two and five years	5.4	2.3
Expiring in more than five years	0.6	0.4
	10.4	2.7
Total	24.3	10.1

25 Pensions

The Group operates pension plans for the benefit of qualifying employees. The Group's principal pension plan for its UK employees, which is a funded defined benefit plan with trustee administered assets held separately from those of the Group, was subject to an actuarial valuation as at 30 April 1998 by Cartwright Consulting Limited. This valuation used the projected unit credit method and was carried out on two different market-related bases, using a conservative set of actuarial assumptions for funding purposes and a "best estimate" set for accounting purposes (as required by SSAP 24).

The principal actuarial assumptions used in the valuation were that pensionable salaries would grow at 4.75% per annum and that the funds' investments would yield 7.4% per annum (for funding purposes) and 8.4% per annum (for SSAP 24 purposes) before retirement and 5.9% per annum (for both funding and SSAP 24 purposes) after retirement. The assets were taken at their market value of £10,176,000 at the valuation date. Assets at market value were sufficient to cover the benefits that had accrued to members by 115% on the funding basis and 129% on the SSAP 24 basis.

On the advice of the actuary, employer's contributions were paid to this plan during the year ended 30 April 2001 at the rate of 5.0% of members' pensionable salaries at 1 May 2000 as adjusted for leavers during the year. For accounting purposes, the actuarial surplus in the main UK plan is being spread over the fifteen year average remaining service life of the employees in the scheme.

The table below shows the employer's cost calculated in accordance with the provisions of SSAP 24 for the main UK plan and for the other plans:

	2001 £m	2000 £m
Principal UK scheme:		
Regular cost	0.8	1.0
Variation from regular cost	(0.2)	(0.2)
Other plans	2.4	3.5
	3.0	4.3
Accrual for future contributions included in creditors	0.1	0.1

Other plans include the defined contribution 401K plan operated by Sunbelt Rentals for the benefit of its employees and the directors' plan covering certain directors described more fully in the Remuneration Committee report on pages 34 to 38.

Notes to the Financial Statements

For the year ended 30 April 2001

26 Notes to the cash flow statement

a) Cash flow from operating activities

	2001 ***£m***	2000 £m (restated)
Operating profit	***69.0***	57.1
Exceptional BET USA integration costs	***12.3***	-
Amortisation of goodwill	***7.3***	0.4
Depreciation of tangible fixed assets	***114.5***	66.8
EBITDA before BET USA integration costs	***203.1***	124.3
Gain on sale of tangible fixed assets	***(6.8)***	(6.0)
Increase in stocks	***(0.7)***	(2.6)
Increase in trade debtors	***(12.1)***	(9.0)
(Decrease)/increase in trade creditors	***(9.3)***	4.7
Exchange differences	***(1.2)***	-
Net cash inflow from operating activities before BET integration costs	***173.0***	111.4

b) Reconciliation to net debt

	2001 ***£m***	2000 £m
(Increase)/decrease in cash in the period	***(41.6)***	42.7
Increase in bank loans	***296.3***	17.7
Cash inflow from decrease in short term investments	***15.6***	0.3
Change in net debt from cash flows	***270.3***	60.7
Translation difference	***22.8***	4.5
Movement in net debt in the period	***293.1***	65.2
Net bank debt at 1 May	***191.3***	126.1
Net bank debt at 30 April	***484.4***	191.3
Non cash movement re 5.25% unsecured convertible loan note, due 2008	***127.9***	-
Net debt at 30 April	***612.3***	191.3

c) Analysis of net debt

	1 May 2000 £m (restated)	*Cash flow £m*	*Non-cash movements £m*	*Exchange movement £m*	***30 April 2001 £m***
Cash at bank and in hand	(0.1)	(1.0)	-	-	***(1.1)***
Overdrafts	41.1	(40.6)	-	1.7	***2.2***
	41.0	(41.6)	-	1.7	***1.1***
Liquid resources	(15.0)	15.6	-	(0.6)	***-***
Debt due after 1 year	109.7	354.2	127.9	19.4	***611.2***
Debt due within 1 year	55.6	(57.9)	-	2.3	***-***
Total net debt	191.3	270.3	127.9	22.8	***612.3***

	1 May 1999 £m	*Cash flow £m*	*Exchange Movement £m*	*30 April 2000 £m* (re-stated)
Cash at bank and in hand	(10.1)	9.6	0.4	(0.1)
Overdrafts	7.1	33.1	0.9	41.1
Liquid Resources	(15.5)	0.3	0.2	(15.0)
Debt due after 1 year	113.0	(6.3)	3.0	109.7
Debt due within 1 year	29.3	26.3	-	55.6
Hire purchase liabilities	2.3	(2.3)	-	-
Total	*126.1*	*60.7*	*4.5*	*191.3*

Non-cash movements relate to the issue of the 5.25% unsecured convertible loan note, due 2008 as part consideration for the acquisition of BET USA.

26 Notes to the cash flow statement (continued)

d) Acquisitions	**2001 £m**	2000 £m
Cash consideration on current year acquisitions	**211.3**	11.1
Less: cash acquired with subsidiary undertakings	**(2.0)**	-
Deferred consideration paid on prior year acquisitions	**4.8**	0.2
	214.1	11.3

Because the acquired businesses were fully integrated immediately into the Group's operations it is not practicable to analyse net cash flows between the acquired entities and the Group's other operations.

e) Drawdown/redemption of loans	**2001 £m**	2000 £m
Drawdown of loans		
Term loan	**251.2**	-
Revolver loans	**215.4**	29.3
	466.6	29.3
Redemption of loans		
Bank loans	**(79.6)**	(9.3)
US$ private placement notes	**(90.4)**	-
Other loan notes	**(0.3)**	-
	(170.3)	(9.3)
	296.3	20.0

27 Implementation of FRS18: Accounting Policies

The Group has adopted early the new Financial Reporting Standard number 18 (FRS 18) in its accounts for the year ended 30 April 2001. Adoption of FRS 18 required a full review of all the Group's accounting policies and estimation techniques (the latter being the methods by which accounting policies are implemented). This review was conducted in accordance with FRS 18 which requires that, where a choice of treatment is available, the "most appropriate" accounting policies and estimation techniques shall be used. Implementation of FRS 18 resulted in the following changes to accounting policies and estimation techniques:

Accounting policy changes

Amounts received from equipment vendors were previously taken to profit and loss account but are now being treated as a reduction in the value of the rental equipment acquired in the period to which they relate. This change in accounting policy has been implemented retrospectively as required by FRS 18 with a prior year adjustment made to fixed assets and to reserves.

Stationery is now accounted for by writing off to operating costs the cost of stationery ordered and delivered in the period rather than the estimated amount of stationery consumed. This change in accounting policy has been implemented retrospectively as required by FRS 18 with a prior year adjustment made to debtors and to reserves.

Revisions to estimation techniques

Non-mechanical equipment (acrow props and equipment, aluminium access towers and steel scaffolding) has until now been held in fixed assets at cost with write offs booked against cost of sales in respect of both equipment sold in the period and equipment becoming damaged or broken or otherwise unusable in the period. Having regard to the FRS 18 requirement to apply the "most appropriate" accounting practices and in light of the increased materiality of these items following the acquisition of BET USA (which had a large fleet of steel scaffolding) it has been decided in future to calculate depreciation using an estimated life of 20 years and zero residual value. This change to depreciation is a change to a more appropriate estimation technique to be implemented in line with the principles set out in FRS 15: Tangible Fixed Assets. Consequently the impact of the revised estimation technique is being implemented prospectively by way of an increased depreciation charge with no adjustments made to opening reserves.

Notes to the Financial Statements

For the year ended 30 April 2001

27 Implementation of FRS18: Accounting Policies (continued)

The effect of these adjustments on the profit for the year and net assets are shown in the table below:

	Reduction in profits		*Reduction in net assets/ shareholders funds*	
	2000/01	1999/00	***2001***	2000
	£m	£m	***£m***	£m
Pre-tax profits/net assets under previous accounting policies & estimation techniques	***20.8***	48.1	***269.0***	246.4
Accounting policy changes				
Contributions to sales and marketing expenditure:				
- reduced EBITDA & hence lower fixed asset additions	***(5.5)***	(3.0)	***(16.7)***	(11.0)
- reduced depreciation charge/accumulated depreciation	***1.7***	1.1	***4.0***	2.1
Effect on net book value of fixed assets	***(3.8)***	(1.9)	***(12.7)***	(8.9)
Stationery (included in debtors and prepayments)	***0.2***	-	***(0.5)***	(0.7)
Total accounting policy changes accounted for retrospectively	***(3.6)***	(1.9)	***(13.2)***	(9.6)
Estimation technique changes				
Non-mechanical equipment depreciation:				
- additional depreciation charge for the year	***(5.0)***	-	***(5.0)***	-
Effect on goodwill amortisation	***(0.3)***	-	***(0.3)***	-
Total impact of implementing FRS 18	***(8.9)***	(1.9)	***(18.5)***	(9.6)
Pre-tax profit/net assets under FRS 18	***11.9***	46.2	***250.5***	236.8

There is no impact on the Group's tax position from these changes in accounting policies and estimation techniques.

28 Contingent liabilities

The Group is subject to periodic legal claims in the ordinary course of its business. However, the claims outstanding at 30 April 2001 are not expected to have a significant impact on the Group's financial position.

The Company has guaranteed bank and other borrowing facilities of subsidiary undertakings under the Group's secured credit facility. At 30 April 2001 the amount borrowed under these facilities was £485.2 million (30 April 2000 - £206.7m).

The Company has also guaranteed annual operating lease commitments of subsidiary undertakings where the minimum lease commitment at 30 April 2001 totalled £53.2m in respect of land and buildings and £26.2m in respect of other operating lease rentals of which £3.3m and £4.5m respectively is payable by subsidiary undertakings in the year ending 30 April 2002.

29 Capital commitments

At 30 April 2001 capital commitments in respect of purchases of rental equipment totalled £33.9m, all of which had been ordered. There were no other material capital commitments at the year end.

30 Related party transactions

During the year Sunbelt Rentals Inc incurred £0.4m in the purchase of artwork, equipment decals and business cards from Images Unlimited, a company controlled by the wife of Mr B Dressel, a director of the Company. The amount due to Images Unlimited at the end of the year was less than £0.1m.

31 Employees

The average number of employees during the year was as follows:	***2001***	2000
North America	***3,158***	1,049
United Kingdom	***2,669***	2,673
Rest of World	***7***	7
	5,834	3,729

Seven Year History

	Year to 30 April 2001	Year to 30 April 2001 (Adjusted as below+)	Restated• Year to 30 April 2000	Year to 30 April 1999	Year to 30 April 1998	Year to 30 April 1997	Year to 30 April 1996	Year to 30 April 1995
By £m								
Turnover	***552.0***	***552.0***	302.4	256.0	202.5	147.6	95.9	67.3
EBITDA	***190.8***	***205.6***	124.3	109.6	89.2	62.4	40.6	27.3
Depreciation	***114.5***	***114.5***	66.8	63.3	48.5	33.1	21.2	13.4
Operating profit	***69.0***	***91.1***	57.5	46.3	40.7	29.2	19.5	13.9
Pre-tax profit	***11.9***	***50.3***	46.6	38.6	35.7	27.4	18.3	13.6
Capital expenditure	***237.7***	***237.7***	158.2	145.7	153.4	98.9	61.0	38.9
Book cost of rental equipment	***962.8***	***962.8***	629.5	527.9	394.1	245.6	172.2	102.6
Net cash inflow from operating activities	***162.7***	***173.0***	111.4	89.1	77.6	56.5	33.1	26.1
Shareholders' funds	***250.5***	***250.5***	236.8	207.5	151.3	119.9	107.7	48.8
By pence								
Basic earnings per share *	***7.0***	***18.9***	12.9	11.1	9.5	7.7	6.5	5.3
Dividends per share *	***3.50***	***3.50***	3.16	2.70	2.30	1.825	1.52	1.17
By percent								
EBITDA margin	***34.6***	***37.3***	41.1	42.8	44.0	42.2	42.3	40.6
Depreciation (% of turnover)	***20.7***	***20.7***	22.1	24.7	23.9	22.4	22.1	19.9
Operating profit margin	***12.5***	***16.6***	19.0	18.1	20.0	19.8	20.3	20.7
Pre-tax profit margin	***2.2***	***9.1***	15.4	15.1	17.6	18.6	19.1	20.2
By people								
Employees at year end	***6,043***	***6,043***	3,930	3,735	3,174	2,268	1,968	1,250
By location								
Profit Centres at year end	***443***	***443***	352	341	275	181	164	107

* Adjusted for capitalisation and rights issues in subsequent years
\+ Before exceptional items, goodwill amortisation, the non-cash accrued convertible loan interest amortisation and the non-recurring salary costs paid to redundant former BET USA employees before they were made redundant
• The results in the table above have been restated to reflect the impact of the adoption of FRS 18 in the year and are presented before exceptional items and goodwill amortisation.

Who We Are

SENIOR STAFF - SUNBELT

Directorate
Bruce Dressel
Kurt J. Kenkel
Charles Miller
Rod D. Nease
Cliff Miller
Brendan Horgan
Earl Rose
Bob Veshosky
Brian Tate

Trading Managers
Bradley Anderson
Carlos Aquino
Kenneth Beck
Douglas Bertz
Russ Brown
Dan Clarkson
Eddie Dempster
Ray Lello
Chad Maughan
Randy Nelson
Paul Nicely
Christopher Pera
Rich Rollason
Greg Schamel
Kenneth Smerz
Donnie Smith
James Tanner
Thomas Wall
Jason Wallace
Frederick Weidner

Support Managers

CMIS
Mark Long

Finance
Kurt Kenkel - CFO
Mike Godsey
Matt Reinhard
Ronald Matley
Cheryl Black

Marketing
Charles Miller
Vice President

Jeff Cooper
Daniel Grimes
Brad Lull
Douglas Guy
William McBrayer
David Titus
Douglas Whitman
Patrick Connolly
Robert Murn
Walter Paczkowski

Performance Standards
Brian Tate
Robert Swingle
Bonnie Everett
Donna Nicely
James Parrish
Chris Watson
Olliver Windle

Risk
Byron Adkins

Safety
Randy Fairburn
Charles Leeper
John Wardlaw
Alan Williams
Jeffrey Stachowiak

Scaffold
Peter Casey
Keith Lane
Bruce Williams

Training
James Cowley

Sunbelt Profit Centre Managers
Howard Ahlstrom
Glenn Allen
Kenneth Allen
Charles Ambrose
Craig Ambrose
Jaime Aquino
Tim Ardell
Dave Armastrong
Jason Asuncion
Douglas Atkins
Timothy Ray Atkins
Eric Bacon
Stephen Bailey
Terrel Barlow
Michael Barrow
Paul Barton
Christopher Belcher
Prentice Bell
Randy Bellflower
Keith Bengston
Barry Boggs
Kent Borror
Chris Bowles
John Bozsoki
Greg Brewer
Clarence Browder
Conway Brown
Steven Brown
Alan Buchanan
John Calvano
Richard Carpenter
Randy Carr
Michael Clark
Randy Clark
Zachary Cleary
Jeffrey Coscia
Tim Cousino
Timothy Crews
Douglas Davidson
James Dennis
Richard Denoncour
James Deutsch
David Dicks
Thomas Dixon
Andrew Dixson
Ralph Douglas
John Drew
Christopher Dulnik
Miles Edge
Harrold Edwards
Brian Elbrecht
Mark Ellis
Everett Evans
Richard Fimbel
Gregory Flanagan
Verland Fluharty
Cristopher Follet
Duanne Francis
Donald Furr
Michael Gervasini
Douglas Gietl
Ernest Gildon
Linda Gomez
Jeffrey Groundwater
Brian Hadley
James Hartsfield
Stephen Hassett
Andrew Hewitt
Barry Holdcroft
Darwin Hollar
Kyle Horgan
Lenn Jackson
Christopher James
Robert Jellison
Lon Jenkins
Patrick Johnson
Robert Kaczenski
Thomas Kagey
Jacco Kappers
David Kenyon
David King
Ron Leffew
Christopher Lewis
Francis Lombardi
Steve Lowder
Dave Lytle
Steven Martucci
John May
Cynthia McBride
Bradley McCoy
Jacquelyn McCoy
Scott McCoy
David McGlone
Joseph McGuire
Joseph McIntyre
Tom Meeuwsen
Stephen Mick
Brian Mills
Lewis Morris
Brian Morrison
Robert Morrison
David Morse
Richard Morse
Robert Morse
Richard Moss
Wayne Myers
Clark Neff
Paul Neff
Richard Newbold
William Newkirk
Shawn Olmstead
David Park
Rodney Patterson
Russell Pavur
Jesse Pickrell
Carl Pierce
Jennings Pierce
Donald Pline
Michael Poteete
Jeffery Raymond
Paul Rice
Hugh Rickles
Ronald Riding
Chris Ritz
Luis Rivera
William Robinson
Curtis Rogers
Michael Romero
Jared Sampson
Kyle Sandidge
Court Sawyer
Bradley Schlottman
Douglas Schubert
Steve Seelbach
John Sepa
Jerry Shaw
Gerard Simmons
Rickey Slater
Michael Smith
Timothy Smith
Kurtis Specht
Joseph Spratt
James Stallings
Reginald Stanley
Rex Sterling
Scott Stinson
Jason Stout
Richard Suarez
Thomas Tegner
Jason Thompson
Dave Tippie
Jeffrey Todd
George Tompkins
Miguel Ugarte
Harry Venezia
Charles Waller
Douglas Wallace
Richard Wallace
Thomas Walton
Calvert White
Kevin White
Daniel Wood
Jude Yimin
James Yonce
Wayne Young
Lawrence Zellner
Dirk Zienow
David Zoss

SENIOR STAFF - A-PLANT

Directorate
Ted Forshaw
Sat Dhaiwal
Tracey Hazel
Tim Tait
Bob Watts
Tony Durant
Paul Mooney
John Bankes
Richard Winfield

Support Managers

CMIS
Andy Wortley

Finance
Tony Durant - FD
Steve Westhead
Sue Carey

Legal
Paul Edmunds

Marketing
Paul Mooney - MD
Tony Grimshaw
Seamus Kelly
Marc Daley
Barry Stephens
Andy Clapham
Chris Geddes
John Pettitt
Keith Robertson
Tony Heard
Carli Milsom
Ian Armstrong
Ken Pierce

Performance Standards
Richard Winfield
Bob Harper
John Helliwell
Bob Kane
Serena Lucas
Mel Moore
Chris Ryan
Dale Thurnham
George Winker

Property
John Bankes

Training
John Devonport
Derek Purdon
Tom McNeil

Transport Services
Paul Green

A-PLANT NORTH

Tim Tait - MD
Iain Guthrie - FD

Sales Directors
Bob Dixon
Mike Barron
Derek Stewart
David Bell

Sales Managers
Alistair Niven
Mark Hogg
Keith Steele
Harry Poxon
Phil Mostyn

A-PLANT SOUTH

Tracey Hazel - MD
Brian Key - FD

Sales Directors
Dick May
Tony Thomas
Penny Noad
Dave Comber
Ray Caulfield
Tim Lewis
Glen Mahony

Sales Manager
Lisa Giffard

A-PLANT EAST

Sat Dhaiwal - MD
Mark Siney - FD

Sales Directors
Paul Dennis
Paul Fereday
Chris Muirhead
Gary Thompson
Mark Sharkey
Dave Pearcey

Sales Managers
Maria Congreve
Richard Mason
Dave Couzens
Vince Oddy
Steve Grainger
Andy Tallentire
Chris Myers
Steve Bradshaw

A-PLANT WEST

Bob Watts - MD
Colin Foster - FD

Sales Directors
Steve Day
Kevin Foord
Sue Young
Yas Swindell
Bert Benson
John Owens

Sales Managers
Jim Kendall
Mike Abbott
Jason Thorne
Metro Werezak

A-PLANT Profit Centre Managers

John Ainger
Jim Ainslie
Vince Akers
Mick Allen
Kam Amanullah
Dave Andrews
Tony Andrews
Nigel Arnott
Simon Ashby
Tony Ashton
Mark Atkins
Ken Bailey
Neil Bailey
Alan Barnes
Barry Barnes
Kevin Barrett
Mark Barron
Vince Barry
Matthew Bates
Jane Bell
Andy Benham
Barry Bevis
Tom Biggins
Peter Bilton
Keith Bloodworth
Wayne Bolton
Steve Bottomley
Philip Briggs
John Brown
Steve Buckley
Richard Bull
Mark Burdge
Brian Burton
Jim Bush
Mandy Buss
Sean Byrne
Grant Campbell
Olga Carroll
Sharon Carruthers
Ian Cass
Shane Castledine
Brian Cavall
Adrian Chapman
Alan Charge
Andy Chatham
Ciaran Clancy
David Clegg
Richard Clark
Graham Clarke
Peter Clay
Debby Clayton
Len Clough
Tommy Coats
Gary Coburn
Tom Coleman
Steve Cornforth
Dean Corthorn
Dave Creasey
John Crook
Kim Croxton
Andrew Cullin
Daren Cummings
Brian Dagger
Frank Davidson
Lee Davies
Phil Davies
Douglas Davy
Jim Denihan
Alastair Dickson
Brian Dillon
Russell Dodd
Peter Dodds
Daryl Doherty
Steve Doughty
Martyn Dolan
Andrew Douglas
Barney Duffy
Matt Duggins
Paul Dukes
Graeme Dunlop
John Dunne
Jane Dyckhoff
Matthew Eames
Nick East
Dean Edwards
Jim Edwards
Mike Edwards
Steve Elkington
Jim Evans
David Farr
Peter Fearn
Tom Fenton
Keith Ferris
Ross Fitzgerald
Paul Flegg
Eddie Ford
Jamie Fountain
Richard Freeman
Andy Freshwater
Brian Galt
Jane Garfield
Lisa Gerrard
Clive Gilbert
Eddie Gilmour
Scott Graham
Jamie Grant
Tom Grieve
Dave Griffiths
Martin Griggs
Dean Groves
John Guthrie
Eric Gwynne
Gary Hallam
John Hansburry
Duncan Harkins
Tony Harrison
Richard Hart
Peter Hayward
Dermot Hegarty
Tony Holland
Doug Hoskins
Marianne How
Phil Howell
Mark Huckle
Dale Hudson
Michael Hufton
Steve Hulley
Glen Hutton
Asim Iqbal
Ian Jackson

Who We Are

Ian Johnson
Richard Johnston
David Jones
Jim Jones
Tracey Jones
Paul Keenan
John Kennedy
Maria Kennedy
Steve King
Terry Kingcott
John Kingham
Haydn Kinsey
Jason Kinsey
Gary Kirby
Ian Knight
Paul Lewis
Paul R. Lewis
Colin Lockless
Alex Love
Martin Ludkins
Geoffrey Mackay
Andy Mackey
Wayne Maddocks
Andrew Mair
Neil Macara
Paul Mason
Steve Matthews
Stuart McAllister
Kevin McDade
Bill McGuckin
Alex McGuffie
Lisa McLaughlin
Paul McLusky
Shaun Medd
Dave Meek
David Mellor
Sean Mercer
Mike Merrigan
Richard Mills
Graeme Milne
Andy Mitchell
Kevin Mitchell
Peter Molloy
Martin Moody
Derek Moore
Stephen Morrell
Jim Morrison
Keith Moss
Russel Moxham
John Munton
Joe Murphy
John Murray
Rob Murray
David Naylor
Mick Naylor
Jason Newell
Dyllis Newman
Ian Nicholls
Peter Nicolson
Tracey Nicolson
Andy Nightingale
Jim O'Grady
Jim Oliver
Mike Omond
Gary Orton
Jeff Orton
Andy Owen

Frank Page
Jim Palmer
Mandy Payton
Keith Peden
Graham Peel
Paul Perks
Michael Phelan
Steve Pickering
Alan Plant
Richard Prescott
Lee Prince
Stuart Puggmur
Alan Purdie
Mike Purdy
Steve Raper
Julian Ring
Dave Roberts
David Robinson
Kevin Sanderson
Steve Sawyer
Sean Scarah
Chris Schaschke
Andy Scott
Jim Scott
John Shaun Ryan
Nathaniel Singleton
David Skyner
Mark Skyner
Paul Smith
Robin Smith
Steve Smith
John Stewart
Ron Stewart
Bill Stoodley
Kevin Stringer
Robert Sullivan
Colin Tall
Russ Tarleton
Andrew Taylor
Brian Taylor
Gordon Taylor
Jane Taylor
James Temple
Michael Thistlethwaite
Karen Thomas
Ian Thompson
Carl Tidey
John Tiffen
Steve Tinsley
Paul Trantum
Jamie Trevis
Andy Varley
Jamie Vincent
Wilson Walker
Mike Walsh
Gary Ward
Mary Wardle
Steve Warren
Michael Warrior
William Watt
Steve Welling
Brian White
Colin Wight
Mike Wigley
David Wilkinson
Martin Williams

Sandy Williamson
Charlie Wilson
Mike Wishart
Roy Woods
Scott Young

SENIOR STAFF AND LOCATIONS - OTHER

Ashtead Technology

Rob Phillips
Managing Director

Peter Simpson
Operations Director

Singapore
Andy Doggett
Divisional Director

Neil Christie
Dave Thomson

North America
Andy Holroyd
President

Mary Ruth Carlton
Katie Machi

Houston
Chris Echols
Survey and NDT

Michael Klembus
Environmental

Rochester
Doug Allen

Los Angeles
Steve Rozunick

Toronto
Tony Barreca

UK - Aberdeen
Colin Erskine
Mark Emslie
Ian Harvey
Lorraine Mitchell

Ashtead Group plc Corporate Office

Leatherhead
Robert Clark FCA ATII
Company Secretary

Ritain Patel ACCA
Group Financial Controller

Lourdes Rey Bsc ACCA
Group Taxation Manager

Tamworth
Derrick Adamson FCMA
Director of CMIS

Where We Are

LOCATIONS - SUNBELT

Allegheny
Ashland
Charleston
Roanoke

Capital
Frederick
Fredericksburg
Gaithersburg
Manassas
McLean
Northern Pile Driving
Springfield
Sterling
Winchester

Central
Charlotte
Charlotte Access
Charlotte AWP
Charlotte Pump
Concord
Gastonia
Indian Trail
Lake Wylie
Mooresville
Pineville
Rock Hill
Winston Salem

Central Florida
East Orlando
Convention Services
Lake Fairview
Mid City Orlando
Orlando
Orlando Access
Orlando AWP
Orlando Pile Driving
Orlando Pump & Power
Orlando Traffic Systems
Sanford
Wintergarden

Coastal Atlantic
Brunswick
Charleston
Charleston Access
Charleston AWP
Florence
Hilton Head
Little River
Myrtle Beach
Savannah
Summerville
Wilmington

Delaware Valley
Pennsauken
Southampton
South Jersey Pump & Power
Swedesboro

Eastern Central
Indianapolis
Kokomo
Lansing
Layfayette
South Bend
Toledo

Florida Gulf
Ft. Myers Access
Ft. Myers AWP
Lauderdale
Mulberry
Oldsmar
South Florida Access
South Florida AWP
Tampa
Tampa Pump & Power

Mid Altantic
Durham
Fayetteville
Greensboro
Raleigh
Raleigh Access
Raleigh AWP
Winston Salem
Winterville

Mid West
Decatur
Evansville
Granite City

Northern Carolina
Belmont
Concord
Fresno
Sacremento

North Florida
Birmingham
Birmingham Access
Jacksonville
Jacksonville Access
Jacksonville AWP
Jacksonville Pump & Power
Mobile
Mobile Pump & Power
N Jacksonville
Orange Park
West Jacksonville

North Georgia
Atlanta AWP
Atlanta Access
Atlanta Power
Covington
Douglasville
Duluth
Kennesaw
Lake Lanier
Mid Town Atlanta
Riverdale

Northern
Baltimore
Finsburg
Hunt Valley
Laurel
Maryland Pump & Power
Parkville
Waldorf

Northwest
Boise
Eugene
Hillsboro
Portland
Salem
West Valley

Ohio Valley
Cincinnati
Clarkville
Columbus
Dayton
Louisville
Lexington

Southern VA
Charlottesville
Chesapeake
Newport News
Richmond
Richmond AWP
Richmond Access
Virginia Beach
VA Beach Pump & Power
West Creek

Southwestern
Glendale
La Mirada
Las Vegas
Tempe

Texas
Arlington
Austin
Beaumont
Dallas
Houston Access
Houston AWP
Kyle
San Antonio

Tennessee
Clarksville
Decatur
La Vergne
Nashville
Nashville Access
Nashville Pump & Power
Rivergate

Upstate South Carolina
Columbia
Greenville
Spartanburg

Washington
Kent
Kent AWP
Lakewood
Pasco
Tacoma

Western Central
Bloomington
Chicago Pump & Power
Des Moines
E Peoria
Joliet
Moline

LOCATIONS - A-PLANT

A-PLANT NORTH

Ayrshire
Ayr
Irvine Groundcare
Kilmarnock
Kilmarnock Powered Access
Stevenston

Grampian
Aberdeen
Aberdeen Acrow
Aberdeen Rentarc
Aberdeen Powered Access
Dundee
Dundee Mains Road
Inverness
Ladybank
Scotland Rail

Teesside
Hartlepool
Middlesbrough
Stockton Large Air
Stockton Powered Access
Stockton Rentarc
Teesside Main Plant
Teesside Tool Hire

Scotland West
Cumbernauld
Cumberland Tool Hire
Glasgow
Glasgow Acrow
Glasgow Baillieston
Glasgow South
Newmains Rentarc
Falkirk
Falkirk Pumps
Falkirk Water Pumps

Scotland East
Earlston
Edinburgh
Edinburgh Acrow
Edinburgh City
Falkirk
Falkirk Pumps
Falkirk Water Pumps
Newmains Rentarc

Cumbria
Barrow
Carlisle
Carlisle Kingstown
Carlisle Rentarc
Egremont
Kendal
Kendal Powered Access
Whitehaven

Tyneside
Gateshead
Newcastle
Newcastle Acrow
Sunderland
Tyneside Groundcare
Tyneside

A-PLANT SOUTH

South Coast West
Alresford
Eastleigh
Fareham Tool Hire
Romsey
Romsey Rentarc
Southampton
Southampton City
Southampton Powered Access

Home Counties East
Cambridge
Cambridge Rentarc
Long Stratton
Lowestoft
Norwich
Norwich Acrow
Norwich Tool Hire

Essex
Basildon
Basildon Tool Hire
Brentwood
Brentwood Masts
Epping
Epping Tool Hire
Ipswich East
Ipswich West

South East
Canterbury
Maidstone
Maidstone Accommodation
Maidstone Tool Hire
Medway

London Region
Barking
Battersea Main Plant
Battersea Tool Hire
Charlton
East London
New Cross
Romford
Romford Acrow
Romford Rail
Southwark
Staples Corner
Tottenham

Where We Are

Bedford
Bedford
Bedford Accommodation
Letchworth
Luton
Luton Powered Access
St Albans

London West
Colnbrook Acrow
Heathrow Main Plant
Heathrow Tool Hire
Leatherhead
Leatherhead Tool Hire
Staines Power Generation
Staines Trenchless Technology

South Coast East
Arundel
Ford
Gatwick
Lancing
Storrington Groundcare

Home Counties Central
Aylesbury
Hayes Traffic Systems
Hemel Hempstead
Milton Keynes
Milton Keynes Traffic Systems
Thatcham
Watford
Watford Tool Hire

A-PLANT EAST

North Midlands
Mansfield
Chesterfield Acrow
Chesterfield South
Chesterfield North

Nottinghamshire
Newark
Nottingham
Nottingham Building Systems
Nottingham Central
Nottingham East
Nottingham Powered Access
Nottingham West

Leeds
Boroughbridge Building Systems
Leeds Main Plant
Leeds Acrow
Leeds Central
Leeds City
Leeds Powered Access
Leeds South

Yorkshire
Wetherby
York
Bradford TH
Bradford TS

S. Yorks
Sheffield
Rotherham
Doncaster
Sheffield City

Derbyshire
Derby Ascot
Derby East
Derby North
Derby South
Heanor
Stoke City
Stoke
Stoke Fenton

Humberside
Barton
Hull
Hull City
Humberside
Immingham
Scunthorpe

North West
Preston
Blackpool
Preston Central
Liverpool
Netherton
Liverpool City
Liverpool Acrow

Wirral
Warrington
Birkenhead
Ellesmere Port
Deeside

Manchester West
Manchester Accommodation
Manchester Acrow
Manchester Powered Access
Manchester Groundcare
Manchester Power Generation
Manchester Rail
Salford Rentarc

Manchester East
Astley
Heywood
Manchester Central
Oldham
Reddish
Stockport Central
Worsley
Salford

Lincolnshire
Boston Main Plant
Grantham
Kesteven
Lincoln Building Systems
Lincoln Plant
Lincoln Tool
Sleaford

A-PLANT WEST

West (North)
Avonmouth Powered Access
Avonmouth Rail
Bridgwater
Bristol
Bristol Acrow
Bristol Central
St Philips
Swindon

West (South)
Barnstaple
Bodmin
Exeter
Exeter City
Plymouth
Plymouth City
Tavistock Acrow
Weymouth

Birmingham North
Birmingham City
Birmingham Powered Access
Erdington
Oldbury
Smethwick
Wolverhampton
Wolverhampton Main Plant
Worcester
Cheltenham

East Wales
Abergavenny
Cardiff
Cardiff Acrow
Cardiff City
Newport
Newport Rentarc

West Wales
Bridgend Accommodation
Bridgend Compressors
Bridgend Powered Access
Bridgend Town
Milford Haven
Swansea

Staffordshire
Donnington
Shrewsbury
Telford
Walsall Acrow
Walsall Power
Walsall Wood
West Midlands Rail

Ireland General Plant
Carlow
Cork
Dublin Main Plant
Dublin Rail
Dublin Tools
Galway
Limerick

Leicestershire
Leicester
Leicester Central
Leicester City
Loughborough
Loughborough Central
Loughborough Traffic Systems

West Midlands
Cheltenham
Coventry MP
Coventry City
Nuneaton
Rugby
West Midlands Building Systems
Burton Main Plant
Burton Tool Hire
Tamworth Hoists
Tamworth Tool Hire

Northampton
Corby
Hunsbury
Northampton
Northampton Access
Northampton Central
Northampton Town
Peterborough Groundcare

Ireland Specialist Plant
Belfast Acrow
Cork Acrow
Dublin Acrow
Galway Acrow
Lisburn
Lisburn Rentarc

2001 Annual General Meeting	***8 October 2001***
Payment of final dividend	***10 October 2001***
Payment of interim dividend	***8 April 2002***
2002 Annual General Meeting	***2 September 2002***

Robert Clark, FCA, ATII
Company Secretary

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Designed & produced by Design Spectrum

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ANNUAL REPORT & ACCOUNTS 2001