

REGISTERED NUMBER: 03503896

**Parker Hannifin Manufacturing
(UK) Limited**

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 June 2022**



**Contents of the Financial Statements
for the Year Ended 30 June 2022**

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**Parker Hannifin Manufacturing
(UK) 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
HP2 4TZ
United Kingdom

REGISTERED NUMBER:

03503896

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 has made a loss after tax for the year of £7,071,000 (2021: profit of £9,979,000), mainly due to a loss in revaluation of the investment in Kuroda Precision Industries Limited of £4,005,000 before tax (2021: Gain of £8,648,000) and an impairment in the book value of assets prior to the sale of trade and assets below.

On 1 December 2021 the company sold its entire trade and assets, with the exception of its investment in Kuroda Precision Industries Limited, to Parker Hannifin Manufacturing Limited, a fellow group company, for a consideration of £37,650,000 with the consideration being in the form of an intercompany loan. As the company has ceased to trade, the financial statements have been prepared on a basis other than going concern, no adjustments arose as a result of ceasing to apply the going concern basis. The Directors are considering the position of the company within the group, but no formal decisions have been made.

The Directors have considered the impact of the Coronavirus (COVID-19) outbreak, current macro economic activities and global activities on the financial statements and have concluded that at present there is no impact to disclose.

PRINCIPAL RISKS AND UNCERTAINTIES

Prior to the cessation of trade the key business risks and uncertainties affecting the company were considered to relate to the expansion or contraction of the manufacturing economy, industry competition and employee retention. The company believes there is a high correlation between interest rates and industrial manufacturing activity as Increases in interest rates could have a negative impact on industrial production, thereby lowering future orders.

The other principal risk affecting the company was related to the valuation of the investment in Kuroda Precision Industries Limited, a Japanese entity. This investment was sold after the balance sheet date.

The only remaining risk relates to interest rates on intercompany loans, interest rates and their impact are constantly monitored by the central Treasury function.

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

SECTION 172(1) STATEMENT

The Directors of the Company, in addition to their set of general duties, must act in accordance with a set of duties set out in section 172 of the Companies Act, summarised below.

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a. The likely consequences of any decision in the long term,
- b. The interests of the company's employees,
- c. The need to foster the company's business relationships with suppliers, customers and others,
- d. The impact of the company's operations on the community and the environment,
- e. The desirability of the company maintaining a reputation for high standards of business conduct, and
- f. The need to act fairly as between members of the company.

The Directors fulfil their duties as follows:

The likely consequences of any decision in the long term

The Directors understand the business and the diverse sectors and challenging environments in which it operates. The strategies set by the Board are driven by the Win Strategy, Parker's business system which has been in existence since 2001.

The Win Strategy builds on the competitive differentiators of Parker, which include:

- The Win Strategy
- Decentralized Business Model
- Technology Breadth and Interconnectivity
- Engineered Products with Intellectual Property
- Long Product Life Cycles
- Global Distribution
- Low Capital Investment Needs

These strategies set the basis for decision-making and therefore seek to ensure that the long-term consequences of the decision-making are in line with Parker values.

The interests of the company's employees

The Directors believe that strong performance requires passionate team members who are immersed in their daily work and are empowered to improve their portion of the business. Performance management and talent development is key to ensuring that the business thrives through developing our employees and bringing through talent in the most efficient way. We share common values in every area such that the objectives of the business are achieved in the correct and expected manner. Environmental, health and safety measures are of paramount importance across the business. As such, detailed metrics, actions and enhancements to the manner in which we work and our surrounding working environment are constantly monitored and reviewed to ensure that all employees remain safe. The company's employees are engaged with on a regular basis by means of various surveys and various internal committees to ensure that employee interests are understood and are continually being addressed. Efforts are also made to communicate relevant information to employees on a timely basis.

The need to foster the company's business relationships with suppliers, customers and others

The business strives to provide a premier customer experience, driven by providing quality solutions to our customers on time. The business's supply chain is vital to achieving this objective through the maintenance of relationships with all suppliers. Customers and suppliers are engaged with through relevant, dedicated teams to ensure that needs are met and to maintain communication channels. Any relevant matters are raised and discussed at Board level with subsequent feedback to the business.

The impact of the company's operations on the community and the environment

The business implements initiatives which help to strengthen communities, conserve resources and make a positive environmental impact at the local level. While implementing sustainable business practices across the operations of a global organisation is a complex challenge, doing so also presents a meaningful opportunity to make a positive impact on the lives of team members, the environment and local communities.

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

The desirability of the company maintaining a reputation for high standards of business conduct

The business has a solid foundation of integrity, with a heritage which is based on a commitment to treat everyone fairly and with consideration. Our commitment to acting ethically is not just a core part of our heritage; we know that it is the right thing to do and is good for our business. The Company delivers its ethical standards through the identification of seven virtue ethics which not only deal with the rightness or wrongness of individual actions, but provide guidance for our behaviours, decisions and actions while conducting business.

The need to act fairly as between members of the company

The company has one member, being the immediate holding company, and the Directors take all actions to ensure that the affairs of the company are conducted in a manner to the benefit of that sole member. The member is officially communicated with as and when specifically required.

KEY PERFORMANCE INDICATORS ("KPI'S")

The directors manage the company's operations on a divisional basis. For this reason, the company's directors believe that analysis using key indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of the company. The development, performance and position of the motion control systems sector is discussed in the Group annual report of the ultimate parent undertaking, Parker Hannifin Corporation, which does not form part of this report, as set out in note 22.

AUTHORISED FOR ISSUE BY THE BOARD OF DIRECTORS:



.....
G M Ellinor - Director

Date: 21 June 2023

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

**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 was to act as a manufacturer on behalf of Parker Hannifin EMEA Sarl, a fellow group company. Following the sale on 1 December 2021 of its entire trade and assets, with the exception of its investment in Kuroda Precision Industries Limited, the company has ceased to trade.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (30 June 2021: £Nil).

RESEARCH AND DEVELOPMENT

Before the sale on 1 December of its entire trade and assets, with the exception of its investment in Kuroda Precision Industries Limited, the company continued to invest in research and development programmes and infrastructure to support and expand its manufacturing range. The company's research and development expenditure for the year ended 30 June 2022 amounted to £520,000 (2021: £1,341,000).

FUTURE DEVELOPMENTS

The company has ceased to trade and this position is not expected to change going forward. The directors are considering the position of the company within the group.

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 2021 to the date of this report.

G M Ellinor
J A D Elsey

Other changes in directors holding office are as follows:

J Griffith - resigned 1 December 2021

FINANCIAL INSTRUMENTS

The company does not employ the use of complex financial instruments, such as derivatives or hedging contracts.

GOING CONCERN

On 1 December 2021 the company sold its entire trade and assets, with the exception of its investment in Kuroda Precision Industries Limited, to Parker Hannifin Manufacturing Limited, a fellow group company, for a consideration of £37,104,000 with the consideration being in the form of an intercompany loan. On 8 August 2022 the company sold its ordinary shares in Kuroda Precisions Industries Ltd to a third party for £11,290,000.

As the company has ceased to trade, the financial statements have been prepared on a basis other than going concern, no adjustments arose as a result of ceasing to apply the going concern basis. The directors are considering the position of the company within the group, but no formal decisions have been made.

FINANCIAL RISK MANAGEMENT

Financial risk is managed through internal control processes, and review of company and group financial information. Due to the nature of the company's operating model, the company's exposure to price risk, credit risk, liquidity risk and cash flow risk is limited.

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

EMPLOYEE POLICIES

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged.

It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

Communication with all employees continues through internal communication, briefing groups and the distribution of the annual report.

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.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

Following the sale of trade and assets during the year, and the sale of the shares in Kuroda Precision Industries Limited after the balance sheet date, the company has no external suppliers or customers.

STREAMLINED ENERGY AND CARBON REPORTING

Overview

Parker Hannifin is responsible for the safe and sustainable operation of manufacturing sites and corporate buildings. The key environmental risks identified include waste management and provision of utilities. The management recognise their responsibility to monitor and control the impact of these risks.

Parker Hannifin hold certification to ISO14001 for some of their UK sites and are actively working towards certification of all sites.

Emissions and Energy Consumption

The information below relates to Parker Hannifin UK locations covering the following legal entities:

- Parker Hannifin Manufacturing Limited
- Parker Hannifin Limited
- Parker Hannifin Manufacturing (UK) Limited

**Global energy Scope 1 and 2 GHG
emission data for period**

	01/07/2021 to 30/06/2022					
	Tonnes CO ₂ e					
	<u>FY21-22</u>	<u>FY20-21</u>	<u>Variance</u>	<u>FY21-22</u>	<u>FY20-21</u>	<u>Variance</u>
<u>Emissions from</u>	<u>location-</u>	<u>location-</u>	<u>location-</u>	<u>market-b</u>	<u>market-b</u>	<u>market-ba</u>
	<u>based</u>	<u>based</u>	<u>based</u>	<u>ased</u>	<u>ased</u>	<u>sed</u>
Scope 1 (Fuel combustion in buildings)	2,127	2,818	-25%	2,127	2,818	-25%
Scope 1 (Fuel combustion in vehicles)	360	38	846%	360	38	846%
Scope 1 (Fuel combustion in mobile and static plant)	40	63	-37%	40	63	-37%
Scope 1 (F-Gas fugitive releases)	53	0	-	53	0	-
Scope 2 (Electricity)	4,746	5,470	-13%	4,746	5,470	-13%

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

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Company's chosen intensity metric	tCO2e/Sales (\$000s)	
	<u>FY21-22</u> <u>location-</u> <u>based</u>	<u>FY21-22</u> <u>market-b</u> <u>ased</u>
Emissions reported per \$000s Sales	0.014	0.014

**Global energy Scope 1 and 2 GHG
emission data for period**

<u>Energy use (kWh)</u>	<u>01/07/2021 to 30/06/2022</u>		<u>Variance</u>
	<u>FY21-22</u>	<u>FY20-21</u>	
Electricity	22,350,562	23,460,737	-5%
Natural Gas	11,611,856	15,325,924	-24%
Mobile and Static Plant Fuel	154,530	246,486	-37%
Transport Fuel	1,509,688	158,356	853%

Methodology and Estimates

Parker Hannifin complies with the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 and the Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and our approach to reporting is based on the GHG Protocol Corporate Accounting and Reporting Standard in line with the guidance on SECR.

Our reporting period is for the financial year 1st July 2021 to 30th June 2022, reporting all material GHG emissions using "Tonnes of CO2 equivalent" (tCO2e) as the unit of measurement and reporting energy use in kWh. We have included the energy and emissions for the buildings owned and operated (i.e. those within the financial control boundary).

The results are presented as Location based emissions and Market based emissions, where applicable. Location based reflect the average emissions intensity of grid supplies (using grid average emissions factors) and Market based reflects emissions from electricity where companies have opted to procure green energy or invested in renewable generation.

The methodology used to calculate total energy consumption and carbon emissions has been invoice data for the financial years stated. Where data was not available, estimates have been calculated using historical profiles and details kept in the evidence pack.

Energy and fuel consumption has been converted to carbon (kgCO2e) using DEFRA published conversion factors. Fuel for Transportation has been converted using statistical data sets published by Department of Transport ("DoT") (www.gov.uk/government/statistical-data-sets/energy-and-environment-data-tables-env).

New DEFRA conversion tables are issued in June and cover January to December, due to our financial year covering two data sets, to maintain consistency this report has used the annual published factors covering the financial starting year i.e. July 2021.

Transport data in FY21-22 was reported as both mileage and costs which when converted into kWh provided an auditable conversion. To report a single unit, mileage has been converted into litres of fuel using the DEFRA tables to calculate average miles per litre and this formula applied and costs converted into litres of fuel using the published tables from DoT.

Gas Oil at Deeside was omitted in previous years but has been included in this report. Similarly, F-Gas Fugitive emissions haven't been reported in previous reports as each site records its own, but no centralised database exists. Certain site emissions have been included in this report and Parker is now centrally collating data for inclusion in FY22-23. These corrections and revision of estimated consumptions has resulted in a total emission increase of 50 tCO2e in this report for FY20-21 compared to the emissions published last year.

We have selected the most appropriate intensity metric in line with the primary drivers of energy consumption, where possible. For this report we have selected Sales value in thousands of dollars (\$000s) as the most appropriate to achieve a benchmark, which aligns with existing reporting metrics within the business.

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

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Energy Efficiency Action Taken

The UK&I have continued with the monthly Energy meetings at a national level and smaller quarterly site call meetings with the relevant stake holders to discuss half hourly data onsite and ongoing projects either in hand or scheduled.

Parker sites are committed to reducing their energy consumption by at least 3% year on year with the commitment from a corporate level of 20% operational reduction by 2030 leading to an absolute net zero commitment by 2040.

Opportunities across the Group Projects which have been implemented include: -

- Compressed Air: - system upgrade, leak detection, system reconfiguration and timer installation
- Lighting: - lighting replacement and upgrades
- Sub-Metering: - Installation and upgrades
- HVAC: - ventilation fan upgrades and compressed air heat recovery
- BMS: - upgrade of control panel

These projects are expected to deliver 545.57 tCO₂e savings.

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 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 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 s418 of the Companies Act 2006.

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

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

AUDITOR

The auditor, Deloitte LLP, has indicated its willingness to continue in office and a resolution that it be reappointed as auditor will be proposed at the 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 Manufacturing
(UK) Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Parker Hannifin Manufacturing (UK) 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 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 24.

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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to Note 4 to the financial statements which explains that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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.

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.

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

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 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, the relevant pensions and 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 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.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- Risk of revenue being incorrectly recorded due to the potential miscalculation of income earned by the company for toller manufacturing. We recalculated the income recognised based on the company's contractual arrangements and agreements with counterparties.

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 Manufacturing
(UK) 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 FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom

Date: 21 June 2023

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

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

	Notes	30.6.22 £'000	30.6.21 £'000
TURNOVER	6	10,596	21,828
Cost of sales		<u>(9,955)</u>	<u>(21,198)</u>
GROSS PROFIT		641	630
Administrative expenses		<u>(32)</u>	<u>(150)</u>
OPERATING PROFIT	9	609	480
(Fixed asset impairment)/ reversal of fixed asset impairment	10	<u>(3,912)</u>	<u>1,036</u>
		(3,303)	1,516
Income from fixed asset investments	11	139	58
Interest receivable and similar income	12	<u>382</u>	<u>51</u>
		(2,782)	1,625
(Loss)/Gain on revaluation of assets		<u>(4,005)</u>	<u>8,648</u>
(LOSS)/PROFIT BEFORE TAXATION		(6,787)	10,273
Tax on (loss)/profit	13	<u>(284)</u>	<u>(294)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(7,071)</u>	<u>9,979</u>

Loss for the year was derived from
discontinued operations

The notes on pages 17 to 27 form part of these financial statements

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

**Statement of total comprehensive Income
for the Year Ended 30 June 2022**

	Notes	30.6.22 £'000	30.6.21 £'000
(LOSS)/PROFIT FOR THE YEAR		(7,071)	9,979
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(7,071)</u>	<u>9,979</u>

The notes on pages 17 to 27 form part of these financial statements

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

**Balance Sheet
As at 30 June 2022**

	Notes	30.6.22 £'000	30.6.21 £'000
FIXED ASSETS			
Tangible assets	15	-	8,612
Investments	16	<u>10,104</u>	<u>14,109</u>
		<u>10,104</u>	<u>22,721</u>
CURRENT ASSETS			
Debtors	17	38,363	42,305
CREDITORS			
Amounts falling due within one year	18	<u>(96)</u>	<u>(9,584)</u>
NET CURRENT ASSETS		<u>38,267</u>	<u>32,721</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,371</u>	<u>55,442</u>
CAPITAL AND RESERVES			
Called up share capital	21	36,400	36,400
Revaluation reserve	22	5,056	9,061
Capital contribution reserve	22	10,067	10,067
Profit and loss account	22	<u>(3,152)</u>	<u>(86)</u>
SHAREHOLDERS' FUNDS		<u>48,371</u>	<u>55,442</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

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

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

	Called up share capital £'000	Profit and loss account £'000	Revaluation reserve £'000	Capital contribution reserve £'000	Total equity £'000
Balance at 1 July 2020	36,400	(1,338)	334	10,067	45,463
Changes in equity					
Profit for the year	-	9,979	-	-	9,979
Total comprehensive income	-	9,979	-	-	9,979
Transfer to revaluation reserve	-	(8,727)	8,727	-	-
Balance at 30 June 2021	<u>36,400</u>	<u>(86)</u>	<u>9,061</u>	<u>10,067</u>	<u>55,442</u>
Changes in equity					
Deficit for the year	-	(7,071)	-	-	(7,071)
Total comprehensive loss	-	(7,071)	-	-	(7,071)
Transfer to revaluation reserve	-	4,005	(4,005)	-	-
Balance at 30 June 2022	<u>36,400</u>	<u>(3,152)</u>	<u>5,056</u>	<u>10,067</u>	<u>48,371</u>

The notes on pages 17 to 27 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 was to act as a manufacturer on behalf of Parker Hannifin EMEA Sarl, a fellow group company. On 1 December 2021 the company sold its entire trade and assets, with the exception of its investment in Kuroda Precision Industries Limited, to a fellow group company and has ceased to trade.

The Company is a wholly owned subsidiary in the group of which Parker Hannifin Corporation is the ultimate parent.

2. STATUTORY INFORMATION

Parker Hannifin Manufacturing (UK) 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, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

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.

The company meets the definition of a qualifying entity under FRS 102, as a member of a group where the parent of that group prepares publicly available consolidated financial statements, and has therefore taken advantage of reduced disclosure exemptions.

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.

Significant judgements and estimates

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. Following the sale of trade and assets there are not considered to be any judgements or estimates that have a significant effect on amounts recognised in the financial statements.

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

4. ACCOUNTING POLICIES - continued

Turnover

Turnover, which excludes value added tax, comprises manufacturer fees invoiced to Parker Hannifin EMEA Sarl, a fellow group company. The fee revenue is recognised in the period in which the related expenditure is incurred.

Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation and impairment.

Depreciation is calculated to write down the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose, which are consistent with those of the previous year are:

Freehold buildings	2% - 5%
Plant and equipment	10% - 20%

Freehold land is not depreciated.

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.

Research and development

Costs associated with research and development are expensed in the income statement in the period in which they arise. Government grant income received in relation to research and development expenditure is accounted for as other operating income in the period in which it is received.

Foreign currencies

The Company's functional and presentation currency is the pound sterling.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing on that date. Resulting differences on foreign exchange are charged or credited to the income statement and included within administrative expenses.

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

4. ACCOUNTING POLICIES - continued

Pension

The Company participates in a group plan along with other group undertakings of the Parker Hannifin group operating in the UK. The plan is a defined benefit plan, however the Company accounts for the plan as a defined contribution plan as it satisfies the conditions set out in section 28.38 of FRS 102, and another group company who is the principal employer accounts for the plan as a defined benefit plan in its financial statements. Accordingly, contributions payable by the Company to the plan are charged to the income statement as they become payable in the year.

The Company contributes to a defined contribution pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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.

The Company recognises a financial instrument when it becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the right to receive cash flows ceases, the Company transfers the right to receive cash flows from the asset to a third party, or the Company assumes a contractual obligation to pay the cash flows to one or more recipients.

A financial liability is derecognised when the obligation underlying the liability is extinguished, cancelled or discharged.

Other investments

Investments are stated at market value, being the year end closing bid price of shares. The investment are accounted for at fair value through the profit and loss account and valuation movements are then transferred to the revaluation reserve.

Operating leases

Annual rentals in relation to operating leases are charged to the income statement on a straight-line basis over the lease term

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

4. ACCOUNTING POLICIES - continued

Going concern

On 1 December 2021 the company sold its entire trade and assets, with the exception of its investment in Kuroda Precision Industries Limited, to Parker Hannifin Manufacturing Limited, a fellow group company, for a consideration of £37,103,677. The consideration being in the form of an intercompany loan. On 8 August 2022 the company sold its ordinary shares in Kuroda Precisions Industries Ltd to a third party for £11,290,000.

As the company has ceased to trade, the financial statements have been prepared on a basis other than going concern, no adjustments arose as a result of ceasing to apply the going concern basis. The directors are considering the position of the company within the group, but no formal decisions have been made.

Interest income

Interest income is recognised using the effective interest rate method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Employee benefits

Short term employee benefits, including salary and wages, annual bonus, holiday pay and other similar benefits are recognised as an expense in the period in which employee services are received.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Company's accounting policies

There are no 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.

Key source of estimation uncertainty

There are no key assumptions concerning the future, and 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. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

All turnover and profits and losses were derived from discontinued activities.

All turnover is from transactions with Parker Hannifin EMEA Sarl, a fellow group company based in Switzerland. A geographical analysis of turnover is therefore not required.

7. EMPLOYEES AND DIRECTORS

	30.6.22	30.6.21
	£'000	£'000
Wages and salaries	2,937	7,296
Social security costs	343	791
Other pension costs	411	1,067
	<u>3,691</u>	<u>9,154</u>

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

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

7. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	30.6.22	30.6.21
Production	135	141
Administration	80	83
	<u>215</u>	<u>224</u>

The employees numbers shown are the monthly average.

Included within staff costs are termination payments of £Nil (2021: £103,000).

8. DIRECTORS' EMOLUMENTS

	30.6.22 £'000	30.6.21 £'000
Directors' remuneration	85	131
Directors' pension contributions to money purchase schemes	<u>11</u>	<u>19</u>

There is only one remunerated director; the total emoluments therefore represent those of the highest paid director. The other directors are remunerated by Parker Hannifin Manufacturing Limited, a fellow group entity.

Three 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.

9. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging/(crediting):

	30.6.22 £'000	30.6.21 £'000
Depreciation - owned assets	404	1,099
Loss on disposal of fixed assets	-	46
Research and development costs	520	1,341
Lease payments recognised as an expense	47	47
Gain on exchange	<u>(2)</u>	<u>(8)</u>

Audit fees for the auditing of the financial statements amounting to £38,000 (30 June 2021: £38,000) were borne by Parker Hannifin Manufacturing Limited, a fellow group undertaking, and have not been recharged. No non-audit fees were charged in current or prior year.

10. OTHER GAINS AND LOSSES

	30.6.22 £'000	30.6.21 £'000
(Fixed asset impairment)/ reversal of fixed asset impairment	<u>(3,912)</u>	<u>1,036</u>

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

On 1 December 2021 the company sold its entire trade and assets, with exception of its investments in Kuroda Precision Industries Limited to a fellow group company. Prior to this an impairment in the book value of the tangible fixed assets of £3,912,000 was processed to reflect the difference between the book value of the assets transferred and the market value calculated.

11. INCOME FROM FIXED ASSET INVESTMENTS

	30.6.22	30.6.21
	£'000	£'000
Income from fixed asset investments	<u>139</u>	<u>58</u>

12. INTEREST RECEIVABLE AND SIMILAR INCOME

	30.6.22	30.6.21
	£'000	£'000
Interest receivable from Parker Hannifin affiliates	<u>382</u>	<u>51</u>

13. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	30.6.22	30.6.21
	£'000	£'000
Current tax:		
UK corporation tax	245	151
Adjustments to tax charge in respect of previous periods	(30)	(22)
Foreign withheld taxes	<u>22</u>	<u>9</u>
Total current tax	237	138
Deferred tax	<u>47</u>	<u>156</u>
Tax on (loss)/profit	<u>284</u>	<u>294</u>

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

13. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	30.6.22	30.6.21
	£'000	£'000
(Loss)/profit before tax	<u>(6,787)</u>	<u>10,273</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,290)	1,952
Effects of:		
Expenses not deductible for tax purposes	1,518	36
Income not taxable for tax purposes	(26)	(1,733)
Depreciation in excess of capital allowances	12	-
Adjustments to tax charge in respect of previous periods	(8)	(3)
Transfer pricing adjustment - imputed interest	56	33
Foreign Withholding Tax	<u>22</u>	<u>9</u>
Total tax charge	<u>284</u>	<u>294</u>

Deferred tax movements

Deferred tax (asset)/liability	Accelerated capital allowances £'000	Fair value adjustments £'000	Total £'000
Balance at 1 July 2021	(20)	0	(20)
Current year movement - P&L debit	25	0	25
Prior year adjustment- P&L debit	22	0	22
Transfer of operations to Parker Hannifin Manufacturing Limited	<u>(27)</u>	<u>0</u>	<u>(27)</u>
Balance at 30 June 2022	<u>0</u>	<u>0</u>	<u>0</u>

On 1 December 2021 the company sold its entire trade and assets, with the exception of its investment in Kuroda Precision Industries Limited, to a fellow group company which resulted in the reversal of all related deferred tax.

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.

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

14. PENSIONS

Parker Hannifin Manufacturing Limited, a fellow group company, is the sponsoring employer to the defined benefit pension arrangement in the UK which is known as the Parker Hannifin Pension and Death Benefit Plan (the "Parker Plan"). On 30 June 2004, the Parker Plan was closed to new employees, however benefits continue to accrue for existing members. Since 1 July 2011, a number of employees who are members of the Parker Plan transferred from Parker Hannifin Manufacturing Limited to Parker Hannifin Limited. The number of employees in question represent a relatively low proportion of the total membership of the Parker Plan, once deferred members and pensioner numbers are taken into consideration. In addition, the accrued benefits of these transferring members were in respect of their employment with Parker Hannifin Manufacturing Limited.

The Company's accounting policy for this group plan is set out in Note 4. The amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year. The total surplus on the Parker Plan as at 30 June 2022 is £67,398,000 (2021: surplus of £9,197,000). The relevant FRS 102 defined benefit scheme accounting disclosures for the Parker Plan as whole are reported within the financial statements for Parker Hannifin Manufacturing Limited.

15. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and equipment £'000	Totals £'000
COST			
At 1 July 2021	5,458	13,581	19,039
Additions	-	1,110	1,110
Disposals	(5,532)	(14,617)	(20,149)
Reclassification/transfer	74	(74)	-
At 30 June 2022	-	-	-
DEPRECIATION			
At 1 July 2021	2,717	7,710	10,427
Charge for year	79	325	404
Eliminated on disposal	(2,796)	(11,947)	(14,743)
Impairments	-	3,912	3,912
At 30 June 2022	-	-	-
NET BOOK VALUE			
At 30 June 2022	-	-	-
At 30 June 2021	2,741	5,871	8,612

On 1 December 2021 the company sold its entire trade and assets, with exception of its investments in Kuroda Precision Industries Limited to a fellow group company. Prior to this an impairment in the book value of the tangible fixed assets of £3,912,000 was processed to reflect the difference between the book value of the assets transferred and the market value calculated.

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

16. FIXED ASSET INVESTMENTS

	Other investments £'000
COST OR VALUATION	
At 1 July 2021	14,109
Revaluations	<u>(4,005)</u>
At 30 June 2022	<u>10,104</u>
NET BOOK VALUE	
At 30 June 2022	<u>10,104</u>
At 30 June 2021	<u>14,109</u>

Cost or valuation at 30 June 2022 is represented by:

	Other investments £'000
Valuation in 2018	12,358
Valuation in 2019	(6,425)
Valuation in 2020	(472)
Valuation in 2021	8,648
Valuation in 2022	<u>(4,005)</u>
	<u>10,104</u>

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

	Country of registration and operation	Percentage held	Nature of business
Kuroda Precision Industries Limited	Japan	16.8%	Manufacture and sale of industrial tools

The directors consider that although the company maintains a 16.8% (2021: 16.8%) interest in the share capital of Kuroda Precision Industries Limited, the company does not maintain any influence over its operating and financial policies. Therefore the directors consider it appropriate to account for this holding as a trade investment. The market value of the investment is £10,104,000. (30 June 2021: £14,109,000), this led to a revaluation deficit in the year of £4,005,000. This investment is subject to the volatility of the Japanese market, and the value can therefore fluctuate significantly year on year.

**Parker Hannifin Manufacturing
(UK) Limited (Registered number: 03503896)**

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

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.22	30.6.21
	£'000	£'000
Trade debtors	-	30
Amounts owed by other group companies	38,363	41,651
VAT	-	440
Deferred tax asset	-	-
Accelerated capital allowances	-	20
Prepayments and accrued income	-	164
	<u>38,363</u>	<u>42,305</u>

Included within the amounts owed by group undertakings is a loan amounting to £37,649,491 (2021: £11,764,000) on which interest is charged at 1.65% (2021: 0.43380%). The loan is unsecured and was originally repayable on 1 December 2022, this has since been extended to 1 December 2023, however either party may terminate the loan with 10 days written notice.

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

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.22	30.6.21
	£'000	£'000
Trade creditors	-	3,377
Amounts owed to other group companies	96	5,936
Accruals and deferred income	-	271
	<u>96</u>	<u>9,584</u>

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

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.22	30.6.21
	£'000	£'000
Within one year	-	33
Between one and five years	-	21
	<u>-</u>	<u>54</u>

20. DEFERRED TAX

	£'000
Balance at 1 July 2021	(20)
Accelerated capital allowances	25
Prior year adjustment	22
Transfer to PHML	(27)
Balance at 30 June 2022	<u>-</u>

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

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.6.22	30.6.21
			£'000	£'000
36,400,000	Ordinary	£1	<u>36,400</u>	<u>36,400</u>

There are no rights, preferences or restrictions attached to ordinary shares.

22. RESERVES

Revaluation reserve

The reserve records the revaluation surplus on investments held.

Capital contribution reserve

This balance represents the value of assets contributed by the parent company.

Profit and loss account

This represents accumulated retained earnings.

23. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent undertaking is Parker Hannifin Industries Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is Parker Hannifin Corporation, a company incorporated in the state of 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.

24. POST BALANCE SHEET EVENTS

On 8 August 2022 the company sold its ordinary shares in Kuroda Precisions Industries Ltd to a third party for £11,290,000.