

**Ashtead Financing Limited**

**Annual Report and Financial Statements**

**30 April 2019**



## **ASHTEAD FINANCING LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019**

The directors, in preparing this Strategic report, have complied with s414(c) of the Companies Act 2006.

#### **Review of the business and future developments**

The Company is a financing company within the Ashtead Group ('the Group').

During the year, the Company received interest on the outstanding balance due from Sunbelt Rentals, Inc. and Ashtead US Holdings, Inc. and will continue to do so for the foreseeable future.

The profit before taxation for the year to 30 April 2019 was \$110,952,000 (2018: \$105,950,000).

The directors expect the Company's activities to continue for the foreseeable future.

#### **Key performance indicators**

The Company's directors do not believe that there are any key performance indicators for the Company that are necessary or appropriate for an understanding of the development, performance or position of the Company. The Group, of which this company is a part, is discussed in the Ashtead Group plc Annual Report and Accounts for the year ended 30 April 2019, copies of which can be obtained from the address given in note 14 to the financial statements.

#### **Principal risks and uncertainties**

The principal risk faced by the Company is credit risk. This is attributable to the loans due from fellow subsidiaries, Sunbelt Rentals, Inc. and Ashtead US Holdings, Inc.. If these subsidiaries were unable to meet the interest payments due on the loans, it would have an adverse effect on the position of the Company. In the opinion of the Company's directors, this is unlikely as both entities are part of the Group's credit facilities which, at 30 April 2019, had availability of \$1,622m under a \$4.1bn asset-backed loan facility committed to December 2023.

#### **Approval of the Strategic report**

The Strategic report was approved by the Board on 29 November 2019 and has been signed by the Company secretary on its behalf.



E Watkins  
Director and Company secretary

29 November 2019

## **ASHTEAD FINANCING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2019**

The directors present their report together with the audited financial statements and auditor's report for the year ended 30 April 2019.

#### **Dividends**

An interim dividend of \$47,270,000 and final dividend of \$46,947,000 were declared and paid during the year making a total dividend of \$94,217,000 (2018: \$97,739,000).

#### **Directors**

The directors who served during the year and subsequently are as follows:

M Pratt  
E Watkins

There is no provision in the Articles of Association of the Company for retirement of directors by rotation.

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in force during the year and remain in force at the date of this report.

#### **Matters included in the Strategic report**

In accordance with s414C(11) of the Companies Act, included in the Strategic report is information relating to financial risk management and the future development of the business which would otherwise be required by Schedule 7 of the Large and Medium-sized Companies and Groups (accounts and reports) Regulations 2008 to be contained in the directors' report.

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

## **ASHTEAD FINANCING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2019 (continued)**

#### **Directors' responsibilities statement**

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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 year. 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; 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 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 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.

#### **Post balance sheet events**

After the balance sheet date, the Group refinanced its debt facilities, of which the Company is a joint guarantor. Further information is included in note 13 to the financial statements.

#### **Going concern**

The Company's operations and financial condition, together with factors likely to affect its future development, performance and condition are set out in this report and the Strategic report.

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

**ASHTEAD FINANCING LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2019 (continued)**

**Approval of the Directors' report**

The Directors' report set out on pages 2 to 4 was approved by the Board on 29 November 2019 and has been signed by the Company secretary on its behalf.



E Watkins  
Director and Company secretary

29 November 2019

## **ASSTEAD FINANCING LIMITED**

### **Independent Auditor's Report to the Members of Ashtead Financing Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Ashtead Financing Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

## **ASHTEAD FINANCING LIMITED**

### **Independent Auditor's Report to the Members of Ashtead Financing Limited (continued)**

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **ASHTEAD FINANCING LIMITED**

### **Independent Auditor's Report to the Members of Ashtead Financing Limited (continued)**

#### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

#### **Matters on which we are required to report by exception**


Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

#### **Use of our report**

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.



William Smith (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

29 November 2019



**INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2019**

	<u>Notes</u>	<u>2019</u> \$'000	<u>2018</u> \$'000
Investment income	4	105,950	105,950
Other operating income (net)	5	<u>5,002</u>	<u>—</u>
<b>Profit on ordinary activities before taxation</b>		<b>110,952</b>	<b>105,950</b>
Taxation	6	<u>(12,000)</u>	<u>(8,018)</u>
<b>Profit attributable to owners of the Company</b>		<b><u>98,952</u></b>	<b><u>97,932</u></b>

All amounts presented above are from continuing operations.

There were no other amounts of comprehensive income during the year and therefore no statement of comprehensive income has been presented.

**BALANCE SHEET AT 30 APRIL 2019**

	<u>Notes</u>	<u>2019</u> \$'000	<u>2018</u> \$'000
<b>Current assets</b>			
Amounts due from Group undertakings	7	<u>9,123</u>	<u>9,123</u>
<b>Non-current assets</b>			
Investments in subsidiaries	8	-	995,273
Amounts due from Group undertakings	7	<u>1,630,000</u>	<u>1,630,000</u>
		<u>1,630,000</u>	<u>2,625,273</u>
<b>Total assets</b>		<u>1,639,123</u>	<u>2,634,396</u>
<b>Current liabilities</b>			
Amounts due to Group undertakings	9	<u>630</u>	<u>1,000,638</u>
<b>Net current assets/(liabilities)</b>		<u>8,493</u>	<u>(991,515)</u>
<b>Total assets less current liabilities</b>		<u>1,638,493</u>	<u>1,633,758</u>
<b>Net assets</b>		<u>1,638,493</u>	<u>1,633,758</u>
<b>Equity</b>			
Share capital	10	200	200
Share premium account		1,625,073	1,625,073
Retained reserves	11	<u>13,220</u>	<u>8,485</u>
<b>Equity attributable to owners of the Company</b>		<u>1,638,493</u>	<u>1,633,758</u>

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the Board of directors on 29 November 2019.



M Pratt  
Director

# ASHTEAD FINANCING LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2019

	Share capital \$'000	Share premium account \$'000	Retained reserves \$'000	Total \$'000
At 1 May 2017	200	1,625,073	8,292	1,633,565
Total comprehensive income for the year	-	-	97,932	97,932
Dividends paid	-	-	(97,739)	(97,739)
At 30 April 2018	200	1,625,073	8,485	1,633,758
Total comprehensive income for the year	-	-	98,952	98,952
Dividends paid	-	-	(94,217)	(94,217)
<b>At 30 April 2019</b>	<b><u>200</u></b>	<b><u>1,625,073</u></b>	<b><u>13,220</u></b>	<b><u>1,638,493</u></b>

Total dividends of \$94,217,000 (2018: \$97,739,000), equivalent to \$471.08 (2018: \$488.69) per \$1 ordinary share, were paid to Ashtead Holdings PLC during the year.

The notes on pages 10 to 15 form part of these financial statements.

## **ASHTEAD FINANCING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2019**

#### **1 Accounting policies**

Ashtead Financing Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales under the Companies Act. The address of the registered office is 100 Cheapside, London, EC2V 6DT. The principal activities of the Company are set out in the Strategic report on page 1.

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

##### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and in accordance with applicable accounting standards. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the requirement of a cash flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group financial statements of Ashtead Group plc.

These financial statements are separate financial statements. The Company is exempt under s400 of the Companies Act 2006 from preparing group financial statements as its ultimate parent company, Ashtead Group plc, prepares consolidated financial statements. The Ashtead Group plc financial statements are available to the public and can be obtained as set out in note 14.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. There were no critical accounting estimates or judgements which have the potential to materially affect the results of the Company.

##### Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on page 1. The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Ashtead Group plc to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## ASSTEAD FINANCING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2019 (continued)

#### 1 Accounting policies (continued)

##### Changes in accounting policies and disclosures

The following new standards are effective for the first time this financial year, neither of which has a material impact on the Company:

- IFRS 9, 'Financial instruments' ('IFRS 9'), relates to the classification, measurement and recognition of financial assets and liabilities, impairment of financial assets and hedge accounting. There have been no changes to the measurement of the Company's financial assets or liabilities as a result of our adoption of IFRS 9, and no changes to the Company's level of provisioning as a result of our adoption of IFRS 9.
- IFRS 15, 'Revenue from Contracts with Customers' ('IFRS 15'), provides a five-step model of accounting for revenue recognition. The Company's adoption of IFRS 15 has had no impact as our accounting policies were already in line with IFRS 15.

There are no new IFRS or IFRIC Interpretations that are effective for the first time this financial year which have a material impact on the Company.

##### Functional currency

The functional currency of the Company is US dollars. These financial statements are presented in US dollars as the Company is a financing company for the Ashtead Group in relation to its US dollar denominated subsidiaries.

##### Investment income

Interest receivable is accrued on a time basis, based on the amount outstanding and at the effective interest rate applicable.

##### Investment in subsidiaries

Investments in subsidiary undertakings are stated at cost less any necessary provision for impairment.

For the purposes of determining any impairment of investments in subsidiaries, the recoverable amount is the greater of the net asset value and the value in use, calculated using cash flow projections based on financial plans covering a three-year period.

##### Financial instruments

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

## ASSTEAD FINANCING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2019 (continued)

#### 1 Accounting policies (continued)

##### Financial assets

##### *Loans and receivables*

Loans and other receivables that are not quoted on an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method.

##### Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

##### Taxation

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

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

#### 2 Directors' emoluments

M Pratt and E Watkins, the key management of the Company during the year, did not receive any emoluments in respect of their services as directors of Ashtead Financing Limited in either year. There have been no employees of the Company during the year other than the directors.

#### 3 Remuneration of auditor

The audit fee of \$1,500 was borne by Ashtead Group plc, the ultimate parent company in both the current and preceding year (2018: \$1,500). There were no non-audit services provided in either year.

#### 4 Investment income

	<u>2019</u> \$'000	<u>2018</u> \$'000
Interest receivable on amounts due from Group undertakings	<u>105,950</u>	<u>105,950</u>

# ASSTEAD FINANCING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2019 (continued)

### 5 Other operating income (net)

	<u>2019</u> \$'000	<u>2018</u> \$'000
Dividends received on investment in Group undertakings	1,000,275	-
Impairment of investment (note 8)	(995,273)	-
	<u>5,002</u>	<u>-</u>

### 6 Taxation

	<u>2019</u> \$'000	<u>2018</u> \$'000
<u>Analysis of charge</u>		
Current tax		
- UK corporation tax at 19% (2018: 19%)	12,000	8,018
- Adjustment to prior year	-	-
	<u>12,000</u>	<u>8,018</u>

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 19% (2018: 19%) for the year. The differences are explained below:

	<u>2019</u> \$'000	<u>2018</u> \$'000
Profit on ordinary activities before tax	<u>110,952</u>	<u>105,950</u>
Corporation tax at the UK statutory rate of 19% (2018: 19%)	21,080	20,131
Effects of:		
UK controlled foreign companies exemptions	(8,130)	(12,113)
Non-taxable income (dividends received from Group companies)	(190,052)	-
Non-deductible impairment of investment	<u>189,102</u>	<u>-</u>
Total taxation charge	<u>12,000</u>	<u>8,018</u>

### 7 Amounts due from Group undertakings

	<u>2019</u> \$'000	<u>2018</u> \$'000
<b>Due within one year</b>		
Accrued interest receivable	<u>9,123</u>	<u>9,123</u>
<b>Due after one year</b>		
- Sunbelt Rentals, Inc.	630,000	630,000
- Ashtead US Holdings, Inc.	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,630,000</u>	<u>1,630,000</u>

The loan of \$1bn to Ashtead US Holdings, Inc., a fellow Group subsidiary, is unsecured, matures on 31 March 2025 and carries interest at a fixed rate of 6.5%. The loan of \$630m to Sunbelt Rentals, Inc., a fellow Group subsidiary, is unsecured, matures on 31 March 2025 and carries interest at a fixed rate of 6.5%. Accordingly, the Company is not exposed to interest rate risk. The Company's exposure to credit risk is described under the Company's principal risks and uncertainties on page 1 of these financial statements.

In the opinion of the directors the carrying amount of the loans is a reasonable approximation of their fair value.

# ASHTEAD FINANCING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2019 (continued)

### 8 Investment

	Shares in Group undertakings \$'000
At 1 May 2018	995,273
Impairment	(995,273)
At 30 April 2019	<u>-</u>

The investment comprised 199 ordinary shares in Ashtead Financing (Ireland) Unlimited Company, a company incorporated in the Republic of Ireland where the Company holds 99% of the ordinary share capital of Ashtead Financing (Ireland) Unlimited Company. The principal activity of Ashtead Financing (Ireland) Unlimited Company was that of a financing company, and its registered office address is 10 Earlsfort Terrace, Dublin 2, D02 T380, Republic of Ireland. The Company received a dividend of \$1,000,275,259 during the year which both parties agreed to offset against the amount due to Ashtead Financing (Ireland) Unlimited Company. The Company subsequently impaired its investment in Ashtead Financing (Ireland) Unlimited Company as the net assets of Ashtead Financing (Ireland) Unlimited Company were no longer sufficient to support the carrying value of the Company's investment. Ashtead Financing (Ireland) Unlimited Company is now a dormant company.

### 9 Amounts due to Group undertakings

	<u>2019</u> \$'000	<u>2018</u> \$'000
Ashtead Financing (Ireland) Unlimited Company	-	1,000,000
Ashtead Holdings PLC	<u>630</u>	<u>638</u>
	<u>630</u>	<u>1,000,638</u>

The \$1,000,000,000 loan due to Ashtead Financing (Ireland) Unlimited Company was unsecured, did not bear interest and was settled during the year (see note 8).

### 10 Share capital

	<u>2019</u> Number	<u>2018</u> Number	<u>2019</u> \$'000	<u>2018</u> \$'000
Ordinary shares of \$1 each				
Allotted, called up and fully paid	<u>200,000</u>	<u>200,000</u>	<u>200</u>	<u>200</u>

### 11 Retained reserves

The retained earnings reserve represents the cumulative retained profits of the company.

## **ASSTEAD FINANCING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 2019** (continued)

#### **12 Contingent liabilities**

The Company is a joint guarantor of bank and other borrowing facilities of other Group undertakings under the Group's first priority secured credit facility. At 30 April 2019 the total amount borrowed under these facilities by the Company and others was \$2,622m (2018: \$2,088m). The Group is also able to obtain letters of credit under these facilities, which totalled \$50m at 30 April 2019 (2018: \$45m). In addition, the Company has guaranteed the 5.625%, 4.125%, 5.250% and 4.375% second priority senior secured notes with a par value of \$500m, \$600m, \$600m and \$600m respectively, issued by Ashtead Capital, Inc..

In October 2017, the European Commission opened a state aid investigation into the Group Financing Exemption in the UK controlled foreign company ('CFC') legislation. In common with other UK-based international companies, the Company may be affected by the outcome of this investigation and is therefore monitoring developments. If the preliminary findings of the European Commission's investigations into the UK legislation are upheld, we have estimated the Company's maximum potential liability to be £35m as at 30 April 2019. Based on the current status of the investigation, we have concluded that no provision is required in relation to this amount.

#### **13 Events after the balance sheet date**

As disclosed in note 12, the Company is a joint guarantor of the bank and other borrowing facilities of other Group undertakings under the Group's first priority secured credit facility and second priority senior secured notes. On 28 October 2019, Ashtead Group plc announced a 4.0% second priority senior secured notes offering of \$600m, due 2028, and a 4.25% second priority senior secured notes offering of \$600m, due 2029, by Ashtead Capital Inc.. The offering closed on 4 November 2019 with the net proceeds used to repurchase the \$500m, 5.625% second priority senior secured notes that were due to mature in 2024 and repay an element of the amount outstanding under the Group's first priority secured credit facility.

#### **14 Ultimate parent company and controlling party**

The ultimate parent company and controlling party is Ashtead Group plc, a company incorporated in the United Kingdom and registered in England and Wales, and the immediate parent company is Ashtead Holdings PLC, a company registered in England and Wales. Ashtead Group plc is the only group to consolidate these financial statements. Copies of the consolidated financial statements of Ashtead Group plc can be obtained from its registered office at 100 Cheapside, London, EC2V 6DT.