Registered Number 06344129

Elliott Group Holdings (UK) Limited

Annual report and financial statements for the year ended 31 December 2010

Elliott Group Holdings (UK) Limited

Annual report

for the year ended 31 December 2010

Contents

Directors and advisers	2
Directors' report	3
Statement of directors' responsibilities	5
Independent auditor's report to the members of Elliott Group Holdings (UK) Limited	6
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Directors and advisers for the year ended 31 December 2010

Directors
M Eburne
I Thompson

Secretary
I Thompson

Registered office
Manor Drive
Peterborough
PE4 7AP

Auditor
Ernst and Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

Bankers
Barclays Bank plc
Level 28
1 Churchill Place
London
E14 5HP

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Directors' report for the year ended 31 December 2010

The directors present their report and the audited financial statements for the year ended 31 December 2010 Comparative figures are for the 11 month period ended 31 December 2009 and therefore the profit and loss account is not comparable as a result

Business review and principal activities

The company acted as a holding company for Elliott Group Holdings Limited and its subsidiary companies throughout the year

On 10 June 2010, the Company settled the unpaid share capital of its subsidiary undertaking, Elliott Group Holdings Limited, which has resulted in a reduction in investment and amounts owed to group undertakings of £52,599k This has been carried out by means of a solvency statement reduction of capital in accordance with the Companies Act 2006 in the wholly owned subsidiary company Elliott Group Holdings Limited

Results and dividends

The results for the year show a pre-tax loss of £26,376k (11 months to December 2009 £29,668k)

The directors do not recommend a final dividend for the year ended 31 December 2010 (11 months to 31 December 2009 £nil) and the total dividend for the year amounts to £nil (11 months to 31 December 2009 £nil)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks

The company has both interest bearing assets and interest bearing liabilities, which represent balances with other Elliott group companies and bank borrowings and are subject to either fixed interest rates or variable interest rates

The company is exposed to foreign exchange risk as a result of certain of its loans being denominated in Euros The company has entered into foreign exchange hedge agreements to mitigate this risk

Going concern

The company is part of the Algeco/Scotsman Holding Sarl Group of companies (the 'enlarged Group') The company, along with substantially all of the other global subsidiaries, acts as a co-guarantor to the enlarged Group's financing arrangements

The company has obtained confirmation from its ultimate parent company that adequate funding will be made available to enable the company to discharge its liabilities as they fall due With this support in place, the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis In the event that this financial support was not available then the going concern basis of preparation would no longer be appropriate and adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities

Key performance indicators

Given the size and straightforward nature of the company, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Directors' report for the year ended 31 December 2010 (continued)

Directors
The directors who served during the year were

P O'Kelly	(resigned 19 January 2010)
S Robertson	(resigned 10 June 2011)
M Dale	(resigned 10 June 2011)
I Thompson	
M Eburne	(appointed 19 January 2010)

Directors' qualifying third party indemnity provisions
The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report

Disclosure of information to auditors
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Re-appointment of auditors
In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Company

By order of the board

I Thompson
Secretary

24th October 2011

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Independent auditor's report to the members of Elliott Group Holdings (UK) Limited

We have audited the financial statements of Elliott Group Holdings (UK) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14 These financial statements have been prepared under the accounting policies set out therein

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition we read all the financial and non-financial information in the annual report and financial statements 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 company's affairs as at 31 December 2010 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

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Elliott Group Holdings (UK) Limited (continued)

Matters on which we are required to report by exception

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

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

Ernst & Young LLP.

Tony McCartney (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
Date: 28 October 2011

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Profit and loss account for the year ended 31 December 2010

	Note	Year ended 31 December 2010 £'000	Eleven months to 31 December 2009 £'000
Administrative expenses		(394)	-
Interest receivable and similar income	2	224	268
Interest payable and similar charges	3	(33,348)	(37,594)
Exchange gain		7,142	7,658
Loss on ordinary activities before taxation	4	(26,376)	(29,668)
Taxation	6	6,929	-
Loss for the financial year	12, 13	(19,447)	(29,668)

All of the above activities relate to continuing operations

The company has no recognised gains or losses other than those presented above and therefore no separate statement of total recognised gains and losses has been presented

Elliott Group Holdings (UK) Limited

Registered Number 06344129

Balance sheet as at 31 December 2010

	Note	31 December 2010 £'000	31 December 2009 £'000
Fixed assets			
Investments	7	**403,386**	455,985
Current assets			
Debtors amounts falling due after more than one year	8	**6,132**	5,907
Creditors: amounts falling due within one year	9	**(7,197)**	(62,400)
Net current liabilities		**(1,065)**	(56,493)
Total assets less current liabilities		**402,321**	399,492
Creditors: amounts falling due after more than one year	10	**(636,483)**	(614,207)
Net liabilities		**(234,162)**	(214,715)
Capital and reserves			
Called up share capital	11	**-**	-
Profit and loss account	12	**(234,162)**	(214,715)
Shareholders' deficit	13	**(234,162)**	(214,715)

The financial statements on pages 8 to 17 were approved by the board of directors on 24th October 2011 and were signed on its behalf by

I Thompson

I Thompson
Director

Elliott Group Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom A summary of the more important accounting policies, which have been reviewed by the Board of Directors in accordance with Financial Reporting Standards ('FRS') 18 'Accounting policies' and have been applied consistently, is set out below

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention

Group financial statements

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts on the grounds that it is a wholly owned subsidiary undertaking of Algeco/Scotsman Holding Sarl, a company incorporated in Luxembourg, and its subsidiary undertakings are included by full consolidation in the consolidated accounts of that undertaking Algeco/Scotsman Holding Sarl prepares its financial statements, in all material respects, in accordance with the EC 7th Directive

These financial statements represent information about the company as an individual undertaking and not about its group

The consolidated financial statements of Algeco/Scotsman Holding Sarl, in which the results of the company and its subsidiaries are included, are available from the address given in note 14

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements

The company is part of the Algeco/Scotsman Holding Sarl Group of companies (the 'Group') The company, along with substantially all of the other global subsidiaries acts as a co-guarantor to the Group's financing arrangements

The company has obtained confirmation from its ultimate parent company that adequate funding will be made available to enable the company to discharge its liabilities as they fall due With this support in place, the directors consider that it is appropriate for the financial statements to be prepared on a going concern basis In the event that this financial support was not available then the going concern basis of preparation would no longer be appropriate and adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts, to provide for further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities

Notes to the financial statements for the year ended 31 December 2010 (continued)

1. Accounting policies (continued)

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements'

Related party disclosures

The company is also exempt under the terms of the FRS 8 'Related Party Disclosures' from disclosing related party transactions with wholly owned group companies

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate Transactions in foreign currency are converted to sterling at the rate ruling at the date of transaction All differences on exchange are taken to the profit and loss account

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment Impairment reviews are performed by the directors when there has been an indication of potential impairment

Financial costs

Fees associated with group financing are capitalised and amortised over the period of the related instrument When loans are renegotiated finance costs associated to loans which are deemed to be modified are amortised over the new life of the loan Finance costs associated with loans which are cancelled are immediately expensed Interest costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount The rate used is that agreed with the counterparty to the loan

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, with the following exception

- A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on an undiscounted basis

Derivatives

The company uses foreign currency swaps to reduce exposure to foreign exchange rates The company also uses interest rate swaps to adjust interest rate exposures The company does not hedge account and has not adopted FRS 25 and 26 As a result, these swaps are carried at nil value

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 Interest receivable and similar income

	Year ended 31 December 2010 £'000	Eleven months to 31 December 2009 £'000
On intercompany balances	224	268
	224	268

3 Interest payable and similar charges

	Year ended 31 December 2010 £'000	Eleven months to 31 December 2009 £'000
On bank loans	14,313	31,104
On intercompany balances	17,046	1,397
Amortised loan fees	1,989	5,093
	33,348	37,594

4 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is charged after the following

	Year ended 31 December 2010 £'000	Eleven months to 31 December 2009 £'000
Management fee recharge from parent company	82	-
Audit remuneration	200	-
Legal and professional costs	112	-
	394	-

In 2009, the Auditor's remuneration of £5k was borne by the subsidiary company, Elliott Group Limited No specific recharge was made to the company

In 2010, the company received a management charge from its parent company of £82k, which relates to the distribution of central overheads to its subsidiaries

Audit remuneration of £200k relates to the work carried out in auditing the periods of one month to 31 January 2009 and 11 months to 31 December 2009 These costs were recharged in the current year and were previously borne by a fellow group company The legal and professional costs relate to the respective tax work of £102k and professional services of liaising with tax and audit and assisting the production of the said statutory financial statements of £10k

Notes to the financial statements for the year ended 31 December 2010 (continued)

5 Directors' emoluments and employee information

M Eburne and I Thompson, as well as both being directors of Elliott Group Holdings (UK) Limited, are also directors of Elliott Group Limited and fellow subsidiaries within the UK group These directors received total remuneration for the year of £626,000 (year ended 31 December 2009 £21,000), all of which was paid by the Elliott Group Limited The directors do not believe that it is practicable to apportion the amount between their services as directors of the company and their services as directors of the parent of the UK group and fellow UK subsidiary companies

There are no other employees

6 Taxation on loss on ordinary activities

a) Analysis of tax credit for the period

	Year ended 31 December 2010 £'000	Eleven months to 31 December 2009 £'000
Current tax		
UK Group relief current year	(1,115)	-
UK Corporation tax prior year	(5,814)	-
Tax credit on loss on ordinary activities	(6,929)	-

b) Factors affecting the current tax credit for the year

The differences between the tax amount shown above and the amount calculated by applying the current rate of UK tax to the loss before tax are as follows

	Year ended 31 December 2010 £'000	Eleven months to 31 December 2009 £'000
Loss on ordinary activities before tax	(26,376)	(29,668)
Loss on ordinary activities multiplied by the standard rate of UK corporation tax of 28%	(7,385)	(8,307)
Transfer pricing adjustments	-	1,860
Expenses not deductible for tax purposes	5,981	-
Unrelieved tax losses	-	6,447
Group relief not paid for	289	-
Adjustments to tax charge in respect of previous periods	(5,814)	-
Current tax credit for the period (see note 6a)	(6,929)	-

Adjustment to tax charge relates to amounts receivable for losses given up for group relief

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Taxation on loss on ordinary activities (continued)

c) Factors that may affect future tax charges

The group has losses carried at 31 December 2010 of £104m (31 December 2009 £120m) that are available indefinitely for offset against future profits of the group companies in which the losses arose Deferred tax losses have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group, and they have arisen in subsidiaries that have been loss-making for some time

In his budget of 23 March 2011, the Chancellor of the Exchequer announced tax rate changes, which, if enacted in the proposed manner, will have an effect on the Company's future tax position As at 31 December 2010, the tax rate changes announced in the Budget had not yet been 'substantively enacted' and as such, in accordance with accounting standards, the changes have not been reflected in the Company's financial statements as at 31 December 2010

The Finance (No 2) Act 2010 reduced the main rate of UK Corporation Tax from 28% to 27% from 1 April 2011 Additional changes to the main rate of UK Corporation Tax announced in the Budget reduced the main rate to 26% from 1 April 2011 and by 1% per annum to 23% by 1 April 2014 Deferred tax assets and liabilities at 31 December 2010 have been calculated at 27% and the reduction in the deferred tax asset/liability has been included within the tax charge for the year Further UK tax changes, subject to enactment, are a reduction from 1 April 2012 in the rate of capital allowances applicable to plant and machinery and to integral features from 20% to 18% and 10% to 8% respectively

The rate change and the capital allowance changes will also impact the future cash tax payment to be made by the company

7 Fixed asset investments

	Interests in group undertakings £'000
Cost and net book amount	
At 1 January 2010	455,985
Reduction in amount owed for subscribed share capital	(52,599)
At 31 December 2010	403,386

On 11 June 2010, the Company settled the unpaid share capital of its subsidiary, Elliott Group Holdings Limited, which has had an equal and opposite reduction in the amounts due to group undertakings of £52,599k This has been carried out by means of a solvency statement reduction of capital in accordance with the Companies Act 2006 in the wholly owned subsidiary company Elliott Group Holdings Limited

Interest in group undertaking

Name and activity of undertaking	Country of incorporation or registration	Description of shares held	Proportion of voting rights of issued shares held %
Subsidiary undertakings			
Ristretto Group (UK) Limited	British Virgin Isles	Ordinary Shares	100%
Elliott Group Holdings Limited	United Kingdom	Ordinary Shares	100%

Notes to the financial statements for the year ended 31 December 2010 (continued)

7 Fixed asset investments (continued)

The investment comprises of 100% share capital of Ristretto Group (UK) Limited and Elliott Group Holdings Limited The principal activity of both companies is to act as a holding company for companies within the Algeco/Scotsman Holding Sarl group

In the opinion of the directors the aggregate value of the investment is not less than the amount stated in the balance sheet

8 Debtors

	31 December 2010 £'000	31 December 2009 £'000
Amounts falling due after more than one year		
Amounts owed by group undertakings	6,132	5,907
	6,132	5,907

9 Creditors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Bank Loans	2,121	1,095
Accruals and deferred income	4,994	846
Amounts owed to group undertakings	82	60,459
	7,197	62,400

On 11 June 2010, the Company settled the unpaid share capital of its subsidiary undertaking, Elliott Group Holdings Limited, which has had an equal and opposite reduction in the investment of £52,599k This has been carried out by means of a solvency statement reduction of capital in accordance with the Companies Act 2006 in the wholly owned subsidiary company Elliott Group Holdings Limited

10 Creditors: amounts falling due after more than one year

	31 December 2010 £'000	31 December 2009 £'000
Bank loans	354,129	366,215
Amount owed to group undertakings	282,354	247,992
	636,483	614,207

Amounts owed to group undertakings are unsecured, have no fixed repayment date and carry an interest rate which is based upon EURIBOR plus an agreed margin

Notes to the financial statements for the year ended 31 December 2010 (continued)

10 Creditors: amounts falling due after more than one year (continued)

The gross obligations relating to bank loans to which the company is committed are

	31 December 2010 £'000	31 December 2009 £'000
Under one year	2,121	1,095
Between one and two years	2,121	2,190
Between two and five years	188,291	83,211
After five years	173,908	292,994
	366,441	379,490

During the period the bank loans carried interest at EURIBOR plus a margin of 3 125% and are repayable as above

This loan is secured by way of a fixed and floating charge over all property and present and future assets of substantially all group companies

Included within Bank Loans are amortised loan fees of £10,191k (2009 £12,180k) which are not included in the above analysis These fees are being amortised over the periods of the loans to which they relate

During the year loan fees totalling £nil (11 months to 31 December 2009 £2,463k) were incurred from TDR Capital LLP the ultimate controlling party In accordance with FRS 4 'Financial Instruments', these loan fees have been offset against the gross loans outstanding

11 Called up share capital

	31 December 2010 £	31 December 2009 £
Authorised		
1 ordinary share of £1	1	1
Issued and fully paid		
1 ordinary share of £1	1	1

12 Profit and loss account

	Profit and loss account £'000
At 1 January 2010	(214,715)
Loss for the year	(19,447)
At 31 December 2010	(234,162)

Elliott Group Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

13 Reconciliation of movements in shareholders' deficit

	31 December 2010 £'000
Shareholders' deficit as at beginning of year	(214,715)
Loss for the year	(19,447)
Shareholders' deficit as at end of year	**(234,162)**

14 Ultimate controlling party, immediate parent companies and guarantees

The immediate parent undertaking is Ristretto Investments Sarl a company registered in Luxembourg

Algeco/Scotsman Holding Sarl ("Parent") is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2010 The consolidated financial statements of Algeco/Scotsman Holding Sarl are available from 20, Eugene Ruppert, L-2453, Luxembourg

The Parent company has negotiated an external group debt facility under which certain of the Parent's subsidiaries are borrowers The company, along with substantially all the other global group companies, acts as a co-guarantor to these loan arrangements The total debt covered by the cross guarantees at the year end is €2,266,833k (2009 €2,158,015k)

The ultimate controlling party is TDR Capital LLP, an undertaking incorporated in England