BOARD OF DIRECTORS

Leading with **experience.**

The Board of Directors currently consists of two Executive Directors and four Independent Non-Executive Directors.

Bill Shannon

Independent Chairman and Non-Executive Director

Committees

A R N

Skills

- Extensive financial expertise
- Sound practical understanding of corporate governance
- Deep appreciation of investor sentiment
- Extensive plc chairman experience

Experience

A highly experienced chairman, Bill has held plc board roles for over 29 years across businesses in branded retail and leisure, property, gaming and financial services. He is a Chartered Accountant (Scotland) and, after qualifying, began his career with Whitbread PLC in 1974, where he served as a Board Director for 10 years until his retirement in 2004.

Bill previously served as Chairman of the boards of LSL Property Services plc, Johnson Service Group plc, St. Modwen Properties plc, Aegon UK plc and Gaucho Grill Holdings Ltd. Bill has also served on the boards of Barratt Developments plc, Matalan plc and Rank Group plc.

Bill has served as an Ashtead Technology Board member since November 2021.

Allan Pirie

Chief Executive Officer

Committee

N

Skills

- Sound, proven leadership skills and a considered strategic approach
- Detailed understanding of the subsea market and sector with significant knowledge of commercial, customer and operational matters
- Customer and supplier relationship management
- Successful transaction and M&A experience

Experience

Allan joined Ashtead Technology as Chief Financial Officer in 2009 before becoming Chief Executive Officer in 2012. A qualified Chartered Accountant (Scotland), Allan has over 28 years' experience in the offshore energy industry having held previous roles as Chief Financial Officer at Triton Group, Commercial Director at Viking Offshore Services, Business Strategy Manager at ASCO and with KPMG in Aberdeen. Allan has served on the Board of the Ashtead Technology group of companies since 2009.

Ingrid Stewart

Chief Financial Officer

Skills

- Significant experience in corporate finance
- Successful transaction and M&A experience
- Strong technical acumen on financial matters
- Wide, in-depth knowledge of business management

Experience

Ingrid joined the Group as Chief Financial Officer in January 2021 and has over 26 years of experience in the offshore energy industry. Prior to joining the Group, Ingrid was a Corporate Development Director at EnerMech, a Director at Simmons & Company International and an Associate, Manager and Assistant Director at Deloitte. Ingrid is a qualified Chartered Accountant (Scotland). Ingrid joined the Board of the Ashtead Technology group of companies in January 2021.

Thomas Thomsen

Independent Non-Executive Director

Committees

A R N

Skills

- Deep knowledge of the renewable energy market
- Deep understanding of strategic processes
- Business development and customer focus

Experience

Having spent his entire career in the renewables sector, Thomas brings over 24 years of experience in the wind sector to the Ashtead Technology Board. Since April 2022 Thomas has served as Senior Vice President of Semco Maritime's renewables division. Thomas previously served as the Chief Strategy Officer of GE Onshore Wind International and was an Executive Director of AH Industries, Senior Vice President of VESTAS A/S and Chief Sales Officer at AREVA Wind. Thomas joined the Board in November 2021.

Tony Durrant

Independent Non-Executive Director

Committees

A R N

Skills

- Sound practical understanding of corporate governance
- Extensive financial reporting experience
- Significant understanding of audit processes and risk management
- Deep understanding of investor sentiment

Experience

Tony has over 35 years of experience in the energy & resources industry. Tony was Chief Executive Officer of Premier Oil Plc until December 2020, a position he had held since June 2014. He joined Premier Oil as Finance Director and a Director of the Board in June 2005. After qualifying as a Chartered Accountant with Arthur Andersen, he joined Lehman Brothers as an Analyst before joining their investment banking division. Tony has been a member of the Board since November 2021.

Jean Cahuzac

Independent Non-Executive Director

Committees

A R N

Skills

- Deep understanding of offshore and subsea markets, both in oil and gas, and renewables
- Extensive plc board experience
- Deep understanding of investor sentiment
- Sound practical understanding of business risk

Experience

Jean has held senior executive roles in the subsea services sector spanning a period of 40 years. He was appointed Chief Executive Officer of Acergy S.A. in 2008 and in 2011, post-merger, became the Chief Executive Officer of Subsea 7 S.A. Previously, Jean held senior executive roles in Transocean and Schlumberger Sedco Forex.

Since retiring from Subsea 7 as the CEO he has remained on its board as a non-executive director; he also holds non-executive board positions in Bourbon and Seadrill and serves as Chair of Evolen.

Jean was appointed to the Board on 20 March 2024.

Committee membership key

A Audit Committee

R Remuneration Committee

N Nomination Committee

Roles and responsibilities

Remuneration Committee

- Determines Directors' and senior management remuneration strategy and policy
- Oversees the implementation of our Remuneration Policy
- Reviews workforce remuneration, related policies and the alignment of incentives and rewards with culture

Read more on **page 47**

Audit Committee

- Promotes governance and our risk management framework
- Ensures the accuracy of our financial reporting
- Monitors the external auditor

Read more on **page 42**

Nomination Committee

- Recommends to the Board executive and non-executive appointments and succession planning
- Promotes employee engagement and diversity

Read more on **page 46**

Joe Connolly, a partner at private equity firm Buckthorn Partners, served on the Board of the Ashtead Technology group of companies from 2016 until his resignation in December 2023. Buckthorn, along with its co-investors, was previously majority shareholder in Ashtead Technology. Joe attended five Board meetings through 2023 but was temporarily excluded in October 2023 as a result of a potential conflict of interest. Joe was not considered independent given his link to the previous majority shareholder. Joe resigned in order to concentrate on other Buckthorn interests.

We were delighted to welcome Jean Cahuzac to the Board in March 2024. Jean brings extensive plc experience alongside a deep understanding of the subsea market and energy transition. Jean has also joined each of the Remuneration, Audit and Nomination Committees as a member.

CHAIRMAN'S INTRODUCTION

Committed to **high standards of governance.**

As Chairman of the Board, I am responsible for ensuring high standards of corporate governance and that a robust framework is in place to achieve successful delivery of our long-term strategy. Our clear governance structure ensures sound decision making, focused on long-term value creation, and is centred around the QCA Corporate Governance Code 2018 for small and mid-size quoted companies. The Board is focused on delivering shareholder value and meeting stakeholder expectations around leadership and oversight and ensures that both it and the business act responsibly in decisions, risk management and delivery of objectives in line with both our long-term strategy and our Company values. This section of the Annual Report outlines how we apply the principles of the QCA Code. There are no governance structures or practices that deviate from the QCA. We are aware that a revised QCA Code was published in 2023 and we will implement changes as appropriate going forward.

Our Group values reflect our corporate governance strategy by highlighting our culture of Agility, Collaboration and Excellence.

At Ashtead Technology we believe in doing the right thing, all of the time.

Board structure and composition

Our Board of Directors is set out on pages 36 to 37. Our Board composition remained unchanged throughout the majority of 2023 until Joe Connolly's resignation in December. Joe had served on the Ashtead Technology Board since 2016 and prior to IPO was the elected representative of our previous largest shareholders, Buckthorn Partners and APICORP. Joe's resignation followed the exit of Buckthorn Partners from the shareholder register in May 2023 to focus on his Buckthorn Partners interests.

In March 2024 we welcomed Jean Cahuzac to the Board. As a result, the Board currently comprises six Directors, consisting of two Executive Directors and four Independent Non-Executive Directors.

The Board ensures that there is a clear balance of responsibilities between the executive and the non-executive functions, and that no individual (or small group of individuals) can dominate the Board's decision making. The Board believes that it currently has a desirable range of different skills, experiences and backgrounds, further details of which can be found in the Board biographies on pages 36 to 37.

Leadership

My role as Chairman of the Board is separate to, and independent of, that of the CEO and each of us has clearly defined responsibilities.

The day-to-day responsibilities for the running of each of our Group companies is delegated to the executive and senior management. However, there are a number of matters where, because of their importance to the Group, it is considered appropriate to have enhanced oversight from the Board.

The Board therefore has a documented formal schedule of matters reserved for its approval, which is reviewed annually. This includes matters relating to:

- The Group's strategic aims and objectives
- The structure and capital of the Group
- Financial reporting, financial controls and dividend policy
- Internal controls, risk and the Group's risk appetite
- The approval of unusual and/or significant capital expenditures or disposals
- Effective communication with shareholders
- Any changes to Board membership or structure

There have been no changes to governance procedures during the year.

Risk management

All of the Board's decisions are discussed within the context of the risks involved. Effective risk management is central to achieving our strategic objectives and further details of the Group's internal process of managing risk are set out on pages 30 to 35.

Stakeholder engagement

We will continue to review and update our governance framework and our approach as the Group continues to grow and we will update the Corporate Governance statement in the AIM rule 26 section of the Company's website as required. A key focus of the QCA Code is the requirement for detailed expositions on stakeholder engagement and how the Directors have considered and applied their duties under s.172 of the Companies Act 2006. Our statements on these topics are detailed on pages 20 to 23.

Annual General Meeting

The Annual General Meeting of the Company will take place on 30 May 2024. The Notice of Annual General Meeting and the ordinary and special resolutions to be put to the meeting will be posted to shareholders within the appropriate timeframe and included on our website.

Bill Shannon

Chair of the Board

15 April 2024

CORPORATE GOVERNANCE STATEMENT

Focused on effective corporate governance.

The Ashtead Technology Board is committed to effective corporate governance. In this section we set out the arrangements the Board has put in place to ensure that it fulfils its corporate governance obligations, including compliance with the QCA Corporate Governance Code.

Strategy and long-term shareholder value

Our Board recognises the important role a robust governance framework plays in the successful delivery of our long-term strategy. A key role of our Board is to set and monitor the implementation of our Group strategy. This includes support and constructive challenge to executive management and the senior leadership team on how key decisions will deliver long-term shareholder value.

Our Group strategy is based on doing more for our customers through:

- Investing in fungible equipment that can support the fast-moving energy transition whilst being mindful of the global need for energy security and affordability
- Maintaining Ashtead Technology's position as a leading independent subsea equipment rental business
- Continuing to broaden the range of complementary equipment and services to support our customers' operations
- Leveraging Ashtead Technology's global footprint
- Augmenting organic growth through a clear and focused merger and acquisition strategy

QCA CODE VERIFIED VERSION ESTABLISHED 2013

The Board visited Ashtead Technology's headquarters over two days in May 2023 including site visits to all of the operational facilities located within Aberdeenshire. During this visit the Board met with key members of the senior leadership team both as a group and individually as part of its review of the ongoing vision for the Group, its direction and strategic priorities.

We have continued to make good progress on our strategy through 2023, as noted in our Chairman, CEO and CFO reports, and remain focused on continued delivery through 2024 and beyond.

More detail on our strategy can be found on page 5.

Our corporate culture

Ashtead Technology's culture is based around always doing the right thing and is embedded in our three core values ; Agility, Collaboration, Excellence.

On all of the Board's visits to the Company, the one thing that always strikes us is the passion and enthusiasm that emanates across all parts of the business and the feedback is consistent from other stakeholders who visit.

As a service company it is imperative that we embed a culture of wanting to do our best and this is consistently reinforced by the leadership team.

Meeting stakeholder needs and expectations

We consider our key stakeholders to be our employees, customers, suppliers, shareholders and the wider investment community, and government and regulatory bodies. Our s.172 statement and commentary on our stakeholder engagement can be found on page 20 of this report.

We are committed to engaging with our shareholders to ensure their needs and expectations are understood and our strategy and business model are clearly articulated. We have engaged with our investors at multiple points during the year, supplementing our full and half year road shows with adhoc investor calls, site visits and meetings held outside of the reporting cycle where availability and regulation allow. The Annual General Meeting is also an opportunity for the Company's Directors to meet with shareholders and address shareholders' questions. Investor presentations can be found on the Company's website.

Executive management provide regular updates on stakeholder engagement to the Board, including providing the Non-Executive Directors with all reports and feedback issued by analysts and brokers to support their understanding of the Group by the investment community.

Social and environmental responsibilities

As a Board of an AIM listed company we are fully aware of our social and environmental responsibilities. Our success is dependent on us acting responsibly at all times and this is embedded in our corporate values. We are focused on providing our employees a safe environment in which to work, protecting the environment and supporting our local communities.

Please refer to our Corporate Sustainability section on pages 14 to 19.

Effective risk management

The Board recognises the need for an effective and well-defined risk management process. The risk management framework and key risks facing the business are set out in pages 30 to 35.

Our internal Risk Management Committee has continued to meet quarterly, ensuring that there is a robust process in place for identifying, managing and monitoring risks relevant to the Group. The internal Risk Management Committee assesses the risk profile of the Group and how the risks arising from the Group's businesses are controlled, monitored and mitigated.

The Audit Committee has responsibility for reviewing the effectiveness of the Group's internal controls as set out in pages 42 to 45 and reports directly to the Board on these matters. The Audit Committee reviews and challenges the output from the internal Risk Management Committee at least once a year.

The Group does not currently have an internal audit function as day-to-day control is sufficiently exercised by the Group's Board of Directors. However, the Board will continue to monitor the need for this function as the Group grows and develops.

Recognising that there are inherent limitations in any control system and that any such system can only provide reasonable and not absolute assurance, the Board considers the controls in place are reasonable for a group of its size and complexity.

Maintain the Board as a well-functioning, balanced team led by the Chair

Our Board composition remained unchanged throughout most of the financial year.

CORPORATE GOVERNANCE STATEMENT *CONT.*

The Board currently comprises six Directors consisting of two Executive Directors and four Independent Non-Executive Directors. One additional Non-Independent Non-Executive Director (Joe Connolly) served on the Board until December 2023. Joe had served on the Board of our group of companies since 2016 as an elected representative of our previous largest shareholder, Buckthorn Partners, and remained on the Board post IPO. With Buckthorn and APICORP having sold their final shareholding during 2023, Joe has left the Board to focus on other Buckthorn Partners interests.

We were delighted to welcome Jean Cahuzac to the Board on 20 March 2024.

The Board aims to meet at least six times a year with seven Board meetings held during 2023 to consider strategy, performance and the framework of internal controls.

To enable the Board to discharge its duties, all Directors receive appropriate and timely information in advance of Board meetings. Board meetings are open and constructive, with every Director participating fully. All Directors attended all Board meetings with the exception of Joe Connolly who was temporarily excused for two of the meetings due to a potential conflict of interest prior to his resignation in December. As Jean Cahuzac was only appointed in March 2024 he did not attend any Board meetings in 2023.

The Board is satisfied that it is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and that all Directors of the Board have sufficient time, availability, skills and expertise to perform their roles.

Maintaining appropriate governance structure

The Board is committed to, and ultimately responsible for, high standards of corporate governance. It has a formal schedule of meetings and matters reserved for its attention, including approval of strategic plans and acquisitions, ensuring maintenance of sound risk management and internal controls, delegation of authority and other corporate governance matters.

The Board and its Committees have a formal agenda in place for each meeting, they receive appropriate and timely information and appropriate time is allotted to ensure that s.172 factors are discussed and taken account of during Board discussions and decision making.

The role of each member of the Board is clearly defined. The Chairman's principal responsibilities are to ensure that the Group and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The day-to-day management of the Group is carried out by the Executive Directors (CEO and CFO). The Independent Non-Executives are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

The Board has delegated specific responsibilities to the Audit, Remuneration and Nomination Committees, details of which are set out in the relevant sections of this report. Each Committee has written terms of reference setting out its duties, authority and reporting responsibilities. These are reviewed regularly by the Board to ensure they remain appropriate and reflect any changes in legislation, regulation or best practice. Their respective purposes are as follows:

- Audit Committee – primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditor relating to its accounting and internal controls, in all cases having due regard to the interests of shareholders. The Audit Committee meets at least twice a year.
- Nomination Committee – identifies and nominates, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The Nomination Committee meets at least once a year.
- Remuneration Committee – reviews the performance of the Executive Directors and determines their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of shareholders. The Remuneration Committee meets at least once a year.

The Committees have the necessary skills and knowledge to discharge their duties effectively.

The Chair and the Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintain that these will evolve over time, in line with the Group's growth and development.

Ensuring that the Directors have the necessary and up-to-date experience, skills and capabilities

The Board ensures that there is a clear balance of responsibilities between the executive and the non-executive functions, and that no individual (or small group of individuals) can dominate the Board's decision making. The Board believes that it currently has a desirable range of different skills, experiences and backgrounds. Biographies of the current Board of Directors can be found on pages 36 to 37.

The Board is deliberately represented by a diverse mix of individuals with varied experience across a number of industries and in both private and public companies. It is our intention that the individual or individuals we recruit as additional Non-Executive Directors bring some additional skills to the Board, including wider industry knowledge and/or additional diversity.

The Board is not dominated by any person or group of people. The Non-Executive Directors meet without the presence of the Executive Directors during the year, and also maintain ongoing communications with the Executive Directors between formal Board meetings.

All Board members remain professionally active and are given the opportunity to keep in touch with relevant developments through appropriate seminars to ensure the continued development of each Board member's skills and capabilities. All the Directors have appropriate skills and experience for the roles they perform, including as members of the Board Committees.

If required, the Directors are entitled to take independent legal advice and, if the Board is informed in advance, the Group will reimburse the cost of the advice.

Our Annual Report includes an Audit Committee report which can be found in pages 42 to 45, a Nomination Committee report on page 46, and a Remuneration Committee report in pages 47 to 50.

Evaluation of Board performance

The Nomination Committee is responsible for reviewing the composition of the Board as required under QCA Code point 7, including evaluating the skills, knowledge and experience of Board members. The Committee seeks to take into account any Board imbalances for future nominations.

In preparation for commencing the recruitment process for a new Independent Non-Executive Director, the Chair, and our executive search consultants obtained feedback on the effectiveness of the Board from each member through individual meetings as well as via a wider Board discussion, using a skills matrix to understand any gaps that could be filled with the appointment. The feedback from this review was discussed by the Nomination Committee in December 2023. The review confirmed that the Board has an appropriate mix of skills that provide a sufficient mix of governance, strategy, financial and industry knowledge, being the key criteria required. The Chair also confirmed that the performance of each of the Non-Executive Directors continues to be effective and each demonstrates commitment to their role, providing distinct and valuable input to the overall operation of the Board. No training activities or requirements were identified.

A Board effectiveness review was undertaken by the Chair in Q1 2024, the result of which was to spend more time on succession planning, sustainability, and people matters. The Chairman and CEO have met to take these items forward and there is a plan in place for the Board to discuss such matters in 2024. A Chair review was also undertaken by the Chair of the Audit and Remuneration Committees in Q1 2024 with no issues identified.

The Nomination Committee will meet again during 2024.

Establishing a Remuneration Policy based on clear and relevant objectives, seeking continuous improvement

The Remuneration Committee report can be found on pages 47 to 50. As part of the remuneration discussions in relation to the Executive Directors, it was noted that there was a need to align the remuneration policies with the market with a forward-looking view on some of the recommendations in the updated QCA Code and other regulatory reviews.

The Remuneration Committee sought assistance from external consultants to map the full packages including salaries, benefits, bonus and LTIP of the CEO and CFO in comparison to other listed groups with similar characteristics.
The Remuneration Committee believes the policies in place are clear, relevant and aligned with shareholders in ensuring continuous development and growth of the Group.

Promoting a corporate culture based on ethical values and behaviours

The Group's core values of Agility, Collaboration and Excellence are at the heart of everything we do, they define who we are, how we operate and what we stand for. A large part of the Group's success is due to continued and respectful dialogue with its employees, customers and other key stakeholders. The Group has a zero-tolerance approach to any form of discrimination, or any inappropriate unethical behaviour relating to bribery, corruption or business conduct in all territories in which it operates.

The Board sets the tone and promotes an ethical corporate culture by having documented policies, including; Modern slavery policy, Anti-money laundering and counter terrorism policy, Market Abuse Regulation procedure, Personal relations and conflict of interest policy, Employee handbook, Whistleblowing policy

These policies, as well as regular training, assist in embedding a culture of ethical behaviour for all employees.

The Group has a zero-tolerance approach to any form of discrimination, or any inappropriate unethical behaviour relating to bribery, corruption or business conduct in all territories in which it operates.

The Group has adopted a Share Dealing Policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation (EU) No 596/2014). The Group takes all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that Share Dealing Policy.

Communicating how the Group is governed and performing with shareholders and other relevant stakeholders

The Group maintains an active dialogue with its shareholders through a planned programme of investor relations. A range of information is included on the Group's website (www.ashtead-technology.com) and further information can be requested via Investor Relations (contact details included on website).

The Group communicates with its shareholders through:

- Annual Report and Accounts
- Half-year report announcements
- Regulation News Service (RNS) announcements
- Its Annual General Meeting
- One-to-one meetings with existing or potential new shareholders
- Webinar meetings/results presentations

AUDIT COMMITTEE REPORT

Monitoring risk and financial **integrity.**

The role of the Audit Committee is to monitor and review the integrity and adequacy of the Group's financial statements and reporting, the effectiveness of its internal financial control, audit and risk management processes, monitoring governance, and the appointment and performance of the external auditor.

This report summarises our membership and activities over the year.

Membership

Our Audit Committee met four times during 2023 with all members present, and comprised three independent Directors, Bill Shannon, Thomas Thomsen and myself, Tony Durrant, as Chair of the Committee. Jean Cahuzac joined the Committee on his appointment to the Board in March 2024.

The CFO, Ingrid Stewart, and the external auditor, BDO, have also attended parts of the Committee meetings where the attendance is relevant.

The Board has satisfied itself that the membership of the Audit Committee includes at least one Director with recent and relevant financial experience and that the Committee as a whole has competence in accounting and/or auditing and in the sector in which the Company operates. See pages 36 and 37 for details of relevant experience of Directors.

Committee activities

The Committee undertook the following activities during 2023:

- Oversaw and scrutinised the preparation of the financial statements for the year ended 31 December 2022;
- Scrutinised the content of the half year statements to 30 June 2023;
- Approved the approach taken with regards to audit input for full year reporting for 2023, including the approach to auditing ACE Winches both as part of the Group and as its own statutory entity;
- Reviewed and analysed both the approach and response to the letter received from the FRC following their review of our 2022 Annual Report (further information provided below);
- Discussed key areas of financial judgement, including acquisition accounting in relation to ACE Winches, bad debt provision, impairment of goodwill, carrying value and useful lives of property, plant and equipment, alternative performance measures, and foreign jurisdictions and general compliance with laws and regulations;
- Reviewed and commented on trading updates given throughout 2023;
- Reviewed the Group's evaluation of principal risks and uncertainties, including emerging risks and risks specific to climate change;
- Reviewed the effectiveness of BDO LLP as external auditor;
- Discussed and agreed the Group's approach to internal audit; and
- Reviewed the Committee's performance, its composition, and terms of reference.

Financial reporting

The primary role of the Committee in relation to financial reporting is to review and monitor the integrity of the financial statements, including annual and half year reports, and any other formal statements relating to the Group's financial performance.

During the financial year, the Committee reviewed the interim results announcement, including the interim financial statements, the response to the FRC letter, the Annual Report and the associated results announcement, focusing on key areas of judgement and complexity, critical accounting policies, the nature and size of any one-off or abnormal items impacting the quality of earnings or cashflows, the adequacy and accuracy of financial disclosures, the viability and going concern assessments of the Group, adequacy and movements in key provisions including taxation and any changes required in these areas or policies.

The Audit Committee worked with management and considered the work of the external auditor on the above matters to ensure suitable positions were reached. The Committee did not uncover any material issues or concerns about the above matters. The Audit Committee has also considered whether the Annual Report is "fair, balanced and understandable" and provides the necessary information for stakeholders to assess the strategy, business model, risks, performance, and position of the Group. In this regard, the Committee has considered guidance from the FRC on the subject and reviewed reports prepared by the external auditor. The Committee has recommended to the Board that the Annual Report is "fair, balanced and understandable".

The following areas were identified by the Committee, together with management, as significant areas of financial statement risk and judgement:

Description of significant area	Audit Committee action
Acquisition of ACE Winches Ashtead Technology completed the acquisition of Rathmay Limited, the parent company of ACE Winches, in November 2023. As part of the purchase accounting and given the scale of the ACE Winches acquisition, management obtained advice from third-party advisors (being a Big 4 accountancy firm) on the purchase price allocation and translation to IFRS. In addition, the Committee noted that with ACE Winches being a significant acquisition for the Group, additional focus should be placed on managing the integration process.	The Committee has reviewed the purchase price allocation (PPA) performed for the ACE Winches (Rathmay) acquisition. As a result of the PPAs the following assets and related values were identified and recorded at acquisition: **£'000** Customer relationships 8,503 Non-compete 4,134 Documented processes 1,377 Trade name 544 Goodwill 11,900 The residual goodwill reflects the significant opportunity for future growth in integrating the acquisitions within Ashtead Technology's business, and in particular, the international growth opportunity through adding the equipment and services into Ashtead Technology's international network. Having regard to the rationale for acquisition and the approach adopted on previous acquisitions, the Committee concluded that the PPA had been appropriately assessed. In regards to integration risk, the Committee is aware that regular updates on the integration progress are being provided at Board level and the Committee is satisfied that this is being adequately managed.
Provision for credit risk The Group's debtor balance includes debtors from foreign jurisdictions and with a history of slow payment. The Group applies IFRS 9 to measure the lifetime expected credit loss of trade receivables. The lifetime expected credit loss is based upon historic loss experience and known factors regarding specific debtors.	Debtor recoverability has continued to be discussed in the Board meetings during the year as in prior years. This allows the Board to obtain as much comfort as possible on the status of payments and adequacy of the provisions. As part of the year end discussions, management's doubtful debt calculations were reviewed and challenged by the Board. The Committee is satisfied that the provision for doubtful debts is reasonable as at 31 December 2023.
Impairment of goodwill The Group has a significant value of goodwill on the balance sheet, and this has further increased in 2023 with the acquisition of ACE Winches. There is a risk that impairment of the goodwill balance has not been identified by management.	Management performed an impairment review at the year-end date for each group of CGUs (cash-generating units) to which goodwill is allocated. The carrying value of each group of CGUs to which goodwill is allocated is compared to the recoverable amount, which is determined through a value in use calculation. The value in use is based on certain assumptions, including future forecast cash flows, discount rates and growth rates. The value in use calculation including assumptions made was challenged by corroborating the assumptions made and determining whether there is any contrary evidence to indicate the conclusion reached may not be appropriate. The Audit Committee is satisfied with the carrying value of goodwill as at 31 December 2023.
Carrying value and useful lives of property, plant and equipment Management makes assumptions on the useful economic lives of property, plant and equipment. The significant value and high volume of assets increases the risk that the assumptions made on the useful lives of property, plant and equipment are incorrect and that the carrying value of property, plant and equipment requires impairment.	Management reviewed the estimated useful lives of property, plant and equipment at the year-end date based on the condition of those assets and these were deemed to be appropriate. Management's review of impairment indicators was challenged by corroborating assertions made and determining whether there is any contrary evidence to indicate the conclusion reached may not be appropriate. The Committee is satisfied with the useful lives of property, plant and equipment and its carrying value at 31 December 2023.

AUDIT COMMITTEE REPORT *CONT.*

Description of significant area	Audit Committee action
Foreign jurisdictions and general compliance with laws and regulations The Group has 12 operating locations globally and undertakes projects across multiple jurisdictions. Trading in foreign jurisdictions presents an increased risk of non-compliance with laws and regulations including tax legislation.	The Group has worked in the jurisdictions in which it operates for many years and is familiar with local laws and regulations. The Group makes regular use of local advisors including lawyers, tax advisors and other relevant experts to support it when doing business and to monitor ongoing compliance with relevant laws and regulations, including taxes. The Group has a well-established process for training and monitoring of compliance risk such as anti-bribery, corruption and sanctions and operates consistent standards globally. The Committee is satisfied that appropriate procedures are in place.

Alternative Performance Measures (APMs)

We refer to a number of APMs throughout the Annual Report. These are used by the Group to provide additional clarity to the Group's financial performance and are used internally by management to monitor business performance, in its budgeting and forecasting and for determination of Directors' and senior team's remuneration.

The Committee is aware that APMs are non-IFRS measures. APMs used by the Group are as follows:

- Adjusted EBITDA which means operating profit adjusted to add back depreciation, amortisation, foreign exchange movements and non-trading items as described in Note 28 of the accounts;
- Adjusted EBITA which means operating profit adjusted to add back amortisation, foreign exchange movements and non-trading items as described in Note 28 of the accounts;
- Adjusted profit before tax which means Adjusted EBITA less finance cost;
- Adjusted profit after tax which means profit after tax adjusted to add back amortisation, foreign exchange movements and non-trading items including the tax impact thereof as described in Note 28 of the accounts; and
- Adjusted earnings per share which means Adjusted profit after tax divided by the weighted average number of Ordinary Shares.

The Committee considers the APMs, all of which exclude the effect of non-recurring items or non-trading costs, provide useful information for shareholders on the underlying performance of the Group. This also allows for a comparable, year-on-year indicator of underlying trading and operational performance. The Committee is satisfied that where APMs are used, they are presented with equal prominence to the statutory figures.

Internal controls and risk management environment

The Board is ultimately responsible for the operation of an effective system of internal control and risk management appropriate to the business. The Committee's responsibilities include assisting the Board in its oversight of risk management within the Group. The Committee has reviewed the effectiveness and is satisfied that the Group has appropriate internal controls and risk management systems in place in relation to its financial reporting processes and preparation of consolidated accounts.

Internal control environment

The following key elements comprise the internal control environment which has been designed to identify, evaluate and manage, rather than eliminate, the risks faced by the Group in seeking to achieve its business objectives and ensure accurate and timely reporting of financial data for the Company and the Group:

- An appropriate organisation structure with clearly defined lines of responsibility
- Systems of control and delegated authorities which are appropriate for the size of the business;
- A robust financial control, budgeting and forecasting system which includes a weekly three-month revenue forecast, quarterly reforecasting, variance analysis and monitoring of KPIs;
- Established procedures by which the Group's consolidated financial statements are prepared including clear reporting deadlines and monitoring of key financial reporting risks arising from changes in the business or accounting standards;
- Key contracting processes, procedures and principles in place in order to minimise contractual risk, including an experienced and commercially focused legal function;
- Established policies and procedures setting out expected standards of integrity and ethical standards including mandatory annual training on anti-bribery and corruption and sanctions controls;
- An experienced and qualified finance function which regularly assesses the possible financial impact of the risks facing the Group; and
- A Group risk management framework and internal Risk Management Committee to monitor and minimise risk.

Risk management framework

On at least an annual basis, the Committee is updated on the nature and extent of principal risks and uncertainties faced by the Group as contained in the Group's risk register and assesses the mitigating actions and key action plans in place. In 2023, this remit was extended to include climate-related risks and opportunities, and thereby start to align the Group's risk management processes with TCFD requirements. The Committee, along with the Board, discussed and reviewed the Group's risk register during the year and concluded that all risks and opportunities had been appropriately identified and that risk was being appropriately managed within the business. The Group's key risks are identified and discussed in pages 30 to 35.

External audit

The Committee is satisfied that BDO LLP maintained its independence during 2023. During the year, the auditor provided non-audit services to the Company in a review of the half year report for the six-month period ended 30 June 2023 and assistance in reviewing the Company's response to the FRC letter. The fee for these services was £10k. BDO has not received any other fees from the Group other than in relation to the audit.

The Committee reviewed BDO LLP's findings in respect of the audit of the financial statements for the year ended 31 December 2023. The Committee met with representatives from BDO LLP without management present and with management without representatives of BDO LLP present, to ensure that there were no issues in the relationship between management and the external auditors which it should address. There were none. The year ended 31 December 2023 is the third year for which Mark McCluskey will sign the auditor's report as senior statutory auditor. The rotation of auditor will be reviewed in the future based on audit tender rules applying to the Company from time to time.

FRC communication

The Financial Reporting Council (FRC) carried out a review of the Company's Annual Report and Accounts for the year ended 31 December 2022 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. In a letter dated 9 November 2023, the FRC raised two substantive questions as follows:

1. The FRC queried the classification of cashflows from sales and purchases of property, plant and equipment (PP&E) as investing activities, given the Company appeared to hold assets for rental and subsequent sale to customers. In our response we clarified that we do not actively seek to sell items of PP&E to third parties and such transactions primarily arise when a customer lost or damaged leased assets beyond repair. This explanation was accepted by the FRC, and we have provided additional disclosure to explain this classification in this report. This can be found in Notes 2.4 and 5 of the financial statements.
2. The FRC asked for further details of significant items within the Company's deferred taxation charge and of the circumstances that gave rise to the recognition of a deferred taxation liability in the US in 2022. The FRC confirmed that we provided satisfactory responses and we agreed to include a reconciliation of the deferred tax included in the balance sheet and income statement for each type of temporary difference in a tabular format in the 2023 financial statements. This can be found in Note 8 of the financial statements.

The FRC confirmed in a letter dated 17 January 2024 that the enquiries in relation to the above questions were closed. In line with best practice the Company consented to the FRC publishing a summary of its findings.

On behalf of the Audit Committee

Tony Durrant

Chair of the Audit Committee

15 April 2024

NOMINATION COMMITTEE REPORT

Ensuring a **high performing** Group Board.

I am pleased to present our Nomination Committee report for the year ended 31 December 2023.

During 2023 the Nomination Committee comprised myself, Bill Shannon (Chair), Allan Pirie (CEO), Tony Durrant and Thomas Thomsen, all of whom, with the exception of Allan Pirie, are considered independent and all of whom have relevant commercial and operating experience. The Committee met once during 2023 with all members present. In common with the other Board Committees, the Board will evaluate the membership of the Nomination Committee annually.

Duties

The Committee is responsible for evaluating the balance of skills, knowledge and experience of the Directors as well as the composition, structure and effectiveness of the Board. It is the Committee's responsibility to make recommendations to the Board on retirements and appointments of additional and replacement Directors, including succession planning.

Board composition, evaluation and succession planning

The key matters which the Committee handled during 2023 included the process to recruit an Independent Non-Executive Director, and the resignation of Joe Connolly as Director. Joe's departure followed the final sale in shareholding by our previous private equity owners, Buckthorn Partners and APICORP. I would like to take this opportunity to thank Joe for the positive contribution he made to the Board over the last few years and wish him well for the future.

In preparation for commencing the recruitment process for a new Independent Non-Executive Director, myself, and our executive search consultants met with each of the Board members separately during Q4 to gather views on the functionality and effectiveness of the current Board, and using a skills matrix to understand any gaps that could be filled with this appointment.

Following an extensive search by our consultants and interviews with all Board members, we announced on 20 March 2024 the appointment of Jean Cahuzac as Non-Executive Director and member of the Audit, Remuneration and Nomination Committees.

Jean has held senior executive roles in the subsea services sector spanning a period of 40 years. He was appointed Chief Executive Officer of Acergy S.A. and post merger became the Chief Executive Officer of Subsea 7 until his retirement in 2019.

Since retiring Jean has remained very active in the sector and in addition to remaining on the board of Subsea 7 he holds non-executive board positions in Bourbon and Seadrill plus serving as the Chief of Evolen.

In addition to the review undertaken as part of the search process, I have, as Chair of the Nomination Committee, obtained feedback on the effectiveness of the Board from each member through individual meetings as well as via a wider Board discussion. The feedback from this review was discussed by the Nomination Committee in December. The review confirmed that the Board has an appropriate mix of skills that provide a sufficient mix of governance, strategy, financial and industry knowledge, being the key criteria required. It was also confirmed that the Board had a sufficient level of Independent Non-Executive Directors given the independence of three of the members during 2023 and the recent addition of Jean Cahuzac. It was agreed that a more indepth review should be undertaken which was completed in Q1 2024, the result of which was to spend more time on succession planning, sustainability and people matters. The Chairman and CEO have met to take these items forward and there is a plan in place for the Board to discuss such matters in 2024.

Diversity and inclusion

The Committee believes it is important to promote a culture that values diversity in all areas, including an inclusive and diverse culture. Female Board representation is currently 17%. The Board is conscious that this may change and consideration will be given to expanding the Board further, as necessary, to ensure we have the right skills, experience and diversity.

Re-election of Directors

All the Directors will stand for re-election at the 2024 AGM. The Board has carried out a performance evaluation and considers each of the Directors to be effective in their respective roles. It judges that they demonstrate commitment and is of the opinion that all Directors continue to provide valuable contributions to the long-term success of the Company. The Board strongly supports their re-election to the Board and recommends that shareholders vote in favour of the resolutions at the AGM.

On behalf of the Nomination Committee

Bill Shannon

Chair of the Nomination Committee

15 April 2024

REMUNERATION COMMITTEE REPORT

Aligning remuneration strategy with **long-term sustainable success.**

I am pleased to present on behalf of the Remuneration Committee, the Directors' Remuneration Report for the year ended 31 December 2023.

This report is divided into three sections, being:

- This **Annual Statement**, which summarises the work of the Committee, remuneration outcomes in 2023 and how the Remuneration Policy will be implemented in 2024
- The **Remuneration Policy Report**, which summarises the Company's Remuneration Policy for 2024 onwards
- The **Annual Report on Remuneration**, which discloses how the Remuneration Policy was implemented in 2023

The auditor is not required to report to the shareholders on the Remuneration Report.

As per best practice, this Remuneration Report will be presented at the Annual General Meeting on 30 May 2024 and will be the subject of an advisory vote.

Role of the Remuneration Committee

During 2023, the Committee comprised myself as Committee Chair, Thomas Thomsen, Independent Non-Executive Director, and Bill Shannon, the Chair of the Board. Jean Cahuzac joined the Committee on his appointment to the Board in March 2024.

The role of the Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that:

- Remuneration Policy and practices are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
- Executive remuneration is aligned to Company purpose and values and linked to delivery of the Group's long-term strategy.

Annual Statement

The Committee met three times during 2023 with all members in attendance.

Committee activities during 2023

- Reviewed the 2022 Directors' Remuneration Report prior to its approval by the Board
- Considered feedback from investors and proxy agencies in the period up to the 2023 AGM
- Reviewed market and governance updates and any impact on the Company
- Reviewed and approved 2022 bonus payments to Executive Directors and senior management
- Determined 2023 bonus targets
- Reviewed and set targets for the 2023 LTIP awards
- Reviewed results and approved vesting of first tranche of IPO LTIP awards
- Sought guidance from independent advisors on overall Executive Director remuneration and approved pay reviews for Executive Directors and Group senior management
- Approved overall pay increases for employees as part of the annual budgetary process

Advisors to the Committee

Throughout 2023, FIT Remuneration Consultants LLP (FIT) provided the Remuneration Committee with independent advice as and when required in respect of remuneration quantum and structure and developments in governance and best practice more generally. FIT is a member and signatory of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK, details of which can be found at www.remunerationconsultantsgroup.com. FIT provides no other services to the Company.

Performance and reward for 2023

The underlying performance of the business has given rise to a record set of results for the second year running. Further details on our overall financial performance during 2023 are set out in the CFO's Report on pages 24 to 27. Of particular note, the Group has continued to grow significantly since its IPO in November 2021, with an initial market capitalisation of £132m at IPO increasing to £490m by end of December 2023, positioning Ashtead Technology in the AIM top 30 at year end.

Following a review of this performance, the Committee determined that the Group's performance has exceeded the maximum profit target and the personal and safety-related targets set for the Executive Directors have been met in full, resulting in maximum annual bonus awards for 2023. In addition, the Committee has determined that the thresholds set for vesting of the second tranche of the IPO LTIP have been met. Further details are set out in the Annual Report on Remuneration.

Implementing the Remuneration Policy for 2024

In respect of the implementation of the Remuneration Policy for Executive Directors for 2024:

- Base salary levels will be £406,065 for the CEO and £275,000 for the CFO. These salary levels, which are c.15% and c.20% higher than paid in 2023, reflect the significant change in scale of the business since IPO and the complexity of its international operations, albeit they remain just under 10% below the respective AIM 50 medians. In this regard, the Committee will keep salary levels under review to ensure they remain competitive and reflect Company and individual performance.
- Pension provision will remain at 10% of salary, which is in line with the policy for other employees in the Group, who may receive a pension of up to 10% dependent on seniority. Where the pension is taken as a cash supplement, 8.7% of salary is payable to ensure this is cost neutral from the Company's perspective.
- Annual bonus potential for both CEO and CFO will be set at 125% of salary based on sliding scale Adjusted EBITDA targets in addition to Group-wide health and safety targets and individual personal objectives. However, reflecting the increase from the maximum of 100% of salary which applied in 2023, the Committee will ensure that the financial targets are appropriately stretched and any bonus award between 100% and 125% of salary will be awarded in shares.
- LTIP awards in the year ending 31 December 2024 will be granted to Executive Directors up to 150% of salary for the CEO and 125% of salary for the CFO. Performance targets will continue to be based on earnings per share, Return on Invested Capital and Total Shareholder Return over a three-year period.

In respect of the implementation of the Remuneration Policy for Non-Executive Directors for 2024, fees have been set to reflect time commitments of the roles and prevailing market rates in the AIM 50. As such, the Chairman's fee for 2024 will be £129,000 p.a. and the base fee for Non-Executive Directors will be set at £53,000 p.a. Consistent with market practice, an additional fee of £10,000 p.a. will be payable in respect of chairing a Committee.

The Committee recognises the need to foster strong relations with our shareholders and encourage open dialogue. As such, the Chair of the Committee is available for discussion with institutional investors concerning the Company's approach to remuneration. We look forward to receiving your support at our forthcoming AGM.

REMUNERATION COMMITTEE REPORT *CONT.*

Remuneration Policy Report

The Company's Remuneration Policy is that the remuneration packages of the Executive Directors should be sufficiently competitive to attract, retain and motivate those Directors to achieve the Company's long-term strategic objectives, including the creation of sustainable shareholder returns, without making excessive payments. The annual performance related bonus rewards Executive Directors for delivering our short-term financial and operational goals. The long-term focus of our strategy is supported through our LTIP under which performance is tested over three years.

Summary of Directors' Remuneration Policy

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To provide a competitive base salary to attract, motivate and retain Directors with the experience and capabilities to achieve the strategic aims	Reviewed annually after considering pay levels at comparably sized listed companies and sector peers; the performance, role and responsibility of each Director; the economic climate, market conditions and the Company's performance; and the level of pay across the Group as a whole.	n/a	n/a
Benefits	To provide market-competitive benefits package	Offered in line with market practice, and may include a car allowance, private medical and death in service insurance.	n/a	n/a
Pension	To provide an appropriate level of retirement benefit	Executive Directors may participate in the Group pension scheme but cash equivalent is also available. Salary is the only element of remuneration that is pensionable. Pension percentages aligned with other senior managers within the Group.	10% of salary as pension contribution or 8.7% as cash allowance	n/a
Annual bonus	To incentivise Executive Directors to drive the in-year performance of the business and reward strong performance, thereby driving longer-term shareholder returns	Awards are based on annual performance and are normally payable in cash up to 100% of salary with the excess up to 125% of salary awarded in shares.	125% of salary	Sliding scale financial with personal and Group QHSE targets
LTIP	To drive and reward the achievement of longer-term objectives, support retention and promote share ownership for Executive Directors	Annual awards of share options may be made to participants. Awards made under the LTIP will have a performance period of at least three years and a minimum vesting period of three years. Dividend equivalents may accrue on LTIP awards and are paid on those shares which vest. Malus (of any unvested LTIP) and clawback (of any vested LTIP) provisions apply.	150% of salary for CEO 125% of salary for CFO	Sliding scale financial and/or share price related (e.g. relative shareholder return) targets
Non-Executive Directors	The Committee determines the Chairman's fee and fees for the Non-Executive Directors are agreed by the Chair and Executive Directors	Fees are reviewed annually taking into account the level of responsibility and relevant experience. Fees are payable in cash and may include a basic fee and additional fees for further responsibilities.	n/a	n/a

Service contracts and letters of appointment

In accordance with general practice, and Group policy, the Executive Directors have contracts with an indefinite term and a notice period of six months. The contracts are held with Ashtead Technology Limited.

All Non-Executive Directors have specific terms of engagement and are for an initial term of three years, unless terminated earlier by either party giving to the other three months' prior written notice. Non-Executive Directors are not eligible for bonuses, pension benefits, share options or other benefits.

Allan Pirie and Ingrid Stewart were appointed to the Board of the Company on 4 November 2021 with Bill Shannon, Tony Durrant and Thomas Thomsen appointed on 23 November 2021 and Jean Cahuzac appointed on 20 March 2024.

IPO LTIP

Both the CEO and CFO received a one-off LTIP award at IPO (IPO LTIP) of up to 200% of base salary (by reference to the offer price at admission). The IPO LTIP award equated to 406,389 shares for the CEO and 246,914 for the CFO. The IPO LTIP is payable, subject to performance conditions, in three separate tranches covering the financial years 2022, 2023 and 2024. A new LTIP scheme commenced in 2023, the first performance period of which is the three-year period ending 31 December 2025.

Annual Report on Remuneration

Total Directors' remuneration

	Base salary/fees		Taxable benefits[2]		Pension[3]		Annual bonus		Other[1]		LTIP		Total	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Executive Director														
Allan Pirie	353	330	12	11	31	26	330	–	–	–	468	-	1,194	371
Ingrid Stewart	225	200	12	11	23	20	200	–	–	200	284	-	744	431
Non-Executive Director														
Bill Shannon	118	110	–	–	–	–	–	–	–	–	–	–	118	110
Tony Durrant	64	60	–	–	–	–	–	–	–	–	–	–	64	60
Thomas Thomsen	48	45	–	–	–	–	–	–	–	–	–	–	48	45
Joe Connolly[4]	48	45	–	–	–	–	–	–	–	–	–	–	48	45

Notes
1. As reported last year, Ingrid Stewart received an IPO bonus which was dependent on valuation of the previous management incentive (now replaced with LTIP) on conversion to shares at IPO, which was paid in January 2022.
2. Benefits include car allowance and medical cover for the Director and immediate family.
3. Executive Directors have the option to receive pension contribution at 10% of salary or cash contribution of 8.7% of salary.
4. Joe Connolly resigned as a Non-Executive Director effective 18 December 2023.
5. Represents 135,463 and 82,305 for the CEO and CFO respectively, none of which are exercised. Share price of 345.6p used for calculation.

The highest paid Director in 2023 was Allan Pirie.

No Director has received compensation for loss of office. No sums have been paid to third parties in respect of Directors' services.

Annual bonus award

The maximum bonus potential for Executive Directors for 2023 was 100% of salary. The bonus potential was based on sliding scale EBITDA targets with the threshold set at 90% of budget Adjusted EBITDA and the maximum set at 110% of budget Adjusted EBITDA. 70% of the bonus is payable on Group performance with the remaining 30% based on a Group-wide safety target (10% of salary) and the achievement of personal objectives (20% of salary). On the basis that the Group exceeded 110% of its budgeted EBITDA and all safety and personal objectives were met, maximum bonuses were earned in respect of 2023.

REMUNERATION COMMITTEE REPORT *CONT.*

LTIP awards vesting in the year ended 31 December 2023

The first tranche of awards under the IPO LTIP, equating to 365,919 shares (of these, 135,463 related to Allan Pirie and 82,305 related to Ingrid Stewart) vested in May 2023. EPS targets in relation to the remaining tranches 2 and 3 are as follows:

	Tranche 2 Year ended 31 December 2023	Tranche 3 Year ending 31 December 2024
Threshold EPS (25% vesting)	17.17p	19.15p
Maximum EPS (100% vesting)	20.61p	23.59p

Based on these published results, the second tranche of awards, equating to 365,919 awards, will vest in April 2024.

LTIP awards granted in the year ended 31 December 2023

The following LTIP awards were granted to the Executive Directors on 4 May 2023:

	Basis of award	Number of shares under award
Allan Pirie	150% of salary	154,417
Ingrid Stewart	125% of salary	81,998

The LTIP options are exercisable at nil cost but are only exercisable to the extent that the following performance criteria are achieved by the Company over a three-year performance period, being the three-year period ending 31 December 2025:

Metric	Target	Weighting
Earnings per share (EPS)	25% of this part vests if EPS growth is 12% c.p.a., increasing pro-rata to 100% vesting if EPS growth is 16% c.p.a. or above	50%
Return on Invested Capital (ROIC)	25% of this part vests if average ROIC is 15%, increasing pro-rata up to 100% vesting if ROIC is 18% or above	25%
Total Shareholder Return (TSR)	0% vesting for TSR below median, 25% vesting for median TSR, increasing pro rata to 100% for upper quartile TSR. TSR to be calculated relative to Numis Smaller Companies Index + AIM Index (ex-Investment Companies)	25%

Directors' interests in shares

The interests of the Directors in the shares (including options) of the Company as of 31 December 2023 are included within the Directors' Report on page 51.

External appointments

The CEO and CFO did not have any external appointments during the year ended 31 December 2023.

Wider employee context

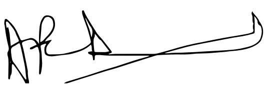
Whilst our focus is predominantly on the pay and benefits offered to the Executive Directors, we take an active interest in the pay and benefits offered to the wider employee base, as well as other related workforce policies and practices.

Closing remarks

We have closed 2023 with strong performance against our financial KPIs and business strategy. The Committee is satisfied that the remuneration outcomes for 2023 demonstrate a strong link between pay and performance and that the Remuneration Policy for 2024 continues to support the growth of the business.

On behalf of the Committee, thank you for reading this report and I look forward to receiving your support at the AGM on 30 May 2024 in relation to the advisory resolution to approve this Annual Report on Remuneration.

On behalf of the Remuneration Committee



Tony Durrant

Chair of the Remuneration Committee

15 April 2024

DIRECTORS' REPORT

Delivering on expectations.

The Directors present their Annual Report and audited financial statements for the Group and the Company for the year ended 31 December 2023. The comparative results are for the year ended 31 December 2022.

Principal activities

Ashtead Technology Holdings plc is an AIM-quoted company. The principal activity of the Group is the provision of subsea equipment rental and solutions to the global offshore energy sector. Further detail on the principal activities and business overview of the Group are set out on pages 2 to 5 which forms part of this Directors' Report.

Strategic Report

The Strategic Report is a requirement of the Companies Act 2006 and can be found on pages 2 to 35. Ashtead Technology has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include other matters of strategic importance that would otherwise be disclosed in the Directors' Report in other sections of this Annual Report (see below table). This information should be read in conjunction with this Directors' Report.

Business review and future development and prospects

A review of the performance of the Company during the year, including principal risks and uncertainties, key performance indicators and comments on likely future developments in its business, is given in the Strategic Report on pages 2 to 35.

Ashtead Technology has continued to grow through 2023, both organically and through acquisition. Our commitment to service excellence and the provision of leading-edge technology, as well as our position in a large and growing addressable market, puts the Company in a strong position as we look to the future. Through 2023 and early 2024, Ashtead Technology has continued to invest in both organic and inorganic growth opportunities to increasingly meet the needs of our customers, helping them to continue to adapt through the energy transition.

Results and dividends

The audited financial statements of the Group and of the Company are set out on pages 62 to 66 and pages 104 to 105 respectively.

The Directors see an opportunity to reinvest profits to finance the continued development and expansion of the business through both organic and M&A growth opportunities.

At the same time, the importance of dividends both to the Company's shareholders and in maintaining capital discipline is recognised. The Board intends to continue its progressive dividend policy. In this regard, the Directors have recommended a full and final dividend of 1.1 pence per share for the year ended 31 December 2023, payable on 3 June 2024 based on an ex-dividend date of 2 May 2024 and a record date of 3 May 2024.

Going concern

Full consideration of the going concern assessment is included in Note 1 to the accounts. In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the Directors have prepared cash flow forecasts and projections for a two-year period ending 31 December 2025. Following careful consideration of the base case forecasts and the application of severe but plausible downside scenarios to these forecasts, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate within the level of its current facilities for a period of at least 12 months from the date of this report. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the Group and Company financial statements.

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the Group financial statements were:

- Bill Shannon (Chair)
- Allan Pirie (CEO)
- Ingrid Stewart (CFO)
- Tony Durrant (Independent Non-Executive Director)
- Thomas Thomsen (Independent Non-Executive Director)

Biographical details of the current Directors are included in pages 36 to 37.

Joe Connolly, Non-Independent Non-Executive Director, resigned from the Board effective 18 December 2023.

Jean Cahuzac was appointed as Independent Non-Executive Director on 20 March 2024.

As at 31 December 2023, some of the Directors who held office during the year held interests in the Ordinary Shares of the Company. These are included in the table below.

The detailed vesting requirements under the option schemes are included in the Remuneration Report on pages 47 to 50.

Subject matter	Page/Note
Business review and principal activities of the Group	2 to 5
Environmental, social and governance (ESG)	14 to 19
Stakeholder engagement	20 to 23
Key performance indicators	28 to 29
Risk management and information on the principal risks and uncertainties	30 to 35
Corporate Governance Statement	39 to 41
Financial instruments and financial risk management	Note 24 of the financial statements
Related parties	Note 25 of the financial statements

	At 31 December 2023		At 31 December 2022	
	Shares	Options	Shares	Options
Bill Shannon[1]	49,382	–	49,382	–
Allan Pirie	1,341,600	560,806[2]	2,166,600	406,389
Ingrid Stewart	235,786	328,912[3]	300,786	246,914
Tony Durrant[1]	10,000	–	10,000	–
Thomas Thomsen[1]	–	–	–	–

1 Denotes Non-Executive Director.
2 Of which 135,463 have vested but not as yet been exercised.
3 Of which 82,305 have vested but not as yet been exercised.

DIRECTORS' REPORT *CONT.*

Directors' insurance

The Company maintains Directors' and Officers' liability insurance, which was in force during the full year 2023 and remains in force as at the date of this report.

Directors' indemnity

Pursuant to the Company's Articles of Association, the Company has granted an indemnity for the benefit of Directors of the Group or directors and officers of associated companies under which the Company will indemnify them, subject to the relevant article, against all costs, charges, losses and liabilities incurred by them in the performance of their duties. There were no qualifying pension scheme indemnity provisions.

Employee involvement

The Group engages with its employees as a key stakeholder and employee involvement in the Group is encouraged by the Group Board, as common goals and awareness of the Group's strategy play a major role in delivering its medium to long-term strategic objectives. The Group's policy is to consult and discuss with employees, primarily at meetings and employee forums, on matters likely to affect employees' interests.

The Group is an equal opportunity employer and provides training, performance evaluation and opportunities for advancement and career development. The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion. Further details on how the Company communicates with its employees as a key stakeholder group and has regard to their interests can be found in the Section 172 statement on pages 20 to 23.

Statement of engagement with other stakeholders

The Group Board recognises the importance of fostering effective business relationships with all the Company's stakeholders. Their interests are important to the Board, and it is committed to ensuring that strong, positive relationships are maintained with them, built on a foundation of mutual respect, trust and understanding. Further information on this engagement can be found within our Section 172(1) statement on pages 20 to 23 where we provide details of stakeholder engagement and the impact of that on the Board's decision making. Those sections are incorporated by reference and form part of this Directors' Report.

Research and development

The Group is continually looking at ways to enhance its offering to its customers, including innovating and enhancing its technology and applications.

Streamlined Energy And Carbon Reporting (SECR)

Under the Streamlined Energy and Carbon Reporting (SECR) Regulations we are mandated to disclose our scope 1 and 2 UK consumption and associated greenhouse gas (GHG) emissions for our UK based business as a minimum. We have reported our GHG emissions and energy usage for our UK and operations within our sustainability section on page 19.

Share capital and voting

Details of the Company's share capital are shown in Note 23 of the Group accounts and Note 8 of the Company accounts. The Company has one class of Ordinary Shares which carry no right to fixed income. Each share carries the right to one vote at a general meeting of the Company. The rights and obligations attaching to these shares are governed by the Companies Act 2006 and the Company's Articles of Association.

Significant Shareholders

As at 31 March 2024 the Company has been advised, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, of notifiable interests in 3% of more of its voting rights (see table below).

Employee Benefit Trust

The Ashtead Technology Holdings Employee Benefit Trust (EBT) was established by a declaration of trust between the Company and Intertrust Employee Benefit Trustee Limited (the Trustee) on 1 June 2022.

As at 31 December 2023, 279,497 shares were held by the EBT. Following the publication of this Annual Report, the Company will issue a further 365,919 new authorised shares each at a subscription price of £0.05 (being nominal value) to the EBT to satisfy the vesting of the second tranche of IPO LTIP share options. The aggregate subscription price will be funded through a loan facility arrangement between the Company and the Trustee.

Prior to the exercise of any options, the shares are held by the EBT on general trust, but the Trustee has agreed to satisfy any option that is exercised by transferring the relevant number of shares directly to the exercising shareholder. Prior to the exercise of any options, the Trustee may vote or abstain from voting shares, or accept or reject any offer relating to shares, in any way it sees fit without incurring any liability and without being required to give reasons for its decision. Once option holders choose to exercise their options, the legal and beneficial interest in the relevant number of shares is transferred from the EBT to the option holder.

Significant shareholders

abrdn	8,744,330	10.9%
Fidelity Management & Research	7,599,892	9.5%
JPMorgan Asset Management	6,316,024	7.9%
Oberweis Asset Management	3,830,826	4.8%
BlackRock	3,339,551	4.2%
Investec Wealth & Investment	3,085,339	3.9%
Schroder Investment Management	2,926,241	3.7%
Lothian Pension Fund	2,733,000	3.4%

Political and charitable donations

It is the Group's policy not to make political donations. The Directors confirm that no donations for political purposes were made during the year (2022: nil).

The Group made a total of £3,835 of charitable donations in 2023. The largest beneficiary was the Archie Foundation who received £1,045. Charitable donations were less than £2,000 in 2022.

Articles of Association and powers of the Directors

The Company's Articles of Association (the Articles) contain the rules relating to the powers of the Company's Directors and their appointment and replacement mechanisms. The Articles may only be amended by special resolution at a general meeting of the shareholders.

Subject to the Articles and relevant regulatory measures, including the Companies Act 2006, the day-to-day business of the Group is managed by the Board which may exercise all the powers of the Company. In certain circumstances, including in relation to the issuing or buying back by the Company of its shares, the powers of the Directors are subject to authority being given to them by shareholders in general meeting.

Notice of Annual General Meeting

The Annual General Meeting (AGM) will be held at 11.00am on 30 May 2024 at the offices of White & Case, 5 Old Broad Street, London, EC2N 1DW. The Notice of Meeting will be posted to shareholders along with the Annual Report within the appropriate timeframe. The Notice of Meeting will also be made available on the website on that date and will set out the business of the meeting and an explanatory note. In line with good governance, voting on all resolutions at this year's AGM will be conducted by way of a poll.

Corporate governance

The Group's statement on corporate governance can be found in the corporate governance section of this Annual Report on pages 39 to 41, which is incorporated by reference and forms part of this Directors' Report. It can also be found on the Company's website.

Forward-looking statements

To the extent this Annual Report contains forward-looking statements these involve risk and uncertainties. The Group's actual results could differ materially from those estimated or anticipated in the forward-looking statements as a result of many factors. Information contained in this Annual Report relating to the Company should not be relied upon as a guide to future performance.

Post balance sheet events

On 1 March 2024, the name of ACE Winches Norge AS was changed to Ashtead Technology AS.

On 20 March 2024 the term of the revolving credit facility and accordion facility was extended by one year and is fully repayable by April 2028.

Branches outside of the United Kingdom

Neither the Company nor any of its subsidiaries has any branches outside of the United Kingdom.

Directors' statement as to disclosure of information to the 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 he ought to have taken as a Director in order to make himself 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.

Auditor

The auditor, BDO LLP, has indicated its willingness to continue in office and a resolution concerning its re-appointment will be proposed at the AGM.

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 are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and Company and of the profit or loss of the Group 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 they have been prepared in accordance with UK adopted international accounting standards 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 Group and 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 enable them to ensure that the financial statements comply with the requirements of 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.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Board and signed on behalf of the Board.

Allan Pirie

Chief Executive Officer

15 April 2024

INDEPENDENT AUDITOR'S REPORT

To the members of Ashtead Technology Holdings plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ashtead Technology Holdings plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- understanding the processes relating to the assessment of the appropriateness of the going concern assumptions through the review of the Director's assessment, assumptions made and cashflow forecasts underpinning their conclusion;
- testing the arithmetic accuracy of the cashflow forecast model, checking that the logic of any calculations are performed as designed;
- analysing the current and forecast performance of the Group including working capital requirements, by assessing the Directors' assumptions against market data and the Group's post year end performance;
- re-performing the Directors sensitivity testing and performing reverse stress testing on Directors' forecasts over the going concern period and assessing the likelihood of the scenario occurring and mitigating actions available to the Board;
- assessing whether the financing options that are available to the group, including the post year end refinancing, are sufficient to support plausible downside scenarios;
- recalculating current loan covenants under both the base case and sensitised scenarios, in order to assess compliance over the going concern period;
- using various external data sources to identify indicators of potential going concern risks at the Group and industry level; and
- assessing whether the going concern disclosures are appropriate, consistent with the Directors going concern assessment and in conformity with the applicable reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage[1]	85% (2022: 97%) of Group profit before tax 83% (2022: 97%) of Group revenue 90% (2022: 97%) of Group total assets		
Key audit matters		2023	2022
	Revenue recognition – revenue from rental equipment	✓	✓
	Carrying value of rental fleet	✓	✓
	Acquisition accounting	✓	✓
Materiality	Group financial statements as a whole £1,400,000 (2022: £800,000) based on 5% (2022: 5%) of normalised Profit before tax (2022: Profit before tax)		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group's finance function is managed from a single location in the UK and has common financial systems, processes and controls covering all significant components.

We determined that five significant components, Ashtead Technology Holdings plc, Ashtead Technology Limited (UK), Ashtead Technology Offshore Inc (USA), Ashtead Technology (SEA) Pte Ltd (Singapore) and Underwater Cutting Solutions Limited (UK). A full scope audit was undertaken on these components by the group audit team. In additional the group audit team undertook an audit of the balance sheet of Alfred Cheyne Engineering Limited, which was acquired during the year. The group audit team also carried out specific procedures on balances arising on consolidation. The non-significant components were subject to desktop review and specific procedures on certain financial statement areas by the group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

[1] These are areas which have been subject to a full scope audit by the group engagement team.

INDEPENDENT AUDITOR'S REPORT *CONT.*
To the members of Ashtead Technology Holdings plc

An overview of the scope of our audit cont.

Key audit matters cont.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition – Revenue from the rental of equipment Refer Accounting policies Note 2.9 (page 72) and Note 4 of the consolidated financial statements (page 79).	Revenue from rental of equipment is recognised over time as the contract progresses based on a daily rate. There is a potential risk of fraud as revenue from rental equipment could be manipulated through inappropriate application of the cut-off principle, incorrect calculation of accrued income or the posting of top-side manual journals. Revenue recognition was an area of focus for our audit in considering possible areas of management bias and fraud. Given the significance of this balance in the context of the financial statements and the risks identified, we considered this was an area requiring significant auditor attention and therefore was considered to be a key audit matter.	We tested the operating effectiveness of general controls within the IT system which management have implemented to ensure that the IT environment has appropriate access, program change and logical access controls. We tested accrued income by tracing a sample of year end income accruals to the underlying sales order and asset utilisation reports, or customer confirmation where appropriate, recalculating the number of days to be accrued and comparing to post year end invoices raised. We tested the appropriate application of the cut-off principal through testing revenue recognised in the month before year end by tracing a sample of items to supporting documentation to confirm the revenue is being recorded in the correct period. We performed journal entry testing, applying a particular focus to individually unusual and/or material manual journals posted to the revenue account throughout the year. We agreed journals meeting predetermined criteria to supporting evidence to confirm that the revenue recognised was appropriate, had an appropriate business rationale and was in line with the Group's accounting policy. **Key observations:** Based on the procedures performed we considered that the calculation of accrued income was appropriate, that revenue was appropriately recorded in the correct period, and that top-side manual adjustments were supported.
Carrying value of rental fleet Refer, Accounting policies Note 2.4 (page 70) and Note 11 of the consolidated financial statements (page 85).	The Group owns a significant number of assets included within its rental fleet. Assets included in the rental fleet are used across all jurisdictions and are regularly transferred between companies by way of intercompany transfer. As many of the assets are specialised in nature, with the frequency of their use not being directly linked to their value in use, management uses a discounted cash flow to assess the rental fleet for impairment indicators. This assessment requires the application of judgement by management about future forecast income and costs, as well as other inputs such as the discount rate. The carrying value of the asset fleet was a key area of focus for our audit due to the large fleet, frequent intercompany sales and judgement required in assessing impairment indicators.	We obtained an understanding of the key controls management have implemented throughout the process for identifying impairment indicators within the rental fleet. We tested the operating effectiveness of general controls within the IT system which management has implemented to ensure that the IT environment has appropriate access, program change and logical access controls. We further tested the operating effectiveness of application controls which ensure intercompany asset sales are recorded at net book value and the useful life of the asset is not altered. We performed testing to confirm the existence of assets including physical verification of a sample of assets at year-end while attending on site visits or tracing to documentation confirming existence of assets that were on hire. We obtained managements discounted cash flow supporting their value in use calculation and tested the assumptions inherent in the model by • testing forecasting accuracy by comparing recent budgets to actual results as well as comparing the forecast period to date with post year end performance • engaging with our internal valuations experts to assist us in assessing the appropriateness of the discount rate utilised • testing the sensitivity of headroom returned by the model by stressing growth and discount rate assumptions to determine the effect plausible changes in assumptions would have to the headroom • performing reverse stress testing to determine the required scenarios for headroom to be eliminated and assessing the likelihood of the scenarios coming to fruition **Key observations:** Based on the procedures performed we consider that the judgements made by management in accounting for the carrying value of its rental fleet is appropriate.

Key audit matter		How the scope of our audit addressed the key audit matter
Acquisition accounting Refer, Accounting policies Note 1.6 (page 68) and Note 27 of the consolidated financial statements (page 101).	On 30 November 2023 the Group acquired 100% of the issued share capital of Rathmay Limited and its subsidiaries, for £52.7m. The Group has recorded the assets and liabilities acquired at fair value. Attributing fair values to assets acquired and liabilities assumed as part of business combinations is considered to be a key judgement and, together with the calculated purchase consideration, directly impact the calculation of any goodwill recognised upon acquisition. Furthermore, the financial statement disclosure requirements associated with acquisitions are extensive and there is a risk that the disclosures within the financial statements do not comply with the requirements of the accounting standards. The acquisition accounting was therefore an area of audit focus and was determined to be a key audit matter in the current year.	We obtained and reviewed the agreement for the sale and purchase of Rathmay Limited, signed by both parties, together with any related documents to determine whether the Group had obtained the requisite control over all entities to be included upon consolidation. We agreed the consideration to be paid to the agreement for the sale and purchase of Rathmay Limited. We challenged the analysis and assumptions used by management in identifying and determining the fair value of intangible assets which had not previously been recognised within each of the acquired companies. We assessed the recognition of the intangible assets with reference to the requirements and guidance detailed in the relevant accounting standards to assess whether intangible assets recognised are appropriate and engaged our internal valuation experts to assist in challenging the assumptions and methodology used by management to determine the fair value against recognised valuation techniques and independent industry benchmarks. We assessed the fair value of the remaining assets acquired and liabilities assumed included in the acquisition date balance sheet with reference to the applicable account standards, the nature of the asset acquired or liability assumed and the rationale supporting the fair value adjustments. We recalculated the goodwill recognised upon acquisition as the surplus of the purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed. We assessed the disclosures within the financial statements with reference to the accounting standards. **Key observations:** Based on the procedures performed we consider the judgements made by management in accounting for the acquisition of Rathmay Limited and the related disclosures to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

INDEPENDENT AUDITOR'S REPORT *CONT.*

To the members of Ashtead Technology Holdings plc

Our application of materiality cont.

	Group financial statements		Parent company financial statements	
	2023 £	2022 £	2023 £	2022 £
Materiality	1,400,000	800,000	490,000	490,000
Basis for determining materiality	5% of profit before tax	5% of profit before tax	35% of Group materiality	62% of Group materiality
Rationale for the benchmark applied	We considered profit before tax to be the users principal consideration in assessing the performance of the Group.	We considered profit before tax to be the users principal consideration in assessing the performance of the Group.	Materiality was set at 35% of Group materiality taking into consideration component aggregation risk.	Materiality was set at 62% of Group materiality taking into consideration component aggregation risk.
Performance materiality	980,000	560,000	343,000	343,000
Basis for determining performance materiality	70% of the above materiality threshold.	70% of the above materiality threshold.	70% of the above materiality threshold.	70% of the above materiality threshold.
Rationale for the percentage applied for performance materiality	Based on our expectation of total value of known and likely misstatements, our knowledge of the Group's internal controls and management's attitude towards proposed adjustments.	Based on our expectation of total value of known and likely misstatements, our knowledge of the Group's internal controls and management's attitude towards proposed adjustments.	Based on our expectation of total value of known and likely misstatements, our knowledge of the Parent Company's internal controls and management's attitude towards proposed adjustments.	Based on our expectation of total value of known and likely misstatements, our knowledge of the Parent Company's internal controls and management's attitude towards proposed adjustments.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 19% and 94% (2022: 21% and 80%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £270,000 to £1,320,000 (2022: £170,000 to £640,000). In the audit of each component, we further applied performance materiality levels of 70% (2021: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £56,000 (2022: £32,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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 Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent 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.

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 Group's and the Parent 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 Group or the Parent 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.

INDEPENDENT AUDITOR'S REPORT *CONT.*
To the members of Ashtead Technology Holdings plc

Auditor's responsibilities for the audit of the financial statements cont.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, those charged with governance and the audit committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be the applicable accounting frameworks, UK tax legislation, AIM Listing Rules and the Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be General Data Protection Regulation, Employment Rights Act 1996, Health and Safety at Work etc Act 1974, Management of Health and Safety at Work Regulations 1999 and the QCA Code.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit to assess compliance with relevant tax legislation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Direct confirmation with the Group's legal council for confirmation of any outstanding litigation relating to matters of non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the audit committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, revenue recognition on rental equipment through inappropriate application of the cut-off principle, incorrect calculation of accrued income or the posting of top-side manual journals, carrying value of rental fleet and acquisition accounting.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to assist in our identification of areas that may be susceptible to fraud and the design of the audit approach to address the identified areas;
- Assessing significant estimates made by management for bias, including those set out in the key audit matters section of the report;
- Agreeing balances and reconciling items in Management's key control account reconciliations to supporting documentation as at 31 December 2023;
- With regards to the risk of fraud in revenue recognition on rental equipment through inappropriate application of the cut-off principle, incorrect calculation of accrued income or the posting of top-side manual journals, carrying value of rental fleet and acquisition accounting, performing the procedures set out in the key audit matters section of the report; and
- Performing a stand back review of misstatements identified, to determine whether these were indicative of management bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark McCluskey (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Glasgow, UK

15 April 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).