

Aggreko US Limited
Directors' Report and Financial Statements for the year ended 31 December 2015

Registered Number: SC341944

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Aggreko US Limited
For the year ended 31 December 2015

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Aggreko US Limited
For the year ended 31 December 2015

Directors and Advisors

Directors

The Directors during the year were:

Carole Cran
Ian R Ladd
Gavin Urwin (resigned 31 December 2015)

Company Secretary

Aggreko Generators Limited

Registered office

8th Floor
120 Bothwell Street
Glasgow
Scotland
G2 7JS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
141 Bothwell Street
Glasgow
G2 7EQ

Bankers

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

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh
EH2 4DF

Aggreko US Limited
For the year ended 31 December 2015

Strategic Report

The Directors present their strategic report of Aggreko US Limited for the year ended 31 December 2015.

Principal activities, review of the business and future developments

The principal activity of the Company is to act as an intermediate holding company for the Aggreko group. This is not expected to change in the foreseeable future.

Review of business

The Directors do not recommend the payment of a dividend (2014: \$nil). The loss for the year of \$14,750,518 (2014: profit of \$4,379,337) was transferred to reserves.

The Company's result for the financial year changed from a profit of \$4,379,337 in 2014 to a loss of \$14,750,518 in 2015. This was due to there being no dividend from parent undertakings.

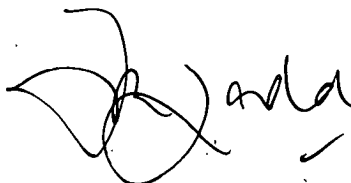
Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are determined by Aggreko Group. The key business risks and uncertainties affecting Aggreko Group are considered to relate to macro-economic activity, market conditions, change management relating to our new business priorities, talent management and succession planning, competition, technology, cyber security, service delivery, security, health and safety, failure to conduct business dealings with integrity and honesty, exchange controls, exchange rate fluctuations, taxation and failure to collect payments or recover assets. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 26 to 33 of Aggreko plc 2015 Annual Report.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Discussion on the KPIs affecting the Group as a whole is provided on pages 24 to 25 of Aggreko plc 2015 Annual Report and Financial Statements

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Ian R Ladd', with a checkmark below it.

Ian R Ladd
Director
8 June 2016

Aggreko US Limited
For the year ended 31 December 2015

Directors' Report

The Directors present their annual report and audited financial statements of the Company for the year ended 31 December 2015.

Results and dividends

The loss for the financial year after taxation was \$14,750,518 (2014: profit of \$4,379,337) and the Company is expected to be profitable in future years.

The Directors do not recommend the payment of any dividend (2014: \$nil).

At the balance sheet date the Company had net current liabilities of \$277,537,351 (2014: \$92,786,833).

Financial risk management

Given the size of the Company, the Group Directors have not delegated the responsibility of monitoring financial risk management. The policies set by the Group in respect of managing price risk, credit risk, liquidity risk and interest rate cash flow risk apply to the Company. These risks are discussed in the context of the Group as a whole on pages 116 to 117 of Aggreko plc 2015 Annual Report.

Future outlook

The Company expects to continue to act as an intermediate holding company for the Aggreko group.

Indemnity of officers

Under Article 154 of Aggreko plc's Articles of Association, Aggreko plc may indemnify any Director or other officer of the Company against any liability, subject to the provisions of the Companies Acts.

Under the authority conferred by Article 154, Aggreko plc has entered into a deed of indemnity with the directors. The indemnity does not apply to any claim which arises out of fraud, default, negligence or breach of fiduciary duty or trust by the indemnified person. This indemnity was in force during the financial year and up to the date of the signing of the financial statements. The indemnity is a qualifying third party indemnity.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS101 '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 including FRS101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Aggreko US Limited
For the year ended 31 December 2015

Directors' Report (continued)

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 of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

By Order of the Board



Peter D Kennerley
For and on behalf of Aggreko Generators Limited
Company Secretary
8 June 2016

Independent auditors' report to the members of Aggreko US Limited

Report on the financial statements

Our opinion

In our opinion, Aggreko US Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Income Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Graham McGregor (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
08 June 2016

Aggreko US Limited
Income Statement
For the year ended 31 December 2015

	Note	2015 \$	2014 \$
Income from shares in group undertakings		-	18,942,600
Finance income	2	443,404	387,242
Finance cost	3	<u>(18,942,600)</u>	<u>(18,942,600)</u>
(Loss) / Profit before taxation		(18,499,196)	387,242
Income tax on ordinary activities	4	<u>3,748,678</u>	<u>3,992,095</u>
(Loss) / Profit for the financial year		<u>(14,750,518)</u>	<u>4,379,337</u>

The accompanying notes form an integral part of this income statement.

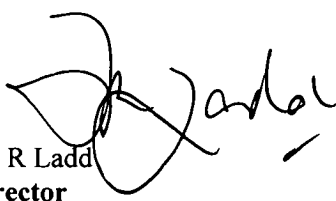
The results for each year arise wholly from continuing operations.

The Company has no recognised gains or losses for the year other than the (loss) / profit for the financial years and therefore no separate statement of comprehensive income has been presented.

Aggreko US Limited
Registered Number: (SC341944)
Balance Sheet
As at 31 December 2015

	Note	2015 \$	2014 \$
Fixed assets			
Investments	7	<u>580,000,000</u>	<u>580,000,000</u>
Current assets			
Other receivables	8	<u>13,015,069</u>	<u>27,765,587</u>
Creditors: amounts falling due with one year			
Other payables	9	<u>(290,552,420)</u>	<u>(120,552,420)</u>
Net current liabilities		<u>(277,537,351)</u>	<u>(92,786,833)</u>
Total assets less current liabilities		<u>302,462,649</u>	<u>487,213,167</u>
Creditors: amounts falling due after one year			
Other payables	10	<u>-</u>	<u>(170,000,000)</u>
Net assets		<u>302,462,649</u>	<u>317,213,167</u>
Shareholders' equity			
Share capital	11	145,000,001	145,000,001
Share premium		145,000,000	145,000,000
Retained earnings		<u>12,462,648</u>	<u>27,213,166</u>
Total shareholders' equity		<u>302,462,649</u>	<u>317,213,167</u>

The financial statements on pages 8-16 were approved by the Board on 8 June 2016 and were signed on its behalf by:


 Ian R Ladd
 Director

Aggreko US Limited
Statement of Changes in Equity
For the year ended 31 December 2015

	Called Up Share capital	Share premium	Retained earnings	Total Equity
	\$	\$	\$	\$
At 1 January 2014	<u>145,000,001</u>	<u>145,000,000</u>	<u>22,833,829</u>	<u>312,833,830</u>
Profit for the financial year	-	-	<u>4,379,337</u>	<u>4,379,337</u>
Total comprehensive income for the year ended 31 December 2014	-	-	<u>4,379,337</u>	<u>4,379,337</u>
At 31 December 2014	<u>145,000,001</u>	<u>145,000,000</u>	<u>27,213,166</u>	<u>317,213,167</u>
At 1 January 2015	<u>145,000,001</u>	<u>145,000,000</u>	<u>27,213,166</u>	<u>317,213,167</u>
Loss for the financial year	-	-	<u>(14,750,518)</u>	<u>(14,750,518)</u>
Total comprehensive income for the year ended 31 December 2015	-	-	<u>(14,750,518)</u>	<u>(14,750,518)</u>
At 31 December 2015	<u>145,000,001</u>	<u>145,000,000</u>	<u>12,462,648</u>	<u>302,462,649</u>

1. Accounting policies

A summary of the principal accounting policies are set out below.

a. Basis of accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework'(FRS101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities at fair values in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted –average exercise prices of share options; and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in rest of:
 - Paragraph 79(a)(iv) of IAS 1;
 - Paragraph 73 (e) of IAS 16 Property, plant and equipment
 - Paragraph 188(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10 (d), (statement of cash flows)
 - 10 (f) (a statement of financial position as at the beginning of the preceding period)
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements , including cash flow statements)
 - 38B-D (additional comparative information)
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'

Aggreko US Limited

Notes to the Financial Statements for the year ended 31 December 2015 (continued)

1. Accounting policies (continued)

a. Basis of accounting (continued)

- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirements for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

b. Changes in accounting policy and disclosures

New and amended standards adopted by the Company.

There are no new IFRSs or IFRICs that are effective for the first time this year that have a material impact on the Company.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2015 and not early adopted.

There are no IFRSs or IFRICs that are not yet effective that would be expected to have a material impact on the Company.

c. Going concern

After making enquiries, the directors considered it appropriate to adopt the going concern basis in preparing the financial statements.

d. Consolidation

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

e. Revenue recognition

Income from group undertakings is recognised when the Company's right to receive payment is established.

e. Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate ruling at the balance sheet date or, if appropriate, at a forward contract rate.

These financial statements are presented in US dollars as the Company's share capital is denominated in US dollars, and all transactions and cash flows are undertaken in US dollars. The closing rate of exchange to the US dollar at the balance sheet date was £1:\$1.48 (2014: £1:\$1.55) and the average rate of exchange to the US dollar throughout the year was £1:\$1.53 (2014: £1:\$1.65).

Aggreko US Limited**Notes to the Financial Statements for the year ended 31 December 2015 (continued)****1. Accounting policies (continued)****f. Investments**

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, the excess is written off to the income statement.

g. Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

h. Transition to IFRS

The Company's financial statements for the year ended 31 December 2015 are the first annual financial statements that comply with FRS 101 – Reduced Disclosure Framework. These financial statements have been prepared as described in Note 1a.

The Company's transition date is 1 January 2014. The Company prepared its opening IFRS balance sheet at that date. The reporting date of these financial statements is 31 December 2015. The Company's IFRS adoption date is 1 January 2015.

The comparative figures for 2014 have been restated accordingly. No adjustments were required to either profit or net assets.

2. Finance income

	2015 \$	2014 \$
Interest receivable from parent and other subsidiary undertakings	<u>443,404</u>	<u>387,242</u>

3. Finance cost

	2015 \$	2014 \$
Interest payable to parent undertakings	<u>18,942,600</u>	<u>18,942,600</u>

Aggreko US Limited
Notes to the Financial Statements for the year ended 31 December 2015 (continued)
4. Income Tax
Tax included in income statement:

	2015 \$	2014 \$
Current tax:		
UK corporation tax on profits for the year	(3,748,678)	(3,992,095)
Adjustments in respect of prior years	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(3,748,678)</u>	<u>(3,992,095)</u>

During the year the UK corporation tax rate was reduced from 21% to 20% with effect from 1 April 2015. This results in a UK corporation tax rate for the year ended 31 December 2015 of 20.25%.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 have already been substantially enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. Had this change been substantively enacted by the balance sheet date there would have been no impact on these financial statements.

The tax credit for the period is higher (2014: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 of 20.25% (2014: 21.5%). The differences are explained below:

	2015 \$	2014 \$
(Loss) / profit on ordinary activities before tax	(18,499,196)	387,242
(Loss) / profit multiplied by the standard rate of tax 20.25% (2014: 21.5%)	(3,746,087)	83,257
Effects of:		
Permanent differences	(2,590)	(2,693)
Impact of non taxable income from shares in group undertakings	-	(4,072,659)
Adjustments in respect of prior years	<u>-</u>	<u>-</u>
Tax credit for the year	<u>(3,748,678)</u>	<u>(3,992,095)</u>

5. Directors remuneration

None of the Directors received any emoluments during the year (2014: nil) in respect of their services to the Company, and consistent with the prior year, the Company has not been charged for any Directors' services.

No compensation for loss of office was paid to any director.

Aggreko US Limited**Notes to the Financial Statements for the year ended 31 December 2015 (continued)****6. Employees and audit fees**

The Company had no employees during the year (2014: nil). All audit fees were paid by Aggreko plc in both the current and preceding year. The portion attributable to the audit of the Company is \$3,130 (2014: \$3,130).

7. Investments**Cost and net book amount**

\$

At 1 January 2015 and 31 December 2015

580,000,000

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

The principal subsidiary undertakings of the Company at the year end was Aggreko USA LLC, a company incorporated in the USA, acting as a trading company within the Aggreko group. The investment represents 82.64% of the issued ordinary shares of this company.

8. Other receivables**2015****2014**

\$

\$

Amounts due in respect of group relief surrendered

4,038,956

3,992,095

Amounts owed by group undertakings

8,976,11323,773,492**13,015,069**27,765,587

Amounts owed by fellow subsidiary undertakings are unsecured, attract a market rate of interest and are repayable on demand.

9. Creditors: amounts falling due within one year**2015****2014**

\$

\$

Amounts owed to group undertakings

290,552,420120,552,420

\$120 million is an interest bearing loan from Aggreko Holdings Inc; interest being incurred at a rate of 6.14%. The loan is repayable in December 16.

\$170 million represents an interest bearing loan from Aggreko Holdings Inc; interest being incurred at a rate of 6.81%. The loan is repayable in April 2016.

Aggreko US Limited**Notes to the Financial Statements for the year ended 31 December 2015 (continued)****10. Creditors: amounts falling due after more than one year**

	2015	2014
	\$	\$
Amounts owed to group undertaking	<u>-</u>	<u>170,000,000</u>

This represents an interest bearing loan from Aggreko Holdings Inc; interest being incurred at a rate of 6.81%. The loan is repayable in April 2016.

11. Share capital

	2015	2014
	\$	\$
Allotted and fully paid: 145,000,001 (2014: 145,000,001) ordinary shares of \$1 each	<u>145,000,001</u>	<u>145,000,001</u>

12. Ultimate parent undertaking

Aggreko Holdings Inc, a company incorporated in the USA, is the Company's immediate parent undertaking. The ultimate parent undertaking and controlling party is Aggreko plc, a company incorporated in Scotland.

Aggreko plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements of Aggreko plc are available from 8th Floor, Aurora Building, 120 Bothwell Street, Glasgow G2 7JS.