

**Report of the Directors and
Financial Statements for the Period 1 January 2012 to 30 June 2013
for
Olaer Fawcett Christie Limited**

TUESDAY



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for the Period 1 January 2012 to 30 June 2013**

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Olaer Fawcett Christie Limited

Company Information
for the Period 1 January 2012 to 30 June 2013

DIRECTORS:

G J Miller
G M Ellinor
J A D Elsey
J D O'Reilly

SECRETARY:

J D O'Reilly

REGISTERED OFFICE:

Parker House
55 Maylands Avenue
Hemel Hempstead
HP2 4SJ

REGISTERED NUMBER.

1114923 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

**Report of the Directors
for the Period 1 January 2012 to 30 June 2013**

The directors present their report with the financial statements of the company for the period 1 January 2012 to 30 June 2013

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the design and manufacture of hydraulic bladder accumulators and other hydraulic products for industrial customers

REVIEW OF BUSINESS

The company made a profit after taxation for the period amounting to £2,284,000 (year ended 31 December 2011 - £1,020,000)

On 2 July 2012, Olaer Group Limited, the company's ultimate parent at that date, was acquired by Parker Hannifin ACD Europe LLC, a member of the Parker Hannifin group of companies. From that date Parker Hannifin Corporation became the ultimate parent undertaking and controlling party of the company. Following the acquisition the following transactions were executed as part of the restructure of the Olaer group

- On 15 May 2013, Olaer Limited, the company's immediate parent at that date, transferred its 100% shareholding in the company to Olaer International Limited, a fellow group company

- On 28 May 2013, Olaer International Limited transferred 100% of its beneficial interest in the company to Parker Hannifin Manufacturing Limited, a fellow group company. The legal title to the shares was transferred on 19 August 2013

DIVIDENDS

No dividends will be distributed for the period ended 30 June 2013 (year ended 31 December 2011 £nil)

FUTURE DEVELOPMENTS

It is intended that the company transfer its entire manufacturing business and assets to Parker Hannifin Manufacturing Limited, the company's immediate parent, on 1 April 2014 and its sales business to Parker Hannifin Limited, a fellow group company, on the same date

As required by FRS18, Accounting Policies, the Directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis

DIRECTORS

G J Miller has held office during the whole of the period from 1 January 2012 to the date of this report

Other changes in directors holding office are as follows

D Jones - resigned 2 July 2012

M Blenkinsop - resigned 2 July 2012

G M Ellnor - appointed 2 July 2012

J A D Elsey - appointed 2 July 2012

J D O'Reilly - appointed 2 July 2012

**Report of the Directors
for the Period 1 January 2012 to 30 June 2013**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the company are considered to relate to the expansion or contraction of the manufacturing economy, industrial competition and employee retention. The company believes there is a high negative correlation between interest rates and industrial manufacturing activity. Increases in interest rates typically have a negative impact on industrial production thereby lowering future orders while decreases in interest rates typically have the opposite effect.

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 annual report of the ultimate parent undertaking, Parker Hannifin Corporation, which does not form part of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Olaer Fawcett Christie Limited (Registered number: 1114923)

**Report of the Directors
for the Period 1 January 2012 to 30 June 2013**

AUDITOR

The auditor, Deloitte LLP, were appointed during the period and will be proposed for re-appointment at the forthcoming Annual General Meeting

BY ORDER OF THE BOARD:



G M Ellnor - Director

Date **17 MARCH 2014.**

Report of the Independent Auditor to the Members of Olaer Fawcett Christie Limited

We have audited the financial statements of Olaer Fawcett Christie Limited for the period 1 January 2012 to 30 June 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors. As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the period 1 January 2012 to 30 June 2013,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - going concern

Without modifying our opinion, we draw attention to the disclosures made in note 1 of the financial statements concerning the preparation of the accounts on a basis other than going concern. The directors have prepared the financial statements on the basis that the company is no longer a going concern as it is their intention to transfer its trade and assets to the parent company on 1st April 2014 and therefore cease trading. No material adjustments arose as a result of ceasing to apply the going concern basis.

Opinion on other matter prescribed by the Companies Act 2006

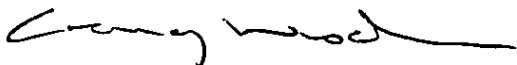
In my opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditor to the Members of
Olaer Fawcett Christie Limited**

Matters on which I am required to report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me, 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
- I have not received all the information and explanations I require for our audit



Craig Wisdom (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

Date 20 March 2014

Olaer Fawcett Christie Limited (Registered number. 1114923)

**Profit and Loss Account
for the Period 1 January 2012 to 30 June 2013**

	Notes	Period 1.1.12 to 30.6.13 £'000	Year Ended 31 12 11 £'000
TURNOVER	2	24,154	15,534
Cost of sales		<u>(18,887)</u>	<u>(12,132)</u>
GROSS PROFIT		5,267	3,402
Distribution costs		(338)	(326)
Administrative expenses		<u>(1,981)</u>	<u>(1,678)</u>
OPERATING PROFIT	5	2,948	1,398
Income from shares in group undertakings		<u>69</u>	<u>17</u>
		3,017	1,415
Interest payable and similar charges	6	<u>-</u>	<u>(1)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,017	1,414
Tax on profit on ordinary activities	7	<u>(733)</u>	<u>(394)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>2,284</u>	<u>1,020</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current period or previous year

The notes form part of these financial statements

Olaer Fawcett Christie Limited (Registered number: 1114923)

Balance Sheet
30 June 2013

	Notes	30.6.13 £'000	31.12.11 £'000
FIXED ASSETS			
Tangible assets	8	435	641
Investments	9	<u>68</u>	<u>68</u>
		<u>503</u>	<u>709</u>
CURRENT ASSETS			
Stocks	10	2,599	2,371
Debtors	11	6,709	3,818
Cash in hand		<u>127</u>	<u>964</u>
		9,435	7,153
CREDITORS			
Amounts falling due within one year	12	<u>(3,523)</u>	<u>(3,160)</u>
NET CURRENT ASSETS		<u>5,912</u>	<u>3,993</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,415	4,702
CREDITORS			
Amounts falling due after more than one year	13	<u>-</u>	<u>(571)</u>
NET ASSETS		<u>6,415</u>	<u>4,131</u>
CAPITAL AND RESERVES			
Called up share capital	16	50	50
Profit and loss account	17	<u>6,365</u>	<u>4,081</u>
SHAREHOLDERS' FUNDS	20	<u>6,415</u>	<u>4,131</u>

The financial statements were approved by the Board of Directors on **17 MARCH 2014** and were signed on its behalf by



G M Ellnor - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Period 1 January 2012 to 30 June 2013**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

Going concern

As explained in the Directors' Report, it is intended that the company transfer its entire manufacturing business and assets to Parker Hannifin Manufacturing Limited, the company's immediate parent, on 1 April 2014 and its sales business to Parker Hannifin Limited, a fellow group company, on the same date. As required by FRS18, Accounting Policies, the Directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Olaer Fawcett Christie 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 USA.

Cash flow statement

The company is a wholly owned subsidiary of Parker Hannifin Corporation and is included in their consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

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

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Dividends

Revenue is recognised when the Company's right to receive payment is established.

Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is calculated to write off 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:

Leasehold property	20% per annum
Plant and equipment	10% per annum
Office fixtures and equipment	10% per annum
Computer equipment	20% - 33% per annum

**Notes to the Financial Statements - continued
for the Period 1 January 2012 to 30 June 2013**

1 ACCOUNTING POLICIES - continued

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Research and development

Expenditure on research and development is written off in the year in which it is incurred

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted date if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date or, if appropriate, the forward contract rate. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Investments

Fixed asset investments are shown at cost less provision for impairment. The carrying values of investments are reviewed for impairments in periods if events or changes in circumstances indicate that a provision for impairment may be required.

**Notes to the Financial Statements - continued
for the Period 1 January 2012 to 30 June 2013**

2 TURNOVER

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

An analysis of turnover by geographical market is given below

	Period 1.1.12 to 30.6.13 £'000	Year Ended 31 12 11 £'000
United Kingdom	12,127	7,730
Europe	5,874	2,800
Rest of the world	<u>6,153</u>	<u>5,004</u>
	<u><u>24,154</u></u>	<u><u>15,534</u></u>

3 STAFF COSTS

	Period 1.1.12 to 30.6.13 £'000	Year Ended 31 12 11 £'000
Wages and salaries	4,081	2,614
Social security costs	68	15
Other pension costs	<u>131</u>	<u>38</u>
	<u><u>4,280</u></u>	<u><u>2,667</u></u>

The average monthly number of employees during the period was as follows

	Period 1.1.12 to 30.6.13	Year Ended 31 12 11
Production	30	28
Sales and distribution	28	28
Administration	<u>17</u>	<u>14</u>
	<u><u>75</u></u>	<u><u>70</u></u>

4 DIRECTORS' EMOLUMENTS

	Period 1.1 12 to 30.6.13 £	Year Ended 31 12 11 £
Directors' remuneration	648,882	201,000
Directors' pension contributions to money purchase schemes	<u><u>131,424</u></u>	<u><u>38,000</u></u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u><u>1</u></u>	<u><u>2</u></u>
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Notes to the Financial Statements - continued
for the Period 1 January 2012 to 30 June 2013

4 DIRECTORS' EMOLUMENTS - continued

Information regarding the highest paid director is as follows

	Period 1.1.12 to 30.6.13 £	Year Ended 31 12 11 £
Emoluments etc	424,149	132,000
Pension contributions to money purchase schemes	<u>83,651</u>	<u>19,000</u>

5 OPERATING PROFIT

The operating profit is stated after charging

	Period 1.1.12 to 30.6.13 £'000	Year Ended 31 12 11 £'000
Depreciation - owned assets	229	149
Auditor's remuneration	40	14
Operating lease rentals - Land and buildings	262	175
Operating lease rentals - Other	<u>225</u>	<u>92</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.1.12 to 30 6.13 £'000	Year Ended 31 12 11 £'000
Bank interest	<u>-</u>	<u>1</u>

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows

	Period 1.1.12 to 30.6.13 £'000	Year Ended 31 12 11 £'000
Current tax		
UK corporation tax	722	422
Adjustments in respect of previous periods	<u>-</u>	<u>(1)</u>
Total current tax	722	421
Deferred tax	<u>11</u>	<u>(27)</u>
Tax on profit on ordinary activities	<u>733</u>	<u>394</u>

Notes to the Financial Statements - continued
for the Period 1 January 2012 to 30 June 2013

7 TAXATION - continued

Factors affecting the tax charge

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

	Period 1.1.12 to 30.6.13 £'000	Year Ended 31.12.11 £'000
Profit on ordinary activities before tax	<u>3,018</u>	<u>1,414</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.167% (2011 - 26.5%)	729	375
Effects of		
Expenses not deductible for tax purposes	3	13
Income not taxable for tax purposes	(17)	-
Depreciation in excess of capital allowances	7	35
Adjustments to tax charge in respect of previous periods	-	(1)
Other short term timing differences	<u>-</u>	<u>(1)</u>
Current tax charge	<u>722</u>	<u>421</u>

Factors that may affect future tax charges

The Finance Act 2012, which provides for a reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

The Government intends to enact future reduction in the main tax rate down to 21% effective from 1 April 2014 and to 20% by 1 April 2015. As these tax rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS21 as it is a non-adjusting event occurring after the reporting period.

Notes to the Financial Statements - continued
for the Period 1 January 2012 to 30 June 2013

8 TANGIBLE FIXED ASSETS

	Leasehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Totals £'000
COST				
At 1 January 2012	172	1,113	655	1,940
Additions	<u>-</u>	<u>18</u>	<u>5</u>	<u>23</u>
At 30 June 2013	<u>172</u>	<u>1,131</u>	<u>660</u>	<u>1,963</u>
DEPRECIATION				
At 1 January 2012	69	743	487	1,299
Charge for period	<u>51</u>	<u>84</u>	<u>94</u>	<u>229</u>
At 30 June 2013	<u>120</u>	<u>827</u>	<u>581</u>	<u>1,528</u>
NET BOOK VALUE				
At 30 June 2013	<u>52</u>	<u>304</u>	<u>79</u>	<u>435</u>
At 31 December 2011	<u>103</u>	<u>370</u>	<u>168</u>	<u>641</u>

9 FIXED ASSET INVESTMENTS

	Shares in group undertaking £'000
COST	
At 1 January 2012 and 30 June 2013	<u>68</u>
NET BOOK VALUE	
At 30 June 2013	<u>68</u>
At 31 December 2011	<u>68</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Olaer Hydraulics (India) Private Limited

Country of incorporation India

Nature of business Hydraulics

Class of shares	% holding
Ordinary	67.00

10 STOCKS

	30.6.13 £'000	31.12.11 £'000
Raw materials and consumables	2,273	1,865
Work-in-progress	103	289
Finished goods	<u>223</u>	<u>217</u>
	<u>2,599</u>	<u>2,371</u>

Notes to the Financial Statements - continued
for the Period 1 January 2012 to 30 June 2013

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.13	31 12 11
	£'000	£'000
Trade debtors	3,396	2,777
Amounts owed by group undertakings	3,075	744
Deferred tax asset	48	59
Prepayments and accrued income	190	238
	<u>6,709</u>	<u>3,818</u>

Deferred tax asset

	30 6 13	31 12 11
	£'000	£'000
Depreciation in excess of capital allowances	48	54
Other timing differences	-	5
	<u>48</u>	<u>59</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 6 13	31 12 11
	£'000	£'000
Trade creditors	1,561	1,298
Amounts owed to group undertakings	510	317
Social security and other taxes	-	167
Other creditors	183	104
Accruals and deferred income	1,269	1,274
	<u>3,523</u>	<u>3,160</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.13	31 12 11
	£'000	£'000
Amounts owed to group undertakings	-	571

14 OPERATING LEASE COMMITMENTS

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings		Other operating leases	
	30.6.13	31 12 11	30.6.13	31 12 11
	£'000	£'000	£'000	£'000
Expiring				
Within one year	-	-	26	4
Between one and five years	139	175	57	7
In more than five years	-	-	-	56
	<u>139</u>	<u>175</u>	<u>83</u>	<u>67</u>

**Notes to the Financial Statements - continued
for the Period 1 January 2012 to 30 June 2013**

15 DEFERRED TAX

	£'000
Balance at 1 January 2012	(59)
Charge to profit and loss account during period	<u>11</u>
Balance at 30 June 2013	<u><u>(48)</u></u>

16 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	30.6.13 £'000 <u>50</u>	31.12.11 £'000 <u>50</u>
50,000	Ordinary			

17 RESERVES

	Profit and loss account £'000
At 1 January 2012	4,081
Profit for the period	<u>2,284</u>
At 30 June 2013	<u><u>6,365</u></u>

18 ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party is Parker Hannifin Corporation, a company incorporated in the State of Ohio, United States of America. Parker Hannifin Corporation is the parent undertaking of the largest 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.

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

19 RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.6.13 £'000 <u>2,284</u>	31.12.11 £'000 <u>1,020</u>
Profit for the financial period		
Net addition to shareholders' funds	2,284	1,020
Opening shareholders' funds	<u>4,131</u>	<u>3,111</u>
Closing shareholders' funds	<u><u>6,415</u></u>	<u><u>4,131</u></u>