

**REGISTERED NUMBER: 03922924**

**Parker Hannifin (Holdings) Limited**  
**Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 30 June 2022**



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for the Year Ended 30 June 2022**

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**Parker Hannifin (Holdings) Limited**

**Company Information  
for the Year Ended 30 June 2022**

**DIRECTORS:**

G M Ellinor  
J A D Elsey

**SECRETARY:**

G M Ellinor

**REGISTERED OFFICE:**

2nd floor, Suite 2A  
Breakspear Park  
Breakspear Way  
Hemel Hempstead  
Hertfordshire  
HP2 4TZ

**REGISTERED NUMBER:**

03922924

**AUDITOR:**

Deloitte LLP  
Statutory Auditor  
5 Callaghan Square  
Cardiff, United Kingdom  
CF10 5BT

**SOLICITORS:**

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

**Strategic Report  
for the Year Ended 30 June 2022**

The directors present their strategic report for the year ended 30 June 2022.

**REVIEW OF BUSINESS**

The company made a profit for 2022 of £5,059,000 (2021: no loss or profit).

As at 30 June 2022 the company had net assets of £413,159,000 (30 June 2021: £464,759,000) and net current assets of £12,603,000 (30 June 2021: net current liabilities of £2,544,000). 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 31 March 2022 Parker Hannifin 2007 LLP declared a distribution of £250,984,000 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 of £12,158,000 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 £455,000 to the company, the cash to be held by Parker Hannifin (Barbados) SRL on behalf of and to the order of the company, the distribution amount was reduced by liabilities payable of £58,000.

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 £444,798,000 to £334,798,000 for no consideration and crediting that amount to the company's profit and loss account.

On 31 May 2022 the company contributed £192,367,000 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 £192,367,000.

Also on 31 May 2022 the company declared a dividend of £56,659,000, 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.

At 30 June 2022, the directors performed a review of internal and external indicators to ascertain whether assets needed to be assessed for impairment. 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 2021: £Nil).
- 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 2021: £Nil).
- Parker Hannifin 2007 LLP: The review was based on balance sheet values at the year end date. An impairment was identified of £259,114,000 (30 June 2021: £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.

**KEY PERFORMANCE INDICATORS**

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 18.

**FUTURE DEVELOPMENTS**

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

**Strategic Report  
for the Year Ended 30 June 2022**

**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.

**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:**



.....  
G M Ellinor - Director

Date: 21 June 2023

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

**Report of the Directors  
for the Year Ended 30 June 2022**

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2022.

**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**

On 31 May 2022, the directors recommended the payment of an interim cash dividend for the year of £56,658,894, to be applied equally among all of the ordinary shares and settled through offset against net receivables from Parker Hannifin EMEA Sarl of the same amount (30 June 2021: £Nil).

**FINANCIAL RISK MANAGEMENT**

Financial risk is managed through internal control processes, and review of company and group financial information. Risks impacting the entity are related to fluctuations in interest rates due to intercompany loan balances, and are managed by the central Treasury team.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2021 to the date of this report.

G M Ellinor  
J A D Elsey

**GOING CONCERN**

The company made a profit as at 30th June 2022 of £5,059,000 (2021: neither a profit or a loss). As at the 30 June 2022 the company had net assets of £413,159,000 (2021: £464,759,000) and net current assets of £12,603,000 (30 June 2021: Net current liabilities of £2,544,000). 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.

**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 2022**

**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 FRS 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 United Kingdom 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 2023

**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, 2022 and of its profit 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 18.

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](http://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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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 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 internal tax specialists 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**

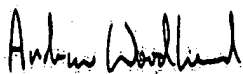
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Andrew Woodhead (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Cardiff, United Kingdom

Date: 21 June 2023

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

**Income Statement  
for the Year Ended 30 June 2022**

	Notes	30.6.22 £'000	30.6.21 £'000
<b>TURNOVER</b>		<u>-</u>	<u>-</u>
<b>OPERATING PROFIT</b>	7	-	-
Income from shares in group undertakings	8	263,539	-
Interest receivable and similar income		<u>673</u>	<u>-</u>
		264,212	-
Amounts written off investments	9	<u>(259,114)</u>	<u>-</u>
		5,098	-
Interest payable and similar expenses	10	<u>(39)</u>	<u>-</u>
<b>PROFIT BEFORE TAXATION</b>		5,059	-
Tax on profit	11	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>5,059</u></u>	<u><u>-</u></u>

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 2022**

	Notes	30.6.22 £'000	30.6.21 £'000
<b>PROFIT FOR THE YEAR</b>		<b>5,059</b>	-
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>5,059</u></b>	<b><u>-</u></b>

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

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

**Balance Sheet  
30 June 2022**

	Notes	30.6.22 £'000	30.6.21 £'000
<b>FIXED ASSETS</b>			
Investments	13	400,556	467,303
<b>CURRENT ASSETS</b>			
Debtors	14	12,653	47
<b>CREDITORS</b>			
Amounts falling due within one year	15	(50)	(2,591)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>12,603</u>	<u>(2,544)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>413,159</u>	<u>464,759</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	67,436	67,436
Share premium	17	334,798	444,798
Other reserves	17	5,749	5,749
Profit and loss account	17	<u>5,176</u>	<u>(53,224)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>413,159</u>	<u>464,759</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 21 June 2023 and were signed on its behalf by:



.....  
G M Ellinor - Director

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

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

**Statement of Changes in Equity  
for the Year Ended 30 June 2022**

	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Share premium £'000</b>	<b>Other reserves £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 July 2020</b>	67,436	(53,224)	-	5,749	19,961
Profit for the year	-	-	-	-	-
Increase in share capital	-	-	444,798	-	444,798
<b>Balance at 30 June 2021</b>	<u>67,436</u>	<u>(53,224)</u>	<u>444,798</u>	<u>5,749</u>	<u>464,759</u>
Profit for the year	-	5,059	-	-	5,059
Total comprehensive income	-	5,059	-	-	5,059
Dividends	-	(56,659)	-	-	(56,659)
Capital reduction	-	110,000	(110,000)	-	-
<b>Balance at 30 June 2022</b>	<u>67,436</u>	<u>5,176</u>	<u>334,798</u>	<u>5,749</u>	<u>413,159</u>

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

**Notes to the Financial Statements  
for the Year Ended 30 June 2022**

**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.

**Investments in subsidiaries**

Investment in subsidiaries are held at cost less any provision for impairment,

**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.

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**

**4. ACCOUNTING POLICIES - continued**

**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.

**Dividend and interest income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Going concern**

The company made a profit as at 30th June 2022 of £5,059,000 (2021: neither a profit or a loss). As at the 30 June 2022 the company had net assets of £413,159,000 (2021: £464,759,000) and net current assets of £12,603,000 (30 June 2021: Net current liabilities of £2,544,000). 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.

**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.



**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**

**5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 4, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Fixed asset investments - Share in group undertakings:**

Investment in subsidiaries are held at cost less any provision for impairment, the carrying amounts are stated in note 11. 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 11). With the current macro-economic situation and global events occurring, 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%. An impairment was identified of £39,894,000 (June 2021: £Nil).
- 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 2021: £Nil).
- Parker Hannifin 2007 LLP: The review was based on balance sheet values at the year end date. An impairment was identified of £259,114,000 (30 June 2021: £Nil).

**Key source of estimation uncertainty**

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**6. EMPLOYEES AND DIRECTORS**

The directors who held office during the year received no remuneration (30 June 2021: £Nil) for their services to the company. There are no retirement benefits (30 June 2021: £Nil) accruing for any of the directors in respect of their services to the company.

Two directors (30 June 2021: two) hold share options in the ultimate parent undertaking, Parker Hannifin Corporation. Two of the directors (30 June 2021: 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 2022 or the previous financial year.

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

**7. OPERATING PROFIT**

Audit fees, related to the auditing of the financial statements, amounting to £8,000 (30 June 2021: £8,000) were borne by Parker Hannifin Manufacturing Limited, a fellow group undertaking, and have not been recharged.

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**

**8. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	<b>30.6.22</b>	30.6.21
	<b>£'000</b>	£'000
Shares in group undertakings	<u><b>263,539</b></u>	<u>-</u>

**9. AMOUNTS WRITTEN OFF INVESTMENTS**

	<b>30.6.22</b>	30.6.21
	<b>£'000</b>	£'000
Impairment of investment in subsidiaries	<u><b>259,114</b></u>	<u>-</u>

**10. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>30.6.22</b>	30.6.21
	<b>£'000</b>	£'000
Interest payable on intercompany balances	<u><b>39</b></u>	<u>-</u>
	<u><b>39</b></u>	<u>-</u>

**11. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 June 2022 nor for the year ended 30 June 2021.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>30.6.22</b>
	<b>£'000</b>
Profit before tax	<u><b>5,058</b></u>
Profit multiplied by the standard rate of corporation tax in the UK of 19%	<b>961</b>
Effects of:	
Expenses not deductible for tax purposes	<b>49,233</b>
Income not taxable for tax purposes	<b>(50,074)</b>
Utilisation of tax losses	<u><b>(120)</b></u>
Total tax charge	<u><b>-</b></u>

The company had no profit before tax or reconciling items in the prior year, therefore only the current year reconciliation is shown.

The company has non-trade deficits of £1,853,190 (2021: £1,853,190), no deferred tax asset has been recognised for this as it is uncertain as to whether these deficits will be utilised. These deficits have no expiry date.

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.

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**

**12. DIVIDENDS**

	<b>30.6.22</b>	<b>30.6.21</b>
	<b>£'000</b>	<b>£'000</b>
Ordinary shares of £0.00005 each		
Interim	<u><b>56,659</b></u>	<u><b>-</b></u>

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.

**13. FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings £'000</b>
<b>COST</b>	
At 1 July 2021	<b>711,998</b>
Additions	<u><b>192,367</b></u>
At 30 June 2022	<u><b>904,365</b></u>
<b>PROVISIONS</b>	
At 1 July 2021	<b>244,695</b>
Impairments	<u><b>259,114</b></u>
At 30 June 2022	<u><b>503,809</b></u>
<b>NET BOOK VALUE</b>	
At 30 June 2022	<u><b>400,556</b></u>
At 30 June 2021	<u><b>467,303</b></u>

**Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022**

**13. FIXED ASSET INVESTMENTS - continued**

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.

At 30 June 2022, 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 2021: 10%). No impairment was identified (30 June 2021: £Nil).

- 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 2021: 10%). No impairment was identified (30 June 2021: £Nil).

- Parker Hannifin 2007 LLP: The review was based on balance sheet values at the year end date. An impairment was identified of £259,114,000 (30 June 2021: £Nil).

At 30 June 2022, the company held ordinary shares in the allotted share capital of the following companies:

	<b>Country of registration and operation</b>	<b>Percentage held</b>	<b>Nature of business</b>
* 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
* 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
* 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. Those entities in liquidation take on the liquidator's address of 10 Fleet Place, London, EC4M 7RB.

**14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>30.6.22</b>	<b>30.6.21</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	<b><u>12,653</u></b>	<b><u>47</u></b>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2022

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

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

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.6.22	30.6.21
	£'000	£'000
Amounts owed to group undertakings	<u>50</u>	<u>2,591</u>

The amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.22	30.6.21
			£'000	£'000
200,000,000	Ordinary	£0.00005	10	10
14,353,537	'A' Ordinary	£1.00	14,353	14,353
53,073,168	'B' Ordinary	£1.00	<u>53,073</u>	<u>53,073</u>
			<u>67,436</u>	<u>67,436</u>

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

17. **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 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.

**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.

18. **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.