Registered No. 1082975

REGISTRAR

HM Plant Limited

Report and Financial Statements

31 March 2010

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COMPANIES HOUSE

Registered No 1082975

Directors

J J Jones (Chairman)
A J Raine
A S Baker
K Kanomata
M Yamada
M Tabei
P H A Burger
DA Hearne
K Yamanaka

Secretary

A J Raine

Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

The Royal Bank of Scotland
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NE1 2HF

Solicitors

Addleshaw Goddard
Sovereign House
PO Box 8
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Registered Office

Monkton Business Park North
Hebburn
Tyne and Wear
NE31 2JZ

Directors' report

The directors present their report and the financial statements for the year ended 31 March 2010

Results and dividends

The profit for the year, after taxation, was £1,086,000 (period ended 31 March 2009 £2,551,000) No dividend was paid during the year

Principal activities

HM Plant Limited is a wholly owned subsidiary of Heavy Construction Machinery Limited and is engaged in the distribution and servicing of construction equipment and diesel engines

Business review

Introduction

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 8% of revenues (period ended 31 March 2009 96 8%) and exports accounted for 2 2% of turnover (period ended 31 March 2009 3 2%)

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

Directors' report (continued)

Business review (contınued)

The penod under revıew has proved to be a very challengıng year due to the ımpact of the sub prıme loan crısıs on UK constructıon projects and the fluctuatıons ın the world currency markets Many Banks and Fınance companıes wıthdrew credıt lınes resultıng ın customers fındıng ıt ıncreasıngly dıfficult to borrow funds agaınst capıtal equıpment resultıng ın an annualısed fall ın sales of 4 2% (perıod ended 31 March 2009 36 7% ıncrease)

Durıng the year the company acted quıckly reducıng both ıts fixed and varıable costs, brıng ıts stock levels and operatıng costs ın lıne wıth the current level of busıness actıvıty ın order to remaın competıtıve and profitable

Measurement

The company uses a number of financıal and non-financıal KPI's to measure performance and these are reported both at board level and to mangers ın monthly brıefings These KPI's ınclude customer servıce level, complaınts, productıon plan attaınment, sales plan achıevement and a number of health & safety, envıronmental and employee related KPI's The board consıders that the company has a very effectıve measurement and reportıng system, consıstent wıth ıts sıze and complexıty

As far as financıal performance ıs concerned the key measurements used by the company are turnover and gross profit percentage, calculated as reported on the face of the profit and loss account For the perıod under revıew, turnover was £84,272,000 (perıod ended 31 March 2009 £109,901,000) and the gross profit percentage was 9 2% (perıod ended 31 March 2009 11 0%)

Management also monıtor sales per employee, gross profit per employee and absorptıon ratıo, whıch ıs defined as the gross profit from the after sales actıvıty as a percentage of the company's total overheads

Rısk and uncertaıntıes

The major rısk facıng the company ın today's market ıs the current global recessıon and uncertaınty ın the financıal markets The dırectors expect thıs to contınue through 2010 whılst the housıng and commercıal property markets realıgn themselves to new values, and confidence returns to the prıvate ınvestment sector

The company operates ın a very competıtıve market place where ıts customers are contınually focused on value for money The dırectors contınue to monıtor the company's fixed and varıable costs and strıve to ıncrease efficıency wıth ın the busıness, to enable the company to remaın ın a competıtıve posıtıon

Directors' report (continued)

Business review (continued)

Forward looking information

In the coming financial year the directors expect trading conditions to be challenging with pressure from price increases due to currency fluctuations and material price inflation The directors anticipate increased competition from other manufactures in what is at best going to be a static market 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

However, 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 2010/2011 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

Political and charitable contributions

The group made no political contributions during the year (period ended 31 March 2009 £nil)

Donations to UK charities amounted to £17,581 (period ended 31 March 2009 £52,190)

Directors' report (continued)

Directors

Directors who held office during the year were as follows

J J Jones (Chairman)
DA Hearne
A J Raine
A S Baker
K Kanomata
M Yamada
M Tabei
P H A Burger
M Yamada (resigned 1 April 2010)
K Yamanaka (appointed 1 April 2010)

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

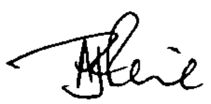
Disclosure of information to auditors

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

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



A J Raine
Director

20 July 2010

Statement of directors' responsibilities

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

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

ERNST & YOUNG

Independent auditors' report

to the members of HM Plant Limited

We have audited the financial statements of HM Plant Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits 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 auditors

As explained more fully in the Directors' Responsibilities Statement 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 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 (APB'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

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 2010 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 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 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

21 July 2010

Profit and loss account

for the year ended 31 March 2010

	Note	Year ended 31 March 2010 £000	15 month period ended 31 March 2009 £000
Turnover	2	84,272	109,901
Cost of sales		(76,541)	(97,798)
Gross profit		7,731	12,103
Administrative expenses		(4,257)	(5,618)
Distribution costs		(1,939)	(3,303)
Operating profit	3	1,535	3,182
Interest receivable and similar income	6	22	477
Interest payable and similar charges	7	(21)	(192)
Profit on ordinary activities before taxation		1,536	3,467
Tax on profit on ordinary activities	8	(450)	(916)
Profit on ordinary activities after taxation	16	1,086	2,551

All of the company's activities are continuing

Statement of total recognised gains and losses

for the year ended 31 March 2010

There were no recognised gains or losses other than the profit attributable to shareholders of the company of £1,086,000 in the year ended 31 March 2010 and of £2,551,000 in the period ended 31 March 2009

Note of historical cost profits and losses

for the year ended 31 March 2010

	Year ended 31 March 2010 £000	15 month period ended 31 March 2009 £000
Reported profit on ordinary activities before taxation	1,536	3,467
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	2	2
Historical cost profit on ordinary activities before taxation	1,538	3,469
Historical cost profit for the year/period retained after taxation	1,088	2,553

Balance sheet

at 31 March 2010

	Note	*31 March 2010 £000*	*31 March 2009 £000*
Fixed assets			
Tangible assets	10	4,412	4,102
Current assets			
Stocks	11	8,510	10,432
Debtors	12	16,291	11,904
Cash at bank and in hand		13,321	5,222
		38,122	27,558
Creditors amounts falling due within one year	13	(34,145)	(24,350)
Net current assets		3,977	3,208
Total assets less current liabilities		8,389	7,310
Provision for liabilities and charges	14	(67)	(74)
Net assets		8,322	7,236
Capital and reserves			
Called up share capital	15	1,350	1,350
Revaluation reserve	16	40	42
Profit and loss account	16	6,932	5,844
Equity shareholders' funds	16	8,322	7,236

Approved by the Board and signed on their behalf by

J J Jones
Director

20 July 2010

Notes to the financial statements

at 31 March 2010

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 2010

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

Forward foreign currency contracts

The company uses forward foreign currency contracts to reduce exposure to fluctuating foreign exchange rates The company considers these derivative instruments qualify for hedge accounting when certain criteria are met as follows

- the instrument must be related to a firm foreign currency commitment,
- it must involve the same currency as the hedged item, and
- it must reduce the risk of foreign currency exchange movements on the company's operations

The rates under such contracts are used to record the hedged item As a result, gains and losses are offset against the foreign exchange gains and losses on the related financial liabilities, or where the instrument is used to hedge a future committed transaction, are not recognised until the transaction occurs

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

Notes to the financial statements

at 31 March 2010

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

	Year ended 31 March 2010	*15 month period ended 31 March 2009*
	£000	*£000*
United Kingdom	82,398	106,386
Other European Countries	1,866	3,484
Other	8	31
	84,272	109,901

3. Operating profit

This is stated after charging/(crediting)

		Year ended 31 March 2010	*15 month period ended 31 March 2009*
		£000	*£000*
Operating lease charges	- land and buildings	224	312
	- other	443	604
(Gains)/losses on foreign exchange		(41)	207
Rentals received from operating leases		(86)	-
Depreciation	- owned fixed assets	223	214
Auditors' remuneration	- audit	47	47
	- non-audit services	-	-

4. Directors' emoluments

No directors were paid by the company All directors' remuneration is borne by Heavy Machinery Group Holdings Limited

Notes to the financial statements

at 31 March 2010

5. Staff costs

	Year ended 31 March 2010 £000	15 month period ended 31 March 2009 £000
Wages and salaries	3,176	4,800
Social security costs	353	588
Other pension costs	60	82
	3,589	5,470

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

	Year ended 31 March 2010 No	15 month period ended 31 March 2009 No
Office and management	78	84
Assembly	34	53
	112	137

6. Interest receivable and similar income

	Year ended 31 March 2010 £000	15 month period ended 31 March 2009 £000
Bank interest receivable	22	477

7. Interest payable and similar charges

	Year ended 31 March 2010 £000	15 month period ended 31 March 2009 £000
Interest on late payment of corporation tax	-	151
Bank interest payable	21	41
	21	192

Notes to the financial statements

at 31 March 2010

8. Taxation

(a) Tax on profit on ordınary actıvıtıes

	Year ended 31 March 2010 £000	*15 month perıod ended 31 March 2009 £000*
Corporatıon tax		
UK corporatıon tax at 28% (2009 28%)	510	1,092
Adjustment ın respect of prevıous year	(53)	(63)
Total current tax credıt (note 8(b))	457	1,029
Deferred tax		
Orıgınatıon of tımıng dıfferences	(7)	(124)
Adjustments ın respect of prıor perıods	-	11
Total deferred tax charge (note 14)	(7)	(113)
Tax on profit on ordınary actıvıtıes	450	916

(b) Factors affectıng current tax charges

The tax assessed on the profit on ordınary actıvıtıes for the year ıs hıgher than the standard rate of corporatıon tax ın the UK of 28% (2009 28%) The dıfferences are reconcıled below

	Year ended 31 March 2010 £000	*15 month perıod ended 31 March 2009 £000*
Profit on ordınary actıvıtıes before tax	1,536	3,467
Profit on ordınary actıvıtıes before tax multıplıed by the standard rate of corporatıon tax ın the UK of 28% (2009 28%)	430	971
Effects of		
Expenses not deductıble for tax purposes	76	125
Accelerated/(decelerated) capıtal allowances	4	(4)
Adjustments to tax charge ın respect of prevıous perıods	(53)	(63)
Total current tax charge (note 8(a))	457	1,029

Notes to the financial statements
at 31 March 2010

9. Dividends

	Year ended 31 March 2010 £000	15 month period ended 31 March 2009 £000
Dividends paid on ordinary shares during the period	-	-

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 2009	3,896	34	1,416	792	99	410	6,647
Additions	2	-	533	-	-	-	535
Disposals	-	-	(910)	(618)	(87)	(164)	(1,779)
At 31 March 2010	3,898	34	1,039	174	12	246	5,403
Depreciation							
At 31 March 2009	214	10	1,164	688	95	374	2,545
Charge for the year	57	2	123	19	4	20	223
Disposals	-	-	(910)	(618)	(87)	(164)	(1,779)
At 31 March 2010	271	12	377	89	12	230	991
Net book value							
At 31 March 2010	3,627	22	662	85	-	16	4,412
At 31 March 2009	3,682	24	252	104	4	36	4,102

Included within plant and machinery above are assets with a cost of £520,000 and accumulated depreciation of £75,000 that are held for use under operating leases

Notes to the financial statements

at 31 March 2010

10. Tangible fixed assets (continued)

The following information relates to tangible fixed assets carried on a revalued basis in accordance with FRS 15 'Tangible Fixed Assets'

	2010	2009
	£000	£000
Land and buildings		
At 1999 valuation	220	220
Depreciation thereon	(12)	(11)
Net book value	208	209
Historical cost of revalued assets	187	187
Aggregate depreciation based on historical cost	(28)	(26)
Historical cost net book value	159	161

The company's freehold land and buildings were valued at open market value on an existing use basis by independent valuers Edward Rushton Son & Kenyon Limited, International Valuers and Surveyors on 29 November 1999 in accordance with RICS Statement of Asset Valuation Practice and Guidance Notes The transitional provisions of FRS 15 Tangible fixed assets have been followed and the valuations have therefore not been updated Other tangible fixed assets, including additions subsequent to the revaluation of land and buildings, are included at cost

11. Stocks

	2010	2009
	£000	£000
Work in progress	77	34
Finished goods and goods for resale	8,433	10,398
	8,510	10,432

12. Debtors

	2010	2009
	£000	£000
Trade debtors	8,043	7,743
Amounts owed by group undertakings	8,134	3,985
Prepayments and accrued income	114	176
	16,291	11,904

Notes to the financial statements

at 31 March 2010

13. Creditors: amounts falling due within one year

	2010	*2009*
	£000	*£000*
Bank loan	-	4,000
Trade creditors	27,017	13,026
Amounts owed to group undertakings	3,753	3,459
Corporation tax	400	1,182
Other taxes and social security costs	804	1,377
Other creditors	583	480
Accruals and deferred income	1,588	826
	34,145	24,350

14. Provisions for liabilities and charges

	Deferred tax
	£000
At beginning of year	74
Credit to the profit and loss for the year (note 8(a))	(7)
At end of year	67

The elements of the deferred tax liability are as follows

	2010	*2009*
	£000	*£000*
Difference between accumulated depreciation and capital allowances	69	76
Other timing differences	(2)	(2)
Deferred tax liability	67	74

A deferred tax liability of £558,443 (period ended 31 March 2009 £558,443) in respect of rolled over gains of £1,861,478 (period ended 31 March 2009 £1,861,478) has not been recognised, as permitted by FRS19

Notes to the financial statements

at 31 March 2010

15 Share capital

	2009	2009
	£000	£000
Authorised		
1,350,000 ordinary shares of £1	1,350	1,350

	2010	2009	2010	2009
	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

16. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Revaluation reserve £000	Profit and loss account £000	Total £000
At 31 December 2007	1,350	44	3,291	4,685
Profit for the period	-	-	2,551	2,551
Transfer from revaluation reserve	-	(2)	2	-
At 31 March 2009	1,350	42	5,844	7,236
Profit for the year	-	-	1,086	1,086
Transfer from revaluation reserve	-	(2)	2	-
At 31 March 2010	1,350	40	6,932	8,322

17. Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows

	31 March 2010		31 March 2009	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Annual commitments under leases expiring				
Within one year	39	38	75	34
Between two to five years	131	5	29	21
Over five years	52	-	116	-
	222	43	220	55

Notes to the financial statements

at 31 March 2010

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 £60,000 (period ended 31 March 2009 £82,000) Contributions totalling £7,000 (period ended 31 March 2009 £7,000) 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 group entities

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 (period ended 31 March 2009 £4,000,000)

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

21. Other financial commitments

The group has derivative financial instruments, being forward foreign exchange contracts as at 31 March 2010 with an estimated value of £696,918 (period ended 31 March 2009 £Nil)

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 (Europe) NV 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