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Aggreko UK Limited
Directors' report and accounts for the year ended 31 December 2020

Registered number SC051093

Contents

Directors and advisers

Directors

The directors who served during the year and up to date of signing were:

Christopher Phillip Anthony Weston
Christopher Andrew Rason
Alan Thomas McDonald
Heath Stewart Drewett
Daniel Frederick Ibbetson
Peter Dilworth Kennerley (resigned 30th June 2020)
Simon David Thomson (appointed 1st July 2020)

Company secretary

Aggreko Generators Limited

Registered office

Overburn Avenue
Dumbarton
Dunbartonshire
G82 2RL

Independent auditor

KPMG LLP
St Vincent Plaza
319 St Vincent Street
Glasgow
G2 5AS

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 1YB

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh
EH2 4DF

Strategic report

The directors present their Strategic report for Aggreko UK Limited ('the Company') for the year ended 31 December 2020.

Review of business

The Company provides temporary power and temperature control solutions to customers who need them either quickly, or for a limited period of time. The Company also manufactures and sells temporary power and temperature control equipment to other group Companies.

The Company has continued to trade profitably. It is envisaged that this will continue in the future. The results for the year are set out in the profit and loss account. The financial condition for the Company is set out in the balance sheet and is considered to be satisfactory at 31 December 2020 with net assets of £241,646,000 (2019: £240,719,000).

Principal risks and uncertainties

The directors have carried out a robust assessment of the principal risks and uncertainties facing Aggreko, including those which would threaten our future performance, business model, solvency and liquidity. These are considered to relate to market dynamics, technology developments, talent management, change management, climate change, health & safety and cyber security. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 35 to 40 of Aggreko plc 2020 Annual Report and Accounts.

Coronavirus

As soon as the COVID-19 pandemic was declared we identified four priorities: looking after our people; maintaining our financial strength; supporting our customers; and emerging stronger.

As the pandemic continues to evolve, our primary concern remains the welfare of our people, their families and the local communities in which we work. We have followed the development of the further COVID-19 outbreaks and have implemented measures to protect our people, to prepare for further possible consequences of the virus and to continue to provide service to our customers.

In 2020 we learnt a lot about the impact of the pandemic on our business and how to manage it. Although it is still unclear how the current outbreaks will develop, we are more confident forecasting business performance in this environment than we were at the beginning of the outbreak. We will continue to follow developments closely and will take further action to protect our people and business as appropriate.

The uncertainty arising from the pandemic and governments' responses to it has been reflected in our Group Register of Principal Risks.

Brexit

In 2020, we finalised our preparations to mitigate any potential impact of the UK's exit from the EU on our business.

The end of the transition period on 31 December 2020 has not resulted in material disruption to Aggreko's supply chain or export of finished products so far. Although the introduction of new customs rules on movement of equipment and tax legislation (and the associated system changes) at short notice has made shipments between the UK and EU slower, we are developing the expertise to deal with them.

Strategic report *(continued)*

Key performance indicators

There are four Key Performance Indicators (KPI's) which are used as measures of the longer-term health of the business and to monitor progress in implementing the Company's strategic objectives. They are:

Customer loyalty - Net promoter score

The Net Promoter Score (NPS) measures the proportion of our customers who think we do an excellent job against those who think we are average or worse. Our NPS for 2020 was 64% (2019: 62%).

Employee turnover

We monitor permanent employee turnover as a reasonable proxy for how employees feel. It is measured as the number of employees who left the Company (other than through redundancy) during the period as a proportion of the total average employees during the period. We aim to keep permanent employee turnover below historic levels in order to retain the skill base that we have developed. Our employee turnover was 2.3% lower in 2020 at 12% (2019: 14.3%).

Revenue growth

We look at revenue growth over time and compare this to how the market has performed. The is calculated as revenue growth over the previous year. The revenue growth in 2020 was -3% (2019: -7%). The revenue decrease in 2020 is largely attributable to the global pandemic.

Operating profit margin

Our business has a large fixed cost base due to our fleet, therefore strong operating profit margins demostrate variable cost control and leverage of the fixed asset base. This is calculated as operating profit divided by revenue. The operating profit margin in 2020 was 4% (2019: 17%).

Financial risk management

The Company's operations result in some credit risk exposure. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made and the amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

The Company's operations also result in some foreign exchange risk as a result of foreign currency accounts receivable and accounts payable balances. The Group has a centralised treasury operation and one of the main objectives of this operation is to manage the financial risk arising from foreign exchange. Further details can be found on page 34 of the Aggreko plc 2020 Annual Report and Accounts.

Future outlook

The Company fully expects to make progress in 2021, which will be to improve on market share in the rental division of the business and improve profitablity with a focus on reducing both direct and indirect costs.

Section 172 Statement

In line with the reporting requirements of the Companies (Miscellaneous Reporting) Regulations 2018 for a separately identifiable section 172 (s172) statement, we have set out our stakeholders and how the matters set out in s172 of the Companies Act 2006 have been considered in Board discussions and decision-making.

Stakeholder engagement and the impact of that engagement on Board decisions and capital allocation is determined at Group level. Group stakeholders include employees, customers, suppliers, investors, the environment and the local communities where we operate. Further discussion of these stakeholders, in the context of the Group as a whole, including stakeholder concerns and engagement mechanisms in 2020, is provided on pages 46 to 49 of the Aggreko plc 2020 Annual Report and Accounts.

Strategic report *(continued)*

The Company's stakeholders are the same as those set out above for the Group, we discuss each one in turn below:

Engagement with UK Employees

Further discussion of our employee engagement mechanisms at Company level is provided in the employees section of the Directors' Report on page 5.

Engagement with Customers, Suppliers and Others

Customers: As a Company we maintain dialogue with our customers via voice of customer surveys which provide transactional and relationship-based feedback on what matters most to our customers. We use the industry standard NPS to measure our performance and customer loyalty. We use this score to identify areas for improvement. Our customer relationship management system also gives us a better understanding of customer requirements by analysing our operating history and service provision, improving the speed of our service delivery.

Suppliers: We engage with our suppliers, utilising the expertise of the dedicated global procurement team. We expect our suppliers to share our commitment to conducting business with integrity, honesty and in a socially responsible and sustainable way, and to work in partnership with us to achieve this goal. We expect all our suppliers to sign up to our Code of Conduct and ways of doing business. Subject to appropriate confidentiality and intellectual property protections, we also utilise development agreements and share field data with our key suppliers to innovate and drive performance improvements.

Environment: What we do, and the way that we do it, can affect the world around us. We take that responsibility seriously by focusing on working in safe, responsible and honest ways. From designing our equipment, to building, installing and operating it, health and safety is our top priority for our people, our customers and our communities. We are also progressive in the way we provide power, by looking into alternative fuels and developing renewable energies and storage solutions. We also aim to keep noise to a minimum and find ways to be more efficient with fuel burnt and energy used. Wherever we operate, we fully comply with regulations and follow strict standards for our equipment.

On 17 November 2020, Aggreko plc published net-zero targets for the Group, the Company is working to pursue programmes in support of these Group targets. Specifically, our Northern Europe business has been certified to the Carbon Trust Standard. The Carbon Trust Standard recognises organisations that follow best practice in measuring, managing and reducing their environmental impact, achieving year-on-year reductions in carbon dioxide emissions. The Northern Europe business and our manufacturing facility in Dumbarton have maintained certification to ISO 50001. These standards set out and validate a best practice approach to energy management, helping us to set a framework to continually improve energy performance . As part of this work, the Northern Europe business changed its electricity supplier for its service centres to a supplier offering 100% renewable electricity.

Local communities: As a Company we aim to contribute to the communities we work in, providing opportunities for local employment and training, investing in children's welfare, education and health and partnering with local charities. We seek to employ and train local people wherever we work; we also run an apprenticeship scheme at our manufacturing facility in Dumbarton.

Engagement with shareholders

We maintain regular dialogue with our holding company, ensuring that all business arrangements are approved in accordance with the Group delegated authorities and are in the long-term interests of the Company, in line with our purpose as a subsidiary of the Group: providing temporary power and temperature control solutions to customers and manufacturing equipment for other Group companies.

By order of the Board

DocuSigned by:
Alan McDonald
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Alan Thomas McDonald
Director
27th July 2021

Directors' report

The directors present their report and the audited accounts of the Company for the year ended 31 December 2020.

Future developments

The directors aim to maintain the management policies which have resulted in the company's success in recent years.

Results and dividends

The profit before tax for the financial year was £3,907,000 (2019: £23,286,000). No dividend was paid in the current year (2019: nil). The total profit for the financial year was transferred to reserves.

Directors and their interests

The directors of the Company during the year ended 31 December 2020, up to date of signing this report, are noted on page 1.

Employees

The Company is committed to promoting equal opportunities for all, irrespective of disability, ethnic origin, gender or any other considerations that do not affect a person's ability to perform their job.

The Company's policies for recruitment, training, career development and promotion of employees are based on the suitability of the individual and give those who are disabled equal treatment with the able bodied. Where appropriate, employees disabled after joining the Company are given suitable training for alternative employment with the Company or elsewhere in the Group.

The Company continues to operate team briefings throughout its business to keep employees informed of developments and plans, both in the Company and in the Group as a whole. Employees have access to the 'My Aggreko', an intranet based system which provides them with a wide range of information on the activities of the Group around the world. The annual and interim results of the Group are publicised extensively throughout the business and are made available to all employees.

The Company has an externally facilitated whistle blowing hotline, which gives access for all employees to a confidential, mutli-lingual service to report any cases of ethical non-compliance, bullying or discrimination.

It is the policy of the Company to consult employees and employee representatives wherever possible to support communication and thereby:

- provide information regarding the Company's performance;
- ensure that employees' views are known as part of the decision making process; and
- discuss matters of concern or importance, such as employment, personnel development and welfare.

The Aggreko Savings Related Share Option Scheme ('Sharesave') was launched in 1998 and a substantial number of employees have shareholding interests built up through this and other schemes.

Directors' report *(continued)*

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

DocuSigned by:
Helen Middlemist
DC30DE97D27B436...

Helen Middlemist
For and on behalf of Aggreko Generators Limited
Company Secretary
Overburn Avenue
Dumbarton
Dunbartonshire
G82 2RL
27th July 2021

Statement of Directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements 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. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Aggreko UK Limited

Opinion

We have audited the financial statements of Aggreko UK Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment and pension assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenues consist of routine, non-complex transactions that are subject to systematic processing.

We did not identify any additional fraud risks.

Independent auditor's report to the members of Aggreko UK Limited

Fraud and breaches of laws and regulations – ability to detect (continued)

We also performed procedures including:

- •Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.
- •Evaluated the business purpose of significant unusual transactions.
- •Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Gordon Herbertson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS
27th July 2021

Profit and loss account
Year ended 31 December 2020

	Note	Total before exceptional items 2020 £'000	Exceptional items (Note 4) 2020 £'000	2020 £'000	2019 £'000
Revenue	2	132,497	-	132,497	136,516
Cost of sales		(81,815)	(3,865)	(85,680)	(77,024)
Gross profit		50,682	(3,865)	46,817	59,492
Distribution costs		(46,324)	-	(46,324)	(51,463)
Administrative expenses		(24,459)	(13,265)	(37,724)	(25,771)
Other income		42,770	-	42,770	40,578
Operating profit	3	22,669	(17,130)	5,539	22,836
Finance income	5	-	-	-	1,128
Finance costs	6	(1,632)	-	(1,632)	(678)
Net finance income		(1,632)	-	(1,632)	450
Profit before income tax		21,037	(17,130)	3,907	23,286
Income tax expense on profit	8	(6,345)	3,254	(3,091)	(6,101)
Profit for the year		14,692	(13,876)	816	17,185

Statement of comprehensive income
Year ended 31 December 2020

	2020 £'000	2019 £'000
Profit for the year	816	17,185
Total comprehensive income	816	17,185

The results for each year arise wholly from continuing operations.

Balance Sheet
As at 31 December 2020

	Note	**2020 £'000**	2019 £'000
Fixed Assets			
Intangible assets	9	**16,615**	25,199
Property, plant and equipment	10	**64,294**	76,925
Investment in subsidiaries	11	**3,678**	3,678
		84,587	105,802
Current assets			
Inventory	12	**14,886**	18,103
Trade and other debtors	13	**208,605**	186,630
Cash and cash equivalents		**2,810**	-
		226,301	204,733
Creditors - amounts falling due within one year	14	**(55,634)**	(55,604)
Net current assets		**170,667**	149,129
Total assets less current liabilities		**255,254**	254,931
Creditors - amounts falling due after more than one year	15	**(10,254)**	(10,155)
Deferred tax	16	**(3,354)**	(4,057)
Net assets		**241,646**	240,719
Capital and reserves			
Called up share capital	17	**20**	20
Retained Earnings		**237,457**	236,641
Contributed capital	18	**4,169**	4,058
Total shareholders funds		**241,646**	240,719

The notes on pages 14 to 26 are an integral part of these financial statements.

The financial statements were authorised for issue by the board of directors on 27th July 2021 and were signed on its behalf by:

DocuSigned by:
Alan McDonald
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Alan Thomas McDonald
Director
27th July 2021

Statement of changes in equity
As at 31 December 2020

	Called-up share capital £'000	Contributed capital £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2020	20	4,058	-	236,641	240,719
Profit for the year	-	-	-	816	816
Total comprehensive income for year	-	-	-	816	816
Employee share awards (net of tax)	-	111	-	-	111
Balance as at 31 December 2020	**20**	**4,169**	-	**237,457**	**241,646**

As at 31 December 2019

	Called-up share capital £'000	Contributed capital £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2019	20	2,635	-	219,456	222,111
Profit for the year	-	-	-	17,185	17,185
Total comprehensive income for year	-	-	-	17,185	17,185
Employee share awards (net of tax)	-	1,423	-	-	1,423
Balance as at 31 December 2019	**20**	**4,058**	-	**236,641**	**240,719**

Notes to the accounts
for the year ended 31 December 2020

1. Accounting policies

Aggreko UK Ltd is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC051093 and the registered address is Overburn Avenue, Dumbarton, G82 2RL

a. Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods in these financial statements.

At the balance sheet date the Company had net current assets and net assets of £241.6m (2019: £240.7m). The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The directors of the Company have prepared projected cash flow information for the company through to December 2022. These forecasts have also modelled plausible downside scenarios which they believe have the potential to arise including a reduction in revenue and no return of major sporting events and music festivals in 2021. On the basis of these cash flow forecasts, in all modelled scenarios, the directors have concluded that the Company will not meet its liabilities as they fall due during the forecast period and therefore will need to find more funding from the parent which the parent has indicated its willingness to provide.

Since the outbreak of the pandemic Group Management's initial priority has been to understand better the potential impact on the Group's financing and liquidity, and to take prompt action to preserve the Group's financial position. As the situation has continued to develop with increasing uncertainty over its duration, Group Management have considered a range of scenarios to stress-test the Group's liquidity position for the period to December 2022. These show that even in the reasonably probable worst-case scenario, with appropriate mitigating actions, the Group are expected to remain within its financial covenants, while maintaining headroom under the existing committed facilities and covenants.

Although the ultimate parent is subject to a takeover offer, conditional upon the satisfaction (or, if applicable, waiver) of the Conditions set out in the Scheme Document published on 1 April 2021 (the "Scheme Document"), a) until such time as ownership changes the group continues to operate its banking and other financing facilities in accordance with its normal practice, sufficient to meet the day to day operations of the business, and b) in the event that the takeover proceeds and a change in ownership does occur, to the best of the directors knowledge and belief, and based upon the information disclosed by the prospective acquirers in the Scheme Document and related documents available at https://www.plc.aggreko.com/investors/investor-centre/offer, i) there is no indication that facilities to enable the group to manage its day to day cash flow will not continue to be available at the level of at least the existing committed facilities for the period covered by the most recent going concern forecasts (to 31 December 2022) and ii) there are no plans to liquidate any group company or cease the trading or activities of any group company within that same time frame.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

As a consequence, the directors are confident that the company will continue to meet its financial obligations as they fall due during the period to 31 December 2022 and therefore have prepared the financial statements on a going concern basis.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- disclosures in respect of transactions with wholly owned subsidiaries ;
- disclosures in respect of capital management;
- certain disclosures regarding leases;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel; and
- disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Aggreko PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

On the grounds of materiality, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments

b. Consolidation

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts as it and its subsidiaries are included by full consolidation in the consolidated accounts of its ultimate parent Aggreko plc, a company registered in Scotland.

Notes to the accounts
for the year ended 31 December 2020 (continued)

1. Accounting policies *(continued)*

c. Exceptional items

Exceptional items are items which individually or if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood. To monitor our financial performance we use a profit measure that excludes exceptional items.

We exclude these items because, if included, these items could distort understanding of our performance for the year and comparability between periods. The income statement has been presented in a columnar format, which separately highlights exceptional items. This is intended to enable users of the financial statements to determine more readily the impact of exceptional items on the results of the company.

Exceptional items for the year ended 31 December 2020 were £15.9M before taxation (2019: £nil) and are explained in Note 4 of the accounts.

d. Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a service to a customer as detailed below. Revenue arising from the assembly and sale of equipment is recognised at the point of delivery to the customer.

One of the Company's performance obligations is to provide rental contracts for the supply of temporary power, temperature control, oil-free compressed air and related services. In relation to this performance obligation revenue is recognised over time and can comprise a fixed rental charge and a variable charge related to the usage of assets or other services (including pass-through fuel).

The Company earns a fixed charge on certain contracts by providing agreed levels of power generation capacity to the customer and this is recognised when availability criteria in the contract are met. Variable charges are earned as the Company provides power or rental and associated services in accordance with contractual arrangements and are recognised as the power is produced or the service is provided.

A receivable is recognised by the Company when the service is provided to the customer. The majority of receivables are paid within or close to the payment terms.

Variable consideration
The Company is liable to penalties on certain contracts if we fail to fulfil the relevant performance obligation. If our assessment of these penalties means that it is highly probable that a significant reversal of the revenue recognised will occur they are netted against revenue.

Disaggregation of revenue
In Note 2 to the Accounts revenue from contracts with customers is disaggregated by geography and activity.

e. Property, Plant and Equipment

Property, plant and equipment are stated at historical purchase cost less accumulated depreciation.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all property, plant and equipment, other than freehold land and assets in the course of construction, at rates calculated to write-off the cost of each asset over its expected useful life. The principal periods of depreciation used are:

Freehold land and buildings:	25 years
Short leasehold land and buildings:	25 years or over life of lease when less than 25 years
Plant and Machinery:	1 to 25 years

Notes to the accounts
for the year ended 31 December 2020 (continued)

1. Accounting policies *(continued)*

f. Investments

Investments in subsidiary undertakings are stated in the balance sheet of the Company at cost, or nominal value of the shares issued as consideration where applicable, less provision for any impairment in value.

The Company evaluates the carrying value of investments in each financial year to determine if there has been an impairment in value, which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the income statement.

g. Grants

Capital grants in respect of additions to fixed assets are treated as deferred income and released to the profit and loss account over the estimated operational lives of the related assets.

h. Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value using the weighted average cost basis. Cost of raw materials, consumables and work in progress includes the cost of direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventory is written down on a case by case basis if the anticipated net realisable value declines below the carrying amount of the inventories. Net realisable value is the estimated selling price less cost to completion and selling expenses. When the reasons for a write-down of the inventory have ceased to exist, the write-down is reversed.

i. Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the accounts for the year ended 31 December 2020 (continued)

1. Accounting policies *(continued)*

j. Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange on the day the transaction occurs. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date.

k. Leased assets

Leases where substantially all of the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Rentals under operating leases are charged against operating profit on a straight line basis over the term of the lease.

l. Other operating income

Other operating income includes central management recharges and is accrued or deferred at the balance sheet date depending on the date of the most recent invoice and contractual terms. Royalties are accounted for in the period they become payable or receivable.

m. Research and development costs

All research expenditure is charged to the profit and loss account in the period in which it is incurred.

Development expenditure is charged to the profit and loss account in the period in which it is incurred unless it relates to the development of a new product or technology and it is incurred after the technical feasibility and commercial viability of the product has been proven, the development cost can be measured reliably, future economic benefits are probable and the company intends, and has sufficient resources to complete the development and to use or sell the assets. Any such capitalised development expenditure is amortised on a straight-line basis so that it is charged to the profit and loss account over the expected useful life of the resulting product or technology, which is currently deemed to be between three to six years.

n. Pensions and other post retirement benefits

The Company participates in the Group pension scheme operated by Aggreko plc, the Company's ultimate parent company. The pension scheme is a funded, contributory, defined benefit scheme. Assets are held separately from those of the Group under the control of the Directors of Aggreko Pension Scheme Trustee Limited. The pension scheme is subject to valuations at intervals of not more than three years by independent actuaries.

A valuation of the Group scheme was carried out as at 31 December 2017. In the intervening years, the actuary reviews the continuing appropriateness of the rates. Particulars of the valuation of the Group schemes are provided on page 148 note 28.A4 of Aggreko plc 2020 annual report. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is another member of the group.

The defined benefit scheme was closed to new employees joining the Company after 1 April 2002. For new employees joining after 1 April 2002, a defined contribution scheme has been introduced. Contributions to defined contribution plans are charged to the profit and loss account in the period in which they fall due. The Company provides no other post retirement benefits to its employees.

Notes to the accounts
for the year ended 31 December 2020 (continued)

1. Accounting policies *(continued)*

o. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Receivables (including accrued revenue) are considered immediately for impairment to reflect the possibility of future default or non-collectability. The company has taken advantage of the practical expedient in IFRS 9 to use a provision matrix to simplify the calculation where accounts receivable are split into various risk categories (e.g. based on Credit Rating Agencies) and then a percentage is applied to each category to obtain the impairment allowances. An example of the provision matrix is provided on page 116 of Aggreko plc 2020 annual report.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes to the accounts
for the year ended 31 December 2020 (continued)

2. Revenue

Analysis of revenue by geography:

	2020 £'000	2019 £'000
UK	**67,352**	91,089
Continental Europe	**10,954**	15,537
North America	**11,507**	2,136
Latin America	**611**	2,795
Middle East	**37,414**	23,378
Australasia	**2,866**	1,222
Africa	**1,705**	-
Asia	**88**	359
Total Revenue	**132,497**	136,516

Analysis of revenue by activity:

	2020 £'000	2019 £'000
Power Revenue	**28,975**	32,761
Temperature Control Rental	**10,222**	11,826
Service Revenue	**4,500**	7,005
Freight Revenue	**3,130**	4,584
Fuel Revenue	**9,262**	9,967
Other Revenue	**10,738**	11,410
Sale of equipment to Aggreko Group entities	**65,670**	58,963
Total Revenue	**132,497**	136,516

Included in the above is accrued income of £34,694,000 (2019: £32,747,000)

3. Operating profit

Operating profit is stated after charging/(crediting):

	2020 £'000	2019 £'000
Depreciation of property, plant and equipment	**14,714**	15,905
Amortisation of intangible assets	**1,939**	2,080
Gain on sale of property, plant and equipment	**(1,970)**	(934)
Lease expenses outwith IFRS 16 (small value/short term)	**509**	1,749
Services provided by the company's auditor		
- fees payable for the audit	**76**	49

Notes to the accounts
for the year ended 31 December 2020 (continued)

4. Exceptional items

The Directors believe that the impact of the COVID-19 pandemic, the lower oil price and the consequent deterioration in the short to medium term economic outlook, as well as the acceleration in the transition to lower carbon technologies presents a potential impairment indicator for certain of the companies assets and, as a result, we have carried out a detailed impairment review across all asset classes. We have concluded that the specific trigger for the potential impairment and the resulting impacts mentioned above was the World Health Organisation's declaration of the coronavirus outbreak as a pandemic on 11 March 2020. Following our review of all of the companies asset classes, there are three specific areas where we considered an impairment to be necessary as a result of the COVID-19 pandemic. These are Plant and Machinery, Inventory and Intangible assets totalling £15.9M (2019: £nil), summarised below.

In addition, it was decided to close three properties during 2020 as part of a business restructure. The right-of-use asset for the three properties were fully impaired totalling £1.2M (2019: £nil).

	Plant and Machinery	Inventory	Intangible assets	Freehold Properties	Total
Cost of Sales	473	3,392	-	-	**3,865**
Administrative Expenses	-	-	12,058	1,207	**13,265**
Total exceptional items	**473**	**3,392**	**12,058**	**1,207**	**17,130**

5. Employees and directors

Employees

	2020 £'000	2019 £'000
Wages and Salaries	**31,936**	36,371
Social security costs	**3,814**	3,698
Other pension costs	**3,002**	3,194
Share-based payments	**2,919**	3,090
Staff Costs	**41,671**	46,353

The average number of persons (including executive directors) employed by the Company during the year was:

By activity:	2020 No.	2019 No.
Administrative	**269**	282
Sales	**68**	60
Service and repair	**137**	198
Production	**67**	75
Technical development	**111**	43
	652	658

Directors

The directors' emoluments were as follows:

	2020 £'000	2019 £'000
Aggregate emoluments	**1,228**	1,267

Highest paid director

	2020 £'000	2019 £'000
Highest paid director's emoluments	**738**	648

The number of directors who exercised share options during the year of office was none (2019: none). The gain (before transaction costs and taxes) on options exercised by directors during the year was £nil (2019: £nil).

Directors' emoluments above relate to Alan Thomas McDonald, Christopher Andrew Rason and Daniel Frederick Ibbetson for the period during which they held office.

Christopher Phillip Anthony Weston and Heath Stewart Drewett are directors of Aggreko plc, the ultimate parent company and the details of their emoluments were disclosed in the Aggreko plc 2020 Annual Report and Accounts, pages 74 - 80. Their services to the Company were of a non-executive nature and their emoluments are deemed to be wholly attributable to their services as director of the ultimate parent company. Simon David Thomson's service to the company was of a non-executive nature and his emoluments are deemed to be wholly attributable to his services as Company Secretary of the ultimate parent company.

Notes to the accounts
for the year ended 31 December 2020 (continued)

6. Finance income

Finance income	2020 £'000	2020 £'000
Loan interest	-	1,128
Total finance income	-	1,128

7. Finance cost

Finance costs	2020 £'000	2020 £'000
Loan interest	(921)	-
Bank borrowings	(75)	(51)
IFRS16 Interest Expense	(636)	(627)
Total finance expense	(1,632)	(678)

8. Income Tax expense

Tax included in profit or loss	2020 £000	2019 £000
Current tax:		
UK corporation tax on profits for the year	4,972	6,795
Overseas tax	34	153
Adjustment in respect of prior periods	(1,212)	(1,206)
Total current tax expense for the year	3,794	5,742
Deferred tax:		
Origination and reversal of temporary differences	(2,266)	(775)
Adjustment in respect of prior periods	972	1,134
Impact of change in tax rate	591	-
Total deferred tax	(703)	359
Tax expense on profit	3,091	6,101

As part of the UK Budget in March 2020, changes to the UK corporation tax rates were announced including confirmation that the UK corporation tax rate will remain at 19% from 1 April 2020 and will not be reducing to 17% as was previously legislated for. As part of the UK Budget in March 2021, further changes to the UK corporation tax rates were announced. From 1 April 2023, the tax rate will be increased to 25%. This change was not substantively enacted at the Balance Sheet date and therefore its impact is not reflected in these financial statements. Had the change to 25% been substantively enacted at the Balance Sheet date the impact would be to increase the deferred tax liability by £1,059k.

The tax charge for the period is higher than the standard rate of corporation tax in the UK for the year ended 31 December 2020 of 19% (2019: 19%). The differences are explained below:

	Total before exceptional items 2020 £000	Exceptional items 2020 £000	Total 2020 £000	Total 2019 £000
Profit before tax	21,037	(17,130)	3,907	23,286
Profit multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	3,997	(3,255)	743	4,424
Effects of:				
Permanent differences	1,963		1,963	1,596
Impact of change in UK tax rate	591		591	
Adjustments to tax charge in respect of prior years	(240)		(240)	(72)
Overseas tax	34		34	153
Tax charge	6,345	(3,255)	3,091	6,101

Notes to the accounts
for the year ended 31 December 2020 (continued)

9. Intangible assets

	Software £'000	Development expenditure £'000	Total £'000
Cost			
At 1 January 2020	857	26,579	27,436
Additions	-	6,063	6,063
Disposals	(512)	(4,349)	(4,861)
Disposals – exceptional (Note 4)	-	(10,121)	(10,121)
At 31 December 2020	**345**	**18,172**	**18,517**
Accumulated amortisation and impairment			
At 1 January 2020	(177)	(2,060)	(2,237)
Amortisation	(86)	(1,853)	(1,939)
Disposals	-	4,211	4,211
Disposals – exceptional (Note 4)	-	(1,937)	(1,937)
At 31 December 2020	**(263)**	**(1,639)**	**(1,902)**
Net book value			
At 31 December 2020	**82**	**16,533**	**16,615**
At 1 January 2020	680	24,519	25,199

10. Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost:			
At 1 January 2020	41,741	158,792	**200,533**
Additions	1,297	5,289	**6,586**
Disposals	(1,021)	(10,664)	**(11,685)**
Transfers*	-	(9,422)	**(9,422)**
Reclassifications	(48)	48	-
At 31 December 2020	**41,969**	**144,043**	**186,012**
Accumulated depreciation:			
At 1 January 2020	(15,016)	(108,592)	**(123,608)**
Charge for the year	(1,787)	(12,927)	**(14,714)**
Disposals	954	10,066	**11,020**
Transfers*	-	7,264	**7,264**
Impairment – exceptional (Note 4)	(1,207)	(473)	**(1,680)**
At 31 December 2020	**(17,056)**	**(104,662)**	**(121,718)**
Net Book Value			
At 31 December 2020	**24,913**	**39,381**	**64,294**
At 31 December 2019	26,725	50,200	76,925

*Assets are transferred between group companies to meet local operating requirements.

Property, plant and equipment comprise owned and leased assets.	**2020 £'000**
Property, plant and equipment owned	**53,454**
Right-of-use assets	**10,840**
Net book value	**64,294**

Notes to the accounts
for the year ended 31 December 2020 (continued)

11. Investments

Shares in subsidiary undertakings	**£'000**
At 1 January 2020 and 31 December 2020	**3,678**

The subsidiary undertakings of Aggreko UK Limited at the year end, and main countries in which they operate are shown below.
All companies are wholly owned and incorporated in the principal country of operation and are involved in the supply of temporary power, temperature control and related services.

All shareholdings are of Ordinary Shares or other equity capital.

Company	**Country of incorporation**	**Registered address**
Aggreko Ireland Limited	Ireland	Riverside one, Sir John Rogerson's Quay, Dublin 2, DO2 X576, Ireland
Golden Triangle Generators Limited	UK	Aggreko House Orbital 2, Voyager Drive, Cannock, Staffordshire, WS11 8XP, England, United Kingdom
Aggreko Eurasia LLC *	Russia	Building 1, House 8, 2nd km Stariy Tobolsky Trakt, Tyumen, 625000, Russian Federation
Aggreko South East Europe S.R.L. **	Romania	Soseaua de Centura 7A, Tunari, Ilfov, 077180, Romania

* 1% holding in the ordinary share capital of Aggreko Eurasia LLC
**1% holding in the ordinary share capital of Aggreko South East Europe S.R.L.

The directors believe that the carrying value of the investments are supported by their underlying net assets.

12. Inventory

	2020	2019
	£'000	£'000
Raw materials and consumables	**11,723**	16,674
Work in progress	**3,163**	1,429
	14,886	18,103

Inventories are stated after provisions for impairment of £2,207,802 (2019: £1,884,336) and exceptional impairment of £3,392,000 (2019: £nil) (Note 4).

13. Trade and other debtors

	2020	2019
	£'000	£'000
Trade debtors	**3,968**	10,366
Amounts owed by group undertakings	**159,450**	134,871
Other debtors	**2,443**	917
Prepayments and accrued income	**42,744**	40,476
	208,605	186,630

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the accounts
for the year ended 31 December 2020 (continued)

14. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	19,636	21,435
Amounts owed to group undertakings	4,678	3,976
Other creditors and social security	4,835	12,220
Corporation tax	9,204	6,077
Accruals and deferred income	14,872	7,913
Bank overdraft	-	1,603
Lease Liability	2,409	2,380
	55,634	55,604

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. Creditors: amounts falling due after more than one year

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	311	311
Lease Liability	9,943	9,844
	10,254	10,155

Debt has been provided on a long term basis with no fixed repayment date. Interest is charged at a floating rate on the loan payable to Aggreko UK Finance Ltd ("AUFL").

16. Deferred Tax

Deferred tax is provided for in the accounts as follows:

Deferred tax liabilities / (assets)	Accelerated capital allowances £000	Other temporary differences £000	Derivative financial instruments £000	Total £000
At 1 January 2019	4,156	(458)	-	3,698
Charged / (credited) to income statement	509	(150)	-	359
Credited directly to other comprehensive income	-	-	-	-
At 1 January 2020	4,665	(608)	-	4,057
Charged / (credited) to income statement	(1,059)	356	-	(703)
Credited directly to other comprehensive income	-	-		-
At 31 December 2020	3,606	(252)	-	3,354

The net deferred tax liability due after more than one year is £3,354,000 (2019: £4,057,000).

Notes to the accounts
for the year ended 31 December 2020 (continued)

17. Called up share capital

	2020 £'000	2019 £'000
Allotted and fully paid:		
Equity		
200 (2018: 200) ordinary shares of 1p each	-	-
20,000 (2018: 20,000) deferred shares of £1 each	**20**	20
	20	20

Rights of deferred shares:

Deferred shares of £1 each:
a) holders have no right to receive any dividend in respect of such holding.
b) on a return of capital on a winding up or otherwise, will carry the right to a repayment of capital; but only after the holders of the ordinary shares have been paid the sum of £10,000 per share, or assets up to that amount per share.
c) have no right to receive notice of or to be present or to vote either in person or by proxy at any meeting of the Company.

18. Contributed capital

	£'000
At 1 January 2020	4,058
Net impact of share based payments - value of services performed	111
At 31 December 2020	**4,169**

19. Capital and other commitments

At 31 December, the Company had the following capital commitments

	2020 £'000	2019 £'000
Contracts for future capital expenditure not provided in the financial statements	**3,100**	623

Notes to the accounts
for the year ended 31 December 2020 (continued)

20. Lease liability

Right-of-use asset	Freehold properties	Vehicles, plant & equipment	Total
	£	£	£
Balance at 1 January 2020	8,857	3,232	12,089
Additions for the year - cost	1,219	1,128	2,347
Disposals for the year	-	(135)	(135)
Depreciation charge for year	(794)	(1,460)	(2,254)
Impairment	(1,207)	-	(1,207)
Balance at 31 December 2020	8,075	2,765	10,840

Impairment of Freehold properties relates to properties vacated before the lease end date as part of business restructure.

Maturity Analysis	Total
	£
Less than one year	2,469
One to five years	5,598
More than five years	11,710
Total undiscounded lease liabilities at 31 December	19,777
Impact of discounting	(7,425)
Lease Liabilities included in the balance sheet	12,352
Current	2,409
Non-Current	9,943

Amounts recognised in the income statement:

Depreciation charge of right-of-use assets	Freehold properties	Vehicles, plant & equipment	Total
	£	£	£
Balance at 31 December 2020	794	1,460	2,254

Impairment charge of right-of-use assets	Freehold properties	Vehicles, plant & equipment	Total
	£	£	£
Balance at 31 December 2020	1,207	-	1,206

Interest on lease liabilities	Freehold properties	Vehicles, plant & equipment	Total
	£	£	£
Balance at 31 December 2020	468	168	636

Total cash outflow for leases	Freehold properties	Vehicles, plant &	Total
	£	£	£
Balance at 31 December 2020	(1,118)	(1,601)	(2,719)

21. Related party transactions

During the year to 31 December 2020 there were no (2019: £nil) related party transactions with companies outside the Aggreko Group.

22. Controlling parties

The company's immediate parent company is Aggreko Holdings Ltd. The company's ultimate parent company and controlling party is Aggreko plc, a company incorporated in Scotland, which heads the only group into which the results of the company are consolidated. Copies of the group accounts of Aggreko plc are available available online from the Aggreko Investors' website: https://www.plc.aggreko.com/investors/investor-centre/2020-annual-report-summary