

Mitsubishi Power Systems Europe Ltd

Report and Financial Statements

31 December 2008

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COMPANIES HOUSE
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Registered No. 6393002

Corporate Information

Directors

A Fukui (appointed 8 October 2007)

Secretary

M Moriwake (appointed 15 May 2008)

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

National Westminster Bank Plc
31 Cheapside
London EC2V 6AN

The Bank of Tokyo-Mitsubishi UFJ Ltd
12-15 Finsbury Circus
London EC2M 7BT

Solicitors

Field Fisher Waterhouse
41 Vine Street
London EC3N 2AA

Registered Office

20 North Audley Street
London W1K 6WL

Directors' report

The directors present their report and the Group financial statements for the period ended 31 December 2008.

Results and dividends

The results for period ended 31 December 2008 show a profit after taxation of £3,946,790 as set out in the Group income statement on page 8.

The directors do not propose the payment of a dividend.

Principal activity and review of the business

The principal activity of the company and the group is sales and the provision of after-sales service of power generating equipment and systems to customers in Europe, the Middle East and Africa (EMEA).

Following the incorporation of Mitsubishi Power Systems Europe (MPSE) on the 8 October 2007, MPSE has endeavoured to construct a framework of organisation for providing optimised solutions to customers and for its future growth. To enable this MHIE Power Services Spain S.L. (MPSS) and the other power divisions overseen by Mitsubishi Heavy Industries Europe Ltd (MHIE) were acquired. The transfer of these divisions is to be financed by the issuance of MPSE shares to MHIE. The Group also established offices in Ireland and in Italy.

On the 4 February 2008 MHIE Power Services S.L. (MPSS) was renamed MHI Power Systems Spain S.L. (MPSS)

Strong foundation of business

Since its inception, the Group has successfully secured several long and short term maintenance contracts with customers in the UK as well as in other countries in Europe, which will provide a strong foundation for future business development.

Strengthening strategic partnerships

During 2008 the Group made further investment in Diamond GT Service Europe S.r.l. (DGTSE) a joint venture company based in Italy formed with Atla S.r.l. Together in partnership with other key suppliers as well as public organisations, the Group has been reinforcing the network for offering services throughout the entire life cycle of power generating equipment.

Future developments

Management consider that 2009 will show further growth in business from acquisitions and organically. The Company is in the process of securing an order for installation of a new power plant as well as its short and long term maintenance contracts and service agreements within U.K. and other EMEA countries.

In addition, the Company has taken the initiative in renewable energy solutions, striving to develop the technology and the business model of offshore wind turbine in collaboration with Mitsubishi Heavy Industries Limited (MHI) as well as investors and governmental organisations.

Risk and uncertainties

The group has identified the principal risks that it faces as:

Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables.

The Group's credit risk is primarily attributable to its trade receivables. In order to manage credit risk the Group performs an individual risk assessment based upon independent credit references, financial

Directors' report

position, past experiences and other factors to incorporate the latest developments and qualitative information.

Risk and uncertainties (continued)

Credit risk (continued)

For maintaining the relationships with customers, the Group also strives to work in partnership with key distributors to deliver the products required whilst through the use of bank guarantees, trade insurance and payments in advance attempting to minimise the risk of being unable to recover a debt.

Foreign currency risk

The Group sells in currencies other than its functional currency, however it minimises the foreign currency risk by ensuring its major supplier (MHI) invoices for goods or services supplied in the currency to be invoiced to the customer.

Operational management

The group must maintain core operational activities and they are continuously developing regular risk assessments by visiting Branches and subsidiaries on a regular basis and also an awareness of accountability and risk management.

The objective aim is to ensure sufficient working capital within the group and monitor the management of credit and operational risks at a business unit level on an ongoing basis.

Legislative risks

The group is subject to continuous changes in the UK and European standards and any new Directive may have an impact on the ability of the group to distribute and supply products at a profit.

Directors

The directors who served during the year were those listed on page 1.

On the 8 October 2007 A Fukui was appointed as Chief Executive Officer

Company Secretary

On the 8 October 2007 Y Hanasawa was appointed as company secretary and resigned on 15 May 2008. M Moriwake was appointed as company secretary on the same day.

Events since the balance sheet date

In the month of April 2009 the group acquired 100% of the shares in Maintenance Partners NV of Belgium for €32,000,000 by the investment of £30,876,000 by MHI through MHIE.

Through this acquisition, the Group will add an additional feature of power generation services enabling it to provide the full-scope engineering and repair capabilities to current and new customers in Europe, the Middle East and Africa.

Creditor payment policy and practice

It is the company's policy that payments to its suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2008, the company had an average of 153 days purchases outstanding in trade and related party creditors.

Directors' report

Auditors

Ernst & Young LLP were appointed by the directors as the first auditors during the period. A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the group's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board

宋石瑞
Secretary

31/304/09

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the group financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union.

The directors are required to prepare Group financial statements for each financial year which present fairly the financial position of the Group and the financial performance and cash flows of the Group for that period. In preparing those Group financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- state that the Group has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 1985 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Mitsubishi Power Systems Europe Ltd

We have audited the group and parent company financial statements of Mitsubishi Power Systems Europe Limited for the period ended 31 December 2008 which comprise the Group Income Statement, the Group Statement of recognised Income and Expenses, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Cash Flows, the Company Statement of Cash Flows and the related notes 1 to 30. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Mitsubishi Power Systems Europe Ltd

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the group's and parent company's affairs as at 31 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP
Registered Auditor
London

Date :- 3 AUG 2009

Group income statement

for the period ended 31 December 2008

	<i>Notes</i>	<i>2008</i> <i>£</i>
Revenue	5	42,930,194
Cost of sales		(35,517,120)
Gross profit		7,413,074
Administrative expenses		(1,981,637)
Group trading profit		5,431,437
Other operating income		5
Group operating profit from continuing operations	6	5,431,442
Finance revenue	9	330,596
Finance costs	10	(14,562)
Profit from continuing operations before taxation		5,747,476
Taxation expense	11	(1,800,686)
Profit for the period from continuing operations		3,946,790
Profit for the period attributable to:		
Equity holders of the parent		3,986,362
Minority Interest		(39,572)
		3,946,790

Group statement of recognised income and expense

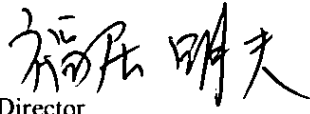
for the period ended 31 December 2008

	2008 £
<i>Income and expense recognised directly in equity</i>	
Exchange difference on retranslation of foreign operations	977,080
<i>Profit for the period</i>	3,946,790
<i>Total recognised income and expense for the period</i>	4,923,870
Attributable to:	
Equity holders of the parent	3,986,362
Minority Interest	(39,572)
	3,946,790

Group balance sheet

at 31 December 2008

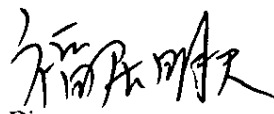
	Notes	2008 £
Non-current assets		
Property, plant and equipment	12	1,115,417
Intangible assets	13	65,082
Financial assets	14	142,080
Deferred tax asset	11	1,742,140
		<u>3,064,719</u>
Current assets		
Trade and other receivables	17	12,701,640
Inventories	18	6,586,785
Cash and deposits	19	23,429,886
		<u>42,718,311</u>
Total assets		<u>45,783,030</u>
Current Liabilities		
Trade and other payables	20	(25,649,465)
Income tax payable		(1,292,643)
		<u>(26,942,108)</u>
Non-current Liabilities		
Financial liabilities	21	(10,373,240)
Deferred Tax Liability	11	(11,672)
		<u>(10,384,912)</u>
Total liabilities		<u>(37,327,020)</u>
Net assets		<u>8,456,010</u>
Capital and reserves		
Equity share capital	25	3,100,000
Currency translation	26	951,838
Retained earnings	26	4,209,001
MPSE UK Group shareholders' equity	26	<u>8,260,839</u>
Minority interests	26	<u>195,171</u>
Total Equity		<u>8,456,010</u>


 Director
 31/504/09

Company balance sheet

at 31 December 2008

	Notes	2008 £
Non-current assets		
Property, plant and equipment	12	619,276
Intangible assets	13	57,315
Financial assets	14	139,342
Investments in subsidiaries	15	1,758,300
		<u>2,574,233</u>
Current assets		
Trade and other receivables	17	9,564,179
Inventories	18	859,448
Cash and deposits	19	12,404,762
		<u>22,828,389</u>
Total assets		<u>25,402,622</u>
Current Liabilities		
Trade and other payables	20	(15,735,195)
Income tax payable		(366,336)
		<u>(16,101,531)</u>
Non-current Liabilities		
Financial liabilities	21	(3,740,220)
Deferred Tax Liability	11	(11,672)
		<u>(3,751,892)</u>
Total liabilities		<u>(19,853,423)</u>
Net assets		<u>5,549,199</u>
Capital and reserves		
Equity share capital	25	3,100,000
Currency translation	26	138,745
Retained earnings	26	2,310,454
Total Equity		<u>5,549,199</u>


 Director
 31/JUL/09

Group statement of cash flows

for the period ended 31 December 2008

	Notes	2008 £
<i>Cash flows from operating activities</i>		
Cash receipts from customers		38,875,546
Cash paid to suppliers and employees		(18,999,588)
		<hr/>
Cash generated from operations		19,875,958
Interest paid		(14,562)
Income taxes paid		(1,552,365)
		<hr/>
Net cash from operating activities		18,309,031
<i>Cash flows from investing activities</i>		
Acquisition of subsidiary net of cash acquired		2,363,777
Purchase of property, plant and equipment		(921,010)
Proceeds from sale of equipment		2,012
Interest received		330,596
Cash inflow from minority interest		245,475
Other Income		5
		<hr/>
Net cash used in investing activities		2,020,855
<i>Cash flows from financing activities</i>		
Proceeds from issue of share capital		3,100,000
Proceeds from short term borrowings		2,000,000
Repayments of short term borrowings		(2,000,000)
		<hr/>
Net cash used in financing activities		3,100,000
		<hr/>
<i>Net increase in cash and cash equivalents</i>		23,429,886
		<hr/>
<i>Cash and cash equivalents at beginning of period</i>		-
<i>Cash and cash equivalents at end of period</i>	27	23,429,886
		<hr/>
	27	23,429,886
		<hr/>

Company statement of cash flows

for the period ended 31 December 2008

	Notes	2008 £
Cash flows from operating activities		
Cash receipts from customers		18,878,388
Cash paid to suppliers and employees		(6,599,226)
Cash generated from operations		12,279,162
Interest paid		(14,562)
Income taxes paid		(697,455)
Net cash from operating activities		11,567,145
Cash flows from investing activities		
Purchase of property, plant and equipment		(669,525)
Proceeds from sale of equipment		2,012
Interest received		163,430
Investment in subsidiaries		(1,758,300)
Net cash used in investing activities		(2,262,383)
Cash flows from financing activities		
Proceeds from issue of share capital		3,100,000
Proceeds from short term borrowings		2,000,000
Repayments of short term borrowings		(2,000,000)
Net cash used in financing activities		3,100,000
Net increase in cash and cash equivalents		12,404,762
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	27	12,404,762
	27	12,404,762

Notes to the financial statements

at 31 December 2008

1. General information

The financial statements of Mitsubishi Power Systems Europe Ltd and its subsidiaries (the "Group") for the period ended 31 December 2008 were authorised for issue by the board of directors on 31 July 2009 and the balance sheet was signed on the board's behalf by A Fukui. Mitsubishi Power Systems Europe Ltd ("MPSE") is a subsidiary undertaking of Mitsubishi Heavy Industries Europe Ltd which is itself a subsidiary undertaking of Mitsubishi Heavy Industries Ltd. (the ultimate parent undertaking) which is incorporated in Japan. Mitsubishi Power Systems Europe Ltd is a private company incorporated and domiciled in England and Wales. The address of the Company's registered office is 20 North Audley street, London W1K 6WL. The principal activity of the company and the group is sales and the provision of after-sales service of power generating equipment and systems to customers in Europe, the Middle East and Africa (EMEA)

2. Basis of preparation

The Group financial statements are prepared on the historical cost basis, adjusted for fair value in relation to the Group's derivative financial instrument. The Group financial statements are presented in Sterling.

Statement of compliance

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to the financial statements of the Group for the period ended 31 December 2008.

No comparatives have been provided as this is the first accounting period since incorporation.

Basis of consolidation

The Group financial statements comprise the financial statements of Mitsubishi Power Systems Europe Ltd and its subsidiaries as at 31 December 2008.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Minority interests represent the portion of profit or loss and net assets in subsidiaries that is not held by the Group and is presented separately within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Investments in subsidiaries held by Mitsubishi Power Systems Europe Ltd are accounted for at cost in the separate financial statements of the parent entity.

On 25 January 2008 the Group completed the transfer of MHIE Power Services, S.L. (MPSS) from MHIE for £1,482,580. The effective transfer date was the 1 January 2008 with the transfer to be financed by the issuance of MPSE shares to MHIE.

On 1 January 2008, the London Power division overseen by MHIE was transferred to MPSE.

On 1 February 2008, the MHIE Madrid power division was transferred to MPSS and on 1 April 2008 the MHIE Hamburg power division was transferred to MPSE.

Notes to the financial statements

at 31 December 2008

2. Basis of preparation (continued)

Basis of consolidation (continued)

The transfer of the above divisions (with the exception of the Madrid power division, which was settled in cash) is to be financed by the issuance of MPSE shares to MHIE.

As these transaction involved the combination of businesses under the common control of Mitsubishi Heavy Industries, the pooling of interests method of accounting has been applied in the presentation of the consolidated financial statements for the period ended 31 December 2008. These statements present the results of the Group as if MPSS and MHIE power divisions had always been part of the Group. Accordingly, the assets and liabilities transferred to the Company have been recognised at historical amounts.

3. Significant accounting estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates.

Key sources of estimation uncertainty

Inventories

Inventories are assets:

- Held for sale in the ordinary course of business.
- In the process of production for resale
- In the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are to be valued at the lower of cost and net realisable value (NRV). Any write-down to NRV should be recognised as a charge to income for the period. Any reversal of the write-down should be recognised in the income statement in the period in which the reversal occurs.

Notes to the financial statements

at 31 December 2008

4. Accounting policies

The accounting policies which follow set out the significant policies which apply in preparing the financial statements for the period 31 December 2008. No profit or loss account is presented for Mitsubishi Power Systems Europe Ltd (MPSE) as permitted by Section 230 of the Companies Act 1985.

Statement of cash flows

Group prepares cash flow statement under IAS7 applying direct method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Property, plant and equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over its useful life, as follows:

Leasehold improvement	–	6 years or remaining lease term if less than 6 years
Computer Equipment	–	3 to 5 years
Fixtures and Fittings	–	3 to 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property, plant and equipment is the greater of net selling price and value in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Notes to the financial statements

at 31 December 2008

4. Accounting policies (continued)

Intangible assets

Separately identifiable intangible assets acquired are capitalised at cost and those acquired from a business acquisition are capitalised at fair value as at the date of acquisition. The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation period for the principle categories of intangible assets is calculated as follows:

Software	–	3-5 years
Licences	–	10-20 years

Intangible assets are tested for impairment when a trigger event occurs. Useful lives are also examined on an annual basis and adjustments, where applicable are made on a prospective basis.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured excluding discounts, rebates, and other sales taxes such as VAT.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from the provision of long term contracts is recognised by reference to the stage of completion. Stage of completion is measured by reference to total actual costs incurred to date as a percentage of total estimated costs for each contract on the basis that the contract outcome can be measured reliably based on the Group's past experience in similar contracts.

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Notes to the financial statements

at 31 December 2008

4. Accounting policies (continued)

Foreign currency translation

Items included in the financial statements of each Group entity are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the financial information, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the Group financial statements.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Net investment in a foreign operation shall be recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially in a separate component of equity and recognised in profit or loss on disposal of the net investment

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except to the extent that both of the following conditions are satisfied:

- the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Current income tax

The company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision and liability for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax issues based on estimates of whether additional taxes will be due, based on its best interpretation of the relevant tax laws. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Notes to the financial statements

at 31 December 2008

4. Accounting policies (continued)

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Embedded derivative

Derivatives embedded in host contracts are accounted for as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. These embedded derivatives are measured at fair value with gains or losses arising from changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets and financial liabilities

Initial recognition

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. The Group's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, available-for-sale financial assets and derivative financial instruments.

Trade receivables

Trade receivables are carried at original invoice amount, including value added tax, less an estimate made for doubtful receivables based on a review of any outstanding amounts at the period end and on historical performance. Bad debts are written off in the period in which they are identified.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each balance date whether there is objective evidence that an investment or a group of investments is impaired. Available-for-sale financial investments are recorded at amortised cost.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that do not meet the hedge accounting criteria as defined by IAS 39. The Group has not designated any financial assets as at fair value through profit or loss.

Notes to the financial statements

at 31 December 2008

4. Accounting policies (continued)

Financial assets and financial liabilities (continued)

Standards issued but not yet effective: Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for later accounting periods and which have not been adopted early. These are:

<i>International Accounting Standards (IAS / IFRSs)</i>		<i>Effective date</i>
IFRS 1 and IAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
IFRS 3	Business Combinations (revised January 2008)	1 July 2009
IAS 1	Presentation of Financial Statements (revised September 2007)	1 January 2009
IAS 23	Borrowing Costs (revised March 2007)	1 January 2009
IAS 27	Consolidated and Separate Financial Statements (revised January 2008)	1 July 2009
IAS 32 and IAS 1	Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation	1 January 2009
IAS 39	Eligible Hedged Items Improvements to IFRSs	1 January 2009 Various effective dates
<i>International Financial Reporting Interpretations Committee (IFRIC)</i>		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17	Distributions of Non-Cash Assets to Owners	1 July 2009

The Directors do not anticipate that the adoption of the above standards and interpretations will have a material impact on the Group's financial statements in the period of initial application.

Notes to the financial statements

at 31 December 2008

5. Revenue

	2008 £
Rendering of Services	42,930,194
	<u>42,930,194</u>
Finance revenue	330,596
	<u>43,260,790</u>

MHIE Power Services S.L. (MPSS) was acquired on 1 January 2008 from MHIE. MPSS Revenue for the year to 31 December 2008 was £16,333,192.

6. Group operating profit

This is stated after charging/(crediting):

	2008 £
Depreciation of property, plant and equipment	190,990
Amortisation of intangible assets (included in cost of sales)	8,047
Total depreciation and amortisation expense	199,037
Net Foreign currency Gain	(550,399)
Operating lease payments	486,843
Auditors' remuneration	169,094
	<u>486,843</u>

7. Auditors' remuneration

	2008 £
Audit of the group financial statements	33,085
Other fees to auditors – auditing the accounts of subsidiaries	7,185
– other services relating to taxation	83,033
– other advisory services	45,791
	<u>168,099</u>

Notes to the financial statements

at 31 December 2008

8. Staff costs

	2008 £
Wages and salaries	2,631,909
Social security costs	199,544
Other pension costs	23,228
	<u>2,854,681</u>

Included in other pension costs are £23,228 in respect of defined contribution scheme and the average weekly number of employees during the period was as follows:

	2008 No.
Office management	39

9. Finance revenue

	2008 £
Interest from short-term bank deposits	329,861
Other interest income	735
Total finance revenue	<u>330,596</u>

10. Finance costs

	2008 £
Interest on short term loan	14,505
Other interest expense	57
	<u>14,562</u>

Notes to the financial statements

at 31 December 2008

11. Taxation

(a) Tax on profit on ordinary activities:

Tax charged in the income statement

	2008 £
Current income tax:	
UK corporation tax – continuing operations	1,049,703
Foreign tax	1,299,852
Double taxation relief	(122,740)
Total current income tax	<u>2,226,815</u>
Deferred tax:	
Origination and reversal of temporary differences	(426,129)
Total deferred tax	<u>(426,129)</u>
Tax charge in the income statement	<u><u>1,800,686</u></u>
The tax charge in the income statement is disclosed as follows:	
Income tax expense on continuing operations	1,800,686

(b) Reconciliation of the total tax charge

The tax expense in the income statement for the period is higher than the standard rate of corporation tax in the UK of 28% (2007 – 30%). The differences are reconciled below:

	2008 £
Profit from continuing activities before taxation	5,747,476
Accounting profit before income tax	5,747,476
Accounting profit multiplied by UK standard rate of corporation tax of 28% and Spain 30%	<u>1,632,869</u>

Notes to the financial statements

at 31 December 2008

11. Taxation (continued)

Effects of:

	2008 £
Expenses not deductible for tax purposes	101,021
Deferred tax assets not recognised	20,068
Impact of differences in overseas tax rates	38,377
Others	8,351
Total tax expense reported in the income statement	<u>1,800,686</u>

(c) Deferred tax

The deferred tax included in the Group and Company balance sheet is as follows:

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
Deferred tax asset		
Decelerated capital allowances	(11,672)	(11,672)
Other timing differences – general provisions	1,742,140	-
	<u>1,730,468</u>	<u>(11,672)</u>
Disclosed on the balance sheet		
Deferred tax asset	1,742,140	-
Deferred tax liability	(11,672)	(11,672)

The deferred tax included in the Group and Company income statement is as follows:

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
Deferred tax in the income statement		
Decelerated capital allowance	(12,856)	(12,856)
Other timing differences – general provisions	438,985	-
	<u>426,129</u>	<u>(12,856)</u>

Notes to the financial statements

at 31 December 2008

12. Property, plant and equipment - group

	<i>Leasehold improvements</i>	<i>Plant and equipment</i>	<i>Construction in Progress</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 8 October 2007	-	-	-	-
Foreign currency adjustment	-	108,936	-	108,936
Additions	237,591	612,041	25,610	875,242
Transfers	-	485,606	-	485,606
Disposals	-	-	-	-
At 31 December 2008	237,591	1,206,583	25,610	1,469,784
Depreciation:				
At 8 October 2007	-	-	-	-
Foreign currency adjustment	-	(27,204)	-	(27,204)
Provided during the period	(19,431)	(171,559)	-	(190,990)
Transfers	-	(136,173)	-	(136,173)
Disposals	-	-	-	-
At 31 December 2008	(19,431)	(334,936)	-	(354,367)
Net book value at 31 December 2008	218,160	871,647	25,610	1,115,417
Net book value at 8 October 2007	-	-	-	-

Notes to the financial statements

at 31 December 2008

12. Property, plant and equipment - company

	<i>Leasehold improvements</i>	<i>Plant and equipment</i>	<i>Construction in Progress</i>	<i>Total</i>
	£	£	£	£
Cost:				
At 8 October 2007	-	-	-	-
Foreign currency adjustment	-	-	-	-
Additions	237,591	343,798	25,610	606,999
Transfers	-	144,447	-	144,447
Disposals	-	-	-	-
At 31 December 2008	237,591	488,245	25,610	751,446
Depreciation:				
At 8 October 2007	-	-	-	-
Foreign currency adjustment	-	-	-	-
Provided during the period	(19,431)	(65,931)	-	(85,362)
Transfers	-	(46,808)	-	(46,808)
Disposals	-	-	-	-
At 31 December 2008	(19,431)	(112,739)	-	(132,170)
Net book value at 31 December 2008	218,160	375,506	25,610	619,276
Net book value at 8 October 2007	-	-	-	-

Notes to the financial statements

at 31 December 2008

13. Intangible assets - group

	<i>Software</i>	<i>Licences</i>	<i>Total</i>
	£	£	£
Cost:			
At 8 October 2007	-	-	-
Foreign currency adjustment	894	-	894
Additions	24,890	46,488	71,378
Transfers	9,162	-	9,162
Disposals	-	(2,012)	(2,012)
At 31 December 2008	34,946	44,476	79,422
Amortisation:			
At 8 October 2007	-	-	-
Foreign currency adjustment	(458)	-	(458)
Provided during the period	(5,187)	(2,860)	(8,047)
Transfers	(5,835)	-	(5,835)
Disposals	-	-	-
At 31 December 2008	(11,480)	(2,860)	(14,340)
Net book value at 31 December 2008	23,466	41,616	65,082
Net book value at 8 October 2007	-	-	-

Notes to the financial statements

at 31 December 2008

13. Intangible assets - company

	<i>Software</i> £	<i>Licences</i> £	<i>Total</i> £
Cost:			
At 8 October 2007	-	-	-
Foreign currency adjustment	-	-	-
Additions	20,281	42,245	62,526
Transfers	5,211	-	5,211
Disposals	-	(2,012)	(2,012)
At 31 December 2008	25,492	40,233	65,725
Amortisation:			
At 8 October 2007	-	-	-
Foreign currency adjustment	-	-	-
Provided during the period	(2,829)	(2,012)	(4,841)
Transfers	(3,569)	-	(3,569)
Disposals	-	-	-
At 31 December 2008	(6,398)	(2,012)	(8,410)
Net book value at 31 December 2008	19,094	38,221	57,315
Net book value at 8 October 2007	-	-	-

Notes to the financial statements

at 31 December 2008

14. Financial assets

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
Financial assets – non-current		
Other debtors	51,079	48,341
Prepayments & accrued income	91,001	91,001
	<u>142,080</u>	<u>139,342</u>

(a) Other debtors

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
Employee loans repayable in more than one year	6,417	6,417
Security Deposits - Rented Office	500	500
Security Deposits - Employee rented accommodation	36,337	33,599
Security Deposit - Car	7,825	7,825
	<u>51,079</u>	<u>48,341</u>

(b) Prepayments and accrued income

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
Long term project prepayments	91,001	91,001
	<u>91,001</u>	<u>91,001</u>

15. Investments in subsidiaries

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
MPSS	-	1,482,580
DGTSE	-	275,720
	<u>-</u>	<u>1,758,300</u>

On the 25 January 2008 MHIE completed the transfer of MPSS to MPSE, the transfer price of the 2 million euro shareholding was agreed at £1,482,580 and the effective transfer date was 1 January 2008.

On the 13 November 2007 MPSE invested €180,000 in Diamond GT Service Europe S.r.l. (DGTSE) a joint venture with Atla S.r.l. to be based in Italy. On the 16 September 2008 a further €180,000 was invested.

Notes to the financial statements

at 31 December 2008

16. Business reorganisation

Acquisitions during the period ended 31 December 08

Mitsubishi Heavy Industries Europe Power Services S.L. (MPSS) Shares

On 25 January 2008, the Group acquired 100% of the ordinary shares of *Mitsubishi Heavy Industries Europe Power Services S.L. (MPSS)* whose main business is providing long term maintenance services to power plants located in Spain from Mitsubishi Heavy Industries Europe Ltd (MHIE). The transfer price of the shares was determined as the aggregate net book values of the shares as at 31 December 2007 and the effective transfer date was the 1 January 2008. The transfer price is to be settled by the issue of shares.

The book value of the identifiable assets and liabilities of MPSS as at the date of transfer were:

	£
Net assets at date of acquisition	
Tangible fixed assets	250,903
Intangible fixed assets	1,337
Deferred Tax asset	1,017,970
Stocks	5,246,632
Debtors	5,968,878
Cash	3,846,357
Deferred Income due in more than one year	(6,120,355)
Deferred Income due within one year	(4,609,592)
Creditors due within one year	(3,929,199)
Net assets	1,672,931
	<hr/>
To Be Discharged by	
Issue of shares	1,482,580

The intangible assets relate to computer software. The remaining useful life of those intangibles was between 6 and 23 months.

The Directors have decided based on materiality to not include the MPSS results for the three months prior to the transfer from MHIE in the MPSE financial statements. The MPSS profit for the year ended 31 December 2007 was £285,182 on turnover of £7,662,303. From the date of acquisition to 31 December 2008, MPSS contributed £1,739,471 to the net profit of the Group.

Notes to the financial statements

at 31 December 2008

16. Business reorganisation (continued)

Transfer of MHIE London Power Division to MPSE

On the 1 January 2008 the Group acquired the Mitsubishi Heavy Industries Europe (MHIE) London Power Division whose main business was providing maintenance services to power plants located in the UK. The purchase price is to be settled by the issuance of shares.

The book value of the identifiable assets and liabilities of MHIE London Power Division as at the date of transfer were:

	£
Net assets at date of acquisition	
Tangible fixed assets	35,936
Intangible fixed assets	1,640
Debtors due in more than one year	29,454
Debtors	1,929,629
Deferred Income due within one year	(951,598)
Creditors due within one year	(1,007,970)
Net assets	37,091
	<hr/>
To Be Discharged by	
Issue of shares	37,091

The intangible assets were identified and measured at book value and relate to computer software which had a remaining useful life of two years.

The Directors have decided on materiality to not include the MHIE London Power Division results for the three months prior to acquisition by MPSE in the financial statements. The MHIE London Power Division profit for the year ended 31 December 2007 was £213,861 on turnover of £1,343,874.

Notes to the financial statements

at 31 December 2008

17. Trade and other receivables

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
Trade receivables	4,539,680	3,186,223
Amounts owed by related parties	2,136,455	1,901,208
Prepayments	253,983	208,468
Accrued Income	5,156,519	3,839,703
Other debtors	615,003	428,577
	<u>12,701,640</u>	<u>9,564,179</u>

Trade receivables are denominated in the following currencies:

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
Sterling	1,888,331	1,888,331
Euro	1,964,709	1,297,892
US Dollar	686,640	-
	<u>4,539,680</u>	<u>3,186,223</u>

Of the carrying amount of group trade receivables of £4,539,680, £3,644,628 is against three major customers.

Of the carrying amount of company trade receivables of £3,186,223, £2,376,017 is against two major customers.

Trade receivables are non-interest bearing and are generally on 30-180 days' terms. As at 31 December 2008 no trade receivables were impaired.

Notes to the financial statements

at 31 December 2008

18. Inventories

	<i>Group</i> <i>2008</i> £	<i>Company</i> <i>2008</i> £
Supplies and parts	502,993	507,198
Finished goods and goods for resale	6,083,792	352,250
	<u>6,586,785</u>	<u>859,448</u>

19. Cash and short-term deposits

	<i>Group</i> <i>2008</i> £	<i>Company</i> <i>2008</i> £
Cash at bank and in hand	12,845,879	12,404,762
Short-term deposits (< 3 months)	10,584,007	-
Long-term deposits (> 3 months)	-	-
	<u>23,429,886</u>	<u>12,404,762</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the Group and earn interest at the respective deposit rates. The fair value of cash and cash equivalents for the Group is £23,429,886 and the company is £12,404,762.

The Group only deposits cash surpluses with major banks of high quality credit standing.

20. Trade and other payables

	<i>Group</i> <i>2008</i> £	<i>Company</i> <i>2008</i> £
Amounts owed to ultimate parent undertaking	2,334,123	2,334,123
Amounts owed to fellow group companies	1,991,137	2,025,133
Trade payables	10,589,477	8,184,564
Other taxes & social security costs	279,244	227,243
Other Creditors	179,493	179,025
Accruals	2,814,551	2,124,556
Deferred income	7,461,440	660,551
	<u>25,649,465</u>	<u>15,735,195</u>

Notes to the financial statements

at 31 December 2008

21. Financial liabilities

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
<i>Non-current</i>		
Deferred income	10,260,126	3,627,106
Rent free lease premium on company offices	113,114	113,114
	<u>10,373,240</u>	<u>3,740,220</u>

22. Deferred Income

	<i>Group</i> 2008 £	<i>Company</i> 2008 £
<i>Long Term Service Agreements and Maintenance Agreements</i>		
At 8 October 2007	-	-
Transfer from MHIE	11,679,896	949,950
Deferred during the period	9,524,802	3,892,923
Released to the income statement	(5,400,173)	(555,216)
Exchange Differences	1,917,041	-
At 31 December 2008	<u>17,721,566</u>	<u>4,287,657</u>
<i>Advances from Customers</i>		
At 8 October 2007	-	-
Deferred during the period	7,257	7,257
Released to the income statement	(7,257)	(7,257)
Exchange Differences	-	-
At 31 December 2008	<u>-</u>	<u>-</u>
Total deferred income	17,721,566	4,287,657
Included within current liabilities	7,461,440	660,551
Included within non-current liabilities	10,260,126	3,627,106

Notes to the financial statements

at 31 December 2008

23. Lease obligations

Obligations under leases

The Group has entered into commercial leases on certain properties, motor vehicles and items of machinery.

These leases have an average duration of between 3 and 10 years. Only the property lease agreements contain an option for renewal, with such options being exercisable three to twelve months before the expiry of the lease term at rentals based on market prices at the time of exercise. There are no restrictions placed upon the lessee by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	Group 2008 £	Company 2008 £
Not later than one year	-	-
After one year but not more than five years	16,570	-
After five years	268,873	268,873
	<u>285,443</u>	<u>268,873</u>

24. Financial instruments

The Group has as required by *IAS 39 Financial Instruments Recognition and measurement* reviewed all contracts for embedded derivatives and at the 31st December 2008 the book and fair value were nil.

An explanation of the Group's financial instrument risk management objectives and policies are set out in the Directors report on pages 2 to 5.

Interest rate maturity profile of financial assets and liabilities.

The following table sets out the carrying amount, by maturity of the Group's financial instruments that are exposed to interest rate risk:

31 December 2008

Group	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Floating rate	£	£	£	£	£	£	£
Cash	23,429,886	-	-	-	-	-	23,429,886

Company	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Floating rate	£	£	£	£	£	£	£
Cash	12,404,762	-	-	-	-	-	12,404,762

Notes to the financial statements

at 31 December 2008

24. Financial instruments (continued)

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year.

Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument.

The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

25. Authorised and issued share capital

	<i>Group 2008</i>	<i>Company 2008</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	3,100,000	3,100,000
	<u>3,100,000</u>	<u>3,100,000</u>
	<u><u>3,100,000</u></u>	<u><u>3,100,000</u></u>
	<i>Group 2008</i>	<i>Company 2008</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each		
Issued on creation of subsidiary	3,100,000	3,100,000
At 31 December 2008	<u>3,100,000</u>	<u>3,100,000</u>
	<u><u>3,100,000</u></u>	<u><u>3,100,000</u></u>

On 17 October 2007, 3,100,000 ordinary shares with aggregate nominal value of £3,100,000 were issued at £1.00 each to Mitsubishi Heavy Industries Europe Limited.

Notes to the financial statements

at 31 December 2008

26. Reconciliation of movements in equity

Group	<i>Equity share capital £</i>	<i>Currency translation £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
At 8 October 2007	-	-	-	-
Shares issued on creation	3,100,000	-	-	3,100,000
Total recognised income and expense for the period	-	977,080	3,986,362	4,963,442
Transfer of MPSS from MHIE	-	(25,242)	222,639	197,397
At 31 December 2008	3,100,000	951,838	4,209,001	8,260,839

Minority Interest

At 8 October 2007	-
Issue of share capital	205,903
Currency translation	28,840
Total recognised loss for the period	(39,572)
At 31 December 2008	195,171

Company	<i>Equity share capital £</i>	<i>Currency translation £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
At 8 October 2007	-	-	-	-
Shares issued on creation	3,100,000	-	-	3,100,000
Total recognised income and expense for the period	-	138,745	2,310,454	2,449,199
At 31 December 2008	3,100,000	138,745	2,310,454	5,549,199

Translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign branches.

Notes to the financial statements

at 31 December 2008

27. Additional cash flow information

Group

2008

Analysis of Group net debt

	8 October 2008 £	Cash flow £	Exchange differences £	Non-cash movements £	31 December 2008 £
Cash and cash equivalents	-	22,155,500	1,274,386	-	23,429,886
	-	22,155,500	1,274,386	-	23,429,886

Company

2008

Analysis of Company net debt

	8 October 2007 £	Cash flow £	Exchange differences £	Non-cash movements £	31 December 2008 £
Cash and cash equivalents	-	12,404,762	-	-	12,404,762
	-	12,404,762	-	-	12,404,762

28. Post balance sheet event

In the month of April 2009 MPSE acquired 100% of the shares in Maintenance Partners NV of Belgium for €32,000,000.

29. Pensions

The Group operate a defined contribution pension scheme, the Mitsubishi Power Systems Europe Group Personal Pension Plan for its employees in the United Kingdom, which is with Aviva and is approved under Schedule IV Part XIV of the Income and Corporation Taxes Act 1988. The cost to the Group as at 31 December 2008 was £19,654. The Group also participated in a defined contribution pension scheme, Personal Retirement Saving Accounts (PRSAs), in Ireland, which is with Eagle Star Life Assurance / Zurich. The cost to the Group as at 31 December 2008 was £3,574.

Notes to the financial statements

at 31 December 2008

30. Related party transactions

Entities with significant influence over the Group

Mitsubishi Heavy Industries Europe Limited (MHIE) owns 100% of the ordinary shares of Mitsubishi Power Systems Europe Limited. Mitsubishi Heavy Industries Ltd. owns 100% of the ordinary shares of Mitsubishi Heavy Industries Europe Limited.

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities other than subsidiaries are unsecured, interest free and cash settlement is expected between 30 and 180 days of the invoice. Terms and conditions for transactions with subsidiaries are the same, with the exception that balances are placed on intercompany accounts with no specified credit period. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the period ended 31 December 2008, the Company has not made any provision for doubtful debts relating to amounts owed by related parties.

During the period the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions with directors are disclosed below. Transactions entered into, and trading balances outstanding at 31 December with other related parties, are as follows:

Group	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Amounts owed by related party</i>	<i>Amounts owed to related party</i>
	£	£	£	£
Entities with significant influence over the Group 2008	3,243,854	391,284	1,792,792	2,334,123
Other related parties 2008	-	1,400,657	343,663	1,991,137

Company	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Amounts owed by related party</i>	<i>Amounts owed to related party</i>
	£	£	£	£
Entities with significant influence over the Company 2008	2,665,779	388,123	1,553,372	2,334,123
Other related parties 2008	4,174	1,394,818	347,836	2,025,133

Notes to the financial statements

at 31 December 2008

30. Related party transactions (continued)

Details of Group undertakings

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of Business</i>
<i>Subsidiary undertakings</i>			
<i>Mitsubishi Heavy Industries Europe Power Services S.L.</i>	<i>Ordinary</i>	<i>100%</i>	<i>Provision of long term maintenance to power plants</i>
<i>Diamond GT Service Europe S.r.l.</i>	<i>Ordinary</i>	<i>60%</i>	<i>Re- furbishment of power plants</i>

On the 4 February 2009 Mitsubishi Heavy Industries Europe Power Services S.L. (MPSS) was renamed Mitsubishi Heavy Industries Power Systems Spain S.L.

Mitsubishi Power Systems Europe Ltd owns 100% of the share capital of MHI Power Systems Spain S.L. and 60% of the share capital of Diamond GT Service Europe S.r.l.

Mitsubishi Heavy Industries Europe Ltd owns 100% of the share capital of Mitsubishi Power Systems Europe Ltd.

Compensation of key management personnel (including directors)

	<i>Group 2008</i>	<i>Company 2008</i>
Short-term employee benefits	249,112	249,112
	<u>249,112</u>	<u>249,112</u>

All key management personnel are currently on rotation from MPSE's ultimate parent company and as such remain employees of MHI who are responsible for all post-employment, termination and any other long-term benefits.

The emoluments of the highest paid director were £249,112.