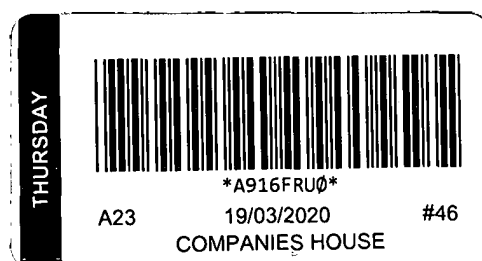


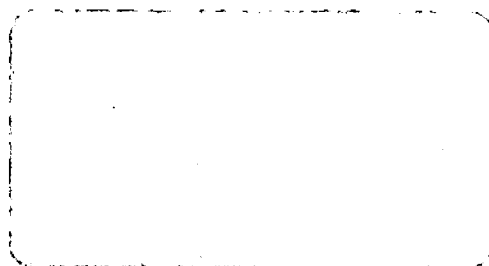
REGISTERED NUMBER: 06321550

Parker Hannifin Industries Limited
Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2019



**Contents of the Financial Statements
for the Year Ended 30 June 2019**

| | Page |
|--|-------------|
| Company Information | 1 |
| Strategic Report | 2 |
| Report of the Directors | 3 |
| Independent Auditor's Report | 5 |
| Income Statement | 7 |
| Statement of Total Comprehensive Income | 8 |
| Balance Sheet | 9 |
| Statement of Changes in Equity | 10 |
| Notes to the Financial Statements | 11 |



Parker Hannifin Industries Limited

**Company Information
for the Year Ended 30 June 2019**

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:

06321550

AUDITOR:

Deloitte LLP
Statutory Auditor
St Albans
United Kingdom

06321550

SOLICITORS:

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

**Strategic Report
for the Year Ended 30 June 2019**

The directors present their strategic report for the year ended 30 June 2019.

REVIEW OF BUSINESS

The company has had no activity and made neither a profit nor a loss in the current year (30 June 2018: £Nil).

The company had net assets at 30 June 2019 of £15,311,000 (30 June 2018: £15,311,000), is not expected to make losses going forward and has the continuing support of the ultimate parent undertaking if required. The directors therefore consider the going concern basis of preparation to be appropriate.

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.

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.

BY ORDER OF THE BOARD:



.....
G M Ellinor - Director

Date: **06 FEB 2020**
.....

**Report of the Directors
for the Year Ended 30 June 2019**

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2019.

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 (30 June 2018: £Nil).

FINANCIAL RISK MANAGEMENT

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2018 to the date of this report.

G M Ellinor
J A D Elsey

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.

DISCLOSURE IN THE STRATEGIC REPORT

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

Parker Hannifin Industries Limited (Registered number: 06321550)

**Report of the Directors
for the Year Ended 30 June 2019**

DISCLOSURE OF INFORMATION TO 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 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.

BY ORDER OF THE BOARD:



.....
G M Ellinor - Director

Date: **06 FEB 2020**
.....

**Independent Auditor's Report to the Members of
Parker Hannifin Industries Limited**

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its result 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 13.

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 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Independent Auditor's Report to the Members of Parker Hannifin Industries 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

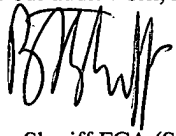
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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: 18 March 2020

Parker Hannifin Industries Limited (Registered number: 06321550)

**Income Statement
for the Year Ended 30 June 2019**

| | Notes | 30.6.19 £'000 | 30.6.18 £'000 |
|--|-------|------------------|------------------|
| TURNOVER | | - | - |
| OPERATING PROFIT and PROFIT BEFORE TAXATION | | - | - |
| Tax on profit | 7 | - | - |
| PROFIT FOR THE FINANCIAL YEAR | | - | - |

The notes on pages 11 to 14 form part of these financial statements

Parker Hannifin Industries Limited (Registered number: 06321550)

**Statement of Total Comprehensive Income
for the Year Ended 30 June 2019**

| | Notes | 30.6.19 £'000 | 30.6.18 £'000 |
|--|-------|------------------|------------------|
| PROFIT FOR THE YEAR | | - | - |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | - | - |

The notes on pages 11 to 14 form part of these financial statements

Parker Hannifin Industries Limited (Registered number: 06321550)

**Balance Sheet
30 June 2019**

| | Notes | 30.6.19 £'000 | 30.6.18 £'000 |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Investments | 9 | 14,798 | 14,798 |
| CURRENT ASSETS | | | |
| Debtors | 10 | 513 | 513 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>15,311</u> | <u>15,311</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | 55,727 | 55,727 |
| Profit and loss account | 12 | (40,416) | (40,416) |
| | | <u>15,311</u> | <u>15,311</u> |

The financial statements were approved by the Board of Directors on **06 FEB 2020** and were signed on its behalf by:


.....
G M Ellinor - Director

Parker Hannifin Industries Limited (Registered number: 06321550)

**Statement of Changes in Equity
for the Year Ended 30 June 2019**

| | Called up share capital £'000 | Profit and loss account £'000 | Total equity £'000 |
|--------------------------------|--|--|-----------------------------------|
| Balance at 1 July 2017 | 55,727 | (40,416) | 15,311 |
| Changes in equity | | | |
| Balance at 30 June 2018 | <u>55,727</u> | <u>(40,416)</u> | <u>15,311</u> |
| Changes in equity | | | |
| Balance at 30 June 2019 | <u>55,727</u> | <u>(40,416)</u> | <u>15,311</u> |

15.06.2019

**Notes to the Financial Statements
for the Year Ended 30 June 2019**

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

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 Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 Section 33 Related Party Disclosures paragraph 33.7.

Consolidation

The financial statements contain information about Parker Hannifin Industries 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 the state of Ohio, USA.

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. 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 9).

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2019**

4. ACCOUNTING POLICIES - continued

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 had net assets at 30 June 2019, is not expected to make losses going forward and has the continuing support of the ultimate parent undertaking if required. The directors therefore consider the going concern basis of preparation to be appropriate.

Financial instruments

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

Basic financial assets, including trade debtors, amounts owed by group undertakings, cash and cash equivalents, and other debtors are initially recognised at transaction price, and subsequently at amortised cost using the effective interest method.

At the end of the reporting period 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 trade creditors, amounts owed to group undertakings, and accruals are recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

If a financial arrangement constitutes a financing transaction, such as an interest bearing long term loan, the transaction is initially measured at the present value of future receipts or payables discounted at a market rate of interest at inception of the arrangement. Subsequent to initial recognition the transaction is measured at amortised cost using the effective interest rate method.

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 2018: £Nil) for their services to the company. There are no retirement benefits (30 June 2018: £Nil) accruing for any of the directors in respect of their services to the company.

Two directors (30 June 2018: two) hold share options in the ultimate parent undertaking, Parker Hannifin Corporation. None of the directors (30 June 2018: none) exercised options during the year.

The company had no employees during the year ended 30 June 2019 or the previous financial year.

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

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2019**

6. OPERATING PROFIT

Fees payable to the company's auditor in respect of the audit of the company's financial statements amounting to £7,717 (30 June 2018: £7,640) were borne by Parker Hannifin Manufacturing Limited, a fellow group undertaking, and have not been recharged.

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 June 2019 nor for the year ended 30 June 2018.

Reductions in the UK corporation tax rate from 19% to 17% (from 1 April 2020) were substantively enacted on 16 March 2016. This will reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

8. DEFERRED TAX

A potential deferred tax asset for losses of £488,000 (30 June 2018: £488,000) has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable. This asset would be recoverable if there were sufficient and suitable taxable profits in the future in which to offset the losses.

9. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £'000 |
|-----------------------|---|
| COST | |
| At 1 July 2018 | |
| and 30 June 2019 | <u>53,986</u> |
| PROVISIONS | |
| At 1 July 2018 | |
| and 30 June 2019 | <u>39,188</u> |
| NET BOOK VALUE | |
| At 30 June 2019 | <u><u>14,798</u></u> |
| At 30 June 2018 | <u><u>14,798</u></u> |

At 30 June 2019, the directors performed a review of internal and external indicators to ascertain whether assets needed to be assessed for impairment. Following the review it was concluded that no indicators of impairment existed.

At 30 June 2019, 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 Manufacturing (UK) Limited | England | 100% | Active |
| Commercial Intertech Holdings Limited | England | 100% | Dormant |
| * Commercial Hydraulics Pensions Limited | England | 100% | Dormant |

The registered office of all subsidiaries is Parker House, 55 Maylands Avenue, Hemel Hempstead, United Kingdom, HP2 4SJ.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2019**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.6.19 | 30.6.18 |
|------------------------------------|----------------|------------|
| | £'000 | £'000 |
| Amounts owed by group undertakings | 513 | 513 |
| | <u>513</u> | <u>513</u> |

11. CALLED UP SHARE CAPITAL

| | 30.6.19 | 30.6.18 |
|---------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Allotted, called up and fully paid | | |
| 55,727,184 ordinary shares of £1 each | 55,727 | 55,727 |
| | <u>55,727</u> | <u>55,727</u> |

12. RESERVES

| | Profit and loss account £'000 |
|---------------------|--|
| At 1 July 2018 | (40,416) |
| Profit for the year | - |
| At 30 June 2019 | (40,416) |

13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is Parker Hannifin Holding EMEA S.a.r.l., a company incorporated in Luxembourg.

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 can be obtained from the Company Secretary, Parker Hannifin Corporation, 6035 Parkland Boulevard, Cleveland, Ohio, 44124-4141, USA.