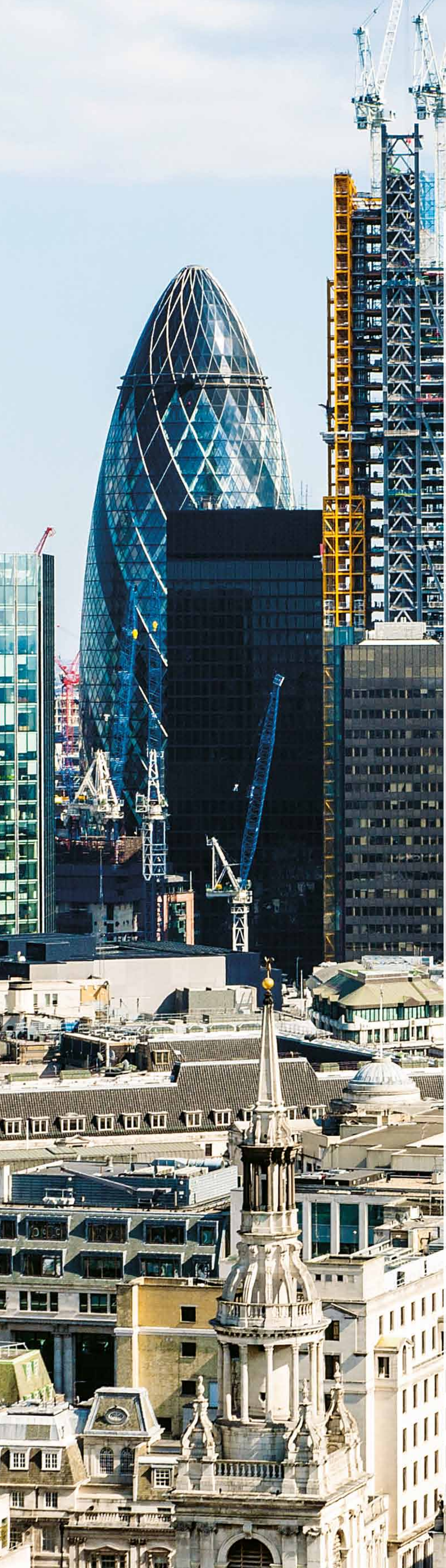
POSITIONED FOR GROWTH

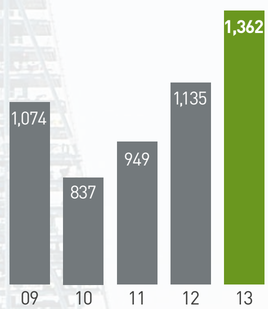
Annual Report & Accounts 2013

Ashtead group

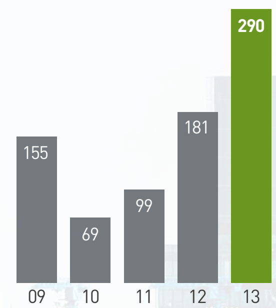


FINANCIAL HIGHLIGHTS

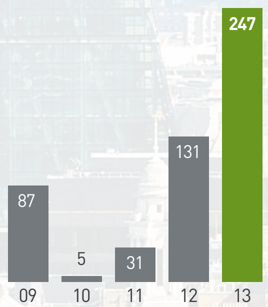
£1,362m
Underlying revenue



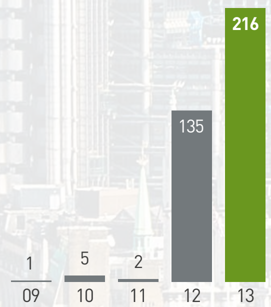
£290m
Underlying operating profit



£247m
Underlying profit before taxation



£216m
Profit before taxation



Record Group pre-tax profit for the year of £247m (2012: £131m)

Group EBITDA margins of 38% (2012: 34%)

£580m of capital invested in the business

Group RoI of 16% (2012: 12%)

Net debt to EBITDA leverage reduced to 2.0 times (2012: 2.2 times)

Proposed final dividend of 6.0p making 7.5p for the year (2012: 3.5p)

Underlying revenue, profit and earnings per share are stated before exceptional items, amortisation of intangibles and fair value remeasurements. The definition of exceptional items is set out in note 1 to the financial statements.

Forward looking statements
This report contains forward looking statements. These have been made by the directors in good faith using information available up to the date on which they approved this report. The directors can give no assurance that these expectations will prove to be correct. Due to the inherent uncertainties, including both business and economic risk factors underlying such forward looking statements, actual results may differ materially from those expressed or implied by these forward looking statements. Except as required by law or regulation, the directors undertake no obligation to update any forward looking statements whether as a result of new information, future events or otherwise.

Who we are

Ashtead is an international equipment rental company with national networks in the US and the UK. We rent a full range of construction and industrial equipment across a wide variety of applications to a diverse customer base. Our equipment can be used to lift, power, generate, move, dig, compact, drill, support, scrub, pump, direct, heat and ventilate – whatever is required.

Our objective is to deliver sustainable value and above average performance across the economic cycle, thereby extending our industry-leading position and delivering superior total returns for shareholders.

CONTENTS

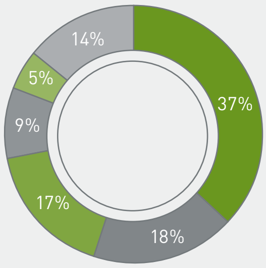
Group at a glance

Ashtead is one of the largest equipment rental companies in the world and operates as Sunbelt in the US and as A-Plant in the UK.

GROUP OVERVIEW

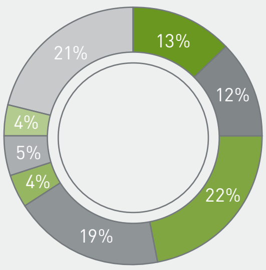
Fleet composition

US



- Aerial work platforms
- Forklifts
- Earth moving
- Pump and power
- Scaffold
- Other

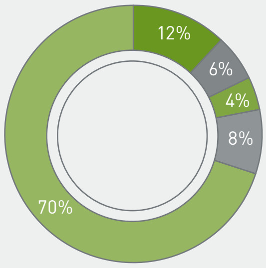
UK



- Aerial work platforms
- Forklifts
- Earth moving
- Accommodation
- Pump and power
- Acrow
- Traffic
- Other

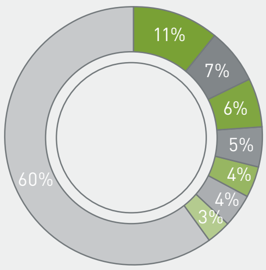
Market share

US



- United Rentals
- Sunbelt
- Hertz Equipment Rental Co
- Top 4-10 US
- Other

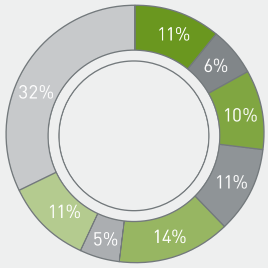
UK



- Speedy
- A-Plant
- HSS
- VP
- Hewden
- Lavendon
- GAP
- Others

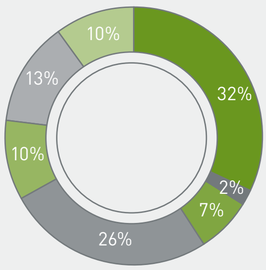
Customer base

US

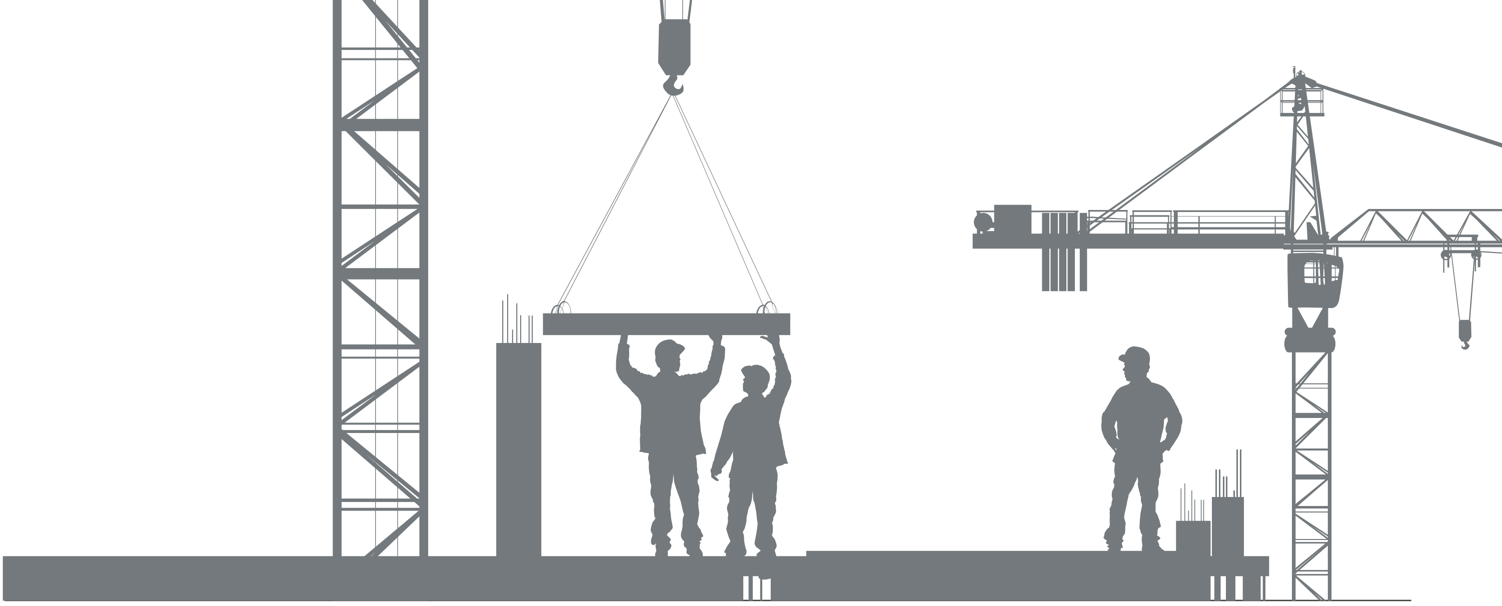


- Commercial construction
- Government and institutional
- Industrial, manufacturing and agriculture
- Infrastructure
- Non-construction services
- Residential construction
- Small contractor
- Specialty trade contractors

UK



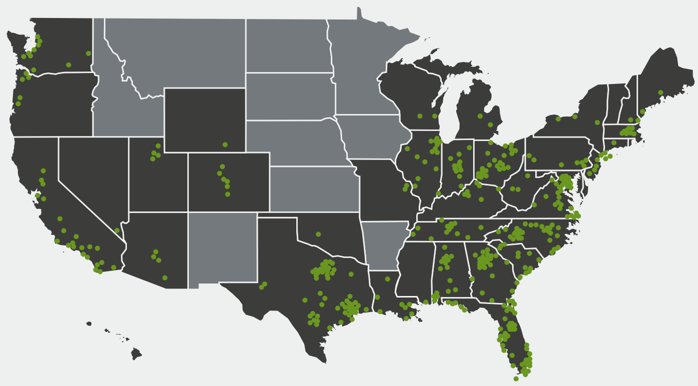
- Commercial construction
- Government and institutional
- Industrial, manufacturing and agriculture
- Infrastructure
- Non-construction services
- Small contractor
- Specialty trade contractors



WHERE WE OPERATE

US: Sunbelt

The second largest equipment rental business in the US with 388 stores in 36 states



358
Full service stores

$1,820m
Revenue

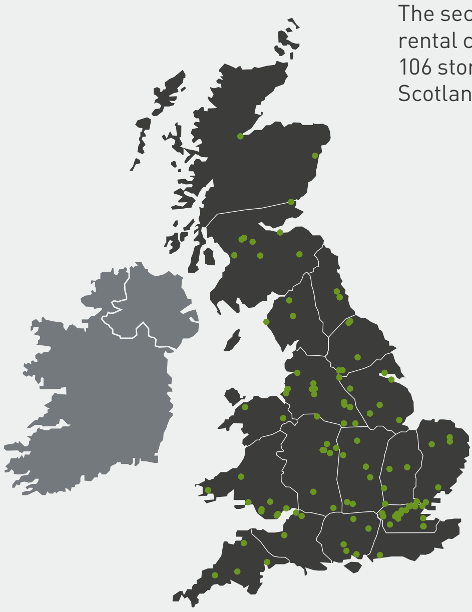
30
Sunbelt at Lowes stores

$453m
Profits

7,100
Employees

24.7%
Return on investment (excluding goodwill)

UK: A-Plant



The second largest equipment rental company in the UK with 106 stores throughout England, Scotland and Wales

106
Stores

£206m
Revenue

1,900
Employees

£12m
Profits

5.0%
Return on investment (excluding goodwill)

Chairman's statement

"Having achieved record results for the last two years in difficult economies, we are confident of further strong growth ahead."

ANOTHER YEAR OF RECORD RESULTS

I am delighted to be able to report that strong revenue growth, ongoing operational efficiency and reduced financing costs have delivered record profits again. We saw strong performance in both divisions although growth continues to be dominated by Sunbelt. With indications that construction markets are at an early stage of recovery, our performance is being driven primarily by the structural change in the US rental market and our increased market share.

Our full-year underlying pre-tax profit was £247m, up £116m, and our revenue was £1,362m, up £227m from last year, confirming that we have continued to take advantage of increasing rental penetration and obtain market share from a broad range of competitors.

Rental revenue at Sunbelt rose 21% to $1,611m, while average fleet on rent increased by 13% and yield by 7%. This included a first-time contribution from JMR Industries, a specialist company providing services to the oil and gas industry, acquired in November and a full-year contribution from Topp, acquired in April 2012. A-Plant also performed strongly seeing revenue rise 9% to £206m driven by an increase in average fleet on rent of 11%, offset by a 2% decline in yield.

The Group delivered a strong EBITDA margin of 38% (2012: 34%) as we continued to benefit from improved operational efficiency. This resulted in a 36% increase in EBITDA to £519m and increased operating profit of £290m (2012: £181m).

The successful refinancing of our senior secured notes early in the year resulted in a lower underlying net interest charge of £44m (2012: £51m) which also contributed to the increase in underlying pre-tax profit. Underlying earnings per share grew 83% to 31.6p (2012 17.3p). Our leverage has steadily decreased since 2010 and our aim is to maintain our leverage below two times net debt to EBITDA.

With the anticipation of market recovery and the ongoing opportunities from structural market changes, we continue to invest predominantly in organic growth, albeit remaining alert to strategic bolt-on acquisitions. We have invested in fleet ahead of our original plans and our fleet at cost is now £2.2bn (2012: £1.9bn). At 30 April 2013 the average age of our fleet stood at 32 months compared to 37 months last year. So our fleet is the largest, youngest and best quality it has ever been and we are reaping the benefits of this strong position in the market.

GOVERNANCE

The Board recognises the importance of good governance in promoting appropriate values and corporate behaviour. The corporate governance report on pages 36 to 41 explains clearly how this is achieved. We are fully compliant with the UK Corporate Governance Code and consider this report a fair, balanced and understandable assessment of the Group's position and prospects. We continue to pay due regard to maintaining both a balanced and diverse Board and I am satisfied that we achieve that. During the year we commissioned an external review of the work of the Board and its committees. I am pleased to report that the Board was found to operate in an effective and efficient manner. Further details of this review are included in the corporate governance report on page 38. As we reported last year, Hugh Etheridge's services as a non-executive director were extended to allow overlap with Suzanne Wood's first year as finance director coupled with the mandatory five-yearly rotation for the 2013/14 audit of our external audit partner. We will appoint a replacement for Hugh in 2013 to allow for a period of familiarisation before he leaves Ashtead in June 2014.

DIVIDEND

It is our policy to have a progressive dividend policy, with consideration to both profitability and cash generation at a level that is sustainable across the cycle. Reflecting our excellent and, we believe, sustainable performance this year we are recommending a final dividend of 6.0p per share making 7.5p for the year (2012: 3.5p). Assuming the final dividend is approved at the forthcoming Annual General Meeting, it will be paid on 6 September to shareholders on the register on 16 August 2013.

OUR PEOPLE

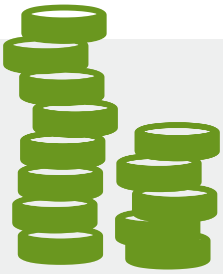
It gives me great pleasure that the faith our management and staff demonstrated in Ashtead through the economic cycle is now being justified fully. I would like to thank them as always for their dedication, enthusiasm and commitment to providing the highest quality service to our customers and driving forward the sustainable growth of the business.

OUTLOOK

Having achieved record results for the last two years in difficult economies, we are confident of further strong growth ahead as we continue to capitalise on our increased market share, the ongoing trend to rental and consolidation in a highly fragmented market. With the US market only just showing signs of recovery and the UK stabilising, there are good prospects for Ashtead. With our strong financial position supporting the market dynamics, I am confident in our established momentum and management's focus to continue to deliver shareholder value.

CHRIS COLE
CHAIRMAN
19 June 2013

HIGHLIGHTS OF THE YEAR



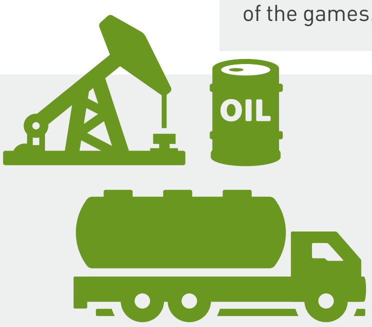
£8m
REDUCTION IN INTEREST

June

In strong debt markets we increased the size of our senior debt facility to $1.8bn and refinanced our long-term junior debt at 6.5% for 10 years. This achieved the dual benefit of reducing our interest cost by £8m per year and extending our average debt maturity. This financial strength positions us well to take advantage of favourable market conditions in the US.

July

A-Plant was involved extensively during the construction of the Olympic Park, providing a wide range of equipment. In addition, during the Olympic and Paralympic Games, our close working relationship with LOCOG led to the successful deployment of over 20,000 cones, more than 3,500 road signs and over 10km of barriers to help ensure the safe and smooth running of the games.



November

Sunbelt's strategy of scalable specialty bolt-on acquisitions continued with the acquisition of JMR Industries, a specialist company providing services to the oil and gas industry in Texas. This business will spearhead our growth in the oil and gas services industry and we have supplemented this with the acquisition of Raider Pumping Services in March.

November

The strength of the Sunbelt specialty proposition was critical in our response to Super Storm Sandy and the recovery effort. Our pump and power operation mobilised fleet from across the country and in preparation for and the aftermath of the storm mobilised 400 trucks and deployed 180 people and $40m of fleet in New York and surrounding areas.

$40m
OF FLEET DEPLOYED IN RESPONSE TO SUPER STORM SANDY

50%
INCREASE IN INTERIM DIVIDEND

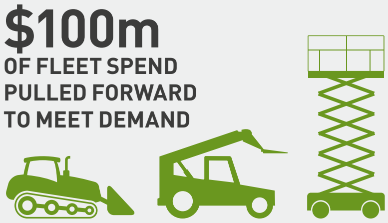
December

The first half of the year was one of records in terms of operating performance. Sunbelt had record levels of utilisation and fleet on rent as we brought in over $400m of new rental fleet. This resulted in record Group profit before taxation of £141m for the first half year, more than the full year profit of £131m for the prior year, itself a record. This enabled us to increase the interim dividend by 50%.

March

As utilisation and fleet on rent metrics reached seasonal records, we pulled forward $100m of fleet spend to meet the high levels of demand.

$100m
OF FLEET SPEND PULLED FORWARD TO MEET DEMAND



What we do

At Ashtead we enable our customers to focus on what they do best by renting them the equipment they need when they need it, fully maintained and serviced by us. They can then be certain that they have the right equipment for the job and that it is ready to work immediately, efficiently and safely.

Our complete range of equipment, from small hand-held tools to the largest aerial work platforms, is available to rent from our national store networks in the US and UK and we back our service commitment with a guarantee.

On-site tool hire and maintenance for new residential construction site.

Tracking our equipment for customers using mobile tracking systems.

Providing an on-site hire depot and contractors' village for a long-term hospital construction project.

Facilitating fit-out and ongoing maintenance for office blocks.

Advising on health and safety aspects of equipment in use at new sports stadium.

Providing equipment for facilities management at new shopping centre complex.

Replacing worn out sewage infrastructure.

Drying out and cleaning up after a flash flood at an industrial warehouse.

Providing temperature control solutions for office buildings.

Designing, erecting and dismantling scaffolding systems.

Renting generators, powered access equipment, lighting and temporary accommodation units for an outdoor music festival.

Designing and implementing traffic management systems.

TYPES OF EQUIPMENT

Our fleet of industrial and construction equipment includes earth moving equipment, aerial work platforms, high reach forklifts and other materials handling units, smaller tools, pumps, power generation, temperature control, portable site accommodation, scaffolding, formwork and falsework, and temporary traffic management equipment.

OUR CUSTOMERS

We serve all types of customers including construction and industrial organisations, disaster relief agencies, event organisers, governments, local authorities, facilities management companies and homeowners. Some customers we serve in only one location and others nationwide.

SPECIALTY SERVICES

Our higher margin specialty divisions provide particular services in oil and gas, pump & power, scaffolding, temperature control, traffic control, acrow and industrial resources.

Our business model

Ashtead is a cyclical business and our success depends on efficiently managing the business through the economic cycles inherent in our main market of construction.

INVESTING IN OUR PEOPLE
- Highly skilled team
- Devolved structure
- Maintaining significant staff continuity
- Strong focus on recruitment, training and incentivisation

DIFFERENTIATING OUR SERVICE AND FLEET
- Diversified customer base
- Wide variety of applications
- Fleet focus differentiated from competition
- Broad fleet mix

ENSURING OPERATIONAL EXCELLENCE
- Nationwide networks in US and UK
- Long-term partnerships with manufacturers
- Focused service-driven approach
- Strong customer relationships
- ISO accreditation
- Industry-leading application of technology

MAXIMISING OUR RETURN ON INVESTMENT
- Effective management and monitoring of fleet investment
- Optimisation of utilisation rates and returns
- Flexibility in local pricing structures
- Focus on higher-return equipment

Business and financial review

Introduction

The last financial year has been our best to date and we expect even better to come. We have seen strong performance in both our US and UK markets while the economies remain challenging, particularly in the UK.

Continuing the trend of recent years, performance has been particularly strong in the US. At a time when our main market of US construction still remains at historically low levels (Figure 1: US construction markets remain at historical lows), we have beaten all our previous records across all our metrics. The extent of our success may appear counterintuitive given the cyclical nature of our business. Thus the question is, how have we managed to do this and what does it mean for our future performance? Over the next few pages we will aim to explain exactly how this has happened and where we think we are going. We are very excited about the future.

Our strategy

WHY ARE WE MAINLY IN THE US?

We are predominantly in the US because of the growth opportunities there. At the most basic level, the US market is five times bigger than the UK. There has also been significant underinvestment in US infrastructure, a situation which simply has to change. As we are a key supplier of equipment used in infrastructure construction, that means the market for our services can only grow.

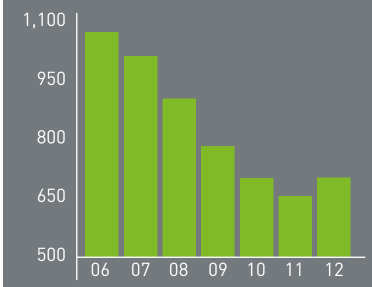
In addition, the still relatively low level of rental penetration in the US compared to the UK (Figure 2: US and UK rental penetration) and the increasing trend towards rental provide significant opportunities for us. Rental penetration is only approaching 50% in the US while it is already at 75% in the UK. Renting equipment rather than owning and maintaining it reduces contractors' risk and helps them protect their own balance sheet. It has become increasingly worthwhile for contractors to move to a more outsourced model of equipment provision.

The US rental industry is still a young and fragmented industry. It is also a capital intensive one. We need to invest regularly in fleet to ensure it remains of the highest standard and in the best condition. After an average of seven or eight years, equipment becomes old and needs to be replaced. It can also become obsolete. Our ability to invest in the fleet while our smaller, less well-financed competitors have been either constrained or have failed, has positioned us strongly as more customers have turned to rental. There will continue to be opportunities for us in a market where the more resilient players are likely to get bigger and stronger. We have worked hard over recent years to cement the benefits of the structural change taking place in the US rental market.

CEMENTING THE BENEFITS OF STRUCTURAL CHANGE

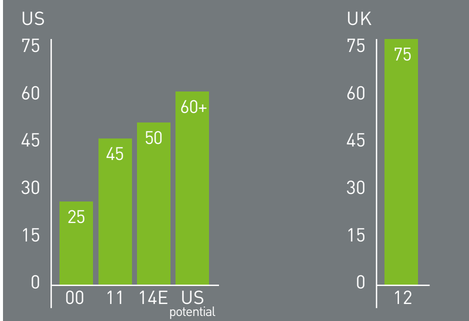
Breaking performance records when the market has yet to recover

FIG 1: **US CONSTRUCTION MARKETS REMAIN AT HISTORICAL LOWS (2005 $BN)**

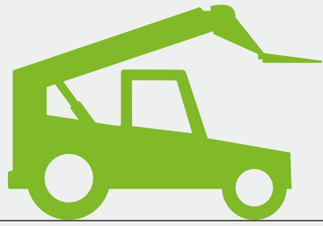


SOURCE: MAXIMUS ADVISORS

FIG 2: **US AND UK RENTAL PENETRATION (%)**



SOURCE: KAPLAN ASSOCIATES/MANAGEMENT ESTIMATES



From a cyclical perspective the timing of our purchase of NationsRent was far from ideal. But from the perspective of capitalising on the structural change in the US market, it could not have been better.

TIMING WAS EVERYTHING

Our current position and our ongoing strategy both stem from our 2006 acquisition of NationsRent. When the recession set in after the deal was done, it no longer looked like the right time to be expanding. But while our market contracted, the downturn brought positives for the enlarged Sunbelt business. Extremely tight credit market conditions accelerated the trend to rent as well as consolidation across the rental industry. Apart from our main competitors United Rentals (which acquired RSC in 2012) and HERC, the US rental market still remains comprised of many, much smaller players. Only the strongest of these have survived the extended economic downturn with competitive operating models.

FINANCIAL RESOURCES

The length of the recession has meant that customers and competitors, who may have had competitive equipment when the downturn began, have seen those assets age over time. Continuing tight credit conditions meant they were unable to replace those assets. This resulted in either lost business or them having to look elsewhere to source quality equipment. Meanwhile, our prudent financial management ensured our balance sheet was strong enough to support us during the bad times and provide us with first-mover advantage once signs of recovery were visible. We have been investing heavily in our fleet to ensure that the industry's weakness has become our strength. As we have reported before, we wanted to be in a position to capitalise on both the quickening pace of structural change and the market overall when it returned to growth.

READY FOR THE UPTURN

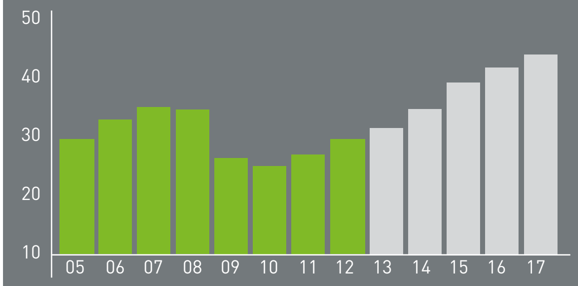
Figure 3: US construction and Sunbelt fleet on rent, demonstrates our current position relative to the market. Our main construction market is still not showing many signs of a return to growth after consistently large falls each year since 2007. However, our fleet on rent has been increasing steadily since 2010 and has grown at a rate of 13% over the last financial year. Figure 4: US equipment rental revenue, provides an approximate extrapolation of the level of potential growth in rental as the construction market itself returns to growth.

We have worked hard to ensure we have enough fleet of the right quality to be able to meet demand as growth returns to our main construction market. Figure 5: Sunbelt vs rental industry spend, shows the level of our spending on fleet relative to the industry as a whole. Since 2009 we have increased our spending year-on-year to take full advantage of the structural change. We have consistently spent more relatively than our competitors and that is now obvious in the size and age of our fleet. Our strong performance in the first three quarters of last year enabled us to bring forward around $100m of fleet expenditure previously planned for fiscal 2014 into the fourth quarter.

Despite our high level of capital expenditure, the level of our debt remains low relative to our fleet size. The strength of our balance sheet has enabled us to maintain flexibility. We are now in the best possible position to capitalise on opportunities, ahead of a return to growth in our end markets. Our fleet is in optimal condition and we have the financial resources to grow our network and service offering as the market expands, and thereby gain significant market share. The last two years of market-leading growth in the business, despite the market still suffering, have proved the efficacy of our strategy.

FIG 4: **US EQUIPMENT RENTAL REVENUE ($BN)**

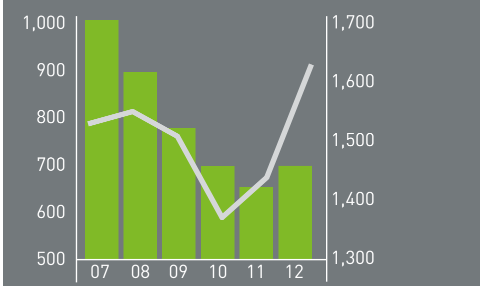
ACTUAL
FORECAST



SOURCE: IHS GLOBAL INSIGHT

FIG 3: **US CONSTRUCTION AND SUNBELT FLEET ON RENT**

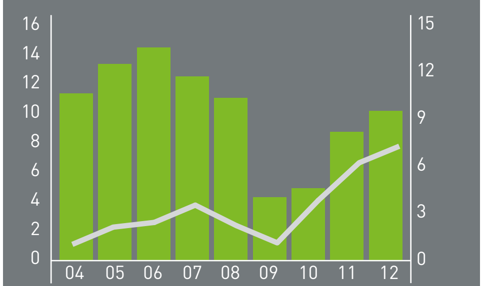
TOTAL US CONSTRUCTION SPEND 2005 $BN
SUNBELT FLEET ON RENT $M



SOURCE: MAXIMUS ADVISORS/MANAGEMENT INFORMATION

FIG 5: **SUNBELT VS RENTAL INDUSTRY SPEND**

RENTAL INDUSTRY CAPITAL EXPENDITURE $BN
SUNBELT AS % OF INDUSTRY TOTAL



SOURCE: IHS GLOBAL INSIGHT, MANAGEMENT INFORMATION

FIG 6: **PERFORMANCE THROUGH THE CYCLE**

2007 Strong market preparation for downturn

2008 Rightsizing of the business

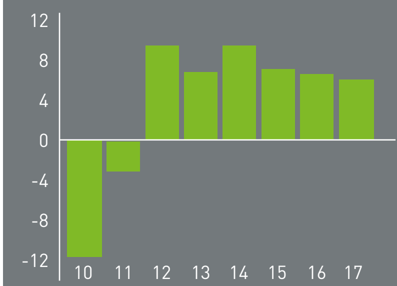
2009 Running tight business

2010 Benefitting from structural change

Revenue ($m)	1,308	1,626	1,450	1,081	1,225	1,507	1,820
Fleet age (months)	32	34	38	46	44	36	30
Fleet size ($m)	2,147	2,314	2,136	2,094	2,151	2,453	2,868
EBITDA margin (%)	36	37	35	32	32	36	41
Return on investment* (%)	19	19	14	6	9	20	25
US construction market (2005 $bn)	1,066	1,006	897	776	695	650	694

* Excluding goodwill.

FIG 7: **US CONSTRUCTION GROWTH FORECASTS (%)**



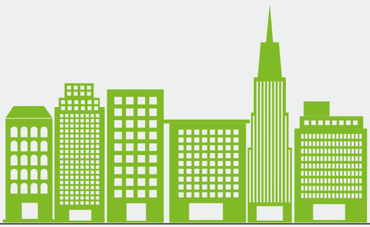
SOURCE: MAXIMUS ADVISORS

NEW ACQUISITION

The acquisition of JMR in 2013 adds oil and gas services to our existing specialty services of pump & power, scaffolding, pile driving, temperature control, traffic control, acrow and industrial resources.

CAPITALISING ON THE OPPORTUNITY

A multi-cyclical play



A COUNTERINTUITIVE CYCLICAL POSITION

We will always be a cyclical business. Our strategy centres on reducing our risk and allowing us to capitalise on opportunities at all stages of the cycle. As Figure 6: Performance through the cycle shows, the US construction market continues to be flat but Sunbelt's RoI (excluding goodwill), at 25%, is the highest it has ever been, its EBITDA margin of 41% is at a record level, and its fleet is at its largest and youngest ever.

The chart demonstrates how we flex these individual measures over the cycle to enable us to sustain performance even when activity levels are reduced due to economic slowdown. Our current position is a direct result of our careful planning which has succeeded in delinking our performance from that of our principal markets. We have the size and quality of fleet to service demand growth now and the financial clout to invest further as the market itself picks up.

Our EBITDA margin allows us to support further growth and still delever over time. We plan to grow aggressively but also, over the cycle, maintain our leverage below 2 times EBITDA as we do not want to compound inherent operational leverage with high financial leverage. There is still a long way for us to go in market share gains and rental penetration. We are already planning how we will make the most of the next downturn. We want to exploit our first-mover advantage at the bottom of the next cycle and we will have the resources available to do that. That is when we expect other companies to again be suffering financial constraints and be forced to contract their business.

Rental penetration growth will tend to slow down in the economic recovery period of the cycle, but we do not expect it to go backwards. This is because the flexibility of rental has become well established, companies' fleet ownership infrastructure has been permanently reduced and technical and legislative changes make rental a far more attractive option.

TAKING OPPORTUNITIES IN THE NEXT PHASE

Our strategic focus will continue to be on organic growth to take advantage of the continuing financial constraints of our competitors. We have found that organic growth is very profitable as demonstrated by the RoI performance we have seen since 2010. Organic growth is what we do best and it is relatively risk free, especially in a market that has the strong growth prospects of the US. Over the next couple of years we intend to add 100 stores to our US network to ensure we capitalise on market share gains, increasing rental penetration and the market's return to growth.

Figure 7: US construction growth forecasts shows the construction growth forecasts across the various subsectors of the US construction industry. We work in all these sectors and have considerable presence in non-residential and government infrastructure. Clearly there is a range of economic indicators we need to consider when assessing our expected future growth, but most general indicators are beginning to be more positive. There is still the possibility of a further shock to the economy, but we believe that is receding fast in the US. Therefore, we expect to see significant opportunities for our business in the coming years.

We will continue to make acquisitions in specialty companies to broaden our exposure to markets where, in the long term, we think there is potential and where it will make us marginally less cyclical. These will likely continue to take the form of small bolt-on acquisitions such as Empire, JMR and Topp rather than large transactions. Our criterion for choosing such acquisitions is that they already demonstrate a successful model through strong returns; we then look to scale these opportunities using our balance sheet and national footprint. Typically, there is a high degree of product overlap which accelerates the integration.

MAXIMISING PERFORMANCE

Excelling day-to-day

PEOPLE AND SERVICE

We pride ourselves on providing optimal customer service from high-quality and exceedingly capable staff. Every effort is made to hire and retain the highest-quality people in both the US and the UK and then train and reward them so they stay with us. Despite the high staff turnover of the rental industry as a whole, Ashtead enjoys very high levels of staff retention as a result of our policies and culture, with the result that staff turnover is at a historically low level for the business. This stability is a key driver of our ability to deliver high levels of service. Figure 8 shows how, excluding the impact of growth through acquisition, our headcount has increased slightly in the US and remained largely unchanged in the UK over the last three years. Retention and length of tenure rates are especially strong amongst our more senior staff.

Consistently high levels of service and a resolute focus on the customer, whether they be big or small, lead to long-term relationships in both the UK and the US. The strength of our relationship with Amey in the UK, for example, means that A-Plant will be supplying equipment under their new 25-year £2bn highways maintenance contract with Sheffield City Council. We have invested £1m in new equipment to help service this contract. Similarly, Sunbelt has invested $5m in new fleet to service Duke Energy, the largest US power company, who we work with across seven states in the eastern US.

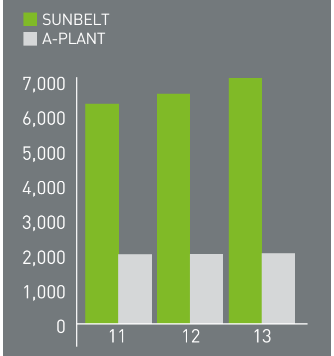
Our national networks in both markets ensure that customers can source the equipment they need close to where they need it. Our coverage also enables us to service large national customers nationwide. We have a highly devolved structure through to store level which we find promotes accountability as well as motivating staff. We maintain quality of service through a culture of deploying our KPIs from the ground level up, to ensure that what gets measured gets done. For example, fleet on rent and RoI are as important at store level as they are for the Group.

DIFFERENTIATION

Having differentiation in both our service and fleet allows us to offer the widest possible range of equipment to a broad customer base. Our emphasis on increasing our specialty services alongside organic growth, means that also we have a degree of differentiation from the mainly construction-led majority of our business. This provides a buffer against the highly cyclical nature of the construction industry. Our specialty services differentiate us from our competition.

We make use of industry-leading applications of technology to differentiate further our service and capitalise on growth opportunities in the marketplace. A-Plant recently launched a fully interactive Trade Price Catalogue which provides product videos, safety advice and full product information, all available for easy viewing on smart phones and tablet devices on site or off. In addition, A-Trak, our advanced in-house GPRS based tracking system fitted to all our equipment offers unparalleled protection against the theft of plant with recovery rates of over 90%. It also provides a complete fleet management tool providing data on CO_2 emissions, utilisation rates, the movement of equipment on hire and fuel levels. Sunbelt's custom CRM application, Accelerate, allows on-the-job analysis and fulfilment of customers' needs across multiple product lines and locations, as well as real time KPI tracking. We also apply technology to provide more sustainable rental solutions. We recently launched Power Cube, a revolutionary product which enables customers to cut their carbon footprint, fuel consumption, noise levels and emissions, whilst delivering huge cost savings. See page 31 for more information on this.

FIG 8: **HEADCOUNT**



EXCLUDES ACQUISITIONS

TRAFFIC CONTROL AND MANAGEMENT

Our specialty traffic control and management division, A-Plant Lux, played a key role in keeping the UK moving during the Olympic and Paralympic Games last summer. We supplied over 20,000 cones, more than 3,500 road signs and over 10 kilometres of barriers. Our equipment was in place for the Olympic Torch Relay and at venues including the Olympic Park, Wembley Stadium, Brands Hatch and Manchester's Old Trafford. We provided lighting towers across East London, accommodation at St James' Park in Newcastle and boom gates for the triathlon in Hyde Park.

RYAN NEWTON

Ryan Newton is employed by Sunbelt as a video producer but he sometimes gets pulled into the responder crew when needed. A routine three-day video job in New Jersey turned into a two-month stint sourcing and servicing equipment required in the clean-up of Super Storm Sandy. Ryan turned a hotel room into a parts warehouse to ensure kit was serviced fully and went immediately to where it was needed. He was one of hundreds of dedicated Sunbelt employees working to ensure zero downtime for the equipment needed in the recovery effort.

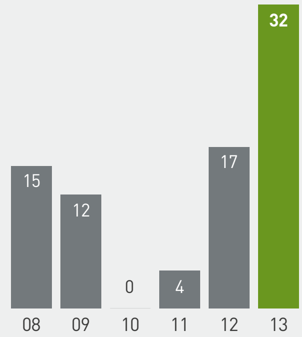
Key performance indicators

At Group level, we measure the performance of the business using a number of key performance indicators ('KPIs'). These help to ensure that we are delivering against our stated objectives.

Certain KPIs are more appropriately measured for each of our two operating businesses, whereas other KPIs are best measured for the Group as a whole.

Underlying EPS (p)

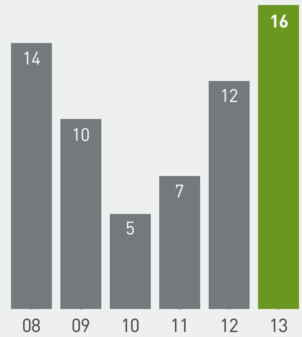
Underlying EPS is a key measure of financial performance for the Group as a whole. It is measured before exceptional costs, amortisation of intangibles and fair value remeasurements. As a cyclical business, underlying EPS varies substantially through the cycle. Underlying EPS improved significantly to 31.6p per share in 2012/13.



Return on investment (%)

In a capital-intensive business, profitability is not the only measure of performance as it is possible to generate good margins but poor value for shareholders if assets are not deployed efficiently. Return on investment ('RoI') measures both profitability and capital efficiency and is calculated as underlying operating profit divided by net tangible and intangible fixed assets employed plus net working capital but excluding net debt, deferred tax and fair value remeasurements.

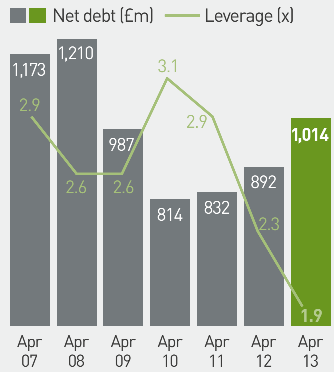
Averaged across the economic cycle we look to deliver RoI well ahead of our cost of capital. Our RoI improved to 16% for the year ended 30 April 2013.



Net debt and leverage at constant exchange rates

We seek to maintain a conservative balance sheet structure with a target for net debt to underlying EBITDA of less than two times.

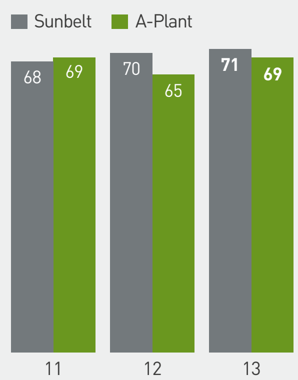
We also aim to sustain significant availability (the difference between the amount we are able to borrow under our asset-based facility at any time and the amount drawn) through the cycle. Availability at 30 April 2013 was $667m which both ensures all our debt remains effectively covenant free and also provides us with substantial headroom for future investment.



Physical utilisation (%)

Physical utilisation is measured as the daily average of the amount of itemised fleet at cost on rent as a percentage of the total fleet at cost and for Sunbelt is measured only for equipment whose cost is over $7,500 (which comprised 93% of its serialised fleet at 30 April 2013).

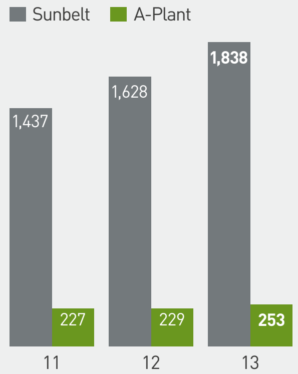
It is important to sustain annual average physical utilisation at between 60% and 70% through the cycle. If utilisation falls below 60%, yield will tend to suffer, whilst above 70% we may not have enough fleet in certain stores to meet our customers' needs. US utilisation reached record levels during 2012/13, while in the UK utilisation recovered from the low of 2011/12.



Fleet on rent ($/£m)

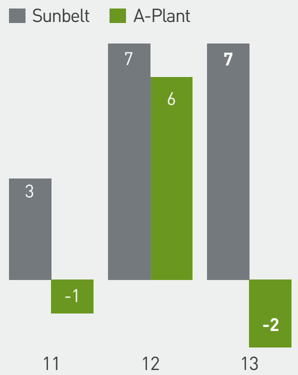
Fleet on rent is measured as the daily average of the original cost of our itemised equipment on rent. Original cost, rather than net book value, is used because it correlates more directly with rental income as rental rates vary only slightly with the age of the item being rented.

Fleet on rent measures the activity within our business and also provides an indication of market share. In the US, fleet on rent grew 13% in 2012/13, whilst in the UK it grew 11%.



Change in yield (%)

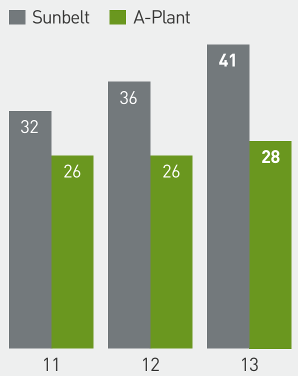
Yield is measured as the change in our rental revenue which is not explained by the change in volume of fleet on rent. Yield is therefore an all-encompassing measure which captures changes in rental rates, changes in delivery charges and other ancillary rental revenue, together with changes in both the customer mix (larger customers generally pay lower rates) and the mix of equipment. Yield rose strongly in the US as ever more customers choose the quality of our offering, while in the UK it was down slightly, reflecting a change in mix and difficult market conditions.



Underlying EBITDA margins (%)

Underlying EBITDA margins are measured before exceptional costs. Underlying EBITDA correlates closely in our business with our top-line cash flow and is therefore an important measure of our financial health.

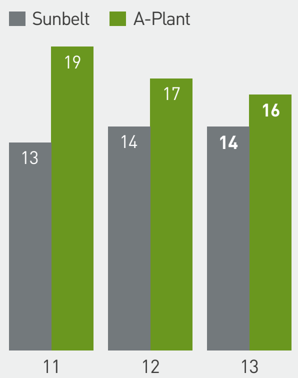
Margins improved in 2012/13 to 41% in the US and to 28% in the UK.



Staff turnover (%)

We are a service business that differentiates itself by the strength of our service offering. Central to this service offering are our people. Our aim is to keep employee turnover below historical levels to enable us to build on the skill base we have established. Turnover levels are in line with historical lows.

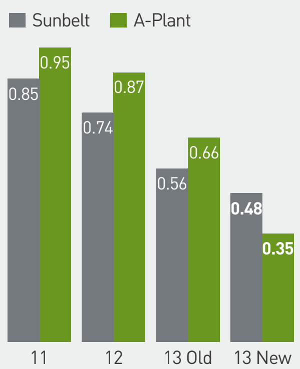
Staff turnover is calculated as the number of leavers in a year (excluding redundancies) divided by the average headcount during the year.



Safety

Our business involves frequent movement and maintenance of large and heavy pieces of equipment, often in confined spaces. Rigorous safety processes are essential if we are to avoid accidents which could cause injury to our people and damage our reputation.

In the chart we have plotted the RIDDOR reportable incident rate for A-Plant and for Sunbelt on a consistent basis in each of the past three years. Accident rates continue to decrease and we believe our continued focus on health and safety will further reduce accident rates in the future. As explained on page 27, the definition of RIDDOR reportable incidents changed for 2013. The chart opposite presents the figures on both bases. We will report on the new basis going forward.



Principal risks and uncertainties

Our risk profile evolves as we move through the economic cycle. Set out below are the principal business risks that currently impact the Group and information on how we mitigate against these.

CONSTANT RISK

DECREASED RISK

Economic conditions

Constant risk

POTENTIAL IMPACT

In the longer term, there is a link between demand for our services and levels of economic activity. The construction industry, from which we earn the majority of our revenue, is cyclical and typically lags the general economic cycle by between six and 18 months. Our performance is currently ahead of the economic cycle and we therefore expect to see further upside as the economy returns to growth. However, this recovery could be derailed by further economic shocks which could affect demand for our services.

STRATEGY FOR MITIGATION

- Prudent management through the different phases of the cycle.
- Flexibility in the business model.
- Capital structure and debt facilities arranged in recognition of the cyclical nature of our market and able to withstand market shocks.

Competition

Decreased risk

POTENTIAL IMPACT

The already competitive market could become even more competitive and we could suffer increased competition from large national competitors or small companies operating at a local level resulting in reduced market share and lower revenue.

STRATEGY FOR MITIGATION

- Create commercial advantage by providing the highest level of service, consistently and at a price which offers value.
- Excel in the areas that provide barriers to entry to newcomers: industry-leading IT, experienced personnel and a broad network and equipment fleet.
- Regularly estimate and monitor our market share and track the performance of our competitors.

Financing

Decreased risk

POTENTIAL IMPACT

Debt facilities are only ever committed for a finite period of time and we need to plan to renew our facilities before they mature and guard against default. Our loan agreements also contain conditions (known as covenants) with which we must comply.

STRATEGY FOR MITIGATION

- Maintain conservative (below two times) net debt to EBITDA leverage which helps minimise our refinancing risk.
- Maintain long debt maturities – currently five years.
- Use of asset-based senior facility means none of our debt contains quarterly financial covenants when availability under the facility ($667m at year end) exceeds $216m.

Business continuity

Constant risk

POTENTIAL IMPACT

We are heavily dependent on technology for the smooth running of our business given the large number of both units of equipment we rent and our customers. A serious uncured failure in our point of sale IT platforms would have an immediate impact, rendering us unable to record and track our high volume, low transaction value operations.

STRATEGY FOR MITIGATION

- Robust and well-protected data centres with multiple data links to protect against the risk of failure.
- Detailed business recovery plans which are tested periodically.
- Separate near-live back-up data centres which are designed to be able to provide the necessary services in the event of a failure at the primary site.

People

POTENTIAL IMPACT

Retaining and attracting good people is key to delivering superior performance and customer service.

Excessive staff turnover is likely to impact on our ability to maintain the appropriate quality of service to our customers and would ultimately impact our financial performance adversely.

STRATEGY FOR MITIGATION

- Provide well-structured and competitive reward and benefit packages that ensure our ability to attract and retain the employees we need.
- Ensure that our staff have the right working environment and equipment to enable them to do the best job possible and maximise their satisfaction at work.
- Invest in training and career development opportunities for our people to support them in their careers.

Health and safety

POTENTIAL IMPACT

We need to comply with laws and regulations governing occupational health and safety matters. Furthermore, accidents could happen which might result in injury to an individual, claims against the Group and damage to our reputation.

STRATEGY FOR MITIGATION

- Maintain appropriate health and safety policies and procedures regarding the need to comply with laws and regulations and to reasonably guard our employees against the risk of injury.
- Induction and training programmes reinforce health and safety policies.
- Programmes to support our customers exercising their responsibility to their own workforces when using our equipment.

Compliance with laws and regulations

POTENTIAL IMPACT

Failure to comply with the frequently changing regulatory environment could result in reputational damage or financial penalty.

STRATEGY FOR MITIGATION

- Maintaining a legal function to oversee management of these risks and to achieve compliance with relevant legislation.
- Group-wide ethics policy and whistle-blowing arrangements.
- Evolving policies and practices to take account of changes in legal obligations.
- Training and induction programmes ensure our staff receive appropriate training and briefing on the relevant policies.

Environmental

POTENTIAL IMPACT

We need to comply with the numerous laws governing environmental protection matters. These laws regulate such issues as wastewater, stormwater, solid and hazardous wastes and materials, and air quality. Breaches potentially create hazards to our employees, damage to our reputation and expose the Group to, amongst other things, the cost of investigating and remediating contamination and also fines and penalties for non-compliance.

STRATEGY FOR MITIGATION

- Policies and procedures in place at all our stores regarding the need to adhere to local laws and regulations.
- Procurement policies reflect the need for the latest available emissions management and fuel efficiency tools in our fleet.
- Monitoring and reporting of carbon emissions.

Financial review

Trading

	Revenue		EBITDA		Operating profit	
	2013	2012	**2013**	2012	**2013**	2012
Sunbelt in $m	**1,819.9**	1,506.6	**741.4**	540.8	**452.5**	289.9
Sunbelt in £m	**1,155.8**	945.7	**470.9**	339.4	**287.4**	181.9
A-Plant	**206.1**	188.9	**57.6**	49.5	**12.2**	7.3
Group central costs	**–**	–	**(9.2)**	(7.8)	**(9.3)**	(7.9)
Continuing operations	**1,361.9**	1,134.6	**519.3**	381.1	**290.3**	181.3
Net financing costs					**(43.6)**	(50.7)
Profit before tax, exceptionals, remeasurements and amortisation					**246.7**	**130.6**
Exceptional items					**(18.0)**	–
Fair value remeasurements					**(7.4)**	7.3
Amortisation					**(5.8)**	(3.1)
Profit before taxation					**215.5**	134.8
Taxation					**(76.7)**	(46.3)
Profit attributable to equity holders of the Company					**138.8**	88.5
Margins						
Sunbelt			**40.7%**	35.9%	**24.9%**	19.2%
A-Plant			**28.0%**	26.2%	**5.9%**	3.8%
Group			**38.1%**	33.6%	**21.3%**	16.0%

Group revenue increased 20% to £1,362m (2012: £1,135m), reflecting the continued strong momentum in the business. This revenue growth, combined with ongoing operational efficiency and lower financing costs generated record underlying profit before tax of £247m (2012: £131m). Exchange rate fluctuations did not have a significant effect on year-on-year comparisons.

Sunbelt continues to drive the Group's performance. Rental revenue grew 21% to $1,611m (2012: $1,335m) driven by a 13% increase in average fleet on rent and 7% improvement in yield. Sunbelt's total revenue, including new and used equipment, merchandise and consumable sales, also grew 21% to $1,820m (2012: $1,507m). In difficult market conditions A-Plant performed well and delivered rental revenue growth of 9%. This was due to 11% more fleet on rent, which was partially offset by a 2% yield decline.

Sunbelt's strong revenue growth, combined with continued focus on operational efficiency, resulted in a 67% drop-through of rental revenue to profit. As a result, it recorded a record EBITDA margin of 41%. Sunbelt's operating profit of $453m (2012: $290m) also represented a record which is particularly encouraging as we still have cyclical recovery to come. A-Plant's EBITDA margin improved to 28% (2012: 26%), resulting in a satisfying growth in operating profit to £12m (2012: £7m).

Exceptional financing costs of £18m (including cash costs of £13m) related to the redemption of our $550m 9.0% senior secured notes in July 2012. There is also a non-cash charge of £7m relating to the remeasurement to fair value of the early repayment options in our long-term debt. This charge follows the recognition of a £7m credit related to the $550m senior secured notes in Q4 last year which reflected our ability to issue similar debt at a lower interest rate as we did in June.

As a result, statutory profit before tax was £216m (2012: £135m). The tax charge was 36% (2012: 34%) of the underlying pre-tax profit, reflecting the increasing proportion of US earnings which attract a higher tax rate. Underlying earnings per share increased 83% to 31.6p (2012: 17.3p), whilst basic earnings per share were 27.7p (2012: 17.8p).

RETURN ON INVESTMENT

Sunbelt's pre-tax return on investment (excluding goodwill) in the 12 months to 30 April 2013 continued to improve and reached 24.7% (2012: 19.5%), well ahead of the Group's pre-tax weighted average cost of capital. In the UK, return on investment (excluding goodwill) improved to 5.0% (2012: 3.2%). For the Group as a whole, returns including goodwill were 16.2% (2012: 12.0%).

DIVIDENDS

In accordance with our progressive dividend policy, with consideration to both profitability and cash generation at a level that is sustainable across the cycle, the Board is recommending a final dividend of 6.0p per share (2012: 2.5p) making 7.5p for the year (2012: 3.5p). If approved at the forthcoming Annual General Meeting, the final dividend will be paid on 6 September 2013 to shareholders on the register on 16 August 2013.

CURRENT TRADING AND OUTLOOK

The strong momentum developed in the past year has continued in May. With this momentum established in the business, cyclical recovery still to come and a strong balance sheet to support growth opportunities, we anticipate that our profits in the coming year will be ahead of our earlier expectations.

Balance sheet

FIXED ASSETS

Capital expenditure in the year was £580m (2012: £476m) with £521m invested in the rental fleet (2012: £426m). Capital expenditure by division is as follows:

	2013			2012
	Replacement	Growth	Total	Total
Sunbelt in $m	**330.3**	**383.4**	**713.7**	596.2
Sunbelt in £m	**212.2**	**246.3**	**458.5**	367.2
A-Plant	**50.7**	**11.8**	**62.5**	59.0
Total rental equipment	**262.9**	**258.1**	**521.0**	426.2
Delivery vehicles, property improvements and IT equipment			**59.4**	50.2
Total additions			**580.4**	476.4

Expenditure on rental equipment was 90% of total capital expenditure with the balance relating to the delivery vehicle fleet, property improvements and IT equipment.

US demand remained strong and, as a result, $383m of rental equipment capital expenditure was spent on growth while $330m was invested in replacement of existing fleet. The growth proportion is estimated on the basis of the assumption that maintenance capital expenditure in any period is equal to the original cost of equipment sold. Reflecting the strong market conditions, we pulled forward around $100m of capital expenditure into the fourth quarter.

The average age of the Group's serialised rental equipment, which constitutes the substantial majority of our fleet, at 30 April 2013 was 32 months (2012: 37 months) on a net book value basis. Sunbelt's fleet had an average age of 30 months (2012: 36 months) while A-Plant's fleet had an average age of 40 months (2012: 41 months).

Our preliminary capital expenditure plan for next year is for gross additions of around £560m, a similar level to this year. However, we expect a greater proportion of next year's spend will be directed to growth rather than replacement as we keep fleet age broadly stable rather than continuing to de-age. As always, our capital expenditure plans remain flexible depending on market conditions and we will adjust our plans appropriately during the course of the year. This level of expenditure is consistent with our strategy at this stage in the cycle of investing in organic growth, opening greenfield sites and continuing to reduce our leverage.

The original cost of the Group's rental fleet and the dollar and physical utilisation for the year ended 30 April 2013 are shown below:

	Rental fleet at original cost			LTM rental	LTM dollar	LTM physical
	30 April 2013	30 April 2012	LTM average	revenue	utilisation	utilisation
Sunbelt in $m	**2,868**	2,453	2,701	1,611	60%	71%
Sunbelt in £m	**1,843**	1,511	1,735	1,023	60%	71%
A-Plant	**369**	358	375	183	49%	69%
	2,212	1,869	2,110	1,206		

Dollar utilisation is defined as rental revenue divided by average fleet at original (or 'first') cost and, in the year ended 30 April 2013, was 60% at Sunbelt (2012: 58%) and 49% at A-Plant (2012: 48%). Physical utilisation is time-based utilisation, which is calculated as the daily average of the original cost of equipment on rent as a percentage of the total value of equipment in the fleet at the measurement date. In the year ended 30 April 2013, physical utilisation was 71% in Sunbelt (2012: 70%) and 69% at A-Plant (2012: 65%). At Sunbelt, physical utilisation is measured for equipment with an original cost in excess of $7,500 which comprised approximately 93% of its fleet at 30 April 2013.

TRADE RECEIVABLES

Receivable days at 30 April were 44 days (2012: 44 days). The bad debt charge for the year ended 30 April 2013 as a percentage of total turnover was 0.7% (2012: 0.7%). Trade receivables at 30 April 2013 of £185m (2012: £149m) are stated net of provisions for bad debts and credit notes of £16m (2012: £14m) with the provision representing 7.8% (2012: 8.5%) of gross receivables.

TRADE AND OTHER PAYABLES

Group payable days were 67 days in 2013 (2012: 70 days) with capital expenditure-related payables, which have longer payment terms, totalling £130m (2012: £133m). Payment periods for purchases other than rental equipment vary between seven and 60 days and for rental equipment between 30 and 120 days.

PROVISIONS

Provisions of £37m (2012: £33m) relate to the provision for self-insured retained risk under the Group's self-insurance policies, provisions for vacant property as well as deferred consideration relating to the acquisition of JMR Industries and Raider. The Group's business exposes it to claims for personal injury, death or property damage resulting from the use of the equipment it rents and from injuries caused in motor vehicle accidents in which its vehicles are involved. The Group carries insurance covering a wide range of potential claims at levels it believes are sufficient to cover existing and future claims.

Our US liability insurance programmes provide that we can recover our liability related to each and every valid claim in excess of an agreed excess amount of $750,000 in relation to general liability claims and $1m for workers' compensation and motor vehicle claims. Prior to September 2012, excess amounts ranged from $500,000 to $2m. In the UK our self-insured excess per claim is much lower than in the US and is typically £100,000 per claim or less. Our liability insurance coverage is limited to a maximum of £150m per claim.

PENSIONS

The Group operates a number of pension plans for the benefit of employees, for which the overall charge included in the financial statements was £6m (2012: £6m). Amongst these, the Group has one defined benefit pension plan which covers approximately 100 remaining active employees in the UK and which was closed to new members in 2001. All our other pension plans are defined contribution plans.

The Group's defined benefit pension plan was, measured in accordance with the accounting standard IAS 19, Employee Benefits, £0.4m in surplus at 30 April 2013 (2012: £3m). The investment return on plan assets was £6m better than the expected return and there was an experience loss on liabilities of £1m. In addition, there was the impact of the reduction of the market-linked discount rate from 4.8% to 4.2%. Overall, there was a net actuarial loss of £5m in the year which, in accordance with our accounting policy of immediate recognition, was taken to the statement of comprehensive income for the year.

The next triennial review of the plan's funding position by the trustees and the actuary is due as at 30 April 2013.

CONTINGENT LIABILITIES

The Group is subject to periodic legal claims in the ordinary course of its business, none of which is expected to have a significant impact on the Group's financial position.

During the year, the Joint Committee on Taxation confirmed the terms of the preliminary agreement reached with the IRS Appeals team in relation to the audits of the tax returns of the Group's US subsidiaries for the four years ended 30 April 2009 and the audits are now closed. There is no significant impact on the financial statements as a result of the conclusion of these audits.

Cash flow

	Year to 30 April	
	2013 £m	2012 £m
EBITDA before exceptional items	**519.3**	381.1
Cash inflow from operations before exceptional items and changes in rental equipment	**501.3**	364.6
Cash conversion ratio*	**96.5%**	95.7%
Replacement rental capital expenditure	**(270.6)**	(222.4)
Payments for non-rental capital expenditure	**(58.3)**	(49.9)
Rental equipment disposal proceeds	**87.6**	83.4
Other property, plant and equipment disposal proceeds	**7.9**	6.8
Tax (net)	**(6.8)**	(7.4)
Financing costs	**(41.5)**	(49.1)
Cash inflow before growth capex and payment of exceptional costs	**219.6**	126.0
Growth rental capital expenditure	**(253.6)**	(135.4)
Exceptional costs	**(15.8)**	(3.3)
Total cash used in operations	**(49.8)**	(12.7)
Business acquisitions	**(33.8)**	(21.9)
Total cash absorbed	**(83.6)**	(34.6)
Dividends	**(20.0)**	(15.3)
Purchase of own shares by the ESOT	**(10.2)**	(3.5)
Increase in net debt	**(113.8)**	(53.4)

* Cash inflow from operations before exceptional items and changes in rental equipment as a percentage of EBITDA before exceptional items.

Cash inflow from operations before payment of exceptional costs and net investment in the rental fleet increased by 37% to £501m (2012: £365m). The cash conversion ratio for the year was 97% (2012: 96%).

Total payments for capital expenditure (rental equipment and other PPE) during the year were £583m (2012: £408m). Disposal proceeds received totalled £96m, giving net payments for capital expenditure of £487m in the year (2012: £318m). Financing costs paid totalled £42m (2012: £49m) while net tax payments were £7m (2012: £7m). The decrease from last year in financing costs paid reflects the benefit of lower costs following the new $500m bond issue and a small benefit from the change in the timing of semi-annual interest payments on the new bond.

Accordingly, in the year the Group generated £220m (2012: £126m) of net cash before discretionary investments made to enlarge the size and hence earning capacity of its rental fleet. After growth capital expenditure, exceptional costs and business acquisitions, there was a net cash outflow of £84m (2012: £35m).

Capital structure

The Group's capital structure is kept under regular review. Our operations are financed by a combination of debt and equity. We seek to minimise the cost of capital while recognising the constraints of the debt and equity markets. At 30 April 2013 our pre-tax average cost of capital was approximately 10%.

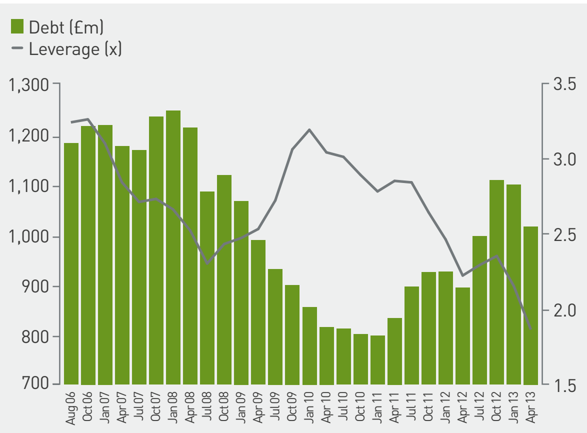
The Group targets leverage of below two times net debt to EBITDA over the economic cycle.

In considering returns to equity holders, the Board aims to provide a progressive dividend, with consideration to both profitability and cash generation at a level that is sustainable across the cycle.

NET DEBT

The chart below shows how, measured at constant April 2013 exchange rates for comparability, our net debt has changed over the cycle. We held net debt flat in 2006 and 2007 whilst investing significantly in fleet reconfiguration and de-ageing following the NationsRent acquisition. Through 2008 to 2010, we significantly lowered our capital expenditure, taking advantage of our young average fleet age, and consequently delivered significant reductions in outstanding debt, paying off around one-third of our debt in this way. Since 2010, we have stepped up our net capital expenditure as rental markets improved. As a result, net debt has increased over the period due to principally acquisitions and dividends with free cash flow being sufficient to fund substantially all the increased capital expenditure.

Importantly, except for a rise during the recession, net debt to EBITDA leverage has been on a downward trend ever since the NationsRent acquisition in August 2006.



In greater detail, closing net debt at 30 April 2013 comprised:

	2013 £m	2012 £m
First priority senior secured bank debt	**716.7**	539.9
Finance lease obligations	**2.9**	3.8
6.5% second priority senior secured notes, due 2022	**314.8**	–
9% second priority senior secured notes, due 2016	**–**	334.0
	1,034.4	877.7
Cash and cash equivalents	**(20.3)**	(23.4)
Total net debt	**1,014.1**	854.3

Substantially all our debt at both 30 April 2013 and 2012 was drawn in dollars providing a substantial but partial hedge against Sunbelt's dollar-based net assets.

Net debt at 30 April 2013 was £1,014m (30 April 2012: £854m) with the increase since April reflecting principally the net cash outflow set out above and £39m of currency translation effect. The Group's EBITDA for the year ended 30 April 2013 was £519m and the ratio of net debt to EBITDA was 2.0 times at 30 April 2013 (2012: 2.2 times).

Our debt package remains well structured for our business across the economic cycle. We retain substantial headroom on facilities which are committed for the long term, with an average of five years remaining at 30 April 2013. The weighted average interest cost of these facilities (including non-cash amortisation of deferred debt raising costs) is approximately 4%.

DEBT FACILITIES

The Group's principal debt facilities are as follows:

Asset-based first priority secured bank debt

At 30 April 2013, $1.8bn was committed by our senior lenders under the asset-based senior secured revolving credit facility ('ABL facility') until March 2016 while the amount utilised was $1,161m (including letters of credit totalling $37m). The ABL facility is secured by a first priority interest in substantially all of the Group's assets. Pricing for the revolving credit facility is based on the ratio of funded debt to EBITDA before exceptional items according to a grid which varies, depending on leverage, from LIBOR plus 200bp to LIBOR plus 250bp. At 30 April 2013 the Group's borrowing rate was LIBOR plus 200bp.

The ABL facility includes a springing covenant package with two financial performance covenants, as follows:

- funded debt to LTM EBITDA before exceptional items not to exceed 4.0 times; and
- a fixed charge ratio (comprising LTM EBITDA before exceptional items less LTM net capital expenditure paid in cash over the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends paid in the last 12 months) which must be equal to or greater than 1.1 times.

These covenants do not, however, apply when availability (the difference between the borrowing base and net facility utilisation) exceeds 12% of the facility size ($216m). At 30 April 2013 excess availability under the bank facility was $667m ($516m at 30 April 2012), with an additional $262m of suppressed availability, meaning that covenants were not measured at 30 April 2013 and are unlikely to be measured in forthcoming quarters.

As a matter of good practice, we calculate the covenant ratios each quarter. At 30 April 2013, as a result of the significant investment in our rental fleet, the fixed charge ratio did not meet the covenant requirement whilst the leverage ratio did so comfortably. The fact the fixed charge ratio is below 1.1 times does not cause concern given the strong availability and management's ability to flex capital expenditure downwards at short notice.

6.5% second priority senior secured notes due 2022 having a nominal value of $500m

On 16 July 2012 the Group, through its wholly owned subsidiary Ashtead Capital, Inc., issued $500m of 6.5% second priority senior secured notes due 15 July 2022. The notes are secured by second priority interests over substantially the same assets as the ABL facility and are also guaranteed by Ashtead Group plc.

Under the terms of the 6.5% notes the Group is, subject to important exceptions, restricted in its ability to incur additional debt, pay dividends, make investments, sell assets, enter into sale and leaseback transactions and merge or consolidate with another company. Financial performance covenants under the 6.5% senior secured note issue are only measured at the time new debt is raised. Interest is payable semi-annually on 15 January and 15 July each year. The notes are listed on the Official List of the UK Listing Authority.

MINIMUM CONTRACTED DEBT COMMITMENTS

The table below summarises the maturity of the Group's debt and also shows the minimum annual commitments under off balance sheet operating leases at 30 April 2013 by year of expiry.

	Payments due by year ended 30 April						
	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m	Thereafter £m	Total £m
Bank and other debt	–	–	721.3	–	–	–	721.3
Finance leases	2.2	0.6	0.1	–	–	–	2.9
6.5% senior secured notes	–	–	–	–	–	321.3	321.3
	2.2	0.6	721.4	–	–	321.3	1,045.5
Deferred costs of raising finance	–	–	(4.6)	–	–	(6.5)	(11.1)
Cash at bank and in hand	(20.3)	–	–	–	–	–	(20.3)
Net debt	(18.1)	0.6	716.8	–	–	314.8	1,014.1
Operating leases[1]	35.6	29.0	23.4	19.8	15.3	44.5	167.6
Total	17.5	29.6	740.2	19.8	15.3	359.3	1,181.7

1 Represents the minimum payments to which we were committed under operating leases.

Operating leases relate to the Group's properties.

Except for the off balance sheet operating leases described above, £24m ($37m) of standby letters of credit issued at 30 April 2013 under the first priority senior debt facility relating to the Group's insurance programmes and £1m of performance bonds granted by Sunbelt, we have no material commitments that we could be obligated to pay in the future which are not included in the Group's consolidated balance sheet.

Presentation of financial information

CURRENCY TRANSLATION AND INTEREST RATE EXPOSURE

Our reporting currency is the pound sterling. However, the majority of our assets, liabilities, revenue and costs are denominated in US dollars. Fluctuations in the value of the US dollar with respect to the pound sterling have had, and may continue to have, a significant impact on our financial condition and results of operations as reported in pounds.

We have arranged our financing so that virtually all our debt was denominated in US dollars at 30 April 2013. At that date, dollar denominated debt represented approximately 71% of the value of dollar denominated net assets (other than debt) providing a partial, but substantial, hedge against the translation effects of changes in the dollar exchange rate.

The dollar interest payable on this debt also limits the impact of changes in the dollar exchange rate on our pre-tax profits and earnings. Based on the currency mix of our profits currently prevailing and on current dollar debt levels and interest rates, every 1% change in the US dollar exchange rate would impact pre-tax profit by £2m.

REVENUE

Our revenue is a function of our rental rates and the size, utilisation and mix of our equipment rental fleet. The rates we charge are affected in large measure by utilisation and the relative attractiveness of our rental equipment, while utilisation is determined by fleet size, market size and our market share, as well as general economic conditions. Utilisation is time-based utilisation which is calculated as the original cost of equipment on rent as a percentage of the total value of equipment in the fleet at the measurement date. In the US, we measure time utilisation on those items in our fleet with an original cost of $7,500 or more which constituted 93% of our US serialised rental equipment at 30 April 2013. In the UK, time utilisation is measured for all our serialised rental equipment. The size, mix and relative attractiveness of our rental equipment fleet is affected significantly by the level of our capital expenditure.

The main components of our revenue are:

- revenue from equipment rentals, including related revenue such as the fees we charge for equipment delivery, erection and dismantling services for our scaffolding rentals, fuel provided with the equipment we rent to customers and loss damage waiver and environmental fees;
- revenue from sales of new merchandise, including sales of parts and revenue from a limited number of sales of new equipment; and
- revenue from the sale of used rental equipment.

COSTS

The main components of our total costs are:

- staff costs – staff costs at our stores as well as at our central support offices represent the largest single component of our total costs. Staff costs consist of salaries, profit share and bonuses, social security costs, and other pension costs, and comprised 34% of our total operating costs in the year ended 30 April 2013;
- used rental equipment sold which comprises the net book value of the used equipment sold in the year as it was stated in our accounts immediately prior to the time at which it was sold and any direct costs of disposal, comprised 8% of our operating costs in the year ended 30 April 2013;
- other operating costs – comprised 37% of total costs in the year ended 30 April 2013. These costs include:
  - spare parts, consumables and outside repair costs – costs incurred for the purchase of spare parts used by our workshop staff to maintain and repair our rental equipment as well as outside repair costs;
  - facilities costs – rental payments on leased facilities as well as utility costs and local property taxes relating to these facilities;
  - vehicle costs – costs incurred for the maintenance and operation of our vehicle fleet, which consists of our delivery trucks, the light commercial vehicles used by our mobile workshop staff and cars used by our sales force, store managers and other management staff; and
  - other costs – all other costs incurred in operating our business, including the costs of new equipment and merchandise sold, advertising costs and bad debt expense.

- depreciation – the depreciation of our property, plant and equipment, including rental equipment, comprised 21% of total costs in the year ended 30 April 2013.

A large proportion of our costs are fixed in the short to medium term, and material adjustments in the size of our cost base typically result only from openings or closures of one or more of our stores. Accordingly, our business model is such that small increases or reductions in our revenue can result in little or no change in our costs and often therefore have a disproportionate impact on our profits. We refer to this feature of our business as 'operational leverage'.

Critical accounting policies

We prepare and present our financial statements in accordance with applicable International Financial Reporting Standards ('IFRS'). In applying many accounting principles, we need to make assumptions, estimates and judgements. These assumptions, estimates and judgements are often subjective and may be affected by changing circumstances or changes in our analysis. Changes in these assumptions, estimates and judgements have the potential to materially affect our results. We have identified below those of our accounting policies that we believe would most likely produce materially different results were we to change underlying assumptions, estimates and judgements. These policies have been applied consistently.

REVENUE RECOGNITION

Revenue represents the total amount receivable for the provision of goods and services to customers net of returns and value added tax. Rental revenue, including loss damage waiver and environmental fees, is recognised on a straight-line basis over the period of the rental contract. Because rental contracts extend across financial reporting periods, the Group records unbilled rental revenue and deferred revenue at the beginning and end of the reporting periods so rental revenue is appropriately stated in the financial statements.

Revenue from rental equipment delivery and collection is recognised when delivery or collection has occurred and is recorded as rental revenue.

Revenue from the sale of used rental equipment, new equipment, parts and supplies, retail merchandise and fuel is recognised at the time of delivery to, or collection by, the customer and when all obligations under the sales contract have been fulfilled.

Revenue from sales of used rental equipment in connection with trade-in arrangements with certain manufacturers from whom the Group purchases new equipment are accounted for at the lower of transaction value or fair value based on independent appraisals. If the trade-in price of a unit of equipment exceeds the fair market value of that unit, the excess is accounted for as a reduction of the cost of the related purchase of new rental equipment.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT

We record expenditure for property, plant and equipment at cost. We depreciate equipment using the straight-line method over its estimated useful economic life (which ranges from three to 20 years with a weighted average life of eight years). We use an estimated residual value of 10–15% of cost in respect of most types of our rental equipment, although the range of residual values used varies between zero and 30%. We establish our estimates of useful life and residual value with the objective of allocating most appropriately the cost of property, plant and equipment to our income statement, over the period we anticipate it will be used in our business.

We may need to change these estimates if experience shows that the current estimates are not achieving this objective. If these estimates change in the future, we may then need to recognise increased or decreased depreciation expense. Our total depreciation expense in the year ended 30 April 2013 was £229m.

IMPAIRMENT OF ASSETS

Goodwill is not amortised but is tested annually for impairment at 30 April. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable and independent cash flows for the asset being tested for impairment. In the case of goodwill, impairment is assessed at the level of the Group's reporting units. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Management necessarily applies its judgement in estimating the timing and value of underlying cash flows within the value in use calculation as well as determining the appropriate discount rate. Subsequent changes to the magnitude and timing of cash flows could impact the carrying value of the respective assets.

SELF-INSURANCE

We establish provisions at the end of each financial year to cover our estimate of the discounted liability for uninsured retained risks on unpaid claims arising out of events occurring up to the end of the financial year. The estimate includes events incurred but not reported at the balance sheet date. The provision is established using advice received from external actuaries who help us extrapolate historical trends and estimate the most likely level of future expense which we will incur on outstanding claims. These estimates may however change, based on varying circumstances, including changes in our experience of the costs we incur in settling claims over time. Accordingly, we may be required to increase or decrease the provision held for self-insured retained risk. At 30 April 2013, the total provision for self-insurance recorded in our consolidated balance sheet was £18m.

GEOFF DRABBLE
Chief executive
19 June 2013

SUZANNE WOOD
Finance director

CORPORATE RESPONSIBILITY REPORT

Ensuring we operate a business that is sustainable throughout the economic cycle is fundamental to Ashtead. Furthermore, we aim to do that in an ethical and responsible way with due regard to the welfare of our employees, the needs of our various stakeholders, the communities in which we operate and the environments we may impact.

This report looks at how we manage this aspect of our business and the progress we have made in this area over the last year.

HOW CORPORATE RESPONSIBILITY IS MANAGED

Our Group environmental, health and safety and risk management processes are managed through the Group Risk Committee which reports to the Group chief executive and the Audit Committee. The Committee is chaired by Suzanne Wood, our finance director. Other members of the Committee are:

- the heads of Sunbelt's and A-Plant's risk and safety teams;
- UK and US counsel;
- the heads of Sunbelt's and A-Plant's performance standards (internal operational audit) teams; and
- the Sunbelt board member to whom its legal counsel and safety director report.

The Group Risk Committee provides the Audit Committee, and through them the Board, with a comprehensive annual report on its activities including new legislative requirements, details of areas identified in the year as requiring improvement, and the status of actions being taken to make the necessary improvements. It also facilitates the coordination of the environmental, health and safety and risk management activities of Sunbelt and A-Plant so that best practice and new initiatives in one business can be shared with, and adopted by, the other.

The Group Risk Committee also works to ensure the highest of ethical standards are upheld at Ashtead. Our group-wide ethics policy and entertainment policy are communicated directly to employees through dedicated communication and training programmes. Whistle-blowing arrangements, in place in both the US and the UK, allow employees, in confidence, to raise concerns about any alleged improprieties they may encounter.

The priorities of the Group Risk Committee last financial year included:

- reassessment of the Group risk register
- safe driver training
- adherence to delivery vehicle maintenance and driver hours of service legislation
- business continuity plan improvements
- reduction in accident rates; and
- introduction of driver behavioural tools

HEALTH AND SAFETY

Top of our priorities is the health and safety of our employees. Our business requires our staff to move heavy and potentially dangerous equipment on a daily basis. They also regularly come into contact with hazardous materials. How we keep our employees safe and limit any impact from those hazardous materials are of prime concern and are intrinsically linked to the long-term sustainability of our business.

GOING ABOVE AND BEYOND

Have you ever rung one of the numbers on the back of a van to report bad driving? We received this message one day last year: "I want to say thank you to one of your employees who stopped and helped me today when my car windscreen wipers failed during heavy rain on a busy dual carriageway. He helped me get my car to a safe location and checked that everything was okay. His behaviour is a credit to your company. I didn't get his name but...". It turns out they were talking about Dan Alsop, a driver at our Stockton depot in the UK. Dan had put on his flashing beacons to alert other road users and then guided the driver to a safe place away from the traffic. Every business likes to claim its staff provide outstanding service. It is great to hear it from the public.

Because of this, rigorous safety procedures are essential if we are to minimise potential harm to both our staff and our reputation. A strong reputation for excellent health and safety is a significant competitive advantage for us. In addition, changing legislation in this area and more stringent requirements on everyone involved in the industry, have contributed to the growth in our business in recent years. This is because as health and safety regulations become more onerous across the industry, abiding by them is increasingly more difficult and expensive for both our customers and our smaller rental competitors. As a result, it often makes better economic sense for customers to outsource more of that health and safety commitment to a specialist equipment rental provider such as Ashtead. Smaller rental companies may also struggle to compete as a result of these increased customer demands. This is one of the factors contributing to the structural shift in the US market. It is for these reasons that health and safety is at the heart of everything we do.

We have extensive programmes in place to monitor, develop and maintain safe working practices across the Group and remind our employees of the need to be safe at all times. For example, A-Plant has ISO 9001 (the Quality Standard) accreditation across all its operations as well as ISO 14001 (Environmental management) and OHSAS 18001 (Occupational Health & Safety management) accreditations. We also offer assistance to our customers in fulfilling their own responsibilities to ensure the safety of their employees. For more detail on this see our section on customers below. We make a considerable annual investment in ensuring our rental equipment meets or exceeds the latest safety standards, as well as providing health and safety advice and materials along with each rental.

Our efforts are regularly recognised by those bodies that monitor health and safety in the workplace. For example this year A-Plant was given a Gold Award by the Royal Society for the Prevention of Accidents (RoSPA) Achievement Awards Scheme. This scheme is designed to reduce the number of accidents and cases of ill health at work and to encourage organisations to develop robust health and safety management systems.

How we track health and safety

On a day-to-day basis, health and safety is tracked across the business by the number of reported incidents that occur during the course of our work. We track and analyse any incidents which occur to enable us to identify recurrent issues and implement preventative improvements across our business. The number of reportable accidents is one of our group-wide KPIs. Sunbelt had 505 reported incidents relative to a workforce of 6,757 (2012: 400 incidents relative to a workforce of 6,444), whilst the UK had 249 incidents relative to an average workforce of 1,949 (2012: 275 incidents relative to an average workforce of 1,958). For the purposes of our internal tracking, the term incident does not necessarily mean that an employee was hurt or injured. Rather it represents an event that we want to track and report for monitoring and learning purposes under our health and safety management policies. The increase in Sunbelt is due principally to increased focus on ensuring all minor incidents are reported, in addition to higher activity levels. UK reportable incidents have continued to decline in a stable environment.

There are significant differences in how reportable accidents are defined in the US and UK due to differing legislation in the two countries. Under the relevant definitions which generally encompass more accidents in the US than in the UK, Sunbelt had 171 OSHA (Occupational Safety and Health Administration) recordable accidents (2012: 170 accidents) which, relative to total employee hours worked, gave a Total Incident Rate of 1.97 (2012: 2.14). In the UK, A-Plant had 15 RIDDOR reportable incidents which, relative to total employee hours worked, gave a RIDDOR reportable rate of 0.35. The definition of RIDDOR reportable incidents was changed by legislation for 2012/13. On the previous basis, A-Plant had 28 RIDDOR reportable incidents (2012: 39) which gave a RIDDOR reportable rate of 0.66 (2012: 0.87). In order to compare accident rates between the US and UK, Sunbelt also applied the RIDDOR definition to its accident population which gave a figure this year of 84 RIDDOR reportable accidents in the US and a RIDDOR reportable rate of 0.48. Using the prior year definition, Sunbelt had 97 RIDDOR reportable incidents (2012: 118) which gave a RIDDOR reportable rate of 0.56 (2012: 0.74).

Health and safety training

Because of the reasons outlined above, our most comprehensive group-wide training programmes relate to health and safety. In our view, regular employee education and awareness training is the most effective way of improving and sustaining safety standards across the business. We have a continual process of educating our employees and customers about new and improved methods of ensuring employees operate in a safe environment.

This year in the US, we are focused on extending our national driver training. Throughout the year we are conducting an outreach initiative which will train district managers, store managers, shop foremen, drivers, dispatchers and road mechanics. The initiative includes 115 separate courses focusing on major CMV (commercial motor vehicle) training, including CSA (compliance, safety and accountability), daily vehicle inspections, load securement, hours of service and vehicle maintenance. We have also partnered with enforcement agencies through this initiative, such as the Highway Patrol. Each course includes 4.5 hours of classroom instruction, a Q&A session with Commercial Motor Vehicle Enforcement and an outdoor demonstration and product exhibition. The initiative is a key component of our ongoing cultural focus on safety.

In the UK, all new commercial vehicle drivers are required to attend a four-day training programme at our specialist training centre in Nottingham before they are allowed to drive any of our vehicles. As well as subsequently receiving regular safety refresher training, all drivers are encouraged to complete the Carry & Deliver Goods or Driving a Goods Vehicle NVQ (National Vocational Qualification).

RIDDOR
reportable incidents decline

OUR PEOPLE

We pride ourselves on having a high-quality, driven, conscientious and loyal workforce. We expect our staff to outperform consistently and in return, we invest heavily in their training and development as well as aiming to offer them superior reward and benefits. Our employees are a key component of our competitive advantage because of the high quality service they provide to our customers. Both Sunbelt and A-Plant have extensive programmes in place to ensure high standards of recruitment, training, levels of customer service and the appraisal, review and reward of our employees.

Recruitment

We use a wide variety of means to recruit the right people including local community agencies and contacts, minority and women's organisations, colleges and job fairs. We also aim to provide local jobs for local people. Employing the right people is nowhere more important than at trainee level. For example, A-Plant's three-year apprenticeship scheme is one of the most successful in the industry and is always heavily oversubscribed. We also have a good record of retaining our apprentices at the conclusion of the programme. Ashtead Board member and A-Plant chief executive, Sat Dhaiwal, started out as an apprentice small plant fitter and in the box below we profile another graduate from our apprenticeship scheme.

A-Plant apprenticeship programme

The A-Plant three-year apprenticeship programme is one of the most successful and popular in the hire industry and covers nearly 100 apprentices across the business. The programme is split into four categories: plant maintenance; customer services; driving; and electricians.

The plant maintenance programme is a three-year programme where apprentices attend Reaseheath College, in Cheshire, on a block release basis as well as gaining practical skills in store workshops under the guidance of a mentor, where they work towards Level 3 Advanced Apprenticeship. The customer service programme is also a three-year programme and is predominantly work-based with quarterly sessions delivered in-house, together with regular NVQ Assessor visits.

Driver apprentices work in-store and their apprenticeship programme takes two years to complete. The new electricians apprenticeship programme is specifically for the accommodation part of the business where there is a need to supply qualified electricians for site installations. We believe we have one of the highest apprentice retention rates in the industry with typically over 85% of those graduating from the programme still employed one year after completing their training. In September we took on 58 new apprentices: 23 for plant maintenance; 24 for customer service; six drivers; and five electricians.

FROM APPRENTICE TO WORKSHOP FOREMAN

Brian Kettell joined A-Plant as a plant maintenance apprentice in Luton back in 2004, the day after his 18th birthday. After four years he completed his apprenticeship and after a time working as a driver in Milton Keynes, was appointed as a tool hire engineer before being made a mobile fitter, working on call and on the railways. Last year he returned to his original depot as workshop foreman and is now a mentor to his own apprentice.

JEFF STACHOWIAK, WINS AMERICAN RENTAL ASSOCIATION ('ARA') MERITORIOUS SERVICE AWARD

Sunbelt's National Director of Safety Training, Jeff Stachowiak was awarded the ARA Meritorious Service Award for Aerial Work Platform Best Practices in 2012. Jeff has been a leader in the equipment rental industry since 1986. He is an expert in Aerial Work Platform, forklift and earth moving equipment training and also serves as a Mining Safety & Health Administration trainer for Sunbelt employees. He is one of many Ashtead employees setting a leading example in safety training in our industry.

In Sunbelt, one of our most successful initiatives has been our work with the US military providing opportunities for quality veteran recruits looking to apply some of the skills they have learnt to a civilian career. They bring leadership and people skills and an ability to work under pressure – skills that are only gained through experience. Sunbelt has been voted a top 50 military recruiter by CivilianJobs.com.

Hiring highly qualified technicians for our business can be challenging. To remedy this, Sunbelt has partnered with the Universal Technical Institute in the US throughout their national campus network. We hold dedicated 'Sunbelt Days' to recruit at those locations that offer diesel, hydraulics and electronics programmes, so that we can source the best new graduates.

Career development and training

Training and development continues throughout the careers of our employees. Their welfare and job satisfaction is enormously important to us and our career development programmes are designed to enable staff to progress as far as they are able and willing. Particular emphasis is placed on the responsibilities of our store managers and workshop foremen to facilitate on-the-job training. Significant numbers of our employees remain with us for most of their careers, something which is increasingly uncommon. Several of our most senior staff started out at entry level within our stores and their continuity of employment is testament to our focus on employee development.

In the US, building on our existing whole career training, we are introducing two major new programmes in 2013. Our 'Back to basics' programme will focus on new recruits and staff with less than two years' experience in their current positions. Courses are designed to accommodate the needs of those new to the roles of store manager, customer service representative and sales representative, as well as provide training for shop foremen and mechanics aspiring to advance. We will also be running an 'Advanced skills' programme for more senior staff, with courses focused on managing employees, understanding the financials, advanced sales techniques and technical training.

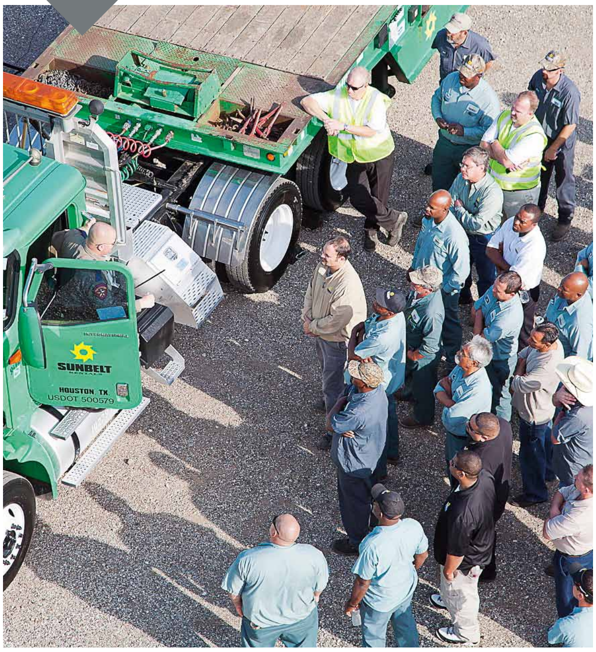
In the UK in 2013 we will be rolling out an ongoing 'Up-skilling the workforce programme'. This scheme is designed to supply experienced workers who have no formal qualification with a recognised vocational qualification.

58

new UK apprentices taken on in September 2012.

TRAINING

More than 2,500 US employees will be trained in 2013 as part of our national driver outreach initiative.



BALANCING THE ARMY WITH A CAREER IN EQUIPMENT RENTAL

Ian Collings from our UK Stockton depot manages to work for A-Plant and be a member of the British Territorial Army. When he's not working for A-Plant as a Traffic Management Operative, he is a member of the 4th Battalion The Yorkshire Regiment in his spare time. He was interviewed on the BBC One Show on how he balances his two careers. Ian says that 'A-Plant has been very supportive and accommodating of his double life'.

It will include further outside training for drivers, rental managers, yard operatives, foremen and workshop managers. Formal training programmes in the UK are held at our National Training Centre in Nottingham.

In addition, we endeavour consistently throughout the year to maintain and develop arrangements aimed at involving employees in the Group's affairs. For example, regular meetings are held at stores to discuss performance and enable employees to input into ways of improving performance and service levels.

Reward and benefits

We motivate and reward our people through a combination of competitive fixed pay and attractive incentive programmes. Our sales force is also incentivised through commission plans which are based on sales volume and a broad measure of return on investment determined by reference to equipment type and discount level. We maintain flexibility in these incentive plans to reflect changes in the economic environment. We believe this was an important element in retaining the confidence of our workforce through the recession.

In addition to their core benefits, including pension and life insurance arrangements, we have an employee assistance helpline which offers free confidential support and advice to those in need.

Diversity and equal opportunities

At Ashtead we work hard to ensure equal opportunities for all our staff, as well as prioritising employment diversity. We recruit predominantly from the areas immediately around our facilities thereby providing opportunities for local people. We make 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. We do not discriminate against any individual on the basis of a protected status, such as sex, colour, race, religion, native origin or age.

Ours is mainly a male workforce but nonetheless, we have women at all levels in both the US and UK including on the Board, on the senior management team, as store managers, sales executives and apprentices. Women make up 7% of our workforce below manager level and 12% of our managers. We are committed to providing excellent training and career paths for all employees who work at Ashtead.

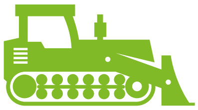
In the US we are required by law to monitor ethnicity in our workforce every year and we maintain a diverse workforce. We also gather ethnicity data as part of the recruitment process in the UK and through an Equality and Inclusion Survey, to monitor our diversity. Increasingly many local authority and public sector tenders request this kind of information. We are committed to providing opportunities for people from all ethnic groups and in both geographies we have good representation from ethnic minorities across the organisation.

OUR CUSTOMERS

We work with all manner of customers from small local householders to the largest national companies that we service nationwide. We invest significant resources in ensuring our customers use our equipment effectively, efficiently and safely. We are very conscious that without proper training, maintenance and support, the equipment we rent can be dangerous. We therefore invest in making sure our service to customers includes promoting the safe use of our equipment. We have an ongoing programme of specialised customer health and safety briefings on using our equipment range, as well as regular general health and safety awareness-raising initiatives. The health and safety of our customers is as important as that of our employees.

In 2012 Sunbelt provided operator training for more than 42,000 people. We offer a wide range of standardised courses across the US, including aerial and forklift training, scaffold, excavation and trench work. As well as training operators, we also trained 250 customers to be trainers within their own organisations, providing the knowledge and accreditation to train their own staff. We also offer bespoke training solutions such as a customised forklift training and testing programme for Balfour Beatty. Customers making use of our training expertise in the US include Weyerhaeuser, Nucor and Waste Management Inc.

Last year A-Plant launched a new Customer Training Solutions brochure, detailing the wide variety of courses that we provide for customers in the UK, including Manual Handling, Site Safety Awareness, Driver Load/Unload, Traffic Management and Working at Height. Many of our courses are accredited by PASMA (Prefabricated Access Suppliers' and Manufacturers' Association) and IPAF (International Powered Access Federation). A-Plant is also an accredited training provider for NPORS (National Plant Operators Registration Scheme).



42,000

people given operator training in the US.

HELPING CUSTOMERS TALK ABOUT SAFETY

A-Plant works closely as a key supplier to Skanska on the development of safety equipment and improving the safety of plant. As part of our relationship, at the St Bartholomew's Hospital project in London, A-Plant provided support to a health and safety day.

The open day allows employees of Skanska and its supply chain to show friends and families where they work and to help them, in particular their children, understand what they do on a daily basis. At the event the A-Plant team demonstrated the safety aspects of equipment used on site and also linked this to safety at home.

We also hosted a safety awareness day with another of our largest UK customers, Amey, which showcased the very latest and safest equipment available from our preferred suppliers.

A NEW CAREER FOR AN ARMY MECHANIC

Former US Army mechanic Dontae Johnson was wounded whilst serving in Iraq. With a wife and child at home, when he recovered, he decided the time had come to seek a civilian job. Dontae was used to fixing trucks, bulldozers, tractor-trailers and other large vehicles but on arrival at Sunbelt, he had to learn about construction equipment. To succeed he relied on two crucial military skills: understanding the chain of command and finding information. He says, "Although it was a new industry for me I had good knowledge of blueprints, diagrams and schematics. I combined that with a willingness to learn and to seek out mentors within the company". Dontae says what he likes most about his job is the variety, "No day is the same".

In addition, our high level of health and safety as well as environmental accreditation, including ISO 9001 in the UK, gives confidence to our largest customers (who are most focused on site safety) that we have in place the appropriate policies, training programmes, feedback and auditing and monitoring processes to minimise our impact on the environment and ensure the safety of our workforce. They also aid us when our large customers come in and audit our operations for compliance with the standards they look for us to apply. Increasingly many of our largest customers and contracts demand that these standards be rigorously enforced in our business before we can begin to even pitch for the business.

COMMUNITIES

At Ashtead we take pride in giving back to the communities in which we operate and from which we recruit. Our involvement is at both a corporate and a local level and where possible we seek to align our efforts with our own operations. Below we highlight some of our best efforts, both big and small.

- We are the primary sponsor (with a $50,000 investment) of the Charlotte chapter of the Juvenile Diabetes Research Foundation's Walk to Cure Diabetes in the US. We will have a large equipment presence and a team of walkers supporting the charity on the walk.
- In the UK we work with CRASH which is the construction and property industry's charity for homeless people. Through our Ford depot we supplied equipment to help a CRASH Emmaus project in Brighton involving the construction of a garden centre in which homeless people will grow a range of plants, shrubs and herbs for sale.
- We support the American Heart Association ('AHA') and have been a regular sponsor of the Charlotte Heart Ball which this year raised more than $1m. We also support the AHA in its healthy heart projects in schools.
- A-Plant Lux, our specialist traffic management division, provided a safe escort to the 200 mile celebrity sponsored walk from Swansea to Carnarfon to support the Wales Air Ambulance's 'Leap into Action' appeal to help raise funds for a new helicopter to be based at Welshpool Airport.

ENVIRONMENT

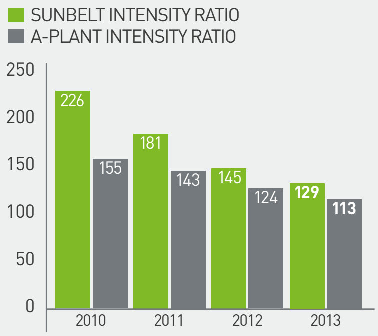
We are committed to minimising the risk of adverse impact on the environment from our business wherever possible. We seek to fulfil our environmental obligations through:

- diligently tracking pertinent environmental regulations and requirements and carrying out self-audits to maintain compliance;
- investing in the regular renewal of our rental fleets to ensure that the equipment we provide to our customers incorporates the latest environmental technology available from our chosen manufacturers, where possible;
- ensuring that our stores are adequately equipped to operate in a safe and secure way, protective of the environment. Key matters covered are: wash-down bays to collect and safely dispose of materials released when we inspect and clean equipment returned from rent; enclosed paint booths and spray shops to ensure that repainting of equipment can be conducted safely and securely; bunded fuel tanks to ensure secure fuelling of our fleet and, where relevant, vehicles;
- ensuring proper arrangements are made, through the use of reputable vendors, for the collection and disposal of waste fuels and oils, tyres and other old or broken parts released as we service and maintain our rental fleets;
- investing in a modern and efficient delivery truck fleet which enables us to ensure that our vehicles are purchased with regard for good emissions management and fuel efficiency;
- ensuring, wherever practicable, that we control noise and potential disruption in and around our stores so as not to unduly impact the communities immediately surrounding them; and
- reducing our waste to landfill by significantly increasing the amount of waste that goes to recycling.

POWER CUBE

Last year Ashtead launched Power Cube, a revolutionary product which enables customers to cut their carbon footprint, fuel consumption, noise levels and emissions, whilst delivering huge cost savings. Power Cube is a portable, maintenance-free, self-contained energy pod that stores and delivers clean, silent, emission-free power. The Power Cube operates either alone or alongside a generator by electronically converting stored energy into mains power. When the site load is low or when silent running is preferred, the generator is automatically turned off and the Power Cube continues to silently power the site. In the morning, or whenever it is programmed to, the Power Cube automatically restarts the generator and resumes charging itself. The product has been launched following successful testing on a number of our customers' sites. Following a test period on a live site for a period of 101 days, when the site was powered by a 33kVA Generator and an 8kVA Power Cube, a reduction in CO_2 of 30,652kg or over 30 tonnes was recorded. This equates to a saving in fuel costs of over £31,000 annually.

CARBON EMISSIONS (TONNES/£M OF REVENUE)



NOTE: CONSTANT EXCHANGE RATES

We also support the initiatives of the Carbon Disclosure Project in the management of harmful carbon dioxide emissions. We participate in its annual survey and report on our carbon dioxide emissions. We are pleased to report that across the Group our estimated total CO_2 emissions continued to decrease relative to our activity levels last year. In the year to 30 April 2013 absolute CO_2 emissions increased slightly to 172,000 tonnes (2012: 162,000 tonnes) as activity levels increased significantly at Sunbelt. This comprised 149,000 tonnes at Sunbelt (2012: 139,000 tonnes) and 23,000 tonnes at A-Plant (2012: 23,000 tonnes).

Carbon intensity continues to reduce

This year we have worked hard to improve energy efficiency across the Group, installing more energy efficient lighting and air conditioning as well as more environmentally-friendly refrigerant at many of our stores, particularly in the US. At Sunbelt we manage environmental initiatives and track our performance through our internal Environmental Site which carries detailed information on environmental requirements by individual state. Our overall emission levels are low relative to our revenue and employee numbers and we recognise that most of our emissions are generated by our delivery truck fleet in transporting our equipment to customers' job sites. Our customers expect and pay for this delivery but we continue to work on initiatives to help us cut our emission levels, such as reducing the speed at which our vehicles are driven. In the US last year we replaced around 650 delivery trucks with more fuel efficient models.

In the US, an increasing proportion of our fleet purchases are Tier 4 compliant. These are designed to reduce carbon emissions and, from 2015, will be the only ones available for purchase. They have the additional benefit of being cleaner burning engines and more fuel efficient.

On big, long-term construction sites, we are prepared to place pools of our equipment at the job-site enabling equipment to be sourced on site and thereby reducing the site's overall transportation needs. Our Auto Tool Hire Units in the UK and Gear Box in the US allow the storage of smaller tools at the job-site. These on-site initiatives reduce the need for item by item delivery, thereby helping to cut distribution emissions. We have also worked hard to improve the environmental rating of our accommodation units. Our new Eco Fusion Welfare Unit, for example, offers reduced fuel usage, a 60% reduction in generator servicing, longer generator life, fewer breakdowns and significantly reduced noise pollution.

GEOFF DRABBLE
Chief executive
19 June 2013

Directors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1. CHRIS COLE

Non-executive chairman

Chris Cole has been a director since January 2002 and was appointed as non-executive chairman in March 2007. Chris is chairman of the Nomination Committee and a member of the Finance and Administration Committee. He is executive chairman of GENIVAR Inc. and, prior to its acquisition by GENIVAR Inc., was chief executive of WSP Group plc.

Executive directors

2. GEOFF DRABBLE

Chief executive

Geoff Drabble was appointed as chief executive in January 2007, having served as chief executive designate from October 2006 and as a non-executive director since April 2005. Geoff was previously an executive director of The Laird Group plc where he was responsible for its Building Products division. Prior to joining The Laird Group, he held a number of senior management positions at Black & Decker. Geoff is chairman of the Finance and Administration Committee and a member of the Nomination Committee.

3. SUZANNE WOOD

Finance director

Suzanne Wood was appointed as a director in July 2012. Suzanne joined Sunbelt as its chief financial officer in 2003. Suzanne is a US qualified accountant, having trained with Price Waterhouse. She is a US citizen and lives in Charlotte, North Carolina but also maintains a London residence.

4. BRENDAN HORGAN

Chief executive officer, Sunbelt

Brendan Horgan was appointed a director in January 2011. Brendan joined Sunbelt in 1996 and has held a number of senior management positions including chief sales officer and chief operating officer. Brendan is a US citizen and lives in Charlotte, North Carolina.

5. SAT DHAIWAL

Chief executive, A-Plant

Sat Dhaiwal has been chief executive officer of A-Plant and a director since March 2002. Sat was managing director of A-Plant East, one of A-Plant's four operational regions, from May 1998 to March 2002. Before that he was an A-Plant trading director from 1995 and, prior to 1995, managed one of A-Plant's stores.

Non-executive directors

6. HUGH ETHERIDGE

Senior independent non-executive director

Hugh Etheridge has been a director, chairman of the Audit Committee and a member of the Remuneration and Nomination Committees since January 2004. He was appointed as senior independent non-executive director in March 2007. Hugh is also a non-executive director and chairman designate of William Sinclair Holdings plc. He was formerly chief financial officer of the Waste and Resources Action Programme ('WRAP'), a non-profit organisation established by the UK Government to promote sustainable waste management. Before joining WRAP, he was finance director of Waste Recycling Group plc and prior to that, of Matthew Clark plc.

7. MICHAEL BURROW

Independent non-executive director

Michael Burrow was appointed as a non-executive director and member of the Audit, Remuneration and Nomination Committees effective from March 2007 and Chairman of the Remuneration Committee in September 2010. Michael was formerly managing director of the Investment Banking Group of Lehman Brothers Europe Limited.

8. BRUCE EDWARDS

Independent non-executive director

Bruce Edwards was appointed as a non-executive director in June 2007 and a member of the Nomination Committee and Remuneration Committee effective from February 2009 and September 2010 respectively. Bruce is the global chief executive officer for Exel Supply Chain at Deutsche Post World Net ('DPWN'), and a member of its board of management. He joined DPWN following its acquisition of Exel plc in December 2005. Prior to the acquisition, he was a director of Exel plc and chief executive of its Americas businesses. Bruce is also a non-executive director of Greif Inc, a NYSE-listed packaging and container manufacturer. Bruce is a US citizen and lives in Columbus, Ohio.

9. IAN SUTCLIFFE

Independent non-executive director

Ian Sutcliffe was appointed as a non-executive director and member of the Audit, Remuneration and Nomination Committees in September 2010. Ian was formerly chief executive officer of Keepmoat and managing director, UK Property, at Segro plc where he had been a director since June 2008. Prior to joining Segro he held senior executive positions with Taylor Wimpey plc and Royal Dutch Shell plc.

Details of the directors' contracts, emoluments and share interests can be found in the Directors' remuneration report.

Key:

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Finance and Administration Committee

Directors' report

The directors present their report and the audited accounts for the financial year ended 30 April 2013.

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 mainly in the non-residential construction sectors of the US and the UK.

Trading results and dividends

The Group's consolidated profit before taxation for the year was £216m (2012: £135m). A review of the Group's performance and future development, including the principal risks and uncertainties facing the Group, is given in the Business and financial review on pages 8 to 25 and in note 23 to the financial statements. These disclosures form part of this report. The Company paid an interim dividend of 1.5p per ordinary share in February and the directors recommend the payment of a final dividend of 6.0p per ordinary share, to be paid on 6 September 2013 to those shareholders on the register at the close of business on 16 August 2013, making a total dividend for the year of 7.5p (2012: 3.5p).

Share capital and major shareholders

Details of the Company's share capital are given in note 19 to the financial statements.

VOTING RIGHTS

Subject to the Articles of Association, every member who is present in person at a general meeting shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he or she is the holder. The Trustees of the Employee Share Ownership Trust ordinarily follow the guidelines issued by the Association of British Insurers and do not exercise their right to vote at general meetings.

Under the Companies Act 2006, members are entitled to appoint a proxy, who need not be a member of the Company, to exercise all or any of their rights to attend and speak and vote on their behalf at a general meeting or any class of meeting. A member may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A corporate member may appoint one or more individuals to act on its behalf at a general meeting or any class of meeting as a corporate representative. The deadline for the exercise of voting rights is as stated in the notice of the relevant meeting.

TRANSFER OF SHARES

Certified shares

(i) Transfers may be in favour of more than four joint holders, but the directors can refuse to register such a transfer.

(ii) The share transfer form must be delivered to the registered office, or any other place decided on by the directors. The transfer form must be accompanied by the share certificate relating to the shares being transferred, unless the transfer is being made by a person to whom the Company was not required to, and did not send, a certificate. The directors can also ask (acting reasonably) for any other evidence to show that the person wishing to transfer the shares is entitled to do so.

CREST shares

(i) Registration of CREST shares can be refused in the circumstances set out in the Uncertified Securities Regulations.

(ii) Transfers cannot be in favour of more than four joint holders.

Based on notifications received, the holdings of 3% or more of the issued share capital of the Company as at 18 June 2013 (the latest practicable date before approval of the financial statements) are as follows:

	%
BlackRock, Inc.	12
AXA Investment Managers, S.A.	5
Baillie Gifford & Co.	5
Kames Capital	4
Old Mutual Asset Managers (UK) Ltd	4
Legal & General Group PLC	3

Details of directors' interests in the Company's ordinary share capital and in options over that share capital are given in the Directors' remuneration report on pages 42 to 53. Details of all shares subject to option are given in the notes to the financial statements on page 75.

Change of control provisions in loan agreements

A change in control of the Company (defined, inter alia, as a person or a group of persons acting in concert gaining control of more than 30% of the Company's voting rights) leads to an immediate event of default under the Company's asset-based senior lending facility. In such circumstances, the agent for the lending group may, and if so directed by more than 50% of the lenders shall, declare the amounts outstanding under the facility immediately due and payable.

Such a change of control also leads to an obligation, within 30 days of the change in control, for the Group to make an offer to the holders of the Group's $500m senior secured notes, due 2022, to redeem them at 101% of their face value.

Directors and directors' insurance

Details of the directors of the Company are given on pages 32 and 33. The policies related to their appointment and replacement are detailed on pages 37 and 38. Each of the directors as at the date of approval of this report confirms, as required by section 418 of the Companies Act 2006 that to the best of their knowledge and belief:

(1) there is no relevant audit information of which the Company's auditor is unaware; and

(2) each director has taken all the steps that he ought to have taken to make himself aware of such information and to establish that the Company's auditor is aware of it.

The Company has maintained insurance throughout the year to cover all directors against liabilities in relation to the Company and its subsidiary undertakings.

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 2013 was 67 days (30 April 2012: 70 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

Charitable donations in the year amounted to £80,625 in total (2012: £71,178). No political donations were made in either year.

Auditor

Deloitte LLP has indicated its willingness to continue in office and in accordance with section 489 of the Companies Act 2006, a resolution concerning its reappointment and authorising the directors to fix its remuneration, will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting ('AGM') will be held at 2.30pm on Wednesday, 4 September 2013 at Wax Chandlers Hall, 6 Gresham Street, London EC2V 7AD. An explanation of the business to be transacted at the AGM has been circulated to shareholders and can be found on the website, www.ashtead-group.com.

By order of the Board

ERIC WATKINS
Company secretary
19 June 2013

Corporate governance report

Dear Shareholder

Your Board is committed to maintaining high standards of corporate governance. We recognise that good governance is essential in assisting the business to manage its risk, deliver its strategy, generate shareholder value and safeguard shareholders' long-term interests. As Ashtead continues to grow, I will ensure the regime remains appropriately robust. The Board is accountable to the Company's shareholders for corporate governance and I, as chairman, am responsible for ensuring the Board operates effectively. I am pleased to introduce the corporate governance report for 2012/13. This report details the matters addressed by the Board and its committees during the year.

Board composition and diversity

Each member of our Board must be able to demonstrate the skills, experience and knowledge required to contribute to the effectiveness of the Board. It is also important that we address issues of diversity in terms of skills, geographical experience relevant to our business and gender. With the appointment of Suzanne Wood as finance director last year, I believe the Board is appropriately balanced in terms of diversity with a good mix of specialist skills and market expertise. We will continue to prioritise balanced skills and experience on the Board when seeking a replacement for Hugh Etheridge who steps down in 2014 as our senior independent non-executive director and chairman of the Audit Committee.

Areas of Board focus

During the past year the Board has paid particular attention to the following important areas:

- continuing to develop and promote corporate responsibility throughout the business;
- assessing the effectiveness of our health and safety practices and monitoring across the Group, and identifying areas for improvement;
- evaluating our robust operating model and structure to ensure they remain fit for purpose as Ashtead grows and markets change;
- continuing review of the effectiveness of our capital structure as the economic environment changes;
- an ongoing evaluation of the efficacy of our strategy and the degree to which it remains appropriate as markets and opportunities change;
- ensuring our key management resource remains motivated and appropriately rewarded;
- succession planning and ongoing senior recruitment; and
- reviewing Board priorities and activities in line with our risk and ethics management regime.

Board effectiveness review

During the year we commissioned an external review of the work of the Board and its committees, which reported to the April Board meeting. The review was carried out by Boardroom Review Limited and resulted in a strong endorsement of the performance of the Board. We are pleased that the Board was found to operate in an effective and efficient manner but we also recognise that there is always room for improvement and change as we strive to be better. More information on the review can be found on page 38.

Compliance

We endeavour to monitor and comply with ongoing changes in corporate governance and evolving best practice in this area. The Company complied throughout the year with the provisions of the UK Corporate Governance Code and I am pleased to confirm this report provides a fair, balanced and understandable view of the Group's position and prospects.

CHRIS COLE
Chairman

The Board

The Company's Board comprises the non-executive chairman, the chief executive, the finance director, the executive heads of Sunbelt and A-Plant, the senior independent non-executive director and three other independent non-executive directors. Short biographies of the directors are given on page 33.

The chairman undertakes leadership of the Board by agreeing Board agendas and ensures its effectiveness by requiring the provision of timely, accurate and clear information on all aspects of the Group's business, to enable the Board to take sound decisions and promote the success of the business. The chairman, assisted by other directors, reviews the effectiveness of each member of the Board no less than annually and facilitates constructive relationships between the executive and non-executive directors through both formal and informal meetings.

The chairman ensures that all directors are briefed properly to enable them to discharge their duties effectively. All newly appointed directors undertake an induction to all parts of the Group's business. Additionally, detailed management accounts are sent monthly to all Board members and, in advance of all Board meetings, an agenda and appropriate documentation in respect of each item to be discussed is circulated.

The chairman facilitates effective communication with shareholders through both the annual general meeting and by being available to meet with major shareholders, to develop an understanding of the views of the investors in the business. He also ensures that shareholders have access to other directors, including non-executive directors, as appropriate.

The chief executive's role is to provide entrepreneurial leadership of the Group within a framework of prudent and effective controls, which enables risk to be assessed and managed. The chief executive undertakes the leadership and responsibility for the direction and management of the day-to-day business and conduct of the Group. In doing so, the chief executive's role includes, but is not restricted to, implementing Board decisions, delegating responsibility, and reporting to the Board regarding the conduct, activities and performance of the Group. The chief executive chairs the Sunbelt and A-Plant board meetings and sets policies and direction to maximise returns to shareholders.

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 assessed critically to ensure they are aligned with the long-term interests of shareholders and are compatible with the interests of employees, customers and suppliers.

Regular reports and briefings are provided to the Board, by the executive directors and the company secretary, to ensure the directors are suitably briefed to fulfil their roles. The Board normally meets six times a year and there is contact between meetings to advance the Company's activities. It is the Board's usual practice to meet regularly with the senior executives of Sunbelt and A-Plant. The directors also have access to the company secretary and are able to seek independent advice at the Company's expense.

The directors will retire at this year's Annual General Meeting and will offer themselves for re-election in accordance with the UK Corporate Governance Code.

There is a schedule of matters reserved to the Board for decision. Other matters are delegated to Board committees, details of which are given on pages 40, 41 and 43.

MATTERS RESERVED TO THE BOARD

The schedule of matters reserved to the Board for decision includes:

- treasury policy;
- acquisitions and disposals;
- appointment and removal of directors or the company secretary;
- appointment and removal of the auditor;
- approval of the annual accounts and the quarterly financial reports to shareholders;
- approval of the issue of shares and debentures;
- the setting of dividend policy; and
- the buy-back of shares.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS HELD BETWEEN 1 MAY 2012 AND 30 APRIL 2013

	Board	Audit	Remuneration	Nomination
Number of meetings held	6	4	1	1
Chris Cole	6	–	–	1
Sat Dhaiwal	6	–	–	–
Geoff Drabble	6	–	–	1
Brendan Horgan	6	–	–	–
Ian Robson*	1	–	–	–
Suzanne Wood**	5	–	–	–
Michael Burrow	6	4	1	1
Bruce Edwards	6	–	1	1
Hugh Etheridge	6	4	1	1
Ian Sutcliffe	6	4	1	1

* Ian Robson resigned as director on 13 July 2012.
** Suzanne Wood was appointed as a director on 16 July 2012.

SUMMARY OF THE BOARD'S WORK DURING THE YEAR

During the year, the Board considered all matters reserved to the Board for decision, focusing in particular on the following:

- Adoption of the 2012/13 budget
- Review of operations, current trading and outlook
- Approval of the quarterly financial statements
- Approval of the annual report and accounts
- Approval of the AGM resolutions
- Dividend policy
- Investor relations
- Treasury policy
- Refinancing of the Group's second priority senior secured notes
- Review of the work of the Group's Risk Committee
- Review and approval of the Group's risk register
- Growth and acquisition strategy
- The acquisition of JMR
- Settlement of the IRS tax audits of Sunbelt
- Appointment of the Group finance director

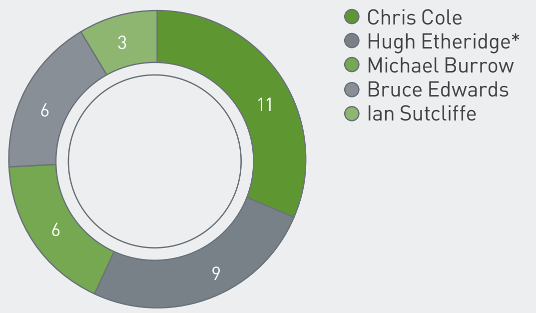
Non-executive directors

In the recruitment of non-executive directors, it is the Company's practice to utilise the services of an external search consultancy. Before appointment, non-executive directors are required to assure the Board that they can give the time commitment necessary to fulfil properly their duties, both in terms of availability to attend meetings and discuss matters on the telephone and meeting preparation time. The non-executives' letters of appointment will be available for inspection at the Annual General Meeting. The approval of the chairman is required before a non-executive can take on other non-executive director roles.

The non-executive directors (including the chairman) meet as and when required in the absence of the executive directors to discuss and appraise the performance of the Board as a whole and the performance of the executive directors. In accordance with the UK Corporate Governance Code, the non-executive directors, led by the senior independent non-executive director, also meet at least annually in the absence of the chairman to discuss and appraise his performance.

Non-executive directors are appointed for specified terms not exceeding three years and are subject to re-election and the provisions of the Companies Act 2006 relating to the removal of a director.

TENURE OF NON-EXECUTIVE DIRECTORS (YEARS)



* Hugh Etheridge will be retiring as a non-executive director in June 2014.

Board committees

The Board has standing Audit, Nomination and Remuneration Committees. The membership roles and activities of the Audit and Nomination Committees are detailed on pages 40 and 41 and the Remuneration Committee in the separate report on page 43.

Each committee reports to, and has its terms of reference agreed by, the Board. The terms of reference of these committees are available on our website and will be available for inspection at the Annual General Meeting.

FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration Committee comprises Chris Cole, Geoff Drabble (chairman) and Suzanne Wood. The Board of directors has delegated authority to this Committee to deal with routine financial and administrative matters between Board meetings. The Committee meets as necessary to perform its role and has a quorum requirement of two members with certain matters requiring the participation of Chris Cole, non-executive chairman, including, for example, the approval of material announcements to the London Stock Exchange.

Performance evaluation

An external review of the work of the Board and its committees was commissioned in December 2012 and conducted between January and April 2013. The review was conducted by Dr Tracy Long of Boardroom Review Limited, a company which has no connection with Ashtead.

The review comprised a series of in-depth interviews with all Board members and a number of the senior management team, together with observation of the Board's conduct in meetings and a review of the documentation circulated in advance of Board and committee meetings.

The report of the external reviewer, which included conclusions and recommendations of the reviewer, was presented to a meeting of the Board in April 2013. The overall conclusion was that the Board operated in an efficient and effective manner. In addition, certain areas of focus were identified to enhance the effectiveness of the Board in the future. The report was considered and debated by the Board and various action points were agreed. Based on the report, the Board concluded that the performance of the Board and its committees in the past year had been satisfactory.

In line with the UK Corporate Governance Code we intend to conduct externally facilitated board effectiveness reviews at least every three years. In addition, the chairman holds regular development reviews with each Board director.

Internal control

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 relevant guidance for directors, published by the Financial Reporting Council, 'Internal Control: Guidance to Directors'.

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. Under its terms of reference the Group Risk Management Committee meets semi-annually or more frequently if required, with the objective of encouraging best risk management practice across the Group and a culture of regulatory compliance and ethical behaviour. The Group Risk Management Committee reports annually to the Audit Committee.

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

The Group reviews the risks it faces in its business and how these risks are managed. These reviews are conducted in conjunction with the management teams of each of the Group's businesses and are documented in an annual report. The reviews consider whether any matters have arisen since the last report was prepared which might indicate omissions or inadequacies in that assessment. It also considers whether, as a result of changes in either the internal or external environment, any new significant risks have arisen. The Group Risk Committee reviewed the draft report for 2013, which was then presented to, discussed and approved by the Audit Committee and the Group Board on 17 June 2013.

Before producing the statement on internal control for the annual report and accounts for the year ended 30 April 2013, the Board reconsidered the operational effectiveness of the Group's internal control systems. In particular, through the Audit Committee, it received reports from the operational audit teams and considered the internal control improvement recommendations made by the Group's internal auditors and its external auditor and management's implementation plans. The control system includes written policies and control procedures, clearly drawn lines of accountability and delegation of authority, and comprehensive reporting and analysis against budgets and latest forecasts.

In a group of the size, complexity and geographical diversity of Ashtead, minor breakdowns in established control procedures can occur. There are supporting policies and procedures for investigation and management of control breakdowns at any of the Group's stores or elsewhere. The Audit Committee also meets regularly with the external auditor to discuss their work.

In relation to internal financial control, the Group's control and monitoring procedures include:

- the maintenance and production of accurate and timely financial management information, including a monthly profit and loss account and selected balance sheet data for each store;
- 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;
- the preparation of a monthly financial report to the Board;
- the preparation of an annual budget and periodic update forecasts which are reviewed by the executive directors and then by the Board;
- a programme of rental equipment inventories and full inventory counts conducted at each store by equipment type and independently checked on a sample basis by our operational auditors and external auditor;
- detailed internal audits at the Group's major accounting centres undertaken periodically by internal audit specialists from a major international accounting firm;
- comprehensive audits at the stores generally carried out every two years by internal operational audit. A summary of this work is provided annually to the Audit Committee; and
- whistle-blowing procedures by which staff may, in confidence, raise concerns about possible improprieties or breaches of company policy or procedure.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for the Group in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and Article 4 of the IAS Regulations and have also elected to prepare financial statements for the Company in accordance with IFRS. Company law requires the directors to prepare such financial statements in accordance with IFRS and the Companies Act.

Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. IAS 1, Presentation of Financial Statements, requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the representation of the effects of transactions, as well as other events and conditions, in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's Framework for the Preparation and Presentation of Financial Statements. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. Directors are also required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Board confirms to the best of its knowledge:

- the consolidated financial statements, prepared in accordance with IFRS as issued by the International Accounting Standards Board and IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the directors' report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In addition, each of the directors considers that the Annual Report, taken as a whole, is fair, balanced and understandable and provides information necessary for shareholders to assess the Group's performance, business model and strategy.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Shareholders should note that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Group's operations and financial condition, together with factors likely to affect its future development, performance and condition are set out in the Business and financial review on pages 8 to 25. In particular, the Group's financial management and cash flow, including details of the Group's banking facilities are set out on pages 23 and 24. In addition, note 23 to the financial statements describes the Group's financial risk management policies and processes, including its exposure to interest rate risk, currency exchange risk, credit risk and liquidity risk.

The Group's debt facilities are committed for a weighted average period of five years as of 30 April 2013 with the earliest significant maturity being the ABL facility which continues until March 2016. The Group finances its day-to-day activity via the ABL facility under which excess availability totalled $667m at year end. Taking account of reasonably possible changes in trading performance, used equipment values and the other factors that might impact availability, the Group expects to maintain significant headroom under the ABL facility for the forthcoming year.

After making enquiries, the directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future and consequently that it is appropriate to adopt the going concern basis in preparing the financial statements.

Audit Committee

INTRODUCTION BY HUGH ETHERIDGE, AUDIT COMMITTEE CHAIRMAN

I am pleased to introduce the report of the Audit Committee for 2012/13.

As chairman of the Committee, it is my responsibility to ensure that the Committee fulfils its responsibilities in a rigorous and effective manner. The new UK Corporate Governance Code published in September 2012 is designed to promote greater clarity and understanding with regard to the activities of the Board and its committees with the result that communication with shareholders will be more effective. Accordingly, in this report I have sought to provide more insight into the matters considered by the Committee during the year. I believe this will give shareholders the assurance that the control environment in the Company is being appropriately monitored and reviewed.

I am satisfied that the Committee was provided with good quality and timely material to allow proper consideration to be given to the Committee's responsibilities.

One of the changes in the revised code is the principle that the Board should present a fair, balanced and understandable assessment of the Company's position and prospects through its financial reporting. The Committee has reviewed all the Company's financial reports in advance of publication and is satisfied that they provide a fair, balanced and understandable assessment of the Company's position and prospects.

HUGH ETHERIDGE
Chairman of the Audit Committee

Membership of the Committee

The Committee is comprised of independent non-executive directors. The members of the Committee during the year were:

Hugh Etheridge Chairman
Michael Burrow
Ian Sutcliffe

Hugh Etheridge is a Chartered Accountant and has relevant financial experience. He has previously been finance director of Matthew Clark plc, Waste Recycling Group plc and, until he retired, the Waste Resources Action Programme. Eric Watkins is secretary to the Committee. Chris Cole, Geoff Drabble and Suzanne Wood, together with the Group's deputy finance director generally attend meetings by invitation. In addition, the Group audit partner from our external auditor usually attends the Committee meetings.

The Audit Committee's terms of reference will be available for inspection at the Annual General Meeting.

MAIN RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in its oversight and monitoring of financial reporting, risk management and internal controls.

The principal responsibilities of the Committee are to:

- monitor the integrity of the annual and quarterly results, including a review of the significant financial reporting judgements contained therein;
- establish and oversee the Company's relationship with the external auditor, including the external audit process, their audit and non-audit fees and independence and make recommendations to the Board on the appointment of the external auditor;
- review and assess the effectiveness of the Company's internal financial controls and internal control and risk management systems;
- oversee the nature, scope and effectiveness of the internal audit work undertaken; and
- monitor the Company's policies and procedures for handling allegations from whistle-blowers.

The Committee reports to the Board on its activities and minutes of meetings are available to the Board.

SUMMARY OF THE COMMITTEE'S WORK DURING THE YEAR

The Committee has met on five occasions during the last year and its principal areas of focus are discussed below.

Integrity of quarterly and annual financial reports
The Committee reviewed the quarterly and annual financial statements released by the Company. A similar process is followed at each reporting date whereby the Committee receives a paper from management on the key judgements taken in preparing the financial statements. In addition, the external auditor presents a paper summarising the findings of its work at the half year and full year. Through this process, the Committee is able to ensure that the financial statements and related narrative presents a balanced and understandable statement of the Group's position. The principal areas focused on by the Committee during the year included:

- accounting and reporting judgements, the principal ones being useful lives of property, plant and equipment, asset impairment including goodwill, receivables provisioning and self-insurance, on a quarterly basis and significant accounting policies and estimates of the Group under IFRS on an annual basis;
- assessing, on a quarterly basis, the appropriateness of the going concern assumption in preparing the financial statements. This was based on a review of internal forecasts and the Group's debt profile, including headroom and any requirement to comply with financial covenants;
- accounting for the issue of the new $500m 6.5% second priority senior secured notes due in 2022 and the redemption of the $550m 9% notes due in 2016, including the related exceptional interest expense; and
- the acquisition accounting for JMR Industries and the four smaller bolt-on acquisitions, including the identification of acquired intangible assets which relate predominantly to customer relationships.

External auditor
The Group audit partner from Deloitte attends all meetings of the Committee and reports formally to the Committee at three meetings. The first occasion during the year is in relation to the Group's half-year results and the report gives the results of Deloitte's review of those results. The half-year review forms part of Deloitte's planning for the annual audit and their full audit plan and proposed audit fee is presented to the February Committee meeting. Finally, when the Committee meets to consider the draft Annual Report, Deloitte presents a report on the findings of its audit.

Non-audit services and external auditor independence
The Committee has reaffirmed its policy on non-audit services which requires Committee approval for any fees in excess of £25,000. It is accepted that certain work of a non-audit nature is best undertaken by the external auditor, for example, in connection with our debt issue in June 2012. Each year we review the level of fees and nature of non-audit work undertaken and we were again satisfied that it was in line with our policy and did not detract from the objectivity and independence of the external auditor. The principal non-audit fees paid to the Company's auditor, Deloitte LLP, for the year relate to their review of the Company's interim results, comfort letters related to our June 2012 debt issue, due diligence support and tax advice.

External audit effectiveness
The Committee conducts an annual review of the external auditor's effectiveness, drawing on input from the finance director, deputy finance director and senior finance management at Sunbelt and A-Plant. Based on this input and its interaction with the external auditor, the Committee is satisfied the audit process and strategy for the 2013 audit was effective.

Reappointment of external auditor
Deloitte was appointed external auditor in 2004. The Committee is recommending to the Board that a proposal be put to shareholders at the 2013 Annual General Meeting for the reappointment of Deloitte. There are no contractual restrictions on the Company's choice of external auditor and in making its recommendation the Committee took into account, amongst other matters, the objectivity and independence of Deloitte, as noted above, and their continuing effectiveness and cost. However, in light of the new requirement in the UK Corporate Governance Code to put the external audit contract out to tender at least every ten years, the Committee will consider how and when a tender process may be undertaken, taking account of the transitional provisions suggested by the Financial Reporting Council.

Financial control and risk management
The Company's objective is to maintain a strong control environment which minimises the financial risk faced by the business. It is the Committee's responsibility to review and assess the effectiveness of the Company's internal financial controls and internal control and risk management factors.

The Committee receives regular reports from internal operational audit, outsourced internal audit and the Group Risk Committee. The Group's risk management processes are an area of focus as they adapt to reflect changes to our risk profile as a result of our significant growth, both organic and through bolt-on acquisitions.

Internal audit
The internal operational audit teams in the two businesses undertake operational audits across the store network using a risk-based methodology. Each year we agree the scope of work and the coverage in the audit plan at the start of the year and receive formal reports on the results of the work at the half year and full year. During the year 262 audits were completed, which is consistent with our goal for each of our nearly 500 stores to receive an audit visit at least once every two years. The audits are scored and action plans agreed with store management to remedy identified weaknesses. This continual process of reinforcement is key to the store level control environment.

In addition, we engage a major international accounting firm to perform detailed internal audits at the Group's major support centres periodically. Such an internal audit was undertaken this year and we reviewed and approved the audit plan and scope of work in advance, monitored the work as it progressed and received a report on the findings on its conclusion. We reviewed the findings of this work and the improvement actions agreed by management.

Whistle-blowing
There are policies and procedures in place whereby staff may, in confidence, report concerns about possible improprieties or breaches of Company policy or procedure. These suspicions are investigated and the results of the investigation are reported to the whistle-blower. The Committee receives a report from the company secretary on control issues arising from whistle-blowing as well as from other sources.

Nomination Committee

The Nomination Committee meets as and when required to consider the structure, size and composition of the Board of directors. The Committee's primary focus this year was to ensure that succession planning became an even greater priority. Consideration was given to the Group's succession plan in June 2012 which covered the executive directors, company secretary and senior management teams at Group, Sunbelt and A Plant. The succession plan will remain on the Committee's agenda and will be considered at least annually.

The only change to the Board during the year was the formal appointment of Suzanne Wood as finance director following the retirement of Ian Robson, a decision which had been announced in the prior year.

The Committee also recommended to the Board that both Michael Burrow and Bruce Edwards, who have both served as non-executive directors for six years, be reappointed for further terms of three years.

Membership of the Committee:

Chris Cole Chairman
Michael Burrow
Geoff Drabble
Bruce Edwards
Hugh Etheridge
Ian Sutcliffe

Eric Watkins is secretary to the Committee.

MAIN RESPONSIBILITIES OF THE NOMINATION COMMITTEE

The principal duties of the Committee are making recommendations to the Board on:

- the Board's structure, size, composition and balance;
- the appointment, reappointment, retirement or continuation of any director; and
- the continuation of any non-executive director who has served for a period of three years or more.

The Nomination Committee's terms of reference will be available for inspection at the Annual General Meeting.

SUMMARY OF THE COMMITTEE'S WORK DURING THE YEAR

The Committee met once during the year and the principal matters discussed were:

- the review and approval of the Group's succession plan;
- the reappointment of Michael Burrow; and
- the reappointment of Bruce Edwards.

By order of the Board

ERIC WATKINS
Company secretary
19 June 2013

Directors' remuneration report

Dear Shareholder

I am pleased to present the Directors' remuneration report for the year ended 30 April 2013.

In advance of the new regulations being issued by the Department for Business, Innovation and Skills ('BIS') for remuneration reporting, we have decided to restructure our remuneration report ahead of schedule this year. As well as this statement, you will find separate sections that set out our policy ('Remuneration policy') and how that policy has been implemented ('Implementation of the Group's remuneration policy'). We have worked to increase both the transparency and accessibility of our remuneration reporting. As ever, we would welcome our shareholders' feedback.

Over the past three years the Remuneration Committee has sought to structure a more balanced remuneration policy and to align directors' interests even more closely with those of shareholders. I believe the changes we have made have resulted in a better correlation between remuneration and performance and have contributed to our record performance.

Following consultation with our major shareholders the recent changes introduced were:

- an overhaul of the bonus scheme to reward exceptional performance and also the introduction of a deferral, forfeiture and clawback mechanism that aligns remuneration with shareholder interests; and
- a balanced and holistic approach to the Performance Share Plan, incorporating four performance measures, with the objective of:
  - aligning remuneration with the key performance indicators of the business over the long term; and
  - incentivising executive management appropriately throughout the economic cycle.

As you will have seen from the rest of this Annual Report and Accounts, performance at Ashtead has continued the trend of the last couple of years and has been particularly strong this year. We have continued to grow market share and expand margins in our core market of the US. As a result we have been one of the best performing stocks in the FTSE 250. This, combined with our record dividend again this year, means that total shareholder returns have been extremely good. Nonetheless, the business environment remains challenging and, as a cyclical business, Ashtead remains susceptible to changes in market conditions throughout the economic cycle. Our aim is to continue to take advantage of the structural change in the US market and continue to build market share. Building sustainable performance across economic cycles remains a key focus of our corporate strategy.

The Implementation Report includes a table for the new single remuneration figure for all directors for the year, as well as a summary table setting out our chief executive's remuneration over the past six years. Total remuneration has increased five-fold since 2008 as a result of the strong financial performance of Ashtead, while total shareholder returns have increased ten-fold over the same period. In the last two years, we have seen a significant increase in total remuneration, a substantial element of which is a result of the full vesting of the 2009 and 2010 Performance Share Plan ('PSP') awards which were granted when the share price were 55.5p and 98.5p, respectively. We are pleased to note the strong correlation of remuneration policy with total shareholder returns. The alignment of remuneration policy with the interests of shareholders has been, and will continue to be, a key objective of the Remuneration Committee.

With effect from 1 May 2013, we have increased base salaries by between 3–10% for Group and Sunbelt employees in order to retain and incentivise our key staff and bring salaries into a more appropriate range for a company of our size and complexity. While our base salary levels remain generally lower than those of our peers, they are now more in line. A-Plant's base salaries are scheduled for review in November. In an inherently cyclical business we continue to believe that a larger variable element of pay is appropriate. The bonus plans and the Performance Share Plan will remain broadly unchanged this year although performance targets have been modified to reflect where we are in the cycle.

MICHAEL BURROW
Chairman of the Remuneration Committee

This report has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('the Regulations'). The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the Principles of Good Governance relating to directors' remuneration. As required by the Regulations, an advisory resolution to approve the report will be proposed at the forthcoming Annual General Meeting of the Company.

The Regulations require the auditor to report to the Company's members on elements of the Directors' remuneration report and to state whether, in their opinion, that part of the report has been properly prepared in accordance with the Companies Act 2006. The audited information is included on pages 50 to 53.

Remuneration Committee

The Company has established a Remuneration Committee ('the Committee') in accordance with the recommendations of the UK Corporate Governance Code. The Committee is comprised of independent non-executive directors. The members of the Committee are as follows:

Michael Burrow Chairman
Hugh Etheridge
Bruce Edwards
Ian Sutcliffe

None of the Committee members has any personal financial interests, other than as shareholders, in the matters to be decided. None of the members of the Remuneration Committee is currently or has been at any time one of the Company's executive directors or an employee. None of the executive directors currently serves, or has served, as a member of the board of directors of any other company which has one or more of its executive directors serving on the Company's Board or Remuneration Committee.

The Group's chief executive, Geoff Drabble, normally attends the meetings of the Committee to advise on operational aspects of the implementation of existing policies and policy proposals, except where his own remuneration is concerned, as does the non-executive chairman, Chris Cole. Eric Watkins acts as secretary to the Committee. Under Michael Burrow's direction, the company secretary and Geoff Drabble have responsibility for ensuring the Committee has the information relevant to its deliberations.

In formulating its policies, the Committee has access to professional advice from outside the Company, as required, and to publicly available reports and statistics. The Committee appointed Pricewaterhouse Coopers LLP ('PwC') to provide independent advice on various matters it considered. PwC was appointed in 2011 following an interview process by the Committee. PwC is a member of the Remuneration Consultants Group and adheres to its code in relation to executive remuneration consulting in the UK. PwC also provided internal audit and specific tax services to the Company during the year. The Committee is satisfied that neither the nature nor scope of these non-remuneration services by PwC impaired its independence as advisers to the Committee.

MAIN RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The principal duties of the Committee are:

- determining and agreeing with the Board the framework and policy for the remuneration of the executive directors and senior employees;
- ensuring that executive management are provided with appropriate incentives to encourage enhanced performance in a fair and responsible manner;
- reviewing and determining the total remuneration packages for each executive director including bonuses and incentive plans;
- determining the policy for the scope of pension arrangements, service agreements, termination payments and compensation commitments for each of the executive directors; and
- ensuring compliance with all statutory and regulatory provisions.

SUMMARY OF THE COMMITTEE'S WORK DURING THE YEAR

The principal matters addressed during the year were:

- assessment of the achievement of the executive directors against their annual bonus and Deferred Bonus Plan objectives;
- setting annual bonus and Deferred Bonus Plan performance targets for the year;
- assessment of performance for the vesting of the 2009 PSP awards;
- implementation of a balanced scorecard for the 2012 PSP awards;
- grant of 2012 PSP awards and setting the performance targets attaching thereto;
- review of executive base salaries; and
- approval of the Director's remuneration report for the year ended 30 April 2012.

SHAREHOLDER VOTING

An ordinary resolution concerning the Group's remuneration policies will be put to shareholders at the forthcoming Annual General Meeting.

Ashtead is committed to ongoing shareholder dialogue and considers carefully voting outcomes. In the event of a substantial vote against a resolution in relation to directors' remuneration, Ashtead would seek to understand the reasons for any such vote and would detail any actions taken in response to it in the Directors' remuneration report the following year.

The following table sets out the voting results in respect of our previous report in 2012:

	For	Against
2011/12 Directors' remuneration report	93.3%	6.7%

4,773,652 votes were withheld (c.1% of share capital) out of total votes cast of 355,363,156.

Remuneration policy

SUMMARY OF THE GROUP'S REMUNERATION POLICY

	Link to strategy	Operation	Opportunity
Base salary	The purpose of the base salary is to attract and retain directors of the high calibre needed to deliver the Group's strategy without paying more than is necessary to fill the role.	An executive director's basic salary is normally determined by the Committee annually. In deciding appropriate levels, the Committee considers the experience and performance of individuals and relationships across the Board and seeks to be competitive, but fair, using information drawn from both internal and external sources and taking account of pay and conditions elsewhere in the Company.	For the year 2013/14 the Group implemented a pay increase of 3–10% for Group and Sunbelt employees. A-Plant's salary review is scheduled for November.
Pension and benefits	The purpose of pension and benefits is to attract and retain directors of the high calibre needed to deliver the Group's strategy without paying more than is necessary to fill the role.	The executive directors' benefits include pension, medical insurance, life cover, car allowance and travel and accommodation allowances.	Executive directors have pension entitlements of between c.5% and 40% of base salary.
Deferred Bonus Plan ('DBP') **Participants** Geoff Drabble Brendan Horgan Suzanne Wood	The purpose of the DBP is to incentivise executives to deliver stretching annual financial performance while aligning short-term and long-term reward through compulsory deferral of a proportion into share equivalents. Alignment of executive and shareholder interests.	Stretching financial targets are set by the Committee at the start of each financial year. To achieve the maximum bonus potential in 2012/13, Group underlying profit before tax had to increase 38% over the prior year's record profits and Sunbelt's underlying operating profit by 32%. The DBP runs for consecutive three-year periods with a significant proportion of any earned bonus being compulsorily deferred into share equivalents. Based on achievement of annual performance targets, participants receive two-thirds (half in respect of the chief executive) of the combined total of their earned bonus for the current year and the value of any share equivalent awards brought forward from the previous year at the then share price. The other one-third (half in respect of the chief executive) is compulsorily deferred into a new award of share equivalents evaluated at the then share price. Deferred share equivalents are subject to 50% forfeiture for each subsequent year of the plan period where performance falls below the forfeiture threshold set by the Committee. At the expiration of each three-year period, participants will, subject to attainment of the performance conditions for that year, receive in cash their bonus for that year plus any brought forward deferral at its then value.	The DBP gives key members of the senior teams of Ashtead and Sunbelt the opportunity to earn an annual bonus of up to 150% of base salary, except for the Group chief executive whose maximum opportunity is 200% for maximum performance. No changes were made to the scheme during the year.
Annual performance bonus **Participant** Sat Dhaiwal	The purpose of the annual performance bonus is to incentivise executives to deliver stretching annual financial performance.	Stretching financial targets are set by the Committee at the start of each financial year. To achieve maximum bonus potential in 2012/13, A-Plant's underlying operating profit had to increase 64% over the prior year.	The annual performance bonus gives key members of the senior team of A-Plant the opportunity to earn a maximum bonus of up to 100% of base salary. This plan reflects the different remuneration environment in the UK plant hire industry. No changes were made to the scheme during the year.
Performance Share Plan ('PSP')	The purpose of the PSP is to attract, retain and incentivise executives to optimise business performance through the economic cycle, and hence build a stronger underlying business with sustainable long-term shareholder value creation. This is an inherently cyclical business with high capital requirements. The performance conditions have been chosen to ensure that there is an appropriate dynamic tension between growing earnings, delivering strong RoI, whilst maintaining leverage discipline.	Performance is measured over a three-year period. Awards are subject to continued employment and achievement of a range of balanced and holistic performance conditions that are maintained across the cycle. The performance criteria are total shareholder return (40%), earnings per share (25%), return on investment (25%) and leverage (10%). Awards vest on a pro rata basis as follows: **Total shareholder return** – median to upper quartile performance against a comparator group of the FTSE 250 Index, excluding investment trusts **Earnings per share** – compound growth of 6–12% per annum **Return on investment** – 10–15% **Leverage** – less than, or equal to, 2.5 times	The maximum PSP opportunity for 2012/13 was 150% of base salary for Geoff Drabble and 100% of base salary for Suzanne Wood, Brendan Horgan and Sat Dhaiwal. No changes were made to the plan during the year. The maximum PSP awards as a percentage of base salary will remain unchanged for 2013/14.

THE PERFORMANCE SHARE PLAN

The Performance Share Plan, which was adopted in 2004, is a long-term incentive share award plan under which executive directors and other members of the senior management team may annually be awarded a conditional right to acquire shares, the vesting of which depends on the satisfaction of demanding performance conditions.

In recent years, the policy has been to grant awards of shares with a market value at the date of grant equal to between 20% and 100% of the participant's base salary with the executive directors typically receiving the upper end of this range and the Group chief executive receiving an award equivalent to 150% of his base salary as at the date of grant.

SHARE-BASED INCENTIVES AND DILUTION LIMITS

The Company observes an overall dilution limit of 10% in 10 years for all company share schemes, together with a limit of 5% in 10 years for discretionary schemes. No new shares have been issued by the Company in connection with executive share plans in recent years.

REMUNERATION POLICY ON NEW HIRES

In the event of hiring a new executive director, the Committee will seek to align the remuneration package with the remuneration policy summarised above. However, the Committee retains the discretion to make remuneration proposals outside the standard policy to facilitate the recruitment of an individual of the calibre required to deliver the Group's strategy. In particular, it will consider compensating an incoming executive with the like-kind incentive arrangements for foregone incentives with their previous employer, taking into account the length of the period they were held and an assessment of the likely vesting value. The Committee will ensure that such arrangements are in the best interests of both the Company and the shareholders without paying more than is necessary.

CONSULTING WITH SHAREHOLDERS

The Committee believes that it is important to maintain an open dialogue with shareholders on remuneration matters.

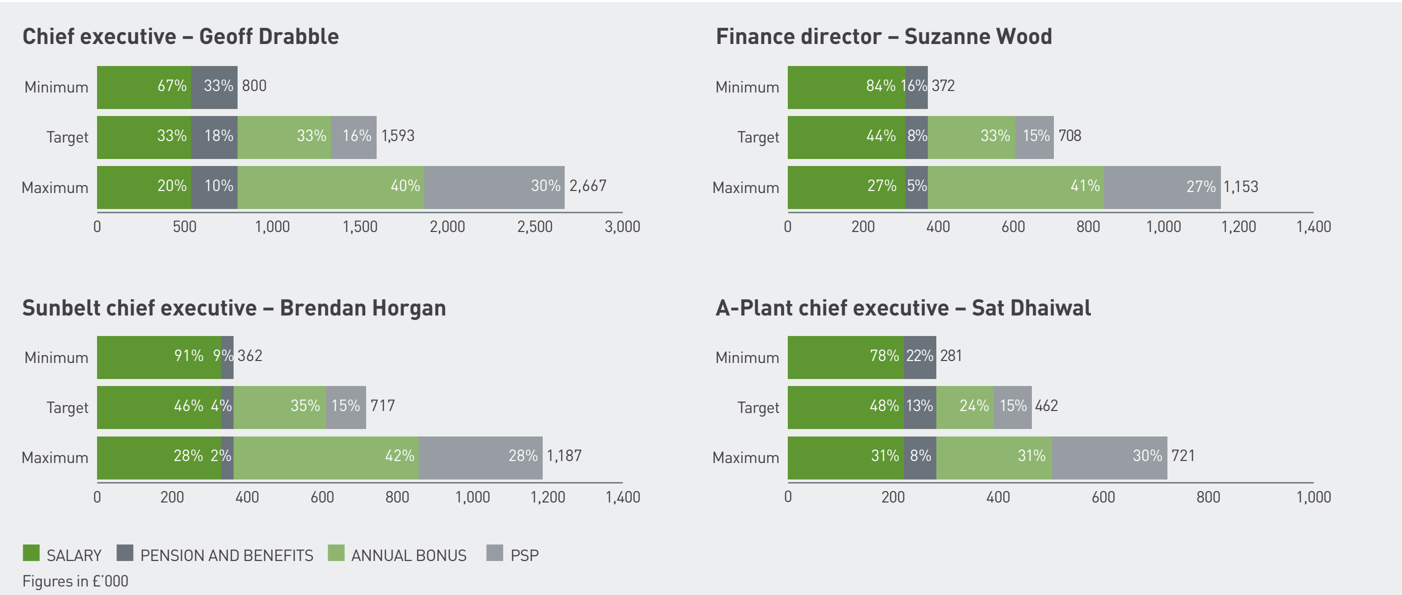
The Committee consulted with major shareholders extensively during 2011/12 with regards to the introduction of the Deferred Bonus Plan and the balanced scorecard approach for the Performance Share Plan. The views of shareholders were integral to the changes introduced.

Looking forward, the Committee will continue to liaise with shareholders regarding material changes to remuneration arrangements.

TOTAL REMUNERATION OPPORTUNITY

Our remuneration arrangements are designed so that a significant proportion of pay is dependent on the delivery of short- and long-term objectives designed to create shareholder value.

The graphs below illustrate the potential future reward opportunity for each of the executive directors, based on the remuneration policy set out on page 44 and the base salary at 1 May 2013 and the share price at that date.



In illustrating potential reward opportunities, the following assumptions have been made:

	Base and pension	DBP/annual performance bonus	PSP
Minimum	Base salary, benefits and pension or cash in lieu of pension	No DBP/annual performance bonus payable	No vesting
Target	As above	On target DBP/annual performance bonus (50% of maximum)	Performance warrants 32.5% vesting
Maximum	As above	Maximum DBP/annual performance bonus	Performance warrants full vesting

In all scenarios, the impact of share price movements on the value of PSPs and mandatory bonus deferrals into the DBP have been excluded.

Directors' remuneration report continued

EXECUTIVE DIRECTOR SHAREHOLDINGS

The executive directors are subject to shareholding obligations. They are required to retain no fewer than 50% of shares that vest under the Performance Share Plan (net of taxes) until such time as a shareholding equivalent to 100% of salary is achieved and thereafter maintained. All executive directors currently meet this guideline.

	Beneficial shareholding as at 30 April 2013	Beneficial shareholding as a percentage of base salary
Executive:		
Sat Dhaiwal	**280,000**	708%
Geoff Drabble	**1,303,297**	1,360%
Brendan Horgan	**493,874**	823%
Suzanne Wood	**208,805**	368%

The above percentages have been calculated using the average market value of 557p for the three months ended 30 April 2013 and the directors' salaries as at 1 May 2013.

SERVICE CONTRACTS AND EXIT PAYMENTS

The Company's policy is that executive directors have rolling contracts which are terminable by either party giving the other 12 months' notice. The service contracts for each of the executive directors all contain non-compete provisions appropriate to their roles.

Director	Date of service contract	Notice period
Sat Dhaiwal	8 July 2002	12 months
Geoff Drabble	6 July 2006	12 months
Brendan Horgan	25 January 2011	12 months
Suzanne Wood	16 July 2012	12 months

Upon the termination of employment of any executive director any compensation will be determined in accordance with the relevant provisions of the director's employment contract and the rules of any incentive scheme.

Base pay and benefits	The Company, if it chooses, may make a payment in lieu of notice equivalent to base salary and benefits for the notice period. Upon the termination of an executive director's employment for cause the Company is entitled to terminate the director's employment immediately without payment.
Bonus	Executive directors may receive a prorated bonus based on achievement of performance objectives and the number of months' service during the year to the date of leaving.
Performance Share Plan	Under the rules of the Performance Share Plan, if an executive director is classed as a good leaver (where his employment terminates by reason of, amongst other things, death, redundancy, retirement at normal retirement age or by agreement with the Company) any outstanding awards will be normally prorated for time and vest, subject to the attainment of the performance conditions attaching thereto, on or around the third anniversary of the grant date.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive directors is determined by the Board within limits set out in the Articles of Association. 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.

The fees for the non-executive directors are as follows:

		For year ended 30 April 2013	With effect from 1 May 2013
Chairman		**£150,000**	£160,000
Non-executive director		**£40,000**	£45,000
Senior independent director	Additional	**£10,000**	£10,000
Chairman of Audit Committee	Additional	**£5,000**	£10,000
Chairman of Remuneration Committee	Additional	**£5,000**	£10,000

In a normal year non-executive directors are expected to attend six board meetings (with at least two being in the US) and where relevant, at least four/five Audit Committee, two Remuneration Committee and one Nomination Committee meetings. Additionally, non-executive directors are required to devote sufficient time to understand the business in general and the various board and committee papers circulated in advance of the meetings to enable them to make an informed and constructive contribution to the meetings.

Implementation of the Group's remuneration policy

SINGLE FIGURE FOR DIRECTORS' REMUNERATION

The single figure for the total remuneration received by each executive director for the year ended 30 April 2013 and the prior year, consistent with the methodology proposed by BIS is shown in the table below:

	Sat Dhaiwal		Geoff Drabble		Brendan Horgan		Suzanne Wood[vi]		Ian Robson	
	2013 £'000	2012 £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 £'000	**2013 £'000**	2012 £'000
Salary	**220**	220	**481**	468	**296**	282	**232**	–	**70**	336
Benefits[i]	**16**	15	**73**	74	**20**	23	**47**	–	**9**	15
Pension[ii]	**45**	15	**193**	187	**12**	12	**12**	–	**28**	134
Deferred Bonus Plan[iii]	**–**	–	**1,079**	474	**539**	282	**492**	–	**–**	–
Annual Performance Bonus[iv]	**220**	99	**–**	–	**–**	–	**–**	–	**–**	341
PSP[v]	**1,265**	1,075	**3,934**	3,410	**969**	804	**712**	–	**1,280**	1,601
	1,766	1,424	**5,760**	4,613	**1,836**	1,403	**1,495**	–	**1,387**	2,427

(i) Benefits include the taxable benefit of company owned cars, private medical insurance and subscriptions and other taxable allowances. Other taxable allowances include car, travel and accommodation allowances.

(ii) Sat Dhaiwal is a member of the Ashtead Group Retirement Benefits Plan. The amount shown above represents the increase in his accrued pension benefit calculated on the proposed BIS basis. This methodology differs from that prescribed by the occupational transfer value regulations and so the figure differs from that shown in the pension section on page 51. The amount for Geoff Drabble and Ian Robson represents a cash payment in lieu of pension contributions at 40% of salary. The amounts included for Brendan Horgan and Suzanne Wood represent the co-match under the Company's 401K defined contribution pension plan and 409A deferred compensation plan.

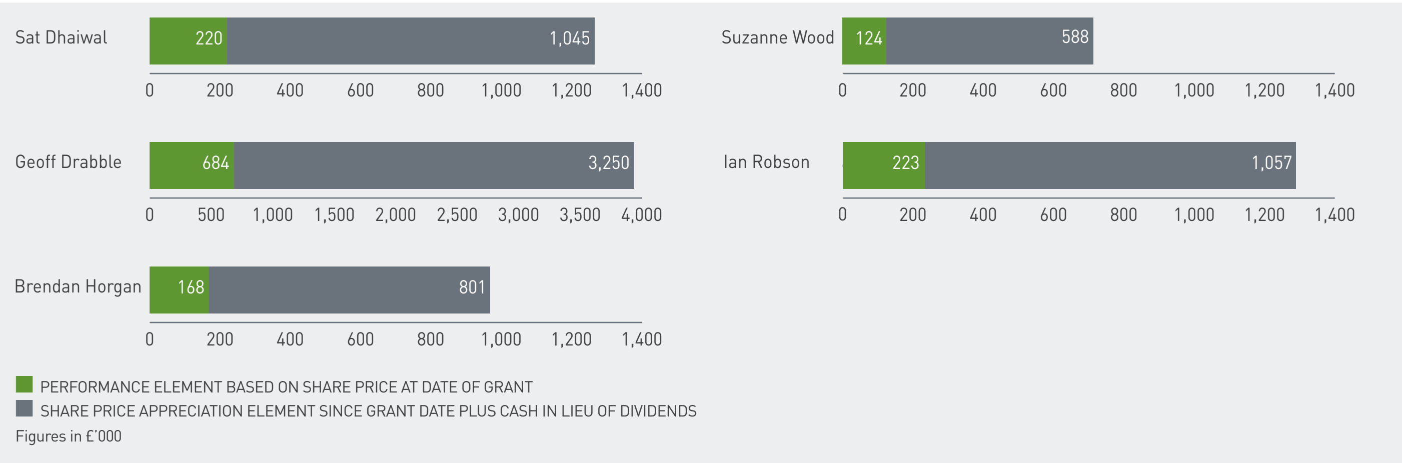
(iii) Deferred Bonus Plan includes the cash received by each director from the DBP for 2012/13 performance as explained on page 44. This includes 50% of this year's total bonus earned by, and 50% of the brought forward deferred share equivalents for, Geoff Drabble and 67% of each for Brendan Horgan and Suzanne Wood. The balance for each director was compulsorily deferred into share equivalents as part of the DBP.

(iv) Annual Performance Bonus represents the cash award under the Annual Performance Bonus plan for 2012/13 performance.

(v) The vesting PSP value is calculated as the number of shares vesting, based on the vesting criteria, valued at the market value of those shares, plus the payment in lieu of dividends paid during the vesting period. Market value is the market value on the day the awards vest (if they vest before the date the financial statements are approved) or the average market value for the last three months of the financial year (if the awards vest after the date the financial statements are approved). The 2010 award is expected to vest fully on 29 June 2013 and has been valued at an average market value of 557p for the three months ended 30 April 2013, plus 10p per share in lieu of dividends paid during the vesting period.

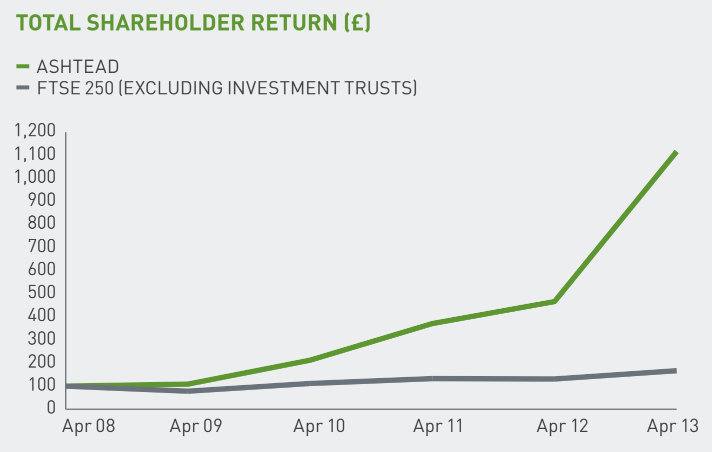
(vi) Suzanne Wood was appointed a director on 16 July 2012 and her salary, benefits and pension are included from that date to 30 April 2013. The amount related to the DBP is the total amount due under the plan for 2012/13. The PSP figure represents the award for which the performance period completes on 28 June 2013.

The significant value attributable to the vesting of PSP awards within the single remuneration figure reflects the significant appreciation of the share price since the awards were granted. This is illustrated as follows:



Directors' remuneration report continued

Over the last five years the Company has generated a ten-fold total shareholder return ('TSR') which is shown below. The following graph compares the Company's TSR performance with the FTSE 250 Index (excluding investment trusts) over the five years ended 30 April 2013. The FTSE 250 is the Stock Exchange index the Committee considers to be the most appropriate to the size and scale of the Company's operations.



During the same period, the total remuneration received by the Group chief executive has increased five-fold as a result of the strong performance of the business:

	2008	2009	2010	2011	2012	2013
Total remuneration (£'000)	1,061	826	1,037	2,166	4,613	5,760
Underlying profit before tax (£m)	112	87	5	31	131	247
Proportion of maximum annual bonus potential awarded	60%	25%	75%	100%	100%	100%
Proportion of PSP vesting	0%	0%	0%	50%	100%	100%

RELATIVE IMPORTANCE OF SPEND ON PAY

The following table shows the year-on-year change in underlying profit before tax, dividends and aggregate staff costs (see Note 3 to the financial statements).

	2012/13 £m	2011/12 £m	Change %
Underlying profit after tax	**247**	131	89%
Dividend declared	**37.5**	17.5	114%
Aggregate of staff costs	**366**	334	10%

BASE SALARY

For the year 2013/14 the Group implemented a pay increase of 3 -10% for its Sunbelt and Group employees. Geoff Drabble and Brendan Horgan received a salary increase of 10% of base salary and Suzanne Wood received a salary increase of 7%. These increases were designed to bring salaries into a more appropriate range for a company of our size and complexity. While base salaries remain generally lower than those of our peers, they are now more in line. In an inherently cyclical business we continue to believe that a larger, variable element of pay is appropriate.

Salary with effect from 1 May 2013	
Sat Dhaiwal	£220,000
Geoff Drabble	£533,500
Brendan Horgan	$519,000
Suzanne Wood	$492,000

The salaries of A-Plant employees, including Sat Dhaiwal, will be reviewed in November 2013.

DIRECTORS' PENSION ARRANGEMENTS

The Company makes a payment of 40% to Geoff Drabble's base salary in lieu of providing him with any pension arrangements. This was agreed prior to his joining the Company in 2006 and reflected the fact that he was leaving a generous defined benefit arrangement at his previous employer.

Sat Dhaiwal's pension benefits are provided entirely through the Retirement Benefits Plan. Further details are provided on page 51.

Brendan Horgan and Suzanne Wood are members of the Sunbelt 401K defined contribution pension plan and the 409A deferred compensation plan. Further details are provided on page 51.

THE DEFERRED BONUS PLAN

The performance targets for the Deferred Bonus Plan for the year were as follows:

	Group pre-tax profit*	Sunbelt operating profit*	Bonus potential
Forfeiture	£100m	$248m	Loss of 50% of previously deferred bonus
Threshold	£130m	$300m	10%
Target	£160m	$345m	50%
Maximum	£182m	$382m	100%

* Underlying profit.

The performance targets for Geoff Drabble and Suzanne Wood for the year to 30 April 2013 related directly to the underlying pre-tax profits of Ashtead Group and for Brendan Horgan, underlying operating profit of Sunbelt Rentals. The targets set by the Committee for full entitlement under the DBP were significantly ahead of both prior year (£131m) and consensus market expectation of £144m when the target was set. The target for Sunbelt Rentals was significantly ahead of the prior year ($290m). For the year to 30 April 2013, the underlying pre-tax profit for Ashtead Group was £247m and underlying operating profit for Sunbelt Rentals was $453m. As a result, the maximum bonus entitlements were earned and were equivalent to 200% of base salary for Geoff Drabble and 150% of base salary for Suzanne Wood and Brendan Horgan.

In 2013/14 Geoff Drabble, Suzanne Wood and Brendan Horgan will participate in the DBP. The targets for Geoff Drabble and Suzanne Wood will be linked to the Group's underlying pre-tax profits and those for Brendan Horgan will relate to Sunbelt's underlying operating profit. These performance targets should be viewed in conjunction with the wider performance targets set for the 2013/14 PSP awards as detailed on page 44.

THE ANNUAL PERFORMANCE BONUS

The performance targets for the annual performance bonus were as follows:

	A-Plant operating profit*	Bonus potential
Threshold	£8m	20%
Target	£10m	50%
Maximum	£12m	100%

* Underlying profit.

The maximum bonus entitlement for Sat Dhaiwal was 100% of base salary and related directly to the profitability of A-Plant. The target for maximum payout was significantly ahead of the prior year profit of £7.3m. A-Plant's underlying operating profit was £12.2m and, as a result, the maximum bonus entitlement was earned equivalent to 100% of base salary.

THE PERFORMANCE SHARE PLAN

The performance criteria have varied by year in prior years. Following consultation with shareholders, a balanced and holistic approach was adopted involving four performance measures selected because delivery of them through the cycle is a significant challenge and the achievement of them will deliver optimum sustainable performance over the long term. The performance criteria for the award years affected by this year's performance are as follows:

		Performance criteria (measured over three years)		
Award date	Financial year	TSR (% of award)	EPS (% of award)	Status
13/7/09	2009/10	From date of grant versus FTSE 250 Index (37.5% at median; 75% at upper quartile)	2011/12 EPS – RPI + 0% (25% vested)	Vested in full in July 2012
29/6/10	2010/11	From date of grant versus FTSE 250 Index (12.5% at median; 50% at upper quartile)	2012/13 EPS between 1p (12.5% vested) and 2.5p (50% vested)	Expected to vest fully in June 2013
27/7/11	2011/12	From date of grant versus FTSE 250 Index (12.5% at median; 50% at upper quartile)	2013/14 EPS between 8p (12.5% vested) and 12p (50% vested)	TSR in upper quartile and EPS upper threshold exceeded in 2012/13

Award date	Financial year	TSR (40%)	EPS (25%)	RoI (25%)	Leverage (10%)	Status
19/9/12	2012/13	From date of grant versus FTSE 250 Index (25% of this element of the award will vest at median; 100% at upper quartile)	25% of this element of the award will vest if EPS compound growth for the year ending 30 April 2015 is 6% above EPS for the year ending 30 April 2012, rising to 100% vesting if EPS compound growth is equal to, or exceeds, 12% per annum	25% of this element of the award will vest at an RoI of 10% with 100% vesting with an RoI of 15%	100% of this element of the award will vest if the ratio of net debt to EBITDA is equal to, or is less than, 2.5 times	TSR performance is in the upper quartile and EPS growth of 83% achieved in the first year

For performance between the lower and upper target ranges, vesting of the award is scaled on a straight-line basis.

The 2009 PSP award vested in full on 13 July 2008 with EPS for 2011/12 of 17.3p exceeding the upper target of 13.6p and the Company's TSR performance ranked it first within the FTSE 250 (excluding investment trusts).

The 2010 PSP award, for which the performance period completes on 28 June 2013, is expected to vest in full. EPS for 2012/13 of 31.6p exceeds the upper target of 2.5p and at 12 June 2013, the Company's TSR performance ranked it first within the FTSE 250 (excluding investment trusts).

EPS is based on the profit before exceptional items, fair value remeasurements and amortisation of acquired intangibles less the tax charge included in the accounts. The Committee considers it most appropriate to measure TSR performance relative to the FTSE 250 (excluding investment trusts) rather than a specific comparator group of companies because there are few direct comparators to the Company listed in London and because the Company is a FTSE 250 company. The Company's TSR performance relative to the FTSE 250 (excluding investment trusts) is shown on page 48.

RETIREMENT OF EXECUTIVE DIRECTOR

Ian Robson retired as an executive director of the Company on 13 July 2012, having given the Company 12 months' notice of his intention to retire. He received his base salary, benefits and other allowances up to his date of retirement but did not receive any bonus in respect of 2012/13. As a good leaver, he has retained his interest in the Performance Share Plan prorated for time served, which is expected to vest on or around 28 June 2013.

Under the terms of his contract, Ian was entitled to draw a pension equal to one-thirtieth of his final salary for each year of pensionable service, but without deduction for early payment, from retirement on 13 July 2012. Accordingly, he is receiving a retirement allowance of £118,000 per annum from the Company from 14 July 2012 until September 2013 when he attains age 55. Thereafter, his pension will be the responsibility of the Ashtead Group plc Retirement Benefits Plan.

Audited information

DIRECTORS' REMUNERATION

The total amount of directors' remuneration was £11,851,000 (2012: £5,334,000) and consisted of emoluments of £3,252,000 (2012: £3,280,000) and £8,599,000 (2012: £2,054,000) receivable under long-term incentive plans.

The emoluments of the directors, excluding pension benefits, which are included in staff costs in note 3 to the financial statements, were as follows:

Name	Salary and fees £'000	Benefits in kind[i] £'000	Other allowances[ii] £'000	Performance related bonus[iii] £'000	Total emoluments 2013 £'000	Total emoluments 2012 £'000
Executive:						
Sat Dhaiwal	220	16	–	220	456	334
Geoff Drabble	481	35	231	485	1,232	1,203
Brendan Horgan	296	20	–	300	616	587
Suzanne Wood[iv]	232	21	26	232	511	–
Non-executive:						
Chris Cole	150	–	–	–	150	150
Michael Burrow	45	–	–	–	45	45
Bruce Edwards	40	–	–	–	40	40
Hugh Etheridge	55	–	–	–	55	55
Ian Sutcliffe	40	–	–	–	40	40
Former directors:						
Ian Robson[v]	70	5	32	–	107	826
	1,629	97	289	1,237	3,252	3,280
2012	1,636	87	361	1,196		3,280

(i) Benefits in kind comprise the taxable benefit of company owned cars, private medical insurance and subscriptions.
(ii) Other allowances include car allowances, travel and accommodation allowances and the payment of 40% of salary in lieu of pension contributions for Geoff Drabble and Ian Robson.
(iii) Geoff Drabble, Brendan Horgan and Suzanne Wood participate in the Deferred Bonus Plan ('DBP') under which 50% of the total bonus earned by Geoff Drabble and 67% earned by Brendan Horgan and Suzanne Wood was paid in cash as shown in the table and the balance was compulsorily deferred into share equivalents as part of the DBP. The total bonus earned by Geoff Drabble was £970,000 and by Brendan Horgan was £450,000 and by Suzanne Wood was £348,000.
(iv) Suzanne Wood was appointed a director on 16 July 2012 and all figures relate to the period from appointment to 30 April 2013.
(v) Under the terms of his contract, Ian Robson was entitled to draw a pension equal to one-thirtieth of his final salary for each year of pensionable service, but without deduction for early payment, from retirement on 13 July 2012. Accordingly, he is receiving a retirement allowance of £118,000 per annum from the Company from 14 July 2012 until he attains age 55 in September 2013. During the year he received £94,100. Thereafter, his pension obligation will be the responsibility of the Ashtead Group plc Retirement Benefits Plan.

KEY MANAGEMENT

In accordance with IAS 24, Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group's key management comprise the Company's executive and non-executive directors.

Compensation for key management was as follows:

	2013 £'000	2012 £'000
Salaries and short-term employee benefits	**3,252**	3,280
Post-employment benefits	**68**	51
National insurance and social security	**322**	377
Share-based payments	**819**	749
	4,461	4,457

DIRECTORS' PENSION BENEFITS

The Company makes a payment of 40% to Geoff Drabble's base salary in lieu of providing him with any pension arrangements.

Sat Dhaiwal participated in the Ashtead Group plc Retirement Benefits Plan ('Retirement Benefits Plan'). His pension rights accrue at the rate of one-sixtieth of salary for each year of pensionable service and his normal retirement date is at age 65. He pays contributions equal to 7.5% of his salary to the Retirement Benefits Plan. The Retirement Benefits Plan also provides for:

- in event of death in service or 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;
- an option to retire at any time after age 55 with the Company's consent. Early retirement benefits are reduced by an amount agreed between the actuary and the trustees as reflecting the cost to the plan of the early retirement; and
- pension increases in line with the increase in retail price inflation up to a limit of currently 5% a year in respect of service since 1997.

Ian Robson was a deferred member of the Retirements Benefits Plan during the year.

	Age at 30 April 2013 Years	Accrued pensionable service at 30 April 2013 Years	Contributions paid by the director £'000	Accrued annual pension at 30 April 2013 £'000	Increase in annual pension during the year		Transfer value of accrued pension at 30 April 2013 £'000	Transfer value of accrued pension at 30 April 2012 £'000	Increase in transfer value over the year £'000
					Excluding inflation £'000	Total increase £'000			
Sat Dhaiwal	44	19	17	70	2	4	557	491	49
Ian Robson	54	11	–	118	–	–	3,521	3,096	425

Notes:

(1) The transfer value has been calculated in accordance with regulation 7 to 7E of the Occupational Pension Schemes (transfer values) Regulations 1996 (b). The transfer value basis used is that in force at 30 April 2012 and at 30 April 2013 for the calculations as at 30 April 2012 and 30 April 2013 respectively, for the Ashtead Group plc Retirement Benefits Plan.

(2) The increase in transfer value in the year is stated net of the members' contributions.

Brendan Horgan and Suzanne Wood are members of the Sunbelt 401K defined contribution pension plan and the 409A deferred compensation plan. They are entitled to a company co-match conditional on contributing into the 401K plan or deferring into the 409A plan. The co-match is limited to amounts permitted by regulatory agencies and is effected either by a company payment into the 401K plan or an enhanced deferral into the 409A plan and was $18,270 for Brendan Horgan and $18,630 for Suzanne Wood in 2012/13.

At 30 April 2013, the total amount available to Brendan Horgan but deferred under the Sunbelt deferred compensation plan was $270,536 or £173,822. This includes an allocated investment return of $30,959 or £19,663 (2012: negative return of £11,280). The amount available to Suzanne Wood under the same plan was $147,936 or £95,050. This includes an allocated investment return of $19,349 or £12,289.

DIRECTORS' INTERESTS IN LONG-TERM INCENTIVE SCHEMES

Performance Share Plan awards

Awards held by executive directors, and by a former director, Ian Robson, under the PSP are shown in the table below:

	Year of grant	Held at 30 April 2012*	Exercised during the year	Granted during the year	Held at 30 April 2013 or date of retirement
Sat Dhaiwal	2009/10	405,530	405,530	–	–
	2010/11	223,350	–	–	223,350
	2011/12	130,641	–	–	130,641
	2012/13	–	–	67,012	67,012
Geoff Drabble	2009/10	1,260,829	1,260,829	–	–
	2010/11	694,416	–	–	694,416
	2011/12	406,176	–	–	406,176
	2012/13	–	–	216,680	216,680
Brendan Horgan	2009/10	297,259	297,259	–	–
	2010/11	171,017	–	–	171,017
	2011/12	163,049	–	–	163,049
	2012/13	–	–	84,491	84,491
Suzanne Wood	2009/10	255,021	255,021	–	–
	2010/11	125,757	–	–	125,757
	2011/12	126,816	–	–	126,816
	2012/13	–	–	84,491	84,491
Former director:					
Ian Robson**	2009/10	603,687	–	–	603,687
	2010/11	225,909	–	–	225,909

* Or on appointment.
** The PSP award for Ian Robson has been prorated in accordance with the rules of the PSP scheme.

The performance conditions attaching to the Performance Share Plan referred to above are detailed on pages 49 and 50. The market price of the awards granted during the year was 328p on the date of grant.

Details of PSP awards exercised by the executive directors in the year, along with the amounts received in lieu of dividends paid during the vesting period, are as follows:

	Number exercised	Exercise date	Market price at date of exercise	Gain £'000	Payment in lieu of dividend £'000
Sat Dhaiwal	405,530	17 July 2012	257p	1,041	35
Geoff Drabble	1,260,829	16 July 2012	262p	3,302	108
Brendan Horgan	297,259	16 July 2012	262p	779	25
Suzanne Wood	255,021	17 July 2012	257p	654	22
Former director:					
Ian Robson	603,687	17 July 2012	257p	1,549	52

The awards exercised during the year were granted on 13 July 2009 when the share price was 56p.

Following the vesting on 13 July 2012 of the 2009 PSP awards, on the exercise dates stated above the executive directors sold sufficient shares to meet their tax liability in respect of the vesting and the balance of the shares were retained. The details are as follows:

	Shares retained	Shares sold	Sale price per share
Sat Dhaiwal	194,655	210,875	257p
Geoff Drabble	605,198	655,631	262p
Brendan Horgan	183,099	114,160	262p
Suzanne Wood	131,281	123,740	257p

The Group's Employee Share Ownership Trust ('ESOT') acquires and holds shares in the Company to satisfy potential awards under the Performance Share Plan. At 30 April 2013, the ESOT held a beneficial interest in 2,784,263 shares.

Deferred Bonus Plan

Under the terms of the Deferred Bonus Plan, the deferred bonus for the year was converted into share equivalent awards based on the closing share price on 19 June 2013. The share equivalent awards are summarised below:

	Number of share equivalent awards				Value of released awards £'000
	Brought forward*	Released	Granted	Carried forward	
Geoff Drabble	189,393	(94,696)	77,352	172,049	594
Brendan Horgan	57,183	(38,122)	24,114	43,175	239
Suzanne Wood	47,652	(31,768)	23,542	39,426	199

* Or on appointment.

The release and grant of awards related to 2012/13 occurred on 19 June 2013 when the share price was 627p.

During the three-year plan period, the brought forward number of share equivalent awards will be adjusted to the extent that there is either an additional grant or forfeiture and, of the resulting balance at the end of the year, either half in the case of Geoff Drabble or two-thirds in the case of Brendan Horgan, will be released to the executive. At the end of the plan period, the remaining balance after any forteiture will be released to the executive.

DIRECTORS' INTERESTS IN SHARES

	30 April 2012		**30 April 2013**	
	Ordinary shares	PSP interests	**Ordinary shares**	**PSP interests**
Executive:				
Sat Dhaiwal	458,076	759,521	**280,000**	**421,003**
Geoff Drabble	698,099	2,361,421	**1,303,297**	**1,317,272**
Brendan Horgan	310,775	631,325	**493,874**	**418,557**
Suzanne Wood	n/a	n/a	**208,805**	**337,064**
Non-executive:				
Michael Burrow	100,000	–	**100,000**	**–**
Chris Cole	102,082	–	**132,082**	**–**
Bruce Edwards	40,000	–	**40,000**	**–**
Hugh Etheridge	20,000	–	**20,000**	**–**
Ian Sutcliffe	13,822	–	**11,822**	**–**

The market price of the Company's shares at the end of the financial year was 588p and the highest and lowest closing prices during the financial year were 635p and 212p respectively.

This report has been approved by the Remuneration Committee and is signed on its behalf by:

MICHAEL BURROW
Chairman, Remuneration Committee
19 June 2013

OUR FINANCIAL STATEMENTS 2013

CONTENTS

Independent auditor's report to the members of Ashtead Group plc

We have audited the financial statements of Ashtead Group plc for the year ended 30 April 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements, and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 April 2013 and of the Group's profit for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Separate opinion in relation to IFRSs as issued by the IASB

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

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement contained within the Corporate Governance Report in relation to going concern;
- the part of the Corporate Governance Report relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

IAN WALLER (SENIOR STATUTORY AUDITOR)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
19 June 2013

Consolidated income statement

for the year ended 30 April 2013

	Notes	2013 Before exceptional items, amortisation and remeasurements £m	2013 Exceptional items, amortisation and remeasurements £m	2013 Total £m	2012 Before amortisation and remeasurements £m	2012 Amortisation and remeasurements £m	2012 Total £m
Revenue							
Rental revenue		**1,206.4**	**–**	**1,206.4**	1,005.9	–	1,005.9
Sale of new equipment, merchandise and consumables		**60.3**	**–**	**60.3**	44.7	–	44.7
Sale of used rental equipment		**95.2**	**–**	**95.2**	84.0	–	84.0
		1,361.9	**–**	**1,361.9**	1,134.6	–	1,134.6
Operating costs							
Staff costs	3	**(365.8)**	**–**	**(365.8)**	(334.0)	–	(334.0)
Used rental equipment sold	3	**(80.9)**	**–**	**(80.9)**	(74.6)	–	(74.6)
Other operating costs	3	**(395.9)**	**–**	**(395.9)**	(344.9)	–	(344.9)
		(842.6)	**–**	**(842.6)**	(753.5)	–	(753.5)
EBITDA*		**519.3**	**–**	**519.3**	381.1	–	381.1
Depreciation	3	**(229.0)**	**–**	**(229.0)**	(199.8)	–	(199.8)
Amortisation of intangibles	3	**–**	**(5.8)**	**(5.8)**	–	(3.1)	(3.1)
Operating profit	2, 3	**290.3**	**(5.8)**	**284.5**	181.3	(3.1)	178.2
Investment income	5	**4.2**	**–**	**4.2**	4.2	7.3	11.5
Interest expense	5	**(47.8)**	**(25.4)**	**(73.2)**	(54.9)	–	(54.9)
Profit on ordinary activities before taxation		**246.7**	**(31.2)**	**215.5**	130.6	4.2	134.8
Taxation	6, 18	**(88.6)**	**11.9**	**(76.7)**	(44.4)	(1.9)	(46.3)
Profit attributable to equity holders of the Company		**158.1**	**(19.3)**	**138.8**	86.2	2.3	88.5
Basic earnings per share	8	**31.6p**	**(3.9p)**	**27.7p**	17.3p	0.5p	17.8p
Diluted earnings per share	8	**31.1p**	**(3.8p)**	**27.3p**	16.9p	0.4p	17.3p

* EBITDA is presented here as an additional performance measure as it is commonly used by investors and lenders.

All revenue and profit for the year is generated from continuing activities.

Consolidated statement of comprehensive income

for the year ended 30 April 2013

	Note	2013 £m	2012 £m
Profit attributable to equity holders of the Company for the financial year		**138.8**	88.5
Foreign currency translation differences		**14.0**	4.5
Actuarial loss on defined benefit pension scheme	22	**(5.1)**	(6.2)
Tax on defined benefit pension scheme		**1.2**	1.5
Total comprehensive income for the period net of tax		**148.9**	88.3

Consolidated balance sheet
at 30 April 2013

	Notes	2013 £m	2012 £m
Current assets			
Inventories	9	**16.7**	13.4
Trade and other receivables	10	**218.6**	178.0
Current tax asset		**0.8**	2.6
Cash and cash equivalents	11	**20.3**	23.4
		256.4	217.4
Non-current assets			
Property, plant and equipment			
– rental equipment	12	**1,407.8**	1,118.4
– other assets	12	**176.8**	145.0
		1,584.6	1,263.4
Goodwill	13	**397.3**	371.0
Other intangible assets	13	**32.6**	21.7
Deferred tax asset	18	**1.3**	–
Defined benefit pension fund surplus	22	**0.4**	3.4
Other financial assets – derivatives		**–**	7.2
		2,016.2	1,666.7
Total assets		**2,272.6**	1,884.1
Current liabilities			
Trade and other payables	14	**296.1**	265.6
Current tax liability		**3.8**	2.8
Debt due within one year	15	**2.2**	2.1
Provisions	17	**11.9**	11.3
		314.0	281.8
Non-current liabilities			
Debt due after more than one year	15	**1,032.2**	875.6
Provisions	17	**24.9**	21.7
Deferred tax liabilities	18	**219.0**	150.3
		1,276.1	1,047.6
Total liabilities		**1,590.1**	1,329.4
Equity			
Share capital	19	**55.3**	55.3
Share premium account		**3.6**	3.6
Capital redemption reserve		**0.9**	0.9
Non-distributable reserve	19	**90.7**	90.7
Own shares held by the Company	19	**(33.1)**	(33.1)
Own shares held through the ESOT	19	**(7.4)**	(6.2)
Cumulative foreign exchange translation differences		**21.1**	7.1
Retained reserves		**551.4**	436.4
Equity attributable to equity holders of the Company		**682.5**	554.7
Total liabilities and equity		**2,272.6**	1,884.1

These financial statements were approved by the Board on 19 June 2013.

GEOFF DRABBLE
Chief executive

SUZANNE WOOD
Finance director

Consolidated statement of changes in equity
for the year ended 30 April 2013

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Non-distributable reserve £m	Own shares held by the Company £m	Own shares held through the ESOT £m	Cumulative foreign exchange translation differences £m	Retained reserves £m	Total £m
At 1 May 2011	55.3	3.6	0.9	90.7	(33.1)	(6.7)	2.6	368.1	481.4
Profit for the year	–	–	–	–	–	–	–	88.5	88.5
Other comprehensive income:									
Foreign currency translation differences	–	–	–	–	–	–	4.5	–	4.5
Actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	–	(6.2)	(6.2)
Tax on defined benefit pension scheme	–	–	–	–	–	–	–	1.5	1.5
Total comprehensive income for the year	–	–	–	–	–	–	4.5	83.8	88.3
Dividends paid	–	–	–	–	–	–	–	(15.3)	(15.3)
Own shares purchased by the ESOT	–	–	–	–	–	(3.5)	–	–	(3.5)
Share-based payments	–	–	–	–	–	4.0	–	(1.5)	2.5
Tax on share-based payments	–	–	–	–	–	–	–	1.3	1.3
At 30 April 2012	55.3	3.6	0.9	90.7	(33.1)	(6.2)	7.1	436.4	554.7
Profit for the year	–	–	–	–	–	–	–	138.8	138.8
Other comprehensive income:									
Foreign currency translation differences	–	–	–	–	–	–	14.0	–	14.0
Actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	–	(5.1)	(5.1)
Tax on defined benefit pension scheme	–	–	–	–	–	–	–	1.2	1.2
Total comprehensive income for the year	–	–	–	–	–	–	14.0	134.9	148.9
Dividends paid	–	–	–	–	–	–	–	(20.0)	(20.0)
Own shares purchased by the ESOT	–	–	–	–	–	(10.2)	–	–	(10.2)
Share-based payments	–	–	–	–	–	9.0	–	(6.3)	2.7
Tax on share-based payments	–	–	–	–	–	–	–	6.4	6.4
At 30 April 2013	**55.3**	**3.6**	**0.9**	**90.7**	**(33.1)**	**(7.4)**	**21.1**	**551.4**	**682.5**

Consolidated cash flow statement

for the year ended 30 April 2013

	Notes	2013 £m	2012 £m
Cash flows from operating activities			
Cash generated from operations before exceptional items and changes in rental equipment	24(a)	**501.3**	364.6
Exceptional operating costs paid		**(2.4)**	(3.3)
Payments for rental property, plant and equipment		**(524.2)**	(357.8)
Proceeds from disposal of rental property, plant and equipment		**87.6**	83.4
Cash generated from operations		**62.3**	86.9
Financing costs paid (net)		**(41.5)**	(49.1)
Exceptional financing costs paid		**(13.4)**	–
Tax paid (net)		**(6.8)**	(7.4)
Net cash from operating activities		**0.6**	30.4
Cash flows from investing activities			
Acquisition of businesses	24(c)	**(33.8)**	(21.9)
Payments for non-rental property, plant and equipment		**(57.3)**	(48.2)
Proceeds from disposal of non-rental property, plant and equipment		**7.9**	6.8
Payments for purchase of intangible assets		**(1.0)**	(1.7)
Net cash used in investing activities		**(84.2)**	(65.0)
Cash flows from financing activities			
Drawdown of loans		**614.1**	153.8
Redemption of loans		**(502.5)**	(94.3)
Capital element of finance lease payments		**(1.0)**	(1.5)
Purchase of own shares by the ESOT		**(10.2)**	(3.5)
Dividends paid		**(20.0)**	(15.3)
Net cash from financing activities		**80.4**	39.2
(Decrease)/increase in cash and cash equivalents		**(3.2)**	4.6
Opening cash and cash equivalents		**23.4**	18.8
Effect of exchange rate differences		**0.1**	–
Closing cash and cash equivalents		**20.3**	23.4

	2013 £m	2012 £m
Reconciliation of net debt		
Decrease/(increase) in cash in the period	**3.2**	(4.6)
Increase in debt through cash flow	**110.6**	58.0
Change in net debt from cash flows	**113.8**	53.4
Exchange differences	**39.0**	20.6
Non-cash movements:		
– deferred costs of debt raising	**6.7**	2.4
– capital element of new finance leases	**0.3**	2.2
Increase in net debt in the period	**159.8**	78.6
Net debt at 1 May	**854.3**	775.7
Net debt at 30 April	**1,014.1**	854.3

Notes to the consolidated financial statements

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Accordingly, the Group complies with all IFRS, including those adopted for use in the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. The financial statements have been prepared under the historical cost convention, modified for certain items carried at fair value, as stated in the accounting policies. A summary of the more important accounting policies is set out below.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. A more detailed discussion of the principal accounting policies and management estimates and assumptions is included in the Business and financial review on pages 24 and 25 and forms part of these financial statements. Actual results could differ from these estimates.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards adopted by the Group

In the current year, the Group has not adopted any new or revised IFRS or IFRIC Interpretations. There are no IFRS or IFRIC Interpretations that are effective for the first time for the financial year.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 May 2012 and not early adopted

- IAS 19, 'Employee Benefits' was amended in June 2011 and is effective for annual periods beginning on or after 1 January 2013. The impact on the Group will be to replace the interest cost and expected return on scheme assets with a 'net-interest' amount, which is calculated by applying a discount rate to the net defined benefit liability or asset. The adoption of this pronouncement is not expected to have a material impact on the Group.
- IAS 1, 'Presentation of items of other comprehensive income' was amended in June 2011 and is effective for annual periods beginning on or after 1 July 2012. The amendment increases the required level of disclosure within the statement of comprehensive income. The adoption of this pronouncement is not expected to have a material impact on the Group.

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Group.

BASIS OF CONSOLIDATION

The Group financial statements incorporate the financial statements of the Company and all its subsidiaries for the year to 30 April each year. The results of businesses acquired or sold during the year are incorporated for the periods from or to the date on which control passed and acquisitions are accounted for under the acquisition method. Control is achieved when the Group has the power to govern the financial and operating policies of an entity so as to obtain the benefits from its activities.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities in foreign currencies are translated into pounds sterling at rates of exchange ruling at the balance sheet date. Income statements and cash flows of overseas subsidiary undertakings are translated into pounds sterling at average rates of exchange for the year. The exchange rates used in respect of the US dollar are:

	2013	2012
Average for year	**1.57**	1.59
Year end	**1.56**	1.62

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 income statement and the closing rate used for the balance sheet are recognised directly in a separate component of equity. Other exchange differences are dealt with in the income statement.

REVENUE

Revenue represents the total amount receivable for the provision of goods and services including the sale of used rental plant and equipment to customers net of returns and VAT/sales tax. Rental revenue, including loss damage waiver and environmental fees, is recognised on a straight-line basis over the period of the rental contract. Because a rental contract can extend across financial reporting period ends, the Group records unbilled rental revenue and deferred revenue at the beginning and end of each reporting period so that rental revenue is appropriately stated in the financial statements.

Revenue from rental equipment delivery and collection is recognised when delivery or collection has occurred and is reported as rental revenue.

Revenue from the sale of rental equipment, new equipment, parts and supplies, retail merchandise and fuel is recognised at the time of delivery to, or collection by, the customer and when all obligations under the sales contract have been fulfilled.

Revenue from sales of rental equipment in connection with trade-in arrangements with certain manufacturers from whom the Group purchases new equipment is accounted for at the lower of transaction value or fair value based on independent appraisals. If the trade-in price of a unit of equipment exceeds the fair market value of that unit, the excess is accounted for as a reduction of the cost of the related purchase of new rental equipment.

CURRENT/NON-CURRENT DISTINCTION

Current assets include assets held primarily for trading purposes, cash and cash equivalents and assets expected to be realised in, or intended for sale or consumption in, the course of the Group's operating cycle and those assets receivable within one year from the reporting date. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes, liabilities expected to be settled in the course of the Group's operating cycle and those liabilities due within one year from the reporting date. All other liabilities are classified as non-current liabilities.

PROPERTY, PLANT AND EQUIPMENT

Owned assets

Property, plant and equipment is stated at cost (including transportation costs from the manufacturer to the initial rental location) less accumulated depreciation and any provisions for impairment. In respect of aerial work platforms, cost includes rebuild costs when the rebuild extends the asset's useful economic life and it is probable that incremental economic benefits will accrue to the Group. Rebuild costs include the cost of transporting the equipment to and from the rebuild supplier. Additionally, depreciation is not charged while the asset is not in use during the rebuild period.

Leased assets
Finance leases are those leases which transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are capitalised within property, plant and equipment at the fair value of the leased assets at inception of the lease and depreciated in accordance with the Group's depreciation policy. Outstanding finance lease obligations are included within debt. The finance element of the agreements is charged to the income statement on a systematic basis over the term of the lease.

All other leases are operating leases, the rentals on which are charged to the income statement on a straight-line basis over the lease term.

Depreciation
Leasehold properties are depreciated on a straight-line basis over the life of each lease. Other fixed assets, including those held under finance leases, 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	2%
Motor vehicles	7% to 25%
Rental equipment	5% to 33%
Office and workshop equipment	20%

Residual values are estimated at 10–15% of cost in respect of most types of rental equipment, although the range of residual values used varies between zero and 30%.

REPAIRS AND MAINTENANCE
Costs incurred in the repair and maintenance of rental and other equipment are charged to the income statement as incurred.

INTANGIBLE ASSETS
Business combinations and goodwill
Acquisitions are accounted for using the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired, including any intangible assets other than goodwill.

Goodwill is stated at cost less any accumulated impairment losses and is allocated to the Group's two reporting units, Sunbelt and A-Plant.

The profit or loss on the disposal of a previously acquired business includes the attributable amount of any purchased goodwill relating to that business.

Other intangible assets
Other intangible assets acquired as part of a business combination are capitalised at fair value as at the date of acquisition. Internally generated intangible assets are not capitalised. Amortisation is charged on a straight-line basis over the expected useful life of each asset. Contract related intangible assets are amortised over the life of the contract. Amortisation rates for other intangible assets are as follows:

	Per annum
Brand names	7% to 15%
Customer lists	10% to 20%
Non-compete agreements	14% to 33%

IMPAIRMENT OF ASSETS
Goodwill is not amortised but is tested annually for impairment as at 30 April each year. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable and independent cash flows for the asset being tested for impairment (cash-generating unit). In the case of goodwill, the cash-generating units are considered to be the Group's two reporting units, Sunbelt and A-Plant.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

TAXATION
The tax charge for the period comprises both current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is also recognised in equity.

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method on any temporary differences between the carrying amounts for financial reporting purposes and those for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

Deferred tax liabilities are not recognised for temporary differences arising on investment in subsidiaries where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

INVENTORIES
Inventories, which comprise new equipment, fuel, merchandise and spare parts, are valued at the lower of cost and net realisable value.

EMPLOYEE BENEFITS
Defined contribution pension plans
Obligations under the Group's defined contribution plans are recognised as an expense in the income statement as incurred.

Notes to the consolidated financial statements continued

1 Accounting policies continued

Defined benefit pension plans

The Group's obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of plan assets is deducted. The discount rate used is the yield at the balance sheet date on AA-rated corporate bonds. The calculation is performed by a qualified actuary using the projected unit credit method.

Actuarial gains and losses are recognised in full in the period in which they arise through the statement of comprehensive income. The increase in the present value of plan liabilities arising from employee service during the period is charged to operating profit. The expected return on plan assets and the expected increase during the period in the present value of plan liabilities due to unwind of the discount are included in investment income and interest expense, respectively.

The defined pension surplus or deficit represents the fair value of the plan assets less the present value of the defined benefit obligation. A surplus is recognised in the balance sheet to the extent that the Group has an unconditional right to the surplus, either through a refund or reduction in future contributions. A deficit is recognised in full.

Share-based compensation

The fair value of awards made under share-based compensation plans is measured at grant date and spread over the vesting period through the income statement with a corresponding increase in equity. The fair value of share options and awards is measured using an appropriate valuation model taking into account the terms and conditions of the individual award. The amount recognised as an expense is adjusted to reflect the actual awards vesting except where any change in the awards vesting relates only to market based criteria not being achieved.

INSURANCE

Insurance costs include insurance premiums which are written off to the income statement over the period to which they relate and an estimate of the discounted liability for uninsured retained risks on unpaid claims incurred up to the balance sheet date. The estimate includes events incurred but not reported at the balance sheet date. This estimate is discounted and included in provisions in the balance sheet.

INVESTMENT INCOME AND INTEREST EXPENSE

Investment income comprises interest receivable on funds invested, fair value gains on derivative financial instruments and the expected return on plan assets in respect of defined benefit pension plans.

Interest expense comprises interest payable on borrowings, amortisation of deferred finance costs, fair value losses on derivative financial instruments and the expected increase in plan liabilities in respect of defined benefit pension plans.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Trade receivables

Trade receivables do not carry interest and are stated at face value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits with maturity of less than, or equal to, three months.

Financial liabilities and equity

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Trade payables

Trade payables are not interest bearing and are stated at face value.

Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct transaction costs. Finance charges, including amortisation of direct transaction costs, are charged to the income statement using the effective interest rate method.

Tranches of borrowings and overdrafts which mature on a regular basis are classified as current or non-current liabilities based on the maturity of the facility so long as the committed facility exceeds the drawn debt.

Net debt

Net debt consists of total borrowings less cash and cash equivalents. Borrowings exclude accrued interest. Foreign currency denominated balances are retranslated to pounds sterling at rates of exchange ruling at the balance sheet date.

Derivative financial instruments

The Group may use derivative financial instruments to hedge its exposure to fluctuations in interest and foreign exchange rates. These are principally swap agreements used to manage the balance between fixed and floating rate finance on long-term debt and forward contracts for known future foreign currency cash flows. The Group does not hold or issue derivative instruments for speculative purposes.

All derivatives are held at fair value in the balance sheet. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity. The gain or loss relating to any ineffective portion is recognised immediately in the income statement. Amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects profit or loss. Changes in the fair value of any derivative instruments that are not hedge accounted are recognised immediately in the income statement.

Secured notes

The Group's secured notes contain early repayment options, which constitute embedded derivatives in accordance with 'IAS 39, Financial Instruments: Recognition and Measurement'. The accounting for these early repayment options depends on whether they are considered to be closely related to the host contract or not based on IAS 39. Where they are closely related, the early repayment option is not accounted for separately and the notes are recorded within borrowings, net of direct transaction costs. The interest expense is calculated by using the effective interest rate method.

In circumstances where the early repayment option is not considered closely related the repayment option has to be valued separately. At the date of issue the liability component of the notes is estimated using prevailing market interest rates for similar debt with no repayment option and is recorded within borrowings, net of direct transaction costs. The difference between the proceeds of the note issue and the fair value assigned to the liability component, representing the embedded option to prepay the notes is included within 'Other financial assets – derivatives'. The interest expense on the liability component is calculated by applying the effective interest rate method. The embedded option to prepay is fair valued using an appropriate valuation model and fair value remeasurement gains and losses are included in investment income and interest expense respectively.

EXCEPTIONAL ITEMS
Exceptional items are those items that are non-recurring in nature that the Group believes should be disclosed separately to assist in the understanding of the financial performance of the Group.

EARNINGS PER SHARE
Earnings per share is calculated based on the profit for the financial year and the weighted average number of ordinary shares in issue during the year. For this purpose the number of ordinary shares in issue excludes shares held by the Company or by the Employee Share Ownership Trust in respect of which dividends have been waived. Diluted earnings per share is calculated using the profit for the financial year and the weighted average diluted number of shares (ignoring any potential issue of ordinary shares which would be anti-dilutive) during the year.

Underlying earnings per share comprises basic earnings per share adjusted to exclude earnings relating to exceptional items, amortisation of intangibles and fair value remeasurements of embedded derivatives in long-term debt.

PROVISIONS
Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

EMPLOYEE SHARE OWNERSHIP TRUST
Shares in the Company acquired by the Employee Share Ownership Trust ('ESOT') in the open market for use in connection with employee share plans are presented as a deduction from shareholders' funds. When the shares vest to satisfy share-based payments, a transfer is made from own shares held through the ESOT to retained earnings.

OWN SHARES HELD BY THE COMPANY
The cost of own shares held by the Company is deducted from shareholders' funds. The proceeds from the reissue of own shares are added to shareholders' funds with any gains in excess of the average cost of the shares being recognised in the share premium account.

ASSETS HELD FOR SALE
Non-current assets held for sale and disposal groups are measured at the lower of carrying amount and fair value less costs to sell. Such assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. Such assets are not depreciated. Assets are regarded as held for sale only when the sale is highly probable and the asset is available for sale in its present condition. Management must be committed to the sale which must be expected to qualify for recognition as a completed sale within one year from the date of classification.

2 Segmental analysis

BUSINESS SEGMENTS
The Group operates one class of business; rental of equipment. Operationally, the Group is split into two business units, Sunbelt and A-Plant which report separately to, and are managed by, the chief executive and align with the geographies in which they operate, being the US and UK, respectively. These business units are the basis on which the Group reports its segment information. The Group manages debt and taxation centrally, rather than by business unit. Accordingly, segmental results are stated before interest and taxation which are reported as central Group items. This is consistent with the way the chief executive reviews the business.

Year ended 30 April 2013	Sunbelt £m	A-Plant £m	Corporate items £m	Group £m
Revenue	1,155.8	206.1	–	1,361.9
Operating costs	(684.9)	(148.5)	(9.2)	(842.6)
EBITDA	470.9	57.6	(9.2)	519.3
Depreciation	(183.5)	(45.4)	(0.1)	(229.0)
Segment result before amortisation	287.4	12.2	(9.3)	290.3
Amortisation	(3.9)	(1.9)	–	(5.8)
Segment result	283.5	10.3	(9.3)	284.5
Net financing costs				(69.0)
Profit before taxation				215.5
Taxation				(76.7)
Profit attributable to equity shareholders				138.8
Segment assets	1,943.5	306.5	0.2	2,250.2
Cash				20.3
Taxation assets				2.1
Total assets				2,272.6
Segment liabilities	276.0	44.7	5.5	326.2
Corporate borrowings and accrued interest				1,041.1
Taxation liabilities				222.8
Total liabilities				1,590.1
Other non-cash expenditure – share-based payments	1.5	0.7	0.5	2.7
Capital expenditure	546.6	72.5	–	619.1

2 Segmental analysis continued

There are no sales between the business segments. Segment assets include property, plant and equipment, goodwill, intangibles, inventory and receivables. Segment liabilities comprise operating liabilities and exclude taxation balances, corporate borrowings and accrued interest. Capital expenditure represents additions to property, plant and equipment and intangible assets and includes additions through the acquisition of businesses.

Year ended 30 April 2012	Sunbelt £m	A-Plant £m	Corporate items £m	Group £m
Revenue	945.7	188.9	–	1,134.6
Operating costs	(606.3)	(139.4)	(7.8)	(753.5)
EBITDA	339.4	49.5	(7.8)	381.1
Depreciation	(157.5)	(42.2)	(0.1)	(199.8)
Segment result before amortisation	181.9	7.3	(7.9)	181.3
Amortisation	(1.4)	(1.7)	–	(3.1)
Segment result	180.5	5.6	(7.9)	178.2
Net financing costs				(43.4)
Profit before taxation				134.8
Taxation				(46.3)
Profit attributable to equity shareholders				88.5
Segment assets	1,549.4	301.4	0.1	1,850.9
Cash				23.4
Other financial assets – derivatives				7.2
Taxation assets				2.6
Total assets				1,884.1
Segment liabilities	243.1	44.9	4.0	292.0
Corporate borrowings and accrued interest				884.3
Taxation liabilities				153.1
Total liabilities				1,329.4
Other non-cash expenditure – share-based payments	1.3	0.5	0.7	2.5
Capital expenditure	425.8	72.9	–	498.7

SEGMENTAL ANALYSIS BY GEOGRAPHY

The Group's operations are located in North America and the United Kingdom. The following table provides an analysis of the Group's revenue, segment assets and capital expenditure, including acquisitions, by country of domicile. Segment assets by geography include property, plant and equipment and intangible assets but exclude inventory and receivables.

	Revenue		Segment assets		Capital expenditure	
	2013 £m	2012 £m	**2013 £m**	2012 £m	**2013 £m**	2012 £m
North America	**1,155.8**	945.7	**1,749.9**	1,398.6	**546.6**	425.8
United Kingdom	**206.1**	188.9	**264.6**	260.9	**72.5**	72.9
	1,361.9	1,134.6	**2,014.5**	1,659.5	**619.1**	498.7

3 Operating costs and other income

	2013			2012		
	Before amortisation £m	Amortisation £m	Total £m	Before amortisation £m	Amortisation £m	Total £m
Staff costs:						
Salaries, bonuses and commissions	**333.4**	**–**	**333.4**	304.0	–	304.0
Social security costs	**26.3**	**–**	**26.3**	24.1	–	24.1
Other pension costs	**6.1**	**–**	**6.1**	5.9	–	5.9
	365.8	**–**	**365.8**	334.0	–	334.0
Used rental equipment sold	**80.9**	**–**	**80.9**	74.6	–	74.6
Other operating costs:						
Vehicle costs	**92.8**	**–**	**92.8**	84.2	–	84.2
Spares, consumables and external repairs	**70.1**	**–**	**70.1**	62.8	–	62.8
Facility costs	**47.3**	**–**	**47.3**	47.0	–	47.0
Other external charges	**185.7**	**–**	**185.7**	150.9	–	150.9
	395.9	**–**	**395.9**	344.9	–	344.9
Depreciation and amortisation:						
Depreciation of owned assets	**228.0**	**–**	**228.0**	198.8	–	198.8
Depreciation of leased assets	**1.0**	**–**	**1.0**	1.0	–	1.0
Amortisation of intangibles	**–**	**5.8**	**5.8**	–	3.1	3.1
	229.0	**5.8**	**234.8**	199.8	3.1	202.9
	1,071.6	**5.8**	**1,077.4**	953.3	3.1	956.4

Proceeds from the disposal of non-rental property, plant and equipment amounted to £7.9m (2012: £6.8m).

The costs shown in the above table include:

	2013 £m	2012 £m
Operating lease rentals payable:		
Plant and equipment	**0.6**	1.3
Property	**33.9**	35.2
Cost of inventories recognised as expense	**137.3**	117.8
Bad debt expense	**8.9**	8.1
Net foreign exchange gains	**(0.1)**	–

Remuneration payable to the Company's auditor, Deloitte LLP, in the year is given below:

	2013 £'000	2012 £'000
Fees payable to Deloitte UK and its associates for the audit of the Group's annual accounts	**581**	585
Fees payable to Deloitte UK and its associates for other services to the Group:		
– the audit of the Group's UK subsidiaries pursuant to legislation	**12**	13
– audit-related assurance services	**75**	78
– other assurance services	**79**	–
– tax advisory services	**52**	215
	799	891

Fees paid for audit-related assurance services relate to the half-year and quarterly reviews of the Group's interim financial statements. Other assurance services relate to comfort letters provided in connection with the $500m second priority senior secured note issue in July 2012 as well as due diligence support. Fees for tax advisory services relate primarily to assistance in connection with the discussion with the IRS regarding its proposed adjustments to the Group's US tax returns for the four years ended 30 April 2009.

4 Exceptional items, amortisation and fair value remeasurements

	2013 £m	2012 £m
Write-off of deferred financing costs	**4.6**	–
Early redemption fee	**10.6**	–
Call period interest	**2.8**	–
Fair value remeasurements	**7.4**	(7.3)
Amortisation of intangibles	**5.8**	3.1
	31.2	(4.2)
Taxation	**(11.9)**	1.9
	19.3	(2.3)

The write-off of deferred financing costs consists of the unamortised balance of the costs relating to the $550m 9.0% senior secured notes redeemed in July 2012. In addition, an early redemption fee of £11m was paid to redeem the notes prior to their scheduled maturity. The call period interest represents the interest charge on the $550m notes for the period from the issue of the new $500m notes to the date the $550m notes were redeemed. Fair value remeasurements relate to the changes in fair value of the embedded call options in the Group's $550m 9.0% senior secured notes.

The items detailed in the table above are presented in the income statement as follows:

	2013 £m	2012 £m
Amortisation of intangibles	**5.8**	3.1
Charged in arriving at operating profit	**5.8**	3.1
Investment income	**–**	(7.3)
Interest expense	**25.4**	–
Charged in arriving at profit before tax	**31.2**	(4.2)
Taxation	**(11.9)**	1.9
	19.3	(2.3)

5 Net financing costs

	2013 £m	2012 £m
Investment income		
Expected return on assets of defined benefit pension plan	**(4.2)**	(4.2)
Interest expense		
Bank interest payable	**18.0**	16.9
Interest payable on second priority senior secured notes	**22.8**	31.1
Interest payable on finance leases	**0.2**	0.2
Other interest payable	**0.4**	–
Non-cash unwind of discount on defined benefit pension plan liabilities	**3.0**	3.0
Non-cash unwind of discount on provisions	**1.3**	1.3
Amortisation of deferred costs of debt raising	**2.1**	2.4
Total interest expense	**47.8**	54.9
Net financing costs before exceptional items and remeasurements	**43.6**	50.7
Exceptional items	**18.0**	–
Fair value remeasurements	**7.4**	(7.3)
Net financing costs	**69.0**	43.4

6 Taxation

The tax charge for the period has been computed using an effective rate for the year of 39% in the US (2012: 39%) and 24% in the UK (2012: 27%). The blended effective rate for the Group as a whole is 36% (2012: 34%).

	2013 £m	2012 £m
Analysis of tax charge		
Current tax		
– current tax on income for the year	**12.0**	8.1
– adjustments to prior years	**(0.6)**	(0.4)
	11.4	7.7
Deferred tax		
– origination and reversal of temporary differences	**65.8**	39.6
– adjustments to prior years	**(0.5)**	(1.0)
	65.3	38.6
Total taxation charge	**76.7**	46.3
Comprising:		
– UK tax	**10.3**	9.6
– US tax	**66.4**	36.7
	76.7	46.3

The tax charge comprises a charge of £88.6m (2012: £44.4m) relating to tax on the profit before exceptional items, amortisation and fair value remeasurements, together with a credit of £11.9m (2012: charge of £1.9m) on exceptional items, amortisation and fair value remeasurements.

The tax charge for the period is higher than the standard rate of corporation tax in the UK of 24% for the year. The differences are explained below:

	2013 £m	2012 £m
Profit on ordinary activities before tax	**215.5**	134.8
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 23.9% (2012: 25.8%)	**51.5**	34.8
Effects of:		
Use of foreign tax rates on overseas income	**25.7**	12.3
Other	**0.6**	0.6
Adjustments to prior years	**(1.1)**	(1.4)
Total taxation charge	**76.7**	46.3

7 Dividends

	2013 £m	2012 £m
Final dividend paid on 7 September 2012 of 2.5p (2012: 2.07p) per 10p ordinary share	**12.5**	10.3
Interim dividend paid on 6 February 2013 of 1.5p (2012: 1.0p) per 10p ordinary share	**7.5**	5.0
	20.0	15.3

In addition, the directors are proposing a final dividend in respect of the financial year ended 30 April 2013 of 6.0p per share which will absorb £30m of shareholders' funds based on the 500.6m shares ranking for dividend at 19 June 2013. Subject to approval by shareholders, it will be paid on 6 September 2013 to shareholders who are on the register of members on 16 August 2013.

8 Earnings per share

	2013			2012		
	Earnings £m	**Weighted average no. of shares million**	**Per share amount pence**	Earnings £m	Weighted average no. of shares million	Per share amount pence
Basic earnings per share	**138.8**	**500.1**	**27.7**	88.5	498.3	17.8
Share options and share plan awards	**–**	**7.5**	**(0.4)**	–	12.9	(0.5)
Diluted earnings per share	**138.8**	**507.6**	**27.3**	88.5	511.2	17.3

Underlying earnings per share may be reconciled to basic earnings per share as follows:

	2013 pence	2012 pence
Basic earnings per share	**27.7**	17.8
Exceptional items, amortisation of intangibles and fair value remeasurements	**6.3**	(0.9)
Tax on exceptionals, amortisation and remeasurements	**(2.4)**	0.4
Underlying earnings per share	**31.6**	17.3

9 Inventories

	2013 £m	2012 £m
Raw materials, consumables and spares	**8.6**	7.2
Goods for resale	**8.1**	6.2
	16.7	13.4

10 Trade and other receivables

	2013 £m	2012 £m
Trade receivables	**200.8**	162.6
Less: allowance for bad and doubtful receivables	**(15.6)**	(13.8)
	185.2	148.8
Other receivables	**33.4**	29.2
	218.6	178.0

The fair values of trade and other receivables are not materially different to the carrying values presented.

A) TRADE RECEIVABLES: CREDIT RISK

The Group's exposure to the credit risk inherent in its trade receivables and the associated risk management techniques that the Group deploys in order to mitigate this risk are discussed in note 23. The credit periods offered to customers vary according to the credit risk profiles of, and the invoicing conventions established in, the Group's markets. The contractual terms on invoices issued to customers vary between the US and the UK in that, invoices issued by A-Plant are payable within 30-60 days whereas, invoices issued by Sunbelt are payable on receipt. Therefore, on this basis, a significant proportion of the Group's trade receivables are contractually past due. The allowance for bad and doubtful receivables is calculated based on prior experience reflecting the level of uncollected receivables over the last year within each business. Accordingly, this cannot be attributed to specific receivables so the aged analysis of trade receivables, including those past due, is shown gross of the allowance for bad and doubtful receivables.

On this basis, the ageing analysis of trade receivables, including those past due, is as follows:

		Trade receivables past due by:				
	Current £m	Less than 30 days £m	30 – 60 days £m	60 – 90 days £m	More than 90 days £m	Total £m
Carrying value at 30 April 2013	22.5	104.0	44.4	12.5	17.4	200.8
Carrying value at 30 April 2012	20.7	79.7	35.5	11.5	15.2	162.6

In practice, Sunbelt operates on 30 day terms and considers receivables past due if they are unpaid after 30 days. On this basis, the Group's ageing of trade receivables, including those past due, is as follows:

		Trade receivables past due by:				
	Current £m	Less than 30 days £m	30 – 60 days £m	60 – 90 days £m	More than 90 days £m	Total £m
Carrying value at 30 April 2013	114.4	53.0	14.5	6.8	12.1	200.8
Carrying value at 30 April 2012	88.4	44.0	13.4	5.6	11.2	162.6

B) MOVEMENT IN THE ALLOWANCE ACCOUNT FOR BAD AND DOUBTFUL RECEIVABLES

	2013 £m	2012 £m
At 1 May	**13.8**	13.7
Amounts written off and recovered during the year	**(5.9)**	(8.2)
Increase in allowance recognised in income statement	**6.9**	8.1
Currency movements	**0.8**	0.2
At 30 April	**15.6**	13.8

11 Cash and cash equivalents

	2013 £m	2012 £m
Cash and cash equivalents	**20.3**	23.4

Cash and cash equivalents comprise principally cash held by the Group with a major UK financial institution. The carrying amount of cash and cash equivalents approximates their fair value.

12 Property, plant and equipment

				Motor vehicles		
	Land and buildings £m	Rental equipment £m	Office and workshop equipment £m	Owned £m	Held under finance leases £m	Total £m
Cost or valuation						
At 1 May 2011	81.0	1,621.6	43.8	126.1	4.2	1,876.7
Exchange differences	1.2	35.0	0.9	2.8	–	39.9
Acquisitions	0.2	2.1	0.1	0.4	–	2.8
Reclassifications	–	(1.3)	1.5	–	(0.2)	–
Additions	3.4	426.2	4.4	40.2	2.2	476.4
Disposals	(0.6)	(229.5)	(2.8)	(23.8)	(1.3)	(258.0)
At 30 April 2012	85.2	1,854.1	47.9	145.7	4.9	2,137.8
Exchange differences	2.2	65.7	1.5	5.2	–	74.6
Acquisitions	–	10.9	0.1	1.1	–	12.1
Reclassifications	–	(2.3)	2.4	(0.1)	–	–
Additions	4.5	521.0	4.3	50.3	0.3	580.4
Disposals	(1.4)	(262.9)	(4.6)	(21.9)	(0.2)	(291.0)
At 30 April 2013	**90.5**	**2,186.5**	**51.6**	**180.3**	**5.0**	**2,513.9**
Depreciation						
At 1 May 2011	28.9	707.1	37.5	65.8	1.2	840.5
Exchange differences	0.4	12.6	0.8	1.1	–	14.9
Reclassifications	–	(0.7)	0.9	–	(0.2)	–
Charge for the period	3.6	174.9	3.1	17.2	1.0	199.8
Disposals	(0.5)	(158.2)	(2.7)	(18.6)	(0.8)	(180.8)
At 30 April 2012	32.4	735.7	39.6	65.5	1.2	874.4
Exchange differences	1.0	27.3	1.4	2.4	–	32.1
Reclassifications	–	(1.1)	1.3	(0.2)	–	–
Charge for the period	3.8	201.3	3.7	19.1	1.1	229.0
Disposals	(1.1)	(184.5)	(4.5)	(16.0)	(0.1)	(206.2)
At 30 April 2013	**36.1**	**778.7**	**41.5**	**70.8**	**2.2**	**929.3**
Net book value						
At 30 April 2013	**54.4**	**1,407.8**	**10.1**	**109.5**	**2.8**	**1,584.6**
At 30 April 2012	52.8	1,118.4	8.3	80.2	3.7	1,263.4

No rebuild costs were capitalised in the year (2012: £nil).

13 Intangible assets including goodwill

	Goodwill £m	Brand names £m	Customer lists £m	Contract related £m	Total £m	Total £m
		Other intangible assets				
Cost or valuation						
At 1 May 2011	354.9	13.4	6.0	15.1	34.5	389.4
Recognised on acquisition	7.0	1.6	6.8	2.4	10.8	17.8
Additions	–	–	–	1.7	1.7	1.7
Exchange differences	9.1	0.3	–	0.2	0.5	9.6
At 30 April 2012	371.0	15.3	12.8	19.4	47.5	418.5
Recognised on acquisition	10.6	–	13.7	1.1	14.8	25.4
Additions	–	–	–	1.1	1.1	1.1
Exchange differences	15.7	0.6	1.1	0.5	2.2	17.9
At 30 April 2013	**397.3**	**15.9**	**27.6**	**22.1**	**65.6**	**462.9**
Amortisation						
At 1 May 2011	–	11.5	1.2	9.5	22.2	22.2
Charge for the period	–	0.3	0.9	1.9	3.1	3.1
Exchange differences	–	0.3	–	0.2	0.5	0.5
At 30 April 2012	–	12.1	2.1	11.6	25.8	25.8
Charge for the period	–	0.5	2.8	2.5	5.8	5.8
Exchange differences	–	0.5	0.5	0.4	1.4	1.4
At 30 April 2013	**–**	**13.1**	**5.4**	**14.5**	**33.0**	**33.0**
Net book value						
At 30 April 2013	**397.3**	**2.8**	**22.2**	**7.6**	**32.6**	**429.9**
At 30 April 2012	371.0	3.2	10.7	7.8	21.7	392.7

Goodwill acquired in a business combination was allocated, at acquisition, to the cash-generating units ('CGU') that benefitted from that business combination, as follows:

	2013 £m	2012 £m
Sunbelt	**383.0**	356.7
A-Plant	**14.3**	14.3
	397.3	371.0

For the purposes of determining potential goodwill impairment, recoverable amounts are determined from value in use calculations using cash flow projections based on financial plans covering a three-year period which were adopted and approved by the Board in April 2013. The growth rate assumptions used in the plans reflect management's expectations of market developments and take account of past performance. The valuation uses an annual growth rate to determine the cash flows beyond the three-year period of 2%, which does not exceed the average long-term growth rates for the relevant markets, and a terminal value reflective of market multiples. The pre-tax rate used to discount the projected cash flows is 10.5% (2012: 9.5%).

The impairment review is sensitive to a change in key assumptions used, most notably the discount rate and the annuity growth rates. A sensitivity analysis has been undertaken by changing the key assumptions used for both Sunbelt and A-Plant. Based on this sensitivity analysis, no reasonably possible change in the assumptions resulted in the recoverable amount of the Sunbelt CGU being reduced to the carrying value. The A-Plant CGU has headroom of £21m at the reporting date. An increase in the discount rate of 10.5% by 1% or a decrease in the annuity growth rate from 2% to 1% would reduce the recoverable amount of the CGU to its carrying value.

Notes to the consolidated financial statements continued

14 Trade and other payables

	2013 £m	2012 £m
Trade payables	**146.9**	119.6
Other taxes and social security	**19.2**	15.0
Accruals and deferred income	**130.0**	131.0
	296.1	265.6

Trade and other payables include amounts relating to the purchase of fixed assets of £130m (2012: £133m). The fair values of trade and other payables are not materially different from the carrying values presented.

15 Borrowings

	2013 £m	2012 £m
Current		
Finance lease obligations	**2.2**	2.1
Non-current		
First priority senior secured bank debt	**716.7**	539.9
Finance lease obligations	**0.7**	1.7
6.5% second priority senior secured notes, due 2022	**314.8**	–
9.0% second priority senior secured notes, due 2016	**–**	334.0
	1,032.2	875.6

The senior secured bank debt and the senior secured notes are secured by way of, respectively, first and second priority fixed and floating charges over substantially all the Group's property, plant and equipment, inventory and trade receivables.

FIRST PRIORITY SENIOR SECURED CREDIT FACILITY

At 30 April 2013, $1.8bn was committed by our senior lenders under the asset-based senior secured revolving credit facility ('ABL facility') until March 2016 while the amount utilised was $1,161m (including letters of credit totalling $37m). The ABL facility is secured by a first priority interest in substantially all of the Group's assets. Pricing for the revolving credit facility is based on the ratio of funded debt to EBITDA before exceptional items according to a grid which varies, depending on leverage, from LIBOR plus 200bp to LIBOR plus 250bp. At 30 April 2013 the Group's borrowing rate was LIBOR plus 200bp.

There are two financial performance covenants under the asset-based first priority senior bank facility:

- funded debt to LTM EBITDA before exceptional items not to exceed 4.0 times; and
- a fixed charge ratio (comprising LTM EBITDA before exceptional items less LTM net capital expenditure paid in cash over the sum of scheduled debt repayments plus cash interest, cash tax payments and dividends paid in the last twelve months) which must be equal to, or greater than, 1.1 times.

These covenants do not, however, apply when excess availability (the difference between the borrowing base and net facility utilisation) exceeds $216m. At 30 April 2013 availability under the bank facility was $667m ($516m at 30 April 2012), with an additional $262m of suppressed availability meaning that covenants were not measured at 30 April 2013 and are unlikely to be measured in forthcoming quarters. However, as a matter of good practice, we still calculate the covenant ratios each quarter. At 30 April 2013, as a result of the significant investment in our rental fleet, the fixed charge ratio, as expected, did not meet the covenant requirement whilst the leverage ratio did so comfortably. The fact the fixed charge ratio is below 1.1 times does not cause concern given the strong availability and management's ability to flex capital expenditure downwards at short notice. Accordingly, the accounts are prepared on a going concern basis.

6.5% SECOND PRIORITY SENIOR SECURED NOTES DUE 2022 HAVING A NOMINAL VALUE OF $500M

On 16 July 2012 the Group, through its wholly owned subsidiary Ashtead Capital, Inc., issued $500m of 6.5% second priority senior secured notes due 15 July 2022. The notes are secured by second priority interests over substantially the same assets as the ABL facility and are also guaranteed by Ashtead Group plc.

Under the terms of the 6.5% notes the Group is, subject to important exceptions, restricted in its ability to incur additional debt, pay dividends, make investments, sell assets, enter into sale and leaseback transactions and merge or consolidate with another company. Financial performance covenants under the 6.5% senior secured note issue are only measured at the time new debt is raised.

The effective rates of interest at the balance sheet dates were as follows:

		2013	2012
First priority senior secured bank debt	– revolving advances in dollars	**2.25%**	2.5%
Secured notes	– $500m nominal value	**6.5%**	–
	– $550m nominal value	**–**	9.0%
Finance leases		**7.8%**	7.4%

16 Obligations under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2013 £m	2012 £m	**2013 £m**	2012 £m
Amounts payable under finance leases:				
Less than one year	**2.3**	2.3	**2.2**	2.1
Later than one year but not more than five	**0.8**	1.9	**0.7**	1.7
	3.1	4.2	**2.9**	3.8
Future finance charges	**(0.2)**	(0.4)		
	2.9	3.8		

The Group's obligations under finance leases are secured by the lessor's rights over the leased assets disclosed in note 12.

17 Provisions

	Self-insurance £m	Vacant property £m	Deferred consideration £m	Total £m
At 1 May 2012	19.3	13.7	–	33.0
Acquired businesses	–	–	7.7	7.7
Exchange differences	0.8	0.4	0.2	1.4
Utilised	(18.1)	(4.0)	–	(22.1)
Charged in the year	14.5	1.0	–	15.5
Amortisation of discount	1.2	–	0.1	1.3
At 30 April 2013	**17.7**	**11.1**	**8.0**	**36.8**

	2013 £m	2012 £m
Included in current liabilities	**11.9**	11.3
Included in non-current liabilities	**24.9**	21.7
	36.8	33.0

Self-insurance provisions relate to the discounted estimated liability in respect of claims excesses to be incurred under the Group's insurance programmes for events occurring up to the year end and are expected to be utilised over a period of approximately eight years. The provision is established based on advice received from independent actuaries of the estimated total cost of the self-insured retained risk based on historical claims experience. The amount charged in the year is stated net of a £3.4m adjustment to reduce the provision held at 1 May 2012.

The majority of the provision for vacant property costs is expected to be utilised over a period of up to three years. The provision for deferred consideration relates to the acquisitions of JMR Industries and Raider (see note 25) and is expected to be paid out over the next three years.

18 Deferred tax

DEFERRED TAX ASSETS

	Tax losses £m	Other temporary differences £m	Total £m
At 1 May 2012	–	–	–
Offset against deferred tax liability at 1 May 2012	131.5	38.2	169.7
Gross deferred tax assets at 1 May 2012	131.5	38.2	169.7
Exchange differences	5.5	1.6	7.1
(Charge)/credit to income statement	(10.5)	0.7	(9.8)
Credit to equity	–	4.8	4.8
Less offset against deferred tax liability	(126.5)	(44.0)	(170.5)
At 30 April 2013	**–**	**1.3**	**1.3**

DEFERRED TAX LIABILITIES

	Accelerated tax depreciation £m	Other temporary differences £m	Total £m
Net deferred tax liability at 1 May 2012	150.3	–	150.3
Deferred tax assets offset at 1 May 2012	169.7	–	169.7
Gross deferred tax liability at 1 May 2012	320.0	–	320.0
Exchange differences	14.5	–	14.5
Charge to income statement	53.9	1.6	55.5
Credit to equity	–	(1.2)	(1.2)
Acquisition of Mid-Mountain Machinery	0.7	–	0.7
	389.1	0.4	389.5
Less offset of deferred tax assets			
– benefit of tax losses			(126.5)
– other temporary differences			(44.0)
At 30 April 2013			**219.0**

The Group has an unrecognised UK deferred tax asset of £1.3m (2012: £1.4m) in respect of losses in a non-trading UK company, as it is not considered probable this deferred tax asset will be utilised.

At the balance sheet date, no temporary differences associated with undistributed earnings of subsidiaries are considered to exist as UK tax legislation largely exempts overseas dividends received from UK tax.

19 Share capital and reserves

	2013 Number	2012 Number	**2013 £m**	2012 £m
Ordinary shares of 10p each				
Authorised	**900,000,000**	900,000,000	**90.0**	90.0
Issued and fully paid:				
At 1 May and 30 April	**553,325,554**	553,325,554	**55.3**	55.3

There were no movements in shares authorised or allotted during the period.

At 30 April 2013, 50m (2012: 50m) shares were held by the Company, acquired at an average cost of 67p (2012: 67p) and a further 2.8m (2012: 4.6m) shares were held by the Company's Employee Share Ownership Trust to facilitate the provision of shares under the Group's Performance Share Plan.

The non-distributable reserve relates to the reserve created on the cancellation of the then share premium account in August 2005. This reserve will become distributable on the earlier of 10 years after the date of cancellation or when all creditors outstanding at the date of cancellation are settled.

20 Share-based payments

The Employee Share Ownership Trust ('ESOT') facilitates the provision of shares under the Group's Performance Share Plan ('PSP'). It holds a beneficial interest in 2,784,242 ordinary shares of the Company acquired at an average cost of 265.9p per share. The shares had a market value of £16.4m at 30 April 2013. The ESOT has waived the right to receive dividends on the shares it holds. The costs of operating the ESOT are borne by the Group but are not significant.

Details of the PSP are given on pages 44, 49 and 50. The costs of this scheme are charged to the income statement over the vesting period, based on the fair value of the award at the grant date and the likelihood of allocations vesting under the scheme. In 2013, there was a net charge to pre-tax profit in respect of the PSP of £2.7m (2012: £2.5m). After deferred tax, the total charge was £1.9m (2012: £2.0m).

The fair value of awards granted during the year is estimated using a Black-Scholes option pricing model with the following assumptions: share price at grant date of 328p, nil exercise price, a dividend yield of 1.07%, volatility of 58.0%, a risk-free rate of 0.32% and an expected life of three years.

Expected volatility was determined by calculating the historical volatility over the previous three years. The expected life used in the model is based on the terms of the plan.

Details of the PSP awards outstanding during the year are as follows:

	2013 Number	2012 Number
Outstanding at 1 May	**12,262,736**	16,353,425
Granted	**1,395,975**	2,455,222
Exercised	**(5,709,095)**	(3,019,921)
Expired	**(135,997)**	(3,525,990)
Outstanding at 30 April	**7,813,619**	12,262,736
Exercisable at 30 April	**–**	–

21 Operating leases

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

	2013 £m	2012 £m
Land and buildings:		
Expiring in one year	**4.1**	3.2
Expiring between two and five years	**18.7**	17.9
Expiring in more than five years	**12.8**	12.1
	35.6	33.2
Other:		
Expiring in one year	**–**	0.3
Total	**35.6**	33.5

21 Operating leases continued

Total minimum commitments under existing operating leases at 30 April 2013 through to the earliest date at which the lease may be exited without penalty by year are as follows:

	£m
Financial year	
2014	35.6
2015	29.0
2016	23.4
2017	19.8
2018	15.3
Thereafter	44.5
	167.6

£8.2m of the total minimum operating lease commitments of £167.6m relating to vacant properties has been provided within the financial statements and included within provisions in the balance sheet.

22 Pensions

The Group operates pension plans for the benefit of qualifying employees. The major plans for new employees throughout the Group are all defined contribution plans following the introduction of the stakeholder pension plan for UK employees in May 2002. Pension costs for defined contribution plans were £5.4m (2012: £5.1m).

The Group also has a defined benefit plan for UK employees which was closed to new members in 2001. This plan is a funded defined benefit plan with trustee administered assets held separately from those of the Group. A full actuarial valuation was carried out as at 30 April 2010 and updated to 30 April 2013 by a qualified independent actuary. The actuary is engaged by the Company to perform a valuation in accordance with IAS 19. The principal assumptions made by the actuary were as follows:

		2013	2012
Rate of increase in salaries		**4.4%**	4.2%
Rate of increase in pensions in payment		**3.3%**	3.1%
Discount rate		**4.2%**	4.8%
Inflation assumption	– RPI	**3.4%**	3.2%
	– CPI	**2.4%**	2.2%
Weighted average expected return on plan assets		**6.3%**	6.5%

Pensioner life expectancy assumed in the 30 April 2013 update is based on the 'S1PxA CMI 2012' projection model mortality tables adjusted so as to apply a minimum annual rate of improvement of 1.0% a year. Samples of the ages to which pensioners are assumed to live are as follows:

	Male	Female
Pensioner aged 65 in 2013	87.0	89.3
Pensioner aged 65 in 2033	88.4	90.9

The amounts recognised in the income statement are as follows:

	2013 £m	2012 £m
Current service cost	**0.6**	0.5
Interest cost	**3.0**	3.0
Expected return on plan assets	**(4.2)**	(4.2)
Net credit to income statement	**(0.6)**	(0.7)

The amounts recognised in the balance sheet are determined as follows:

	2013 £m	2012 £m
Fair value of plan assets	**77.5**	67.1
Present value of funded defined benefit obligation	**(77.0)**	(63.5)
Present value of unfunded defined benefit obligation	**(0.1)**	(0.2)
Net asset recognised in the balance sheet	**0.4**	3.4

Movements in the present value of defined benefit obligations were as follows:

	2013 £m	2012 £m
At 1 May	**63.7**	57.5
Current service cost	**0.6**	0.5
Interest cost	**3.0**	3.0
National Insurance rebates received	**0.1**	0.1
Contributions from members	**0.3**	0.3
Actuarial loss		
– experience loss	**0.6**	1.0
– change in assumptions	**10.7**	3.1
Benefits paid	**(1.9)**	(1.8)
At 30 April	**77.1**	63.7

The actuarial loss in the year ended 30 April 2013 reflects principally the decrease in the discount rate (caused by falling corporate bond yields) in the year from 4.8% to 4.2% which increased the discounted value of the accrued defined benefit obligations.

Movements in the fair value of plan assets were as follows:

	2013 £m	2012 £m
At 1 May	**67.1**	63.6
Expected return on plan assets	**4.2**	4.2
Actual return on plan assets above/(below) expected return	**6.2**	(2.1)
Contributions from sponsoring companies	**1.5**	2.8
National Insurance rebates received	**0.1**	0.1
Contributions from members	**0.3**	0.3
Benefits paid	**(1.9)**	(1.8)
At 30 April	**77.5**	67.1

The analysis of the scheme assets at the balance sheet date and the expected rate of return applied during the year was as follows:

	Expected return		Fair value	
	2013 %	2012 %	2013 £m	2012 £m
Equity instruments	**7.3**	7.3	**52.2**	45.2
Bonds	**4.3**	4.8	**25.1**	21.7
Property	**7.3**	7.3	**–**	–
Cash	**0.5**	0.5	**0.2**	0.2
	6.3	6.5	**77.5**	67.1

22 Pensions continued

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected return on equities is the sum of inflation, the dividend yield and economic growth net of investment expenses. The return on gilts and bonds is the market yield on long-term gilts and bonds at the beginning of the period.

The history of experience adjustments is as follows:

	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
Fair value of scheme assets	**77.5**	67.1	63.6	55.9	44.0
Present value of defined benefit obligations	**(77.1)**	(63.7)	(57.5)	(63.6)	(43.7)
Surplus/(deficit) in the scheme	**0.4**	3.4	6.1	(7.7)	0.3
Experience adjustments on scheme liabilities					
(Loss)/gain (£m)	**(0.6)**	(1.0)	2.4	2.4	0.2
Percentage of closing scheme liabilities	**(1%)**	(2%)	4%	4%	–
Experience adjustments on scheme assets					
Gain/(loss) (£m)	**6.2**	(2.1)	3.9	8.5	(16.7)
Percentage of closing scheme assets	**8%**	(3%)	6%	15%	(38%)

The cumulative actuarial losses recognised in the statement of comprehensive income since the adoption of IFRS are £16.6m.

The estimated amount of contributions expected to be paid by the Company to the plan during the current financial year is £1.4m.

23 Financial risk management

The Group's trading and financing activities expose it to various financial risks that, if left unmanaged, could adversely impact on current or future earnings. Although not necessarily mutually exclusive, these financial risks are categorised separately according to their different generic risk characteristics and include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

It is the role of the Group treasury function to manage and monitor the Group's financial risks and internal and external funding requirements in support of the Group's corporate objectives. Treasury activities are governed by policies and procedures approved by the Board and monitored by the Finance and Administration Committee. In particular, the Board of directors or, through delegated authority, the Finance and Administration Committee, approves any derivative transactions. Derivative transactions are only undertaken for the purposes of managing interest rate risk and currency risk. The Group does not trade in financial instruments. The Group maintains treasury control systems and procedures to monitor liquidity, currency, credit and financial risks. The Group reports and pays dividends in pounds sterling.

MARKET RISK

The Group's activities expose it primarily to interest rate and currency risk. Interest rate risk is monitored on a continuous basis and managed, where appropriate, through the use of interest rate swaps whereas, the use of forward foreign exchange contracts to manage currency risk is considered on an individual non-trading transaction basis. The Group is not exposed to commodity price risk or equity price risk as defined in IFRS 7.

Interest rate risk

Management of fixed and variable rate debt

The Group has fixed and variable rate debt in issue with 31% of the drawn debt at a fixed rate as at 30 April 2013. The Group's accounting policy requires all borrowings to be held at amortised cost. As a result the carrying value of fixed rate debt is unaffected by changes in credit conditions in the debt markets and there is therefore no exposure to fair value interest rate risk. The Group's debt that bears interest at a variable rate comprises all outstanding borrowings under the senior secured credit facility. The interest rates currently applicable to this variable rate debt are LIBOR as applicable to the currency borrowed (US dollars or pounds) plus 200bp. The Group periodically utilises interest rate swap agreements to manage and mitigate its exposure to changes in interest rates. However, during the year ended and as at 30 April 2013, the Group had no such swap agreements outstanding. The Group also may at times hold cash and cash equivalents which earn interest at a variable rate.

Net variable rate debt sensitivity

At 30 April 2013, based upon the amount of variable rate debt outstanding, the Group's pre-tax profits would change by approximately £7m for each one percentage point change in interest rates applicable to the variable rate debt and, after tax effects, equity would change by approximately £4m. The amount of the Group's variable rate debt may fluctuate as a result of changes in the amount of debt outstanding under the senior secured credit facility.

Currency exchange risk

Currency exchange risk is limited to translation risk as there are no transactions in the ordinary course of business that take place between foreign entities. The Group's reporting currency is the pound sterling. However, the majority of our assets, liabilities, revenue and costs is denominated in US dollars. The Group has arranged its financing such that, at 30 April 2013, virtually all of its debt was denominated in US dollars so that there is a natural partial offset between its dollar-denominated net assets and earnings and its dollar-denominated debt and interest expense. At 30 April 2013, dollar-denominated debt represented approximately 71% of the value of dollar-denominated net assets (other than debt).

The Group's exposure to exchange rate movements on trading transactions is relatively limited. All Group companies invoice revenue in their respective local currency and generally incur expense and 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. Where the Group does hedge, it maintains appropriate hedging documentation. Foreign exchange risk on significant non-trading transactions (e.g. acquisitions) is considered on an individual basis.

Resultant impacts of reasonably possible changes to foreign exchange rates

Based upon the level of US operations and of the US dollar-denominated debt balance and US interest rates at 30 April 2013, a 1% change in the US dollar-pound exchange rate would have impacted our pre-tax profits by approximately £2m and equity by approximately £6m. At 30 April 2013, the Group had no outstanding foreign exchange contracts.

CREDIT RISK

The Group's principal financial assets are cash and bank balances and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group's maximum exposure to credit risk is presented in the following table:

	2013 £m	2012 £m
Cash and cash equivalents	**20.3**	23.4
Trade and other receivables	**218.6**	178.0
	238.9	201.4

Substantially all of the Group's cash and cash equivalents at 30 April 2013 are deposited with a large UK-based financial institution which is not expected to fail.

The Group has a large number of unrelated customers, serving almost 500,000 during the financial year, and does not have any significant credit exposure to any particular customer. Each business segment manages its own exposure to credit risk according to the economic circumstances and characteristics of the markets they serve. The Group believes that management of credit risk on a devolved basis enables it to assess and manage it more effectively. However, broad principles of credit risk management practice are observed across the Group, such as the use of credit reference agencies and the maintenance of credit control functions.

LIQUIDITY RISK

Liquidity risk is the risk that the Group could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment.

The Group generates significant free cash flow (defined as cash flow from operations less replacement capital expenditure net of proceeds of asset disposals, interest paid and tax paid). This free cash flow is available to the Group to invest in growth capital expenditure, acquisitions and dividend payments or to reduce debt.

In addition to the strong free cash flow from normal trading activities, additional liquidity is available through the Group's ABL facility. At 30 April 2013, excess availability under the $1.8bn facility was $667m (£429m).

Contractual maturity analysis

Trade receivables, the principal class of non-derivative financial asset held by the Group, are settled gross by customers.

The following table presents the Group's outstanding contractual maturity profile for its non-derivative financial liabilities, excluding trade and other payables which fall due within one year. The analysis presented is based on the undiscounted contractual maturities of the Group's financial liabilities, including any interest that will accrue, except where the Group is entitled and intends to repay a financial liability, or part of a financial liability, before its contractual maturity. The undiscounted cash flows have been calculated using foreign currency exchange rates and interest rates ruling at the balance sheet date.

23 Financial risk management continued

At 30 April 2013

	Undiscounted cash flows – year to 30 April						
	2014 £m	2015 £m	2016 £m	2017 £m	2018 £m	Thereafter £m	Total £m
Bank and other debt	–	–	721.3	–	–	–	721.3
Finance leases	2.2	0.6	0.1	–	–	–	2.9
6.5% senior secured notes	–	–	–	–	–	321.3	321.3
	2.2	0.6	721.4	–	–	321.3	1,045.5
Interest payments	37.2	37.1	37.1	20.9	20.9	87.9	241.1
	39.4	37.7	758.5	20.9	20.9	409.2	1,286.6

Letters of credit of £24m (2012: £15.3m) are provided and guaranteed under the ABL facility which expires in March 2016.

At 30 April 2012

	Undiscounted cash flows – year to 30 April						
	2013 £m	2014 £m	2015 £m	2016 £m	2017 £m	Thereafter £m	Total £m
Bank and other debt	–	–	–	545.7	–	–	545.7
Finance leases	2.1	1.3	0.4	–	–	–	3.8
9.0% senior secured notes	–	–	–	–	338.7	–	338.7
	2.1	1.3	0.4	545.7	338.7	–	888.2
Interest payments	44.0	44.3	44.9	45.7	10.2	–	189.1
	46.1	45.6	45.3	591.4	348.9	–	1,077.3

FAIR VALUE OF FINANCIAL INSTRUMENTS

Net fair values of derivative financial instruments

At 30 April 2013, the Group had no derivative financial instruments. The early repayment options included within the new $500m secured loan notes are closely related to the host debt contract and hence, are not accounted for separately. The loan notes are carried at amortised cost. At 30 April 2012 the early repayment options in the Group's $550m secured loan notes were accounted for separately and had a fair value of £7.2m.

Fair value of non-derivative financial assets and liabilities

The table below provides a comparison, by category of the carrying amounts and the fair values of the Group's non-derivative financial assets and liabilities at 30 April 2013. 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 of financial assets and liabilities. Where market values are not available, fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest and exchange rates.

	At 30 April 2013		At 30 April 2012	
	Book value £m	**Fair value £m**	Book value £m	Fair value £m
Fair value of non-current borrowings:				
Long-term borrowings				
Fair value determined based on market value				
– first priority senior secured bank debt	**721.3**	**721.3**	545.7	545.7
– 6.5% senior secured notes	**321.3**	**353.4**	–	–
– 9.0% senior secured notes	**–**	**–**	338.7	354.2
	1,042.6	**1,074.7**	884.4	899.9
Fair value determined based on observable market inputs				
– finance lease obligations	**0.7**	**0.8**	1.7	1.8
Total long-term borrowings	**1,043.3**	**1,075.5**	886.1	901.7
Deferred costs of raising finance	**(11.0)**	**–**	(10.5)	–
	1,032.3	**1,075.5**	875.6	901.7

Fair value of other financial instruments held or issued to finance the Group's operations:

Fair value determined based on market value				
Finance lease obligations due within one year	**2.2**	**2.3**	2.1	2.3
Trade and other payables	**304.1**	**304.1**	265.6	265.6
Trade and other receivables	**(218.6)**	**(218.6)**	(178.0)	(178.0)
Cash and cash equivalents	**(20.3)**	**(20.3)**	(23.4)	(23.4)

24 Notes to the cash flow statement

A) CASH FLOW FROM OPERATING ACTIVITIES

	2013 £m	2012 £m
Operating profit before exceptional items and amortisation	**290.3**	181.3
Depreciation	**229.0**	199.8
EBITDA before exceptional items	**519.3**	381.1
Profit on disposal of rental equipment	**(14.4)**	(9.4)
Profit on disposal of other property, plant and equipment	**(1.4)**	(1.1)
Increase in inventories	**(2.4)**	(0.4)
Increase in trade and other receivables	**(25.4)**	(20.2)
Increase in trade and other payables	**22.7**	12.1
Exchange differences	**0.2**	–
Other non-cash movements	**2.7**	2.5
Cash generated from operations before exceptional items and changes in rental equipment	**501.3**	364.6

B) ANALYSIS OF NET DEBT

	1 May 2012 £m	Exchange movement £m	Cash flow £m	Non-cash movements £m	30 April 2013 £m
Cash and cash equivalents	(23.4)	(0.1)	3.2	–	(20.3)
Debt due within one year	2.1	–	(0.6)	0.7	2.2
Debt due after one year	875.6	39.1	111.2	6.3	1,032.2
Total net debt	854.3	39.0	113.8	7.0	1,014.1

Non-cash movements relate to the amortisation of prepaid fees relating to the refinancing of debt facilities and the addition of new finance leases in the year.

C) ACQUISITIONS

	2013 £m	2012 £m
Cash consideration paid	**33.8**	21.9

Notes to the consolidated financial statements continued

25 Acquisitions

During the year, Sunbelt completed the following acquisitions:

i) 20 November 2012 – the entire business and assets of JMR Industries, Ltd. ('JMR') for an initial consideration of £20.1m ($32m) with deferred consideration of up to $12m payable over the next three years depending on future profitability. JMR is a single location energy-related business, renting and selling equipment into the oil and gas industry.

ii) 28 December 2012 – the entire business and assets of Southern Boom & Scissor, Inc. ('SBS') for a cash consideration of £2.6m ($4.2m). SBS rents equipment to the convention services industry.

iii) 1 February 2013 – substantially all of the assets of Milwaukee High Lift, Inc. and Madison High Lift, Inc. (together 'MHL') for a cash consideration of £4.3m ($6.7m). MHL's business focuses exclusively on aerial work platform rentals.

iv) 11 March 2013 – the entire business and assets of Raider Pumping Services, L.P. ('Raider') for an initial consideration of £3.4m ($5.1m) with deferred consideration of up to $1.5m payable over the next three years depending on future profitability. Raider is a single location water transfer business focusing on the movement of water surrounding drilling sites in the Eagle Ford Shale basin in Texas.

v) 2 April 2013 – the entire issued share capital of Mid-Mountain Machinery, Inc. ('MMM') for a cash consideration of £3.4m ($5.1m). MMM is a single location equipment rental business located in Spokane, Washington.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group. The fair value adjustments for the MMM acquisition have been determined provisionally at the balance sheet date.

	Acquirees' book value £m	Fair value to Group £m
Net assets acquired		
Trade and other receivables	4.5	4.5
Inventory	0.3	0.4
Property, plant and equipment		
– rental equipment	9.8	10.9
– other assets	1.2	1.1
Cash and cash equivalents	0.1	0.1
Creditors	(0.2)	(0.2)
Deferred tax	–	(0.7)
Intangible assets (distribution and non-compete agreements and customer relationships)	–	14.8
	15.7	30.9
Consideration:		
– cash paid		33.8
– deferred consideration payable in cash		7.7
		41.5
Goodwill		10.6

Trade receivables at acquisition were £4.5m at fair value, with no provision for debts which may not be collected.

The goodwill arising can be attributed to the key management personnel and workforce of the acquired businesses and to the benefits the Group expects to derive from the acquisitions. None of the goodwill is expected to be deductible for income tax purposes.

JMR's revenue and operating profit in the period from the date of acquisition to 30 April 2013 were £10m ($16m) and £3m ($5m) respectively. Had the acquisition taken place on 1 May 2012 then Group reported revenue and operating profit for the year to 30 April 2013 would have been higher by £21m ($32m) and £6m ($9m) respectively. The contribution to revenue and operating profit of the remaining acquisitions completed in the year was not material.

Deferred consideration of up to $12m relating to JMR and up to $1.5m relating to Raider is payable, contingent on the acquirees meeting or exceeding certain earnings thresholds over the next three years. The fair value of the deferred consideration of £7.7m reflects management's expectation of the likelihood of the earnings targets being achieved and discounted at the Group's cost of debt.

26 Contingent liabilities

The Group is subject to periodic legal claims in the ordinary course of its business, none of which is expected to have a significant impact on the Group's financial position.

During the year, the Joint Committee on Taxation confirmed the terms of the preliminary agreement reached with the IRS Appeals team in relation to the audits of the tax returns of the Group's US subsidiaries for the four years ended 30 April 2009 and the audits are now closed. There is no significant impact on the financial statements as a result of the conclusion of these audits.

THE COMPANY

The Company has guaranteed the borrowings of its subsidiary undertakings under the Group's senior secured credit and overdraft facilities. At 30 April 2013 the amount borrowed under these facilities was £721.3m (2012: £545.7m). Subsidiary undertakings are also able to obtain letters of credit under these facilities and, at 30 April 2013, letters of credit issued under these arrangements totalled £24.1m ($37.5m) (2012: £15.3m or $24.9m). In addition, the Company has guaranteed the 6.5% second priority senior secured notes with a par value of $500m (£321m), issued by Ashtead Capital, Inc..

The Company has guaranteed operating and finance lease commitments of subsidiary undertakings where the minimum lease commitment at 30 April 2013 totalled £51.4m (2012: £55.3m) in respect of land and buildings of which £7.0m is payable by subsidiary undertakings in the year ending 30 April 2014.

The Company has guaranteed the performance by subsidiaries of certain other obligations up to £1.0m (2012: £1.0m).

27 Capital commitments

At 30 April 2013 capital commitments in respect of purchases of rental and other equipment totalled £335.3m (2012: £265.3m), all of which had been ordered. There were no other material capital commitments at the year end.

28 Events after the balance sheet date

On 10 May 2013, A-Plant acquired the entire issued share capital of Accession Group Limited ('Accession'), including its principal trading subsidiary Eve Trakway Limited for an initial consideration of £28m with deferred consideration of up to £7m payable over the next year depending on profitability. Accession, which is based in Derbyshire and has seven locations across the United Kingdom, is a specialist rental provider of temporary access solutions and traffic management to the events and industrial sectors.

In the year ended 31 March 2013, Accession Group reported revenue of £34m and profit before taxation of £4m. This period benefited from a significant amount of Olympic and Paralympic Games related work.

29 Related party transactions

The Group's key management comprise the Company's executive and non-executive directors. Details of their remuneration together with their share interests and share option awards are given in the Directors' Remuneration Report and form part of these financial statements.

30 Employees

The average number of employees, including directors, during the year was as follows:

	2013 Number	2012 Number
North America	**6,757**	6,444
United Kingdom	**1,960**	1,958
	8,717	8,402

31 Parent company information

A) BALANCE SHEET OF THE COMPANY

	Note	2013 £m	2012 £m
Current assets			
Prepayments and accrued income		**0.2**	0.1
Non-current assets			
Investments in Group companies	(g)	**363.7**	363.7
Deferred tax asset		**2.2**	1.1
		365.9	364.8
Total assets		**366.1**	364.9
Current liabilities			
Amounts due to subsidiary undertakings	(f)	**135.9**	111.3
Accruals and deferred income		**5.4**	4.1
Total liabilities		**141.3**	115.4
Equity			
Share capital	(b)	**55.3**	55.3
Share premium account	(b)	**3.6**	3.6
Capital redemption reserve	(b)	**0.9**	0.9
Non-distributable reserve	(b)	**90.7**	90.7
Own shares held by the Company	(b)	**(33.1)**	(33.1)
Own shares held through the ESOT	(b)	**(7.4)**	(6.2)
Retained reserves	(b)	**114.8**	138.3
Equity attributable to equity holders of the Company		**224.8**	249.5
Total liabilities and equity		**366.1**	364.9

These financial statements were approved by the Board on 19 June 2013.

GEOFF DRABBLE
Chief executive

SUZANNE WOOD
Finance director

B) STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital £m	Share premium account £m	Capital redemption reserve £m	Non-distributable reserve £m	Own shares held by the Company £m	Own shares held through the ESOT £m	Retained reserves £m	Total £m
At 1 May 2011	55.3	3.6	0.9	90.7	(33.1)	(6.7)	154.7	265.4
Total comprehensive income for the year	–	–	–	–	–	–	0.1	0.1
Dividends paid	–	–	–	–	–	–	(15.3)	(15.3)
Own shares purchased by the ESOT	–	–	–	–	–	(3.5)	–	(3.5)
Share-based payments	–	–	–	–	–	4.0	(1.5)	2.5
Tax on share-based payments	–	–	–	–	–	–	0.3	0.3
At 30 April 2012	55.3	3.6	0.9	90.7	(33.1)	(6.2)	138.3	249.5
Total comprehensive income for the year	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	(20.0)	(20.0)
Own shares purchased by the ESOT	–	–	–	–	–	(10.2)	–	(10.2)
Share-based payments	–	–	–	–	–	9.0	(6.3)	2.7
Tax on share-based payments	–	–	–	–	–	–	2.8	2.8
At 30 April 2013	**55.3**	**3.6**	**0.9**	**90.7**	**(33.1)**	**(7.4)**	**114.8**	**224.8**

C) CASH FLOW STATEMENT OF THE COMPANY

	Note	**2013 £m**	2012 £m
Cash flows from operating activities			
Cash generated from operations	(i)	**31.6**	20.0
Financing costs paid – commitment fee		**(1.4)**	(1.2)
Net cash from operating activities		**30.2**	18.8
Cash flows from financing activities			
Purchase of own shares by the ESOT		**(10.2)**	(3.5)
Dividends paid		**(20.0)**	(15.3)
Net cash used in financing activities		**(30.2)**	(18.8)
Change in cash and cash equivalents		**–**	–

D) ACCOUNTING POLICIES

The Company financial statements have been prepared on the basis of the accounting policies set out in note 1 above, supplemented by the policy on investments set out below.

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 is transferred to another subsidiary, 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.

E) INCOME STATEMENT

Ashtead Group plc has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006. The amount of the profit for the financial year dealt with in the accounts of Ashtead Group plc is £nil (2012: £0.1m). There were no other amounts of comprehensive income in the financial year.

F) AMOUNTS DUE TO SUBSIDIARY UNDERTAKINGS

	2013 £m	2012 £m
Due within one year:		
Ashtead Holdings PLC	**135.9**	111.3

31 Parent company information continued

G) INVESTMENTS

	Shares in Group companies	
	2013 £m	2012 £m
At 30 April	**363.7**	363.7

The Company's principal subsidiaries are:

Name	Country of incorporation	Principal country in which subsidiary undertaking operates
Ashtead Holdings PLC	England and Wales	United Kingdom
Sunbelt Rentals, Inc.	USA	USA
Sunbelt Rentals Industrial Services LLC	USA	USA
Empire Scaffold LLC	USA	USA
Ashtead Plant Hire Company Limited	England and Wales	United Kingdom
Ashtead Capital, Inc.	USA	USA
Ashtead Financing Limited	England and Wales	United Kingdom

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 Ashtead Holdings PLC is an investment holding company. The principal activities of Sunbelt Rentals, Inc., Sunbelt Rentals Industrial Services LLC, Empire Scaffold LLC and Ashtead Plant Hire Company Limited are equipment rental and related services while Ashtead Capital, Inc. and Ashtead Financing Limited are finance companies. Ashtead Group plc owns all the issued share capital of Ashtead Holdings PLC which in turn directly owns Ashtead Plant Hire Company Limited and Ashtead Financing Limited and indirectly owns Sunbelt Rentals, Inc., Sunbelt Rentals Industrial Services LLC, Empire Scaffold LLC and Ashtead Capital, Inc. through another subsidiary undertaking.

H) FINANCIAL INSTRUMENTS

The book value and fair value of the Company's financial instruments are not materially different.

I) NOTES TO THE COMPANY CASH FLOW STATEMENT

Cash flow from operating activities

	2013 £m	2012 £m
Operating profit	**1.0**	1.1
Depreciation	**0.1**	0.1
EBITDA	**1.1**	1.2
Increase in prepayments and accrued income	**(0.1)**	–
Increase in accruals and deferred income	**1.3**	0.9
Increase in intercompany payable	**26.6**	15.4
Other non-cash movement	**2.7**	2.5
Net cash inflow from operations before exceptional items	**31.6**	20.0

Ten year history

	2013	2012	2011	2010	2009	2008	2007	2006	IFRS 2005	UK GAAP 2004
In £m										
Income statement										
Revenue+	**1,361.9**	1,134.6	948.5	836.8	1,073.5	1,047.8	896.1	638.0	523.7	500.3
Operating costs+	**(842.6)**	(753.5)	(664.7)	(581.7)	(717.4)	(684.1)	(585.8)	(413.3)	(354.2)	(353.3)
EBITDA+	**519.3**	381.1	283.8	255.1	356.1	363.7	310.3	224.7	169.5	147.0
Depreciation+	**(229.0)**	(199.8)	(185.0)	(186.6)	(201.1)	(176.6)	(159.8)	(113.6)	(102.4)	(102.8)
Operating profit+	**290.3**	181.3	98.8	68.5	155.0	187.1	150.5	111.1	67.1	44.2
Interest+	**(43.6)**	(50.7)	(67.8)	(63.5)	(67.6)	(74.8)	(69.1)	(43.6)	(44.7)	(36.6)
Pre-tax profit+	**246.7**	130.6	31.0	5.0	87.4	112.3	81.4	67.5	22.4	7.6
Operating profit	**284.5**	178.2	97.1	66.0	68.4	184.5	101.1	124.5	67.1	16.2
Pre-tax profit/(loss)	**215.5**	134.8	1.7	4.8	0.8	109.7	(36.5)	81.7	32.2	(33.1)
Cash flow										
Cash flow from operations before exceptional items and changes in rental fleet	**501.3**	364.6	279.7	265.6	373.6	356.4	319.3	215.2	164.8	140.0
Total cash (used)/generated before exceptional costs and M&A	**(34.0)**	(9.4)	65.6	199.2	166.0	14.8	20.3	(5.2)	58.7	56.6
Balance sheet										
Capital expenditure	**580.4**	476.4	224.8	63.4	238.3	331.0	290.2	220.2	138.4	72.3
Book cost of rental equipment	**2,186.5**	1,854.1	1,621.6	1,701.3	1,798.2	1,528.4	1,434.1	921.9	800.2	813.9
Shareholders' funds	**682.5**	554.7	481.4	500.3	526.0	440.3	396.7	258.3	109.9	131.8
In pence										
Dividend per share	**7.5p**	3.5p	3.0p	2.9p	2.575p	2.5p	1.65p	1.50p	Nil	Nil
Earnings per share	**27.7p**	17.8p	0.2p	0.4p	12.5p	14.2p	0.8p	13.5p	5.2p	(9.9p)
Underlying earnings per share	**31.6p**	17.3p	4.0p	0.2p	11.9p	14.8p	10.3p	11.3p	3.2p	(0.7p)
In percent										
EBITDA margin+	**38.1%**	33.6%	29.9%	30.5%	33.2%	34.7%	34.6%	35.2%	32.4%	29.4%
Operating profit margin+	**21.3%**	16.0%	10.4%	8.2%	14.4%	17.9%	16.8%	17.4%	12.8%	8.8%
Pre-tax profit/(loss) margin+	**18.1%**	11.5%	3.3%	0.6%	8.1%	10.7%	9.1%	10.6%	4.3%	1.5%
Return on investment+	**16.2%**	12.0%	7.0%	4.6%	9.7%	14.0%	12.9%	14.7%	11.0%	6.9%
People										
Employees at year end	**9,085**	8,555	8,163	7,218	8,162	9,594	10,077	6,465	5,935	5,833
Locations										
Stores at year end	**494**	485	462	498	520	635	659	413	412	428

The figures for the years ended 30 April 2005 and later are reported in accordance with IFRS. Figures for 2004 are reported under UK GAAP and have not been restated in accordance with IFRS.

\+ Before exceptional items, amortisation and fair value remeasurements.

Additional information

Future dates

Quarter 1 results	4 September 2013
2013 Annual General Meeting	4 September 2013
Quarter 2 results	10 December 2013
Quarter 3 results	4 March 2014
Quarter 4 and year end results	18 June 2014

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