Registered No. 1082975

REGISTRAR

Hitachi Construction Machinery (UK) Limited

(formerly known as HM Plant Limited)

Report and Financial Statements

Directors
J J Jones (Chairman)
A J Raine
A S Baker
M Sue
M Kadoya
P H A Burger
D A Hearne
S Urata

Secretary
A J Raine

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Strategic report

Business review

Introduction

On the 6 May 2014 HM Plant Limited changed its name to Hitachi Construction Machinery (UK) Limited.

Hitachi Construction Machinery (UK) Limited (formerly known as HM Plant Limited) is at the forefront of capital equipment distribution in the United Kingdom and Eire. It has the exclusive importation and distribution rights for Hitachi Construction Equipment who are well known globally. The company has a large customer base, which includes owner operators, private and public companies in the UK, and Eire. UK turnover during the period accounted for 97.4% of revenues (2013: 98.3%) and exports accounted for 2.6% of turnover (2013: 2.7%).

Objectives of the company

The company's main objective is to be the best supplier of quality construction equipment in the UK and Eire.

Strategy

The company operates from a purpose built facility designed to improve the overall business performance. The key elements to this strategy are to:

- Focus on customer needs, service and delivery;
- Improve operational efficiency and reducing company operating costs by embracing new technology;
- Reduce assembly costs by re-engineering value added components whilst maintaining the overall product quality; and

Reduce transportation costs by locating the assembly plant close to the East Coast docks for reduced shipping costs and road haulage transportation.

The period under review has proved to be very exciting, with the growth in construction output exceeding the government's expectation. The growth in sales volume is in line with the directors revised factory forecast made in July 2013.

The increased demand for construction equipment has spread from the South East of the country towards the Midlands and South West, the North is showing small signs of recovery. The directors are cautiously optimistic that the sales of £133,170,042 and increase of 33% (2013: 25%) can be maintained, this is aided by the introduction of new models from Hitachi with improved fuel consumption and lower emissions. During the year the company continued to keep a tight control over both fixed and variable costs, a major contributing factor to the company's increase in profitability.

Measurement

The company uses a number of financial and non-financial KPI's to measure performance and these are reported both at board level and to mangers in monthly briefings. These KPI's include customer service level, complaints, production plan attainment, sales plan achievement and a number of health & safety, environmental and employee related KPI's. The board considers that the company has a very effective measurement and reporting system, consistent with its size and complexity.

As far as financial performance is concerned the key measurements used by the company are turnover, gross profit and net profit percentage, calculated as reported on the face of the profit and loss account. For the period under review, turnover was £133,170,042 (2013: £100,317,000) and the gross profit percentage was 11.4% (2013: 11.3%). The net profit percentage was 6.1% (2013: 5.4%)

Management also monitor sales per employee, gross profit per employee and absorption ratio, which is defined as the gross profit from the after sales activity as a percentage of the company's total overheads.

Strategic report

Risk and uncertainties

The major risk facing the company in today's market is that infrastructure and construction projects may be delayed due to the Scottish Referendum in September 2014 and the General Election in May 2015.

While the news reports the signs of recovery in the housing sector, this is mainly confined to the South of England. The directors welcome the news and are causally optimistic that the recovery will continue.

The company operates in a very competitive market place where its customers are continually focused on value for money. The directors continue to monitor the company's fixed and variable costs and strive to increase efficiency with in the business, to enable the company to remain in a competitive position.

In the coming financial year the directors expect trading conditions to be challenging due to increased competition from other manufactures. The coming year will see an increased focus on the parts and service activity utilising Hitachi's global E Service to monitor our customers machines and improve the machines productivity and efficiency, whilst reducing the company's reliance on capital equipment sales to support the company's overheads.

Following the increase in construction output, the company will renew its focus on the mineral extraction and re-handling industry, with the re-launch of Hitachi products at Hillhead International Mining and Quarrying Exhibition in collaboration with two other Hitachi group companies.

The company's order book remains strong, and our strategy to develop new customer business continues to grow, while continuing to support our existing customer base.

The directors are confident that the actions already taken will place the company in a strong position to deliver the best result for 2014/15 in a highly competitive market place.

Financial risk management policy

The company's financial instruments comprise of forward exchange contracts entered into in respect of purchases denominated in foreign currencies, together with cash, debtors and creditors.

The main risks associated with the company's financial assets and liabilities are set out below:

Interest rate risk

The company invests surplus cash in a floating rate interest yielding bank deposit account and has access to a floating rate interest bearing overdraft facility.

Credit risk

The company has external debtors. However, the company undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generated by its operations.

By order of the Board

J J Jones
Director

16 June 2014

Directors' report

The directors present their report and the financial statements for the year ended 31 March 2014.

Results and dividends

The profit for the year, after taxation, was £6,259,000 (2013: £4,126,000). An interim dividend was paid during the year of £2,525,000 (2013: £852,000).

Principal activities

Hitachi Construction Machinery (UK) Limited (formerly known as HM Plant Limited) is a wholly owned subsidiary of Heavy Construction Machinery Limited and is engaged in the distribution and servicing of construction equipment.

Going concern

The directors have considered the company's current and future prospects and its availability of financing, and are satisfied that the company can continue to pay its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. For this reason the directors continue to adopt the going concern basis of preparation for these financial statements.

Political and charitable contributions

The group made no political contributions during the year (2013: £nil).

Donations to UK charities amounted to £31,260 (2013: £33,652).

Directors

Directors who held office during the year were as follows:

J J Jones (Chairman)
D A Hearne
A J Raine
A S Baker
P H A Burger
T Watanabe (Resigned 24th December 2013)
M Sue
M Kadoya
S Urata (Appointed 24th December 2013)

All of the directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. The company provided qualifying third party indemnity provisions to certain directors of group companies during the financial year and at the date of this report.

Employment matters

It is the company's policy to give full and fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities, to continue wherever possible the employment of staff who become disabled and to provide opportunities for training and career development of disabled employees.

Frequent meetings are held with employee representatives to discuss sales, financial position and prospects. Opportunity is given at these meetings for senior executives to be questioned about matters, which concern the employees.

Disclosure of information to auditors

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

Directors' report

Auditors

In accordance with s. 489 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

By order of the Board

J J Jones
Director

16 June 2014

Statement of directors' responsibilities

The directors are responsible for preparing an annual report (incorporating the Strategic Report and the Directors' Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report

to the members of Hitachi Construction Machinery (UK) Limited (formerly known as HM Plant Limited)

We have audited the financial statements of Hitachi Construction Machinery (UK) Limited (formerly known as HM Plant Limited) for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report

to the members of Hitachi Construction Machinery (UK) Limited (formerly known as HM Plant Limited) (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Darren Rutherford (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Newcastle upon Tyne

24 June 2014

Profit and loss account

for the year ended 31 March 2014

	Note	*2014* *£000*	*2013* *£000*
Turnover	2	133,170	100,317
Cost of sales		(118,039)	(88,972)
Gross profit		15,131	11,345
Administrative expenses		(5,125)	(4,439)
Distribution costs		(1,909)	(1,525)
Operating profit	3	8,097	5,381
Profit on sale of tangible fixed assets		-	-
Interest receivable and similar income	6	79	91
Interest payable and similar charges	7	-	(18)
Profit on ordinary activities before taxation		8,176	5,454
Tax on profit on ordinary activities	8	(1,917)	(1,328)
Profit on ordinary activities after taxation	16	6,259	4,126

All of the company's activities are continuing.

Statement of total recognised gains and losses

for the year ended 31 March 2014

There were no recognised gains or losses other than the profit attributable to shareholders of the company of £6,259,000 in the year ended 31 March 2014 and of £4,126,000 in the year ended 31 March 2013.

Balance sheet

at 31 March 2014

	Note	2014 £000	2013 £000
Fixed assets			
Tangible assets	10	3,938	3,864
Current assets			
Stocks	11	15,304	13,214
Debtors	12	37,935	18,266
Cash at bank and in hand		14,661	21,386
		67,900	52,866
***Creditors**: amounts falling due within one year*	13	(50,291)	(38,896)
Net current assets		17,609	13,970
Total assets less current liabilities		21,547	17,834
Provision for liabilities and charges	14	-	(21)
Net assets		21,547	17,813
Capital and reserves			
Called up share capital	15	1,350	1,350
Profit and loss account	16	20,197	16,463
Equity shareholders' funds	16	21,547	17,813

Approved by the Board and signed on their behalf by:

J J Jones
Director

16 June 2014

Notes to the financial statements

at 31 March 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards, modified to include the revaluation of certain freehold land and buildings.

Cash flow statement

The ultimate UK parent undertaking is Heavy Construction Machinery Limited which prepares consolidated financial statements which include a consolidated cash flow statement dealing with the cash flows of the group. Under FRS 1, the company is therefore not required to prepare a cash flow statement for inclusion in its own financial statements.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is not provided on freehold land. On other assets it is provided so as to write off the cost, less estimated residual value in equal annual instalments over the expected useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	-	1.5% per annum
Plant and machinery	-	10% - 20% per annum
Fixtures and fittings	-	10% - 20% per annum
Motor vehicles	-	25% per annum
Computer equipment	-	20% per annum
Leasehold property	-	over the period of the lease

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is arrived at as follows:

Raw materials	-	purchase cost on a first in first out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity less foreseeable losses.

Net realisable value is based on estimated selling prices less any further costs to be incurred to completion and disposal.

Operating lease income

Operating lease income is credited to the profit and loss account on a straight line basis over the duration of the related contracts.

Notes to the financial statements

at 31 March 2014

1. Accounting policies (continued)

Deferred taxation

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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

Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2. Turnover

Turnover represents the amount derived from the provisions of goods and services relating to the distribution and marketing of construction equipment during the year, stated net of value added tax. Income is recognised at the point at which the customer enters into an unconditional agreement to purchase the machine subject to an agreed future delivery date.

An analysis of turnover by geographical market is given below:

	2014	*2013*
	£000	*£000*
United Kingdom	129,754	97,642
Other European Countries	3,384	2,352
Other	32	323
	133,170	100,317

Notes to the financial statements

at 31 March 2014

3. Operating profit

This is stated after charging/(crediting):

		2014 £000	2013 £000
Depreciation	- owned assets	343	331
Operating lease charges	- land and buildings	228	226
	- other	65	33
Rentals received from operating leases		-	(61)
Exchange gains		(228)	(344)
Auditors' remuneration	- audit of these financial statements	45	45
	- non-audit services	-	-

4. Directors emoluments

The directors are remunerated by a fellow group undertaking, Heavy Machinery Group Holdings Limited. Emoluments of £1,333,000 (2013:£1,050,000) are largely for their services to this company. All other directors are remunerated by Hitachi Construction Machinery Europe (NV) and the directors believe that any emoluments received for services to this company are negligible.

5. Staff costs

	2014 £000	2013 £000
Wages and salaries	3,575	3,044
Social security costs	403	353
Other pension costs	83	59
	4,061	3,456

The average number of employees during the period, including directors, was as follows:

	2014 No.	2013 No.
Office and management	71	66
Assembly	41	36
	112	102

6. Interest receivable and similar income

	2014 £000	2013 £000
Bank interest receivable	79	42
Interest receivable from group undertakings	-	49
	79	91

Notes to the financial statements

at 31 March 2014

7. Interest payable and similar charges

	2014	*2013*
	£000	*£000*
Interest on late payment of corporation tax	-	18

8. Taxation

(a) Tax on profit on ordinary activities

	2014	*2013*
	£000	*£000*
Corporation tax:		
UK corporation tax at 23% (2013: 24%)	1,969	1,368
Adjustment in respect of previous year	(29)	(18)
Total current tax credit (note 8(b))	1,940	1,350
Deferred tax		
Origination of timing differences	(23)	(22)
Total deferred tax credit (note 14)	(23)	(22)
Tax on profit on ordinary activities	1,917	1,328

(b) Factors affecting current tax charges

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are reconciled below:

	2014	*2013*
	£000	*£000*
Profit on ordinary activities before tax	8,176	5,454
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 23% (2013: 24%)	1,880	1,309
Effects of:		
Expenses not deductible for tax purposes	141	32
(Accelerated)/decelerated capital allowances	(52)	27
Adjustments to tax charge in respect of previous periods	(29)	(18)
Total current tax charge (note 8(a))	1,940	1,350

(c) Factors that may affect future tax charge

A reduction in the UK corporation tax rate from 24% to 23% was substantively enacted on 3 July 2012 and is effective from 1 April 2013. A rate of 23% therefore applies to the current tax charge arising during the period.

Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. A rate of 20% has therefore been applied to the deferred tax asset at the balance sheet date.

Notes to the financial statements

at 31 March 2014

9. Dividends

	2014 £000	2013 £000
Interim dividends paid on ordinary shares	2,525	852

10. Tangible fixed assets

	Freehold land and buildings £000	Short leasehold properties £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost or valuation:							
At 31 March 2013	3,658	57	506	174	693	261	5,349
Additions	-	-	21	-	335	47	403
Disposals	-	(9)	(57)	-	-	(51)	(117)
Transfer from other Group undertaking	-	-	-	-	141	-	141
At 31 March 2014	3,658	48	470	174	1,169	257	5,776
Depreciation:							
At 31 March 2013	389	53	429	143	224	247	1,485
Charge for the year	48	3	47	17	219	9	343
Disposals	-	(8)	(58)	-	-	(50)	(116)
Transfer from other Group undertaking	-	-	-	-	126	-	126
At 31 March 2014	437	48	418	160	569	206	1,838
Net book value:							
At 31 March 2014	3,221	-	52	14	600	51	3,938
At 31 March 2013	3,269	4	77	31	469	14	3,864

Notes to the financial statements

at 31 March 2014

11. Stocks

	2014	*2013*
	£000	*£000*
Work in progress	53	54
Finished goods and goods for resale	15,251	13,160
	15,304	13,214

12. Debtors

	2014	*2013*
	£000	*£000*
Trade debtors	11,424	9,950
Amounts owed by group undertakings	26,281	8,183
Prepayments and accrued income	223	122
Other debtors	5	11
Deferred tax (note 14)	2	-
	37,935	18,266

13. Creditors: amounts falling due within one year

	2014	*2013*
	£000	*£000*
Trade creditors	2,405	2,795
Amounts owed to group undertakings	43,318	32,070
Corporation tax	960	366
Other taxes and social security costs	2,292	2,448
Other creditors	144	434
Accruals and deferred income	1,172	783
	50,291	38,896

Notes to the financial statements

at 31 March 2014

14. Provisions for liabilities and charges

	Deferred tax
	£000
At beginning of year - liability	21
Credit to the profit and loss for the year (note 8(a))	(23)
At end of year - asset	(2)

The elements of the deferred tax liability are as follows:

	2014	*2013*
	£000	*£000*
Difference between accumulated depreciation and capital allowances	-	23
Other timing differences	(2)	(2)
Deferred tax (asset)/liability	(2)	21

A deferred tax liability of £390,910 (2013: £428,140) in respect of rolled over gains of £1,861,478 (2013: £1,861,478) has not been recognised, as permitted by FRS19.

15. Share capital

	2014	*2013*
	£000	*£000*
Authorised		
1,350,000 ordinary shares of £1	1,350	1,350

	2014	*2013*	*2014*	*2013*
	No.	*No.*	*£000*	*£000*
Allotted, called up and fully paid				
1,350,000 ordinary shares of £1	1,350,000	1,350,000	1,350	1,350

Notes to the financial statements

at 31 March 2014

16. Reconciliation of shareholders' funds and movements on reserves

	Share capital *£000*	*Profit and loss account* *£000*	*Total* *£000*
At 31 March 2012	1,350	13,189	14,539
Profit for the year	-	4,126	4,126
Dividend paid on ordinary shares	-	(852)	(852)
At 31 March 2013	1,350	16,463	17,813
Profit for the year	-	6,259	6,259
Dividend paid on ordinary shares	-	(2,525)	(2,525)
At 31 March 2014	1,350	20,197	21,547

17. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	31 March 2014		*31 March 2013*	
	Land and buildings *£000*	*Other* *£000*	*Land and buildings* *£000*	*Other* *£000*
Annual commitments under leases expiring				
Within one year	158	9	56	6
Between two to five years	53	6	155	11
Over five years	24	-	24	-
	235	15	235	17

18. Pension scheme

Defined contribution plan

The company does not operate its own independent pension fund but operates a group personal pension scheme open to all employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £82,714 (2013: £59,000). Contributions totalling £11,805 (2013: £8,500) were payable to the fund at the year end and are included in creditors.

19. Related party transactions

The company has taken the exemption under FRS8 to not disclose transactions with other 100% owned group entities.

During the year, the group purchased parts, on an arm's length basis, with a purchase value of £149,731 from LDH Attachments Limited, an entity in which D Hearne's wife is the proprietor. £12,840 was due to the entity at 31 March 2014.

Notes to the financial statements

at 31 March 2014

20. Contingent liabilities

An unlimited bank guarantee exists between the company and its UK group members. The net amount outstanding at the end of the year was £Nil (2013: £Nil).

The group has a one year rolling facility of £5,200,000 with Bank of Toyko-Mitsubishi UFJ (Holland) NV N V that is repayable on demand. There are no fixed repayment terms and interest is payable at a rate of LIBOR plus 0.5% per annum.

Under certain contractual arrangements the company has an option to buy back equipment from its customers, once that equipment has served its purpose, typically after 3 years. The company's potential buy-back commitment in such circumstances will depend on the condition of the equipment. The directors are of the opinion that despite been unable to reliably estimate such potential buy-back amounts, these arrangements do not constitute any net liability to the company, since in normal circumstances the equipment can be re-sold at no net cost to the company.

21. Other financial commitments

The group has derivative financial instruments, being forward foreign exchange contracts as at 31 March 2014 with an estimated value of £1,622,000 (2013: £1,388,549).

22. Ultimate and immediate parent undertaking and controlling party

The immediate parent undertaking and controlling party is Heavy Machinery Group Limited. The ultimate UK parent and controlling party, into which the company's financial statements are consolidated, is Heavy Construction Machinery Limited.

Heavy Construction Machinery Limited is a wholly owned subsidiary of Hitachi Construction Machinery (Europe) NV, who are owned by Hitachi Construction Machinery Limited in Japan.

Hitachi Construction Machinery Limited are owned 50+% by Hitachi Limited with the remainder of the shares open to the public through their listing on the stock exchange. Hitachi Limited is therefore the ultimate parent undertaking.