

Aggreko Russia Finance Limited

Directors' Report and Financial Statements for the 52 week period ended 1 January 2022

Registered Number: SC547011



Aggreko Russia Finance Limited
For the 52 week period ended 1 January 2022

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Aggreko Russia Finance Limited
For the 52 week period ended 1 January 2022

Directors

Directors

The Directors during the period were:

Barry H Fitzsimmons
Heath S Drewett
Simon D Thomson

Company Secretary

Aggreko Generators Limited

Registered office

Lomondgate
Stirling Road
Dumbarton
Scotland
G82 3RG

Aggreko Russia Finance Limited
For the 52 week period ended 1 January 2022

Strategic Report

The Directors present their strategic report for Aggreko Russia Finance Limited for the period ended 1 January 2022.

Review of business

The principal activity of the Company is to act as a finance company for the Albion JVCo Limited group ('the Group'). This is not expected to change in the foreseeable future.

The Company's result for the financial period changed from a loss of £4,257,121 in the period ended 2 January 2021 to a profit of £1,595,093 in the period ended 1 January 2022 mainly due to exchange rate movements on the revaluation of intercompany balances.

Principal risks and uncertainties

The ability of Aggreko Eurasia LLC to repay the £5 million due and Aggreko Limited to repay the £9 million due are the principal risks to the company.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs, other than statutory measures of investments as reported on pages 6 and 7, are not necessary for and understanding of the development, performance or position of the business.


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, is provided on pages 2 to 4 of the Albion JVCo Limited 2021 Annual Report and Accounts.

Given the function of the Company as financing company for the Albion JVCo Limited Group, the Company has no employees; no suppliers or customers; and, no impact on the community or environment. Consequently the Company undertakes no separate stakeholder engagement activities for the above mentioned groups. Our only stakeholder relationship is with our holding company, Aggreko Holdings Limited. We maintain regular dialogue with our holding company, ensuring all financing 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 to provide financing for the Group.

On behalf of the Board

DocuSigned by:

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Barry H Fitzsimmons
Director
07 October 2022

Aggreko Russia Finance Limited
For the 52 week period ended 1 January 2022

Directors' Report

The Directors present their annual report and unaudited financial statements for the Company for the 52 week period ended 1 January 2022.

Results and dividends

The profit for the financial period of £1,595,093 (2 January 2021: loss of £4,257,121) was transferred to reserves. The Company is expected to be profitable in future years.

The Directors paid dividends of £12 million in the period (2 January 2021: £nil).

Going concern

After making enquiries, the directors considered it appropriate to adopt the going concern basis in preparing the financial statements, see note 1 for further details.

Directors and their interests

The directors of the Company during the 52 week period ended 1 January 2022, and up to the date of signing this report, are noted on page 2.

Financial risk management

Given the size of the Company, the Group Directors have not delegated the responsibility of monitoring financial risk management. The key financial risk to manage within the Company is the management of intercompany debtor and creditor balances, which the Group Directors have appropriate oversight over for the Group as a whole.

Future outlook

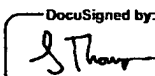
The Company expects to continue to act as a finance company for the Group.

Audit exemption

The directors confirm that that the company was entitled to exemption under section 479A of the Companies Act 2006 relating to a guarantee provided by its parent undertaking in accordance with section 479C from the requirement to have its financial statements for the financial period ended 1 January 2022 audited. The directors acknowledge their responsibility for:

- i. ensuring the company keeps accounting records which comply with section 386; and
- ii. preparing Accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period, and of its profit or loss for the financial period, in accordance with sections 393 and 394, and which otherwise comply with the requirements of the Companies Act relating to Accounts, so far as applicable to the company.

By Order of the Board

DocuSigned by:

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Simon D Thomson

Director

07 October 2022

Registered address: Lomondgate, Stirling Road, Dumbarton, Scotland, G82 3RG.

Aggreko Russia Finance Limited
For the 52 week period ended 1 January 2022

Statement of directors' responsibilities in respect of the Strategic Report, 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 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.

Aggreko Russia Finance Limited**Profit and Loss Account****For the 52 week period ended 1 January 2022**

	Note	1 Jan 2022 £	2 Jan 2021 £
Interest receivable and similar income	2	1,595,093	1,121,583
Interest payable and similar charges	3	<u>-</u>	<u>(5,378,704)</u>
Profit / (loss) before taxation		1,595,093	(4,257,121)
Income tax on profit / (loss)	4	<u>-</u>	<u>-</u>
Profit /(loss) for the financial period		<u>1,595,093</u>	<u>(4,257,121)</u>

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

The results for the period arise wholly from continuing operations and no recognised gains or losses for the period other than the profit / (loss) for the financial period and therefore no separate statement of comprehensive income has been presented.

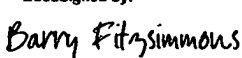
Aggreko Russia Finance Limited**Balance Sheet
As at 1 January 2022**

	Note	1 Jan 2022 £	2 Jan 2021 £
Current assets			
Other debtors	7	<u>13,866,808</u>	<u>24,975,396</u>
Creditors: amounts falling due within one year	8	<u>-</u>	<u>(660,324)</u>
Net current assets		<u>13,866,808</u>	<u>24,315,072</u>
Net assets		<u>13,866,808</u>	<u>24,315,072</u>
Shareholders equity			
Called up share capital	9	12	12
Share premium account		13,123,096	23,123,096
Profit and Loss Account		<u>743,700</u>	<u>1,191,964</u>
Total shareholders funds		<u>13,866,808</u>	<u>24,315,072</u>

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements on pages 6-14 were approved by the Board on 07 October 2022 and were signed on its behalf by:

DocuSigned by:

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Barry H Fitzsimmons
Director

Registered Number: (SC547011)

Aggreko Russia Finance Limited**Statement of changes in equity
For the 52 week period ended 1 January 2022**

	Called up Share capital	Share premium account	Profit and Loss Account	Total Equity
	£	£	£	£
At 29 December 2019	<u>11</u>	<u>13,507,833</u>	<u>5,449,085</u>	<u>18,956,929</u>
Total comprehensive income /(loss) for the period				
Loss for the financial period	<u>-</u>	<u>-</u>	<u>(4,257,121)</u>	<u>(4,257,121)</u>
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(4,257,121)</u>	<u>(4,257,121)</u>
Transactions with owners				
New share capital subscribed	<u>1</u>	<u>9,615,263</u>	<u>-</u>	<u>9,615,264</u>
Total contributions by and to owners	<u>1</u>	<u>9,615,263</u>	<u>-</u>	<u>9,615,264</u>
At 2 January 2021	<u>12</u>	<u>23,123,096</u>	<u>1,191,964</u>	<u>24,315,072</u>
At 3 January 2021	<u>12</u>	<u>23,123,096</u>	<u>1,191,964</u>	<u>24,315,072</u>
Total comprehensive income for the period				
Profit for the financial period	<u>-</u>	<u>-</u>	<u>1,595,093</u>	<u>1,595,093</u>
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>1,595,093</u>	<u>1,595,093</u>
Transactions with owners				
Reduction in share premium	<u>-</u>	<u>(10,000,000)</u>	<u>10,000,000</u>	<u>-</u>
Dividends paid	<u>-</u>	<u>-</u>	<u>(12,043,357)</u>	<u>(12,043,357)</u>
Total contributions by and to owners	<u>-</u>	<u>(10,000,000)</u>	<u>(2,043,357)</u>	<u>(12,043,357)</u>
At 1 January 2022	<u>12</u>	<u>13,123,096</u>	<u>743,700</u>	<u>13,866,808</u>

Aggreko Russia Finance Limited

Notes to the Financial Statements for the 52 week period ended 1 January 2022 (continued)

1. Accounting policies (continued)

b. Accounting period

The company's period end is defined as the Saturday which falls closest to the calendar year end date and in preparing its statutory accounts the company adopts the "7 day rule" as permitted by S392 of the Companies Act 2006. The period end date for the 2021 financial year was Saturday 1st January 2022 whilst the period end date for the 2020 comparator was Saturday 2nd January 2021.

c. Measurement convention

The financial statements are prepared on the historical cost basis.

d. Going concern

The Company's results and principal activity are set out in the Strategic Report and Directors' Report on pages 3 and 4.

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate, for the following reasons.

The Company is a wholly owned subsidiary within the Albion JVCo Group ("the Group"). At the balance sheet date the Company held net current assets of £13.9 million and net assets of £13.9 million.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due until 31 December 2023 and therefore have prepared the financial statements on a going concern basis.

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 financial statements of its ultimate parent Albion JVCo Limited, a company registered in England.

d. Other income

Interest income received and receivable is recognised using the effective interest method.

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.

Aggreko Russia Finance Limited
Notes to the Financial Statements for the 52 week period ended 1 January 2022

1. Accounting policies

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

a. Basis of accounting

Aggreko Russia Finance Limited is a private company incorporated, domiciled and registered in Scotland in the UK. The registered number is SC547011 and the registered address is Lomondgate, Stirling Road, Dumbarton, Scotland, G82 3RG.

The Company's ultimate parent undertaking, Albion JVCo Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Albion JVCo Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House.

The Accounts have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("IAS"). In applying FRS 101, the Company has made amendments where necessary in order to comply with the Companies Act 2006 and has set out below where FRS 101 disclosure exemptions have been taken:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- 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 Albion JVCo Limited 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 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and

Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

Aggreko Russia Finance Limited

Notes to the Financial Statements for the 52 week period ended 1 January 2022 (continued)

1. Accounting policies (continued)

f. Non-derivative financial instruments (continued)

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. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Amounts owed by group undertakings which are repayable on demand are classified as current assets in accordance with Schedule 1 of the Companies Act 2006.

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.

g. Impairments excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss (loss allowances for expected credit losses (ECLs)) in respect of a financial asset measured at amortised cost is calculated as the probability-weighted estimate of credit losses. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Aggreko Russia Finance Limited**Notes to the Financial Statements for the 52 week period ended 1 January 2022 (continued)****1. Accounting policies (continued)****h. Expenses****Interest receivable and Interest payable**

Interest payable and similar expenses include interest payable, finance expense on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

i. 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.

2. Interest receivable and similar income	1 Jan 2022	2 Jan 2021
	£	£
Interest receivable from fellow subsidiary undertaking	1,119,292	1,121,583
Exchange gain	<u>475,801</u>	<u>-</u>
	<u>1,595,093</u>	<u>1,121,583</u>
3. Interest payable and similar charges	1 Jan 2022	2 Jan 2021
	£	£
Exchange loss	<u>-</u>	<u>5,378,704</u>

Aggreko Russia Finance Limited**Notes to the Financial Statements for the 52 week period ended 1 January 2022 (continued)****4. Income tax****Tax included in income statement**

	1 Jan 2022	2 Jan 2021
	£	£
Current tax:		
UK corporation tax on profits/(losses) for the year	-	-
Adjustment in respect of prior periods	-	-
Tax on profit/(loss)	-	-

As part of the UK Budget in March 2021, changes to the UK corporation tax rates were announced. From 1 April 2023, the tax rate will be increased to 25%. This change was substantively enacted at the Balance Sheet date and therefore its impact is reflected in these financial statements.

The tax charge for the period is less than (2021: tax credit is less than) the standard rate of corporation tax in the UK for the year ended 1 January 2022 of 19% (2021: 19%). The differences are explained below:

	1 Jan 2022	2 Jan 2021
	£	£
Profit/(loss) before tax	1,595,093	(4,257,121)
Profit/(loss) multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	303,068	(808,853)
Effects of:		
Permanent differences	(90,402)	1,021,954
Group relief claimed for which no payment is made	(212,666)	(213,101)
Tax charge	-	-

5. Dividends

	1 Jan 2022	1 Jan 2022	2 Jan 2021	2 Jan 2021
	£	£ per share	£000	£ per share
Final paid	<u>12,043,357</u>	<u>1,043,356</u>	-	-
	<u>12,043,357</u>	<u>1,043,356</u>	-	-

6. Directors' remuneration and employees

None of the Directors received any emoluments during the period in respect of their services to the Company and the Company has not been charged for any Directors' services. The Company had no employees during the period.

Aggreko Russia Finance Limited**Notes to the Financial Statements for the 52 week period ended 1 January 2022 (continued)****7. Other debtors**

	1 Jan 2022	2 Jan 2021
	£	£
Amounts owed by group undertakings	<u>13,866,808</u>	<u>24,975,396</u>

These balances are repayable on demand as classified as a current asset in accordance with Schedule 1 of the Companies Act 2006 and interest is charged at the market rate.

8. Creditors: amounts falling due within one year

	1 Jan 2022	2 Jan 2021
	£	£
Amounts owed to group undertakings	—	(660,324)
	<u>—</u>	<u>(660,324)</u>

Amounts owed to group undertakings, are denominated in Sterling and are unsecured, interest free and payable on demand.

9. Called up share capital

	1 Jan 2022	2 Jan 2021
	£	£
Allotted and fully paid:		
12 (2021:12) ordinary shares of £1 each	<u>12</u>	<u>12</u>

10. Ultimate parent undertaking

Aggreko Holdings Limited, a company incorporated in Scotland, is the Company's immediate parent undertaking. The ultimate parent undertaking and controlling party is Albion JVCo Limited, a company incorporated in England.

Albion JVCo Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 1 January 2022. The consolidated financial statements of Albion JVCo Limited are available from Companies House.

11. Post balance sheet events

On 1 March 2022, Aggreko Limited and its parent company Albion Acquisitions Limited announced that the board of directors of Aggreko has decided to sell the Group's Eurasian business, which is mostly in Russia. Until a sale is possible, the Eurasian business will operate independently from the rest of Aggreko. At this time, no further capital or resources will be invested in Eurasia and Aggreko will ring-fence the Eurasia business for financial purposes. At the balance sheet date a total of £5 million was receivable from Aggreko Eurasia LLC. This balance is no longer expected to be recovered and has therefore been impaired post year end.