

Parker Hannifin (Holdings) Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2021



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for the Year Ended 30 June 2021**

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Parker Hannifin (Holdings) Limited

**Company Information
for the Year Ended 30 June 2021**

DIRECTORS:

G M Ellinor
J A D Elsey

SECRETARY:

G M Ellinor

REGISTERED OFFICE:

Parker House
55 Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 4SJ

REGISTERED NUMBER:

03922924

AUDITOR:

Deloitte LLP
Statutory Auditor
St Albans
United Kingdom

SOLICITORS:

Eversheds LLP
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

**Strategic Report
for the Year Ended 30 June 2021**

The directors present their strategic report for the year ended 30 June 2021.

REVIEW OF BUSINESS

The company made no loss or profit for 2021 (2020: loss of £2,272,000).

As at 30 June 2021 the company had net assets of £464,759,000 (30 June 2020: £19,961,000) and net current liabilities of £2,544,000 (30 June 2020: net current assets of £47,000). The directors consider that it is appropriate to prepare the financial statements on a going concern basis as its ultimate parent undertaking, Parker Hannifin Corporation, has committed to provide financial support in order for the company to meet its financial obligations as they fall due, for a period of at least twelve months from the date of signing the financial statements.

On 22 June 2021 Parker Canada Holding Co. contributed the entire share capital of Parker Hannifin Limited to the company in exchange for one ordinary share, at a subscription price of £188,275,000.

On 22 June 2021 Parker Canada Holding Co. contributed its 99% ownership of Parker Hannifin 2007 LLP to the company in exchange for one ordinary share, at a subscription price of £256,523,000.

On 29 June 2021 Parker Canada Investment Co. sold its 1% ownership of Parker Hannifin 2007 LLP to the company for £2,591,000 cash consideration

No key performance indicators are disclosed for the company as they are managed at the group level and are disclosed in the consolidated financial statements of the group, which is Parker Hannifin Corporation, as set out in note 13.

At 30 June 2021, the directors performed a review of internal and external indicators to ascertain whether assets needed to be assessed for impairment. With the Coronavirus (COVID-19) outbreak being by its nature an impairment indicator, a full impairment review of the investment in all entities was performed as follows:

- Alenco (Holdings) Limited: the review was based on a five year discounted cashflow into perpetuity, using a weighted average cost of capital of 10%. No impairment was identified (30 June 2020: £2,273,000).

- Parker Hannifin Limited: the review was based on a five year discounted cashflow into perpetuity, using a weighted average cost of capital of 10%. No impairment was identified (30 June 2020: £Nil).

- Parker Hannifin 2007 LLP: The review was based on balance sheet values at the year end date. No impairment was identified (30 June 2020: £Nil).

The Directors have considered the impact of the Coronavirus (COVID-19) outbreak on the financial statements and their assessment of going concern at the date of signing of the financial statements, especially with reference to the value of the underlying trading subsidiary, Parker Hannifin Manufacturing Limited, and have concluded that at present there is no impact to disclose.

FUTURE DEVELOPMENTS

It is anticipated that the company will continue to operate in its current form for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors do not consider there to be any significant risks or uncertainties as all transactions and balances are group related, with the exception of investment impairment risk, which is reviewed by management at each balance sheet date. A full impairment review of the investment in the underlying subsidiaries has been performed at the balance sheet date, especially in light of the Coronavirus (COVID-19) outbreak, and no impairment has been identified as a result of this.

**Strategic Report
for the Year Ended 30 June 2021**

SECTION 172(1) STATEMENT

The company, as a holding company, has no employees, customers or suppliers and as such the directors primarily consider the interests of the shareholder, Parker Canada Holding Co., with regard to performing their duties on matters set out under Section 172 of the Companies Act 2006. The shareholder is engaged by the Board when there are key decisions to be made which would impact on the strategic goals of the shareholder. There were no key board decisions approved during the year which impacted the strategic goals of either the company or the shareholder, aside from the reorganisation detailed in the review of business section, the shareholder was engaged by the Board for this.

AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS:



.....
Director

Date: 21 June 2022
.....

Parker Hannifin (Holdings) Limited (Registered number: 03922924)

**Report of the Directors
for the Year Ended 30 June 2021**

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2021.

PRINCIPAL ACTIVITY

The principal activity of the company is, and will continue to be, to act as a holding company for other UK Parker Hannifin Corporation companies.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (30 June 2020: £Nil).

FINANCIAL RISK MANAGEMENT

Financial risk is managed through internal control processes, and review of company and group financial information.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

G M Ellinor
J A D Elsey

GOING CONCERN

The directors consider that it is appropriate to prepare the financial statements on a going concern basis as the ultimate parent undertaking, Parker Hannifin Corporation, has committed to provide financial support in order for the Company to meet its financial obligations as they fall due, for a period of at least twelve months from the date of signing the financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision as defined in Section 232(2) of the Companies Act 2006 is in force for the benefit of each of the Directors and the Company Secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified a directors' and officers' liability insurance policy was maintained by the Parker Hannifin Corporation group throughout the financial year.

POST BALANCE SHEET EVENTS

There are no post balance sheet events to disclose.

STREAMLINED ENERGY AND CARBON REPORTING

The Company is subject to the disclosure requirements of the Energy and Carbon Regulations as the group it heads meets the size criteria in the Regulations. However, as consolidated accounts and a group director's report is not prepared, group disclosures are not required. As a holding company, the Company itself consumed less than 40,000 kWh of energy during the period in respect of which the directors' report is prepared, and accordingly information is not disclosed for that reason. The directors' report of the Company's indirect trading subsidiary, Parker Hannifin Manufacturing Limited, includes the relevant disclosures for that company.

DISCLOSURE IN THE STRATEGIC REPORT

The Review of Business, the Principal Risks and Uncertainties and the Future Developments are disclosed in the Strategic Report.

**Report of the Directors
for the Year Ended 30 June 2021**

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the 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.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware. The directors also confirm that they have each taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

The auditor, Deloitte LLP, has indicated its willingness to continue in office as auditor and appropriate arrangements have been made for them to be deemed reappointed as auditor in the absence of an annual general meeting.

AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS:



.....
G M Ellinor - Director

Date: 21 June 2022

**Independent Auditor's Report to the Members of
Parker Hannifin (Holdings) Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Parker Hannifin (Holdings) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members of Parker Hannifin (Holdings) Limited

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and the relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and pensions regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Independent Auditor's Report to the Members of
Parker Hannifin (Holdings) Limited**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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



Ben Sheriff FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor

Date: 23 June 2022

Parker Hannifin (Holdings) Limited (Registered number: 03922924)

**Income Statement
for the Year Ended 30 June 2021**

	Notes	30.6.21 £'000	30.6.20 £'000
TURNOVER		-	-
Administrative expenses		-	(2,273)
OPERATING LOSS and LOSS BEFORE TAXATION		-	(2,273)
Tax on loss	7	-	1
LOSS FOR THE FINANCIAL YEAR		-	(2,272)

The notes on pages 13 to 19 form part of these financial statements

Parker Hannifin (Holdings) Limited (Registered number: 03922924)

**Statement of Total Comprehensive Income
for the Year Ended 30 June 2021**

	Notes	30.6.21 £'000	30.6.20 £'000
LOSS FOR THE YEAR		-	(2,272)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		-	(2,272)

The notes on pages 13 to 19 form part of these financial statements

Parker Hannifin (Holdings) Limited (Registered number: 03922924)

**Balance Sheet
30 June 2021**

	Notes	30.6.21 £'000	30.6.20 £'000
FIXED ASSETS			
Investments	8	467,303	19,914
CURRENT ASSETS			
Debtors	9	47	47
CREDITORS			
Amounts falling due within one year	10	(2,591)	-
NET CURRENT (LIABILITIES)/ASSETS		<u>(2,544)</u>	<u>47</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>464,759</u>	<u>19,961</u>
CAPITAL AND RESERVES			
Called up share capital	11	67,436	67,436
Share premium	12	444,798	-
Other reserves	12	5,749	5,749
Profit and loss account	12	(53,224)	(53,224)
SHAREHOLDERS' FUNDS		<u>464,759</u>	<u>19,961</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 21 June 2022 and were signed on its behalf by:



G M Ellinor - Director

**Statement of Changes in Equity
for the Year Ended 30 June 2021**

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Other reserves £'000	Total equity £'000
Balance at 1 July 2019	67,436	(50,952)	-	5,749	22,233
Deficit for the year	-	(2,272)	-	-	(2,272)
Total comprehensive loss	-	(2,272)	-	-	(2,272)
Balance at 30 June 2020	67,436	(53,224)	-	5,749	19,961
Profit for the year	-	-	-	-	-
Increase in share capital	-	-	444,798	-	444,798
Balance at 30 June 2021	67,436	(53,224)	444,798	5,749	464,759

**Notes to the Financial Statements
for the Year Ended 30 June 2021**

1. GENERAL INFORMATION ON THE COMPANY

The principal activity of the Company is that of a holding company. The Company is a wholly owned subsidiary in the group of which Parker Hannifin Corporation is the ultimate parent.

2. STATUTORY INFORMATION

Parker Hannifin (Holdings) Limited is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

4. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements are presented in pounds sterling, rounded to the nearest hundred thousand unless otherwise stated.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

This exemption is available as the company meets the definition of a qualifying entity under FRS 102.

Preparation of consolidated financial statements

The financial statements contain information about Parker Hannifin (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent undertaking, Parker Hannifin Corporation, a company incorporated in Ohio, USA.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

4. ACCOUNTING POLICIES - continued

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, 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. There are not considered to be any areas of estimation uncertainty, however as regards critical accounting judgements the following judgements have had the most significant effect on amounts recognised in the financial statements due the quantitative materiality of the items involved:

Fixed asset investments - Share in group undertakings:

Investment in subsidiaries are held at cost less any provision for impairment. A review of internal and external indicators of impairments is carried out by the directors over the investments held in the subsidiary undertakings. If an indicator is identified the Directors consider the carrying value of investments as compared to the value of the discounted cash flows expected to flow from the relevant subsidiary undertakings. Any deficit in this value compared to the carrying amount on the balance sheet is written down as an impairment (see note 8). With the Coronavirus (COVID-19) outbreak being by its nature an impairment indicator, a full impairment review of the investment in all entities was performed as follows:

- Alenco (Holdings) Limited: the review was based on a five year discounted cashflow into perpetuity, using a weighted average cost of capital of 10%. No impairment was identified (30 June 2020: £2,273,000).
- Parker Hannifin Limited: the review was based on a five year discounted cashflow into perpetuity, using a weighted average cost of capital of 10%. No impairment was identified (30 June 2020: £Nil).
- Parker Hannifin 2007 LLP: The review was based on balance sheet values at the year end date. No impairment was identified (30 June 2020: £Nil).

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

The company made neither and profit nor a loss as at 30th June 2021 (2020: loss of £2,272,000). As at the 30 June 2021 the company had net assets of £464,759,000 (2020: £19,961,000) and net current liabilities of £2,544,000 (30 June 2020: Net current assets of £47,000). The directors consider that it is appropriate to prepare the financial statements on a going concern basis as the ultimate parent undertaking, Parker Hannifin Corporation, has committed to provide financial support in order for the Company to meet its financial obligations as they fall due, for a period of at least twelve months from the date of signing the financial statements.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

4. ACCOUNTING POLICIES - continued

Financial instruments

The Company has chosen to apply section 11 of FRS 102 in respect of financial instruments.

Basic financial assets, including amounts owed by group undertakings, are initially recognised at transaction price, and subsequently at amortised cost using the effective interest method. At the balance sheet date financial assets measured at amortised cost are assessed for objective evidence of impairment, and an impairment loss is recognised in the income statement if required.

Basic financial liabilities, including amounts owed to group undertakings, are recognised at transaction price.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

5. EMPLOYEES AND DIRECTORS

The directors who held office during the year received no remuneration (30 June 2020: £Nil) for their services to the company. There are no retirement benefits (30 June 2020: £Nil) accruing for any of the directors in respect of their services to the company.

Two directors (30 June 2020: two) hold share options in the ultimate parent undertaking, Parker Hannifin Corporation. Two of the directors (30 June 2020: Two) exercised options during the year. Share based payments for the UK directors are accounted for in Parker Hannifin Manufacturing Limited, therefore they have no impact on the Company.

The company had no employees during the year ended 30 June 2021 or the previous financial year.

There was no directors' remuneration in the current or prior year.

6. OPERATING LOSS

Audit fees amounting to £8,153(30 June 2020: £8,094) were borne by Parker Hannifin Manufacturing Limited, a fellow group undertaking, and have not been recharged.

7. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	30.6.21	30.6.20
	£'000	£'000
Current tax:		
Adjustment in respect of previous periods	-	(1)
	<u> </u>	<u> </u>
Tax on loss	-	(1)
	<u> </u>	<u> </u>

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

7. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	30.6.21	30.6.20
	£'000	£'000
Loss before tax	-	(2,273)
	<u> </u>	<u> </u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	-	(432)
Effects of:		
Expenses not deductible for tax purposes	-	432
Prior year overprovision	-	(1)
	<u> </u>	<u> </u>
Total tax credit	-	(1)
	<u> </u>	<u> </u>

The company has non-trade deficits of £1,851,000, no deferred tax asset has been recognised for this as it is uncertain as to whether these deficits will be utilised.

At the Budget 2021 on 3 March 2021, the Government announced that the Corporation Tax rate will increase to 25% for companies with profits above £250,000 with effect from 1 April 2023, as well as announcing a number of other changes to allowances and treatment of losses. This has no impact on the company's current position.

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 July 2020	264,609
Additions	447,389
	<u> </u>
At 30 June 2021	711,998
	<u> </u>
PROVISIONS	
At 1 July 2020 and 30 June 2021	244,695
	<u> </u>
NET BOOK VALUE	
At 30 June 2021	467,303
	<u> </u>
At 30 June 2020	19,914
	<u> </u>

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

8. FIXED ASSET INVESTMENTS - continued

On 22 June 2021 Parker Canada Holding Co. contributed the entire share capital of Parker Hannifin Limited to the company in exchange for one ordinary share, at a subscription price of £188,275,000.

On 22 June 2021 Parker Canada Holding Co. contributed its 99% ownership of Parker Hannifin 2007 LLP to the company in exchange for one ordinary share, at a subscription price of £256,523,000.

On 29 June 2021 Parker Canada Investment Co. sold its 1% ownership of Parker Hannifin 2007 LLP to the company for £2,591,000 cash consideration

At 30 June 2021, the directors performed a review of internal and external indicators to ascertain whether assets needed to be assessed for impairment. With the Coronavirus (COVID-19) outbreak being by its nature an impairment indicator, a full impairment review of the investment in all entities was performed as follows:

- Alenco (Holdings) Limited: the review was based on a five year discounted cashflow into perpetuity, using a weighted average cost of capital of 10% (30 June 2020: 10%). No impairment was identified (30 June 2020: £2,273,000).

- Parker Hannifin Limited: the review was based on a five year discounted cashflow into perpetuity, using a weighted average cost of capital of 10% (30 June 2020: 10%). No impairment was identified (30 June 2020: £Nil).

- Parker Hannifin 2007 LLP: The review was based on balance sheet values at the year end date. No impairment was identified (30 June 2020: £Nil).

At 30 June 2021, the company held ordinary shares in the allotted share capital of the following companies:

	Country of registration and operation	Percentage held	Nature of business
* Indirectly held			
Parker Hannifin Limited	England	100%	Sales entity
Parker Hannifin 2007 LLP	England	100%	Intermediate holding company
Alenco (Holdings) Limited	England	100%	Intermediate holding company
* Parker Hannifin (GB) Limited	England	100%	Intermediate holding company
* Parker Hannifin Manufacturing Limited	England	100%	Manufacturing
* Parker Hannifin Pension Trustees Limited	England	100%	Dormant
* Commercial Intertech Limited	England	100%	Dormant
* SSD Drives Limited	England	100%	Dormant
* Kenmore UK Limited	England	100%	Dormant
* Virginia KMP Limited	England	100%	In Liquidation
* Tecknit Europe Limited	England	100%	In Liquidation
* domnick hunter Group Limited	England	100%	Intermediate holding company
* domnick hunter Limited	England	100%	Dormant
* domnick hunter Fabrication Limited	England	100%	Dormant
* domnick hunter Investments Limited	Scotland	100%	Intermediate holding company
* Tanlea Engineering Limited	England	100%	Dormant
* KV Limited	England	100%	In Liquidation
* Vansco Electronics (UK) Limited	England	100%	In Liquidation
* Parker Hannifin Barbados SRL	Barbados	100%	Investments

The registered office of all subsidiaries is Parker House, 55 Maylands Avenue, Hemel Hempstead, United Kingdom, HP2 4SJ, with the exception of Parker Hannifin Barbados SRL, the registered office of which is Chancery House, High Street, Bridgetown, Barbados, BB11128.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21	30.6.20
	£'000	£'000
Amounts owed by group undertakings	<u>47</u>	<u>47</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21	30.6.20
	£'000	£'000
Amounts owed to group undertakings	<u>2,591</u>	<u>-</u>

The amounts owed to group undertakings represent a loan from Parker Hannifin EMEA Sarl, with a principal amount of £2,591,000, an interest rate of 1.65% and a repayment date of 30 June 2022.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.21	30.6.20
			£'000	£'000
200,000,000	Ordinary	0.00005	10	10
(30.6.20 - 9,998)				
14,353,537	'A' Ordinary	£1.00	14,353	14,353
53,073,168	'B' Ordinary	£1.00	53,073	53,073
			<u>67,436</u>	<u>67,436</u>

At 30 June 2021 there were 9,998 ordinary shares in issue, on 22 June 2021 2 further ordinary shares were issued, to make the total 10,000 ordinary shares in issue at that date, as follows:

- On 22 June 2021 Parker Canada Holding Co. contributed the entire share capital of Parker Hannifin Limited to the company in exchange for one ordinary share, at a subscription price of £188,275,000.
- On 22 June 2021 Parker Canada Holding Co. contributed its 99% ownership of Parker Hannifin 2007 LLP to the company in exchange for one ordinary share, at a subscription price of £256,523,000.

On 29 June 2021, the company's 10,000 ordinary shares of £1 each were sub-divided into 200,000,000 shares of £0.00005 each, such shares having the same rights and being subject to the same restrictions (save as to nominal value) as the existing ordinary shares.

All classes of shares have the same voting rights, and no classes of shares have specific preferences or obligations.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2021**

12. RESERVES

Share premium

The reserve records the amount above the nominal value received for shares issued, less transaction costs if applicable. Movement in the share premium in the year relate to the following transactions:

On 22 June 2021 Parker Canada Holding Co. contributed the entire share capital of Parker Hannifin Limited to the company in exchange for one ordinary share, at a subscription price of £188,275,000.

On 22 June 2021 Parker Canada Holding Co. contributed its 99% ownership of Parker Hannifin 2007 LLP to the company in exchange for one ordinary share, at a subscription price of £256,523,000.

Other reserves

The reserve records the amount of a capital contribution made on 12 January 2004.

Profit and loss account

Accumulation of profits and losses since incorporation.

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking was Parker Canada Holding Co. up to 29 June 2021. On that date Parker Canada Holding Co. sold its entire shareholding in the company to Parker Hannifin EMEA Sarl and therefore Parker Hannifin EMEA Sarl became the immediate parent undertaking from that date.

The ultimate parent undertaking and controlling party is Parker Hannifin Corporation a company incorporated in Ohio, USA. Parker Hannifin Corporation is the parent undertaking of the largest and smallest group to consolidate the company's financial statements and copies of its consolidated financial statements may be obtained from the Company Secretary, Parker Hannifin Corporation, 6035 Parkland Boulevard, Cleveland, Ohio, 44124-4141, USA.

14. POST BALANCE SHEET EVENTS

On 31 March 2022 Parker Hannifin 2007 LLP declared a distribution £250,938,901 to the company, the distribution being satisfied by way of the assignment of two loan receivables from Parker Hannifin EMEA Sarl.

On 31 March 2022 Parker Hannifin 2007 LLP declared a distribution £12,158,473 to the company, the distribution being satisfied by way of the assignment of a loan receivable from Parker Hannifin Manufacturing Limited.

On 31 March 2022 Parker Hannifin 2007 LLP declared a cash distribution of £455,002 to the company, the cash to be held by Parker Hannifin (Barbados) SRL on behalf of and to the order of the company.

On 26 May 2022 the company reduced its capital by reducing the amount standing to the credit of the share premium account by £110,000,000 from £444,797,998 to £334,797,998 for no consideration and crediting that amount to the company's profit and loss account.

On 31 May 2022 the company contributed £192,367,074 of a loan receivable from Parker Hannifin EMEA Sarl to Alenco Holdings Limited, the company's immediate subsidiary, in exchange for the allotment and issue to the Company of 1 ordinary share of £1.00 in the capital of Alenco Holdings Limited credited as fully paid and issued at a premium of £192,367,073.

Also on 31 May 2022 the company declared a dividend of £56,658,894, to be applied equally among all share classes, the dividend payment was settled through offset against net receivables from Parker Hannifin EMEA Sarl of the same amount.