

Sun Hydraulics Limited

Report and Financial Statements

Year Ended

29 December 2012

Company Number 1914045

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Sun Hydraulics Limited

Report and financial statements for the year ended 29 December 2012

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Directors

A J Carlson
R Glasspole
S Hancox
T L Fulton

Secretary and registered office

Taylor Wessing Secretaries Limited, 5 New Street Square, London, EC47 3TW

Company number

1914045

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Sun Hydraulics Limited

Report of the directors for the year ended 29 December 2012

The directors present their report together with the audited financial statements for the year ended 29 December 2012

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Principal activities

The company's principal activities are the supply of hydraulic screw-in cartridges and manifolds for use on all types of mobile and industrial machinery. We operate as the distributor in the UK and supply through independent companies operating as distributors in other countries around Europe. Our main manufacturing activity is the production of manifolds in SG iron.

Review of business

The beginning of 2012 saw the economy continue to recover but this petered off during the second half of the year especially in the mobile sector.

As planned during 2011 more distributors were given access to purchasing goods direct from USA rather than through UK to help give European customers quicker deliveries. Along with moving away from supplying French customers directly from the UK (£950K drop) to purchasing from a distributor in France (who buy direct from USA) plus a large order project being completed in 2011 (£1.7M drop) the result was a reduction in sales from £15,831,179 to £13,982,992.

We have continued to maintain our short delivery cycles, increase efficiencies and have improved our on-time deliveries to over 97% to customer requested dates. This has resulted in a profit after taxation for the year of £1,839,697 (2011 £1,990,547).

Significant events in the year

During May we vacated the offices in preparation for the redevelopment work to begin.

Future Developments

We plan to consolidate our manufacturing capability and continue to supply high quality products on time to customer requirements. The continuing development of our web-site along with new product training and product selection programs will make it as easy as possible for customers to find the right information about our products and capabilities. It is planned to have more distributors buying goods direct from USA to reduce double handling and to speed up delivery.

The Company is in a financially strong position with a highly skilled and motivated workforce and will be in a good position to take advantage of any upturn in sales.

Principal risks and uncertainties

Financial risk management

Funding and Liquidity risk are managed by the company. The objectives are to protect the assets of the company and to identify and manage the financial risks. These risks are described further below.

Currency risk

Currency transaction risk is primarily automatically controlled by the fact that a majority of the sales in currencies (USD) are matched by purchases in currency (USD). Revaluation of currency balances. Cash, Debtors and Creditors are absorbed on a monthly basis.

Sun Hydraulics Limited

Report of the directors for the year ended 29 December 2012 (*continued*)

Principal risks and uncertainties (*continued*)

Liquidity risk

Funding is monitored by the preparation of updated budgets on a frequent cycle. Actual results are compared to historical position on a cyclical basis. At 29 December 2012 the company's cash balance was £9.2 million.

Research and development

Research and development expenditure is written off as incurred.

Employment policy

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. We also try and encourage our employees to attend outside courses to improve their skills and improve their general education. Full training is provided to all new employees.

Directors

The directors of the company during the year were

A J Carlson
R Glasspole
S Hancox
T L Fulton

Directors' responsibilities

The directors are responsible for preparing the directors' report 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,
- 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.

Sun Hydraulics Limited

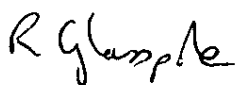
Report of the directors for the year ended 29 December 2012 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



R Glasspole

Director

14 August 2013

Sun Hydraulics Limited

Independent auditor's report

To the members of Sun Hydraulics Limited

We have audited the financial statements of Sun Hydraulics Limited for the year ended 29 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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. 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.

Respective responsibilities of directors and 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 29 December 2012 and of its profit for the year then ended,
- 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Sun Hydraulics Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

BDO LLP
15 August 2012

Thomas Lawton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Sun Hydraulics Limited

Profit and loss account for the year ended 29 December 2012

	Note	2012 £	2011 £
Turnover	2	13,982,992	15,831,179
Cost of sales		9,870,506	11,428,973
Gross profit		4,112,486	4,402,206
Administrative expenses		1,783,044	1,811,063
		2,329,442	2,591,143
Other operating expense / income		(38,963)	66,670
Operating profit	3	2,290,479	2,657,813
Other interest receivable and similar income		165,935	80,823
Interest payable and similar charges	6	-	(3,524)
Profit on ordinary activities before taxation		2,456,414	2,735,112
Taxation on profit on ordinary activities	7	616,717	744,565
Profit on ordinary activities after taxation		1,839,697	1,990,547

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account


The notes on pages 8 to 19 form part of these financial statements

Sun Hydraulics Limited

Balance sheet at 29 December 2012

<i>Company number 1914045</i>	Note	2012	2012	2011	2011
		£	£	As restated	As restated
				£	£
Fixed assets					
Tangible assets	8		3,396,808		3,194,791
Current assets					
Stocks	9	921,547		932,615	
Debtors	10	2,314,750		2,436,417	
Investments	11	6,000,000		5,000,000	
Cash at bank and in hand		3,156,810		2,860,726	
		<u>12,393,107</u>		<u>11,229,758</u>	
Creditors: amounts falling due within one year	12	<u>1,643,563</u>		<u>2,090,478</u>	
Net current assets			<u>10,749,544</u>		<u>9,139,280</u>
Total assets less current liabilities			<u>14,146,352</u>		<u>12,334,071</u>
Provisions for liabilities	13		<u>24,712</u>		<u>52,128</u>
			<u>14,121,640</u>		<u>12,281,943</u>
Capital and reserves					
Called up share capital	15		1,140,000		1,140,000
Profit and loss account	16		12,981,640		11,141,943
Shareholders' funds	17		<u>14,121,640</u>		<u>12,281,943</u>

The financial statements were approved by the board of directors and authorised for issue on 14 August 2013


R Glasspole
Director

The notes on pages 8 to 19 form part of these financial statements

Sun Hydraulics Limited

Notes forming part of the financial statements for the year ended 29 December 2011

1 Accounting policies

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

The following principal accounting policies have been applied

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for freehold land, evenly over their expected useful lives. It is calculated at the following rates

Buildings	- 10 and 40 years
Plant and machinery	- 4, 5 and 10 years
Office equipment	- 3, 4 and 10 years

Assets in the course of construction are not depreciated

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Financial instruments

Financial instruments are measured initially and subsequently at cost.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Sun Hydraulics Limited

Notes forming part of the financial statements for the year ended 29 December 2012 (continued)

1 Accounting policies (continued)

Share-based payment

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period. Where equity instruments are granted to persons other than employees, the income statement is charged with the fair value of goods and services received.

The company also operates an HMRC approved Share Incentive Plan (SIP), the company recognises a charge to the profit and loss account in the period to which the award of the SIP shares relates given the vesting conditions are met immediately.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Sun Hydraulics Corporation and the company is included in consolidated financial statements.

Related party disclosures

The company is a wholly owned subsidiary of Sun Hydraulics Corporation and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Sun Hydraulics Corporation or other wholly owned subsidiaries within the group.

Sun Hydraulics Limited

Notes forming part of the financial statements for the year ended 29 December 2012 (*continued*)

1 Accounting policies (*continued*)

Financial period

The current accounting period covers the period 1 January 2012 to 29 December 2012 and the comparative period covers the period 2 January 2011 to 31 December 2011. The financial year end date for the company is aligned to the financial reporting year end of the ultimate parent company.

2 Turnover

	2012 £	2011 £
Analysis by geographical market		
United Kingdom	6,208,369	7,069,696
EU	5,416,816	6,329,686
Rest of the world	1,896,269	1,993,555
North America & Canada	461,538	438,242
	<u>13,982,992</u>	<u>15,831,179</u>

Turnover is wholly attributable to the principal activity of the company.

3 Operating profit

	2012 £	2011 £
This is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	497,157	586,990
Hire of other assets - operating leases	4,091	4,502
Fees payable to the company's auditor for the auditing of the company's annual accounts	22,800	22,800
Exchange differences	38,962	(50,420)
	<u>563,010</u>	<u>563,872</u>

Sun Hydraulics Limited

Notes forming part of the financial statements
for the year ended 29 December 2012 (*continued*)

4 Employees

Staff costs (including directors) consist of

	2012 £	2011 £
Wages and salaries	1,961,549	1,912,580
Social security costs	208,322	201,838
Other pension costs	157,038	165,870
	<u>2,326,909</u>	<u>2,280,288</u>

The average number of employees (including directors) during the year was as follows

	2012 Number	2011 Number
Production staff	42	43
Management staff	24	24
	<u>66</u>	<u>67</u>

5 Directors' remuneration

	2012 £	2011 £
Directors' emoluments	188,981	154,536
Gains on restricted shares vesting	67,073	34,922
Company contributions to money purchase pension schemes	33,031	26,391
SIP free shares	12,000	12,000
	<u>299,085</u>	<u>227,849</u>

There were 2 directors in the company's defined contribution pension scheme during the year (2011 - 3)

The number of directors who exercised share options was 2 (2011 - 3)

The total amount payable to the highest paid director in respect of emoluments was £111,233 (2011 - £77,117) Company pension contributions of £19,664 (2011 - £13,265) were made to a money purchase scheme on their behalf The highest paid director also received shares through the restricted share scheme as well as SIP free shares during the year

Sun Hydraulics Limited

Notes forming part of the financial statements
for the year ended 29 December 2012 (*continued*)

6 Interest payable and similar charges

	2012 £	2011 £
Other interest	-	3,524
	<hr/>	<hr/>

Sun Hydraulics Limited

Notes forming part of the financial statements
for the year ended 29 December 2012 (*continued*)

7 Taxation on profit on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	645,005	794,495
Adjustment in respect of previous periods	(871)	13,717
	<hr/>	<hr/>
Total current tax	644,134	808,212
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(21,224)	(55,071)
Adjustment in respect of previous periods	(6,193)	(8,576)
	<hr/>	<hr/>
Movement in deferred tax provision	(27,417)	(63,647)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	616,717	744,565
	<hr/>	<hr/>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	2,456,414	2,735,112
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 26%)	601,821	725,738
Effect of		
Expenses not deductible for tax purposes	557	634
Depreciation for period in excess of capital allowances	49,412	53,791
Utilisation of tax losses	-	(24)
Adjustment to tax charge in respect of previous periods	(871)	13,717
Share based payments	(6,745)	14,233
Other timing differences	(40)	123
	<hr/>	<hr/>
Current tax charge for the year	644,134	808,212
	<hr/>	<hr/>

Sun Hydraulics Limited

Notes forming part of the financial statements
for the year ended 29 December 2012 (*continued*)

8 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Computer equipment £	Assets in the course of construction £	Total £
<i>Cost</i>					
At 1 January 2012	3,337,790	5,684,392	1,083,513	-	10,105,695
Additions	188,808	29,260	70,928	410,178	699,174
Disposals	-	-	(283,029)	-	(283,029)
	<u>3,526,598</u>	<u>5,713,652</u>	<u>871,412</u>	<u>410,178</u>	<u>10,521,840</u>
<i>Depreciation</i>					
At 1 January 2012	1,506,400	4,439,170	965,334	-	6,910,904
Provided for the year	97,202	298,571	101,384	-	497,157
Disposals	-	-	(283,029)	-	(283,029)
	<u>1,603,602</u>	<u>4,737,741</u>	<u>783,689</u>	<u>-</u>	<u>7,125,032</u>
<i>Net book value</i>					
At 29 December 2012	<u>1,922,996</u>	<u>975,911</u>	<u>87,723</u>	<u>410,178</u>	<u>3,396,808</u>
At 31 December 2011	<u>1,831,390</u>	<u>1,245,222</u>	<u>118,179</u>	<u>-</u>	<u>3,194,791</u>

9 Stocks

	2012 £	2011 £
Raw materials and consumables	53,272	59,628
Work in progress	69,709	74,558
Finished goods and goods for resale	798,566	798,429
	<u>921,547</u>	<u>932,615</u>

There is no material difference between the replacement cost of stocks and the amounts stated above

Sun Hydraulics Limited

Notes forming part of the financial statements
for the year ended 29 December 2012 (continued)

10 Debtors

	2012 £	2011 £
Trade debtors	1,516,758	1,885,969
Amounts owed by parent undertakings	38,486	35,750
Amounts owed by fellow subsidiary undertakings	16,455	30,413
Prepayments and accrued income	553,018	289,778
Other debtors	190,033	194,507
	<u>2,314,750</u>	<u>2,436,417</u>

All amounts shown under debtors fall due for payment within one year

11 Current asset investments

	2012 £	2011 As restated £
Other investments	<u>6,000,000</u>	<u>5,000,000</u>

Current asset investments relate to amounts held in treasury deposit accounts. In the prior year the balance on deposit was classified as cash and has therefore been reclassified to reflect the appropriate classification on the balance sheet.

12 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	378,031	399,205
Amounts owed to parent undertakings	462,796	989,664
Corporation tax	305,147	288,580
Other taxation and social security	61,907	64,816
Other creditors	232,364	282,595
Accruals and deferred income	203,318	65,618
	<u>1,643,563</u>	<u>2,090,478</u>

Sun Hydraulics Limited

Notes forming part of the financial statements
for the year ended 29 December 2012 (*continued*)

13 Provisions for liabilities

	Deferred taxation £	
At 1 January 2012	52,128	
Movement in the year	(27,416)	
	<hr/>	
At 29 December 2012	24,712	
	<hr/>	
<i>Deferred taxation</i>		
	2012 £	2011 £
Accelerated capital allowances	95,146	130,620
Sundry timing differences	(70,434)	(78,492)
	<hr/>	<hr/>
	24,712	52,128
	<hr/>	<hr/>

14 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £157,038 (2011 - £165,870). There were £15,140 outstanding contributions at the balance sheet date (2011 - £16,338).

15 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
1,140,000 ordinary shares of £1 each	1,140,000	1,140,000
	<hr/>	<hr/>

Sun Hydraulics Limited

Notes forming part of the financial statements
for the year ended 29 December 2012 (*continued*)

16 Reserves

	Profit and loss account £
At 1 January 2012	11,141,943
Profit for the year	1,839,697
	<hr/>
At 29 December 2012	12,981,640
	<hr/>

17 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the year	1,839,697	1,990,547
Opening shareholders' funds	12,281,943	10,291,396
	<hr/>	<hr/>
Closing shareholders' funds	14,121,640	12,281,943
	<hr/>	<hr/>

18 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Other 2012 £	Other 2011 £
Operating leases which expire		
In two to five years	4,091	4,091
	<hr/>	<hr/>

19 Capital commitments

	2012 £	2011 £
Contracted but not provided for	707,676	353,650
	<hr/>	<hr/>

Sun Hydraulics Limited

Notes forming part of the financial statements for the year ended 29 December 2012 (continued)

20 Share-based cash settled payments

During the year the company participated in two share-based payment schemes in respect of certain of its employees, as follows

Restricted share scheme

	Shares to vest at 1 January 2012	Shares vested during the year	Shares granted during the year	Shares to vest at 29 December 2012
Restricted shares	15,357	(7,074)	9,600	17,883

In 2007 the company's ultimate parent implemented a restricted share scheme throughout the group to replace the previous phantom schemes. Details of the scheme are as given below

The employees receive shares in Sun Hydraulics Corporation ('Sun Corp'), the company's ultimate parent undertaking, at the date of grant. The shares are restricted and should vesting criteria not be met the employees lose the shares granted. One third of the shares granted vest each year over the 3 year vesting period and are able to be sold after this date.

The effect this would have on a knowledgeable, willing market participant's valuation of the shares would be minimal, as the shares are actively traded in a liquid market with virtually all the rights that any other shareholder would have including dividends.

As such, in line with the FRS 20 guidelines the shares deemed value, is equal to the share price at the vesting date as the impact the transfer restrictions would have is minimal.

A management charge is received from the parent company for the issue of the shares at the date of grant and the charge is split over the vesting period of the shares, with one third split over 12 months, one third over 24 months and one third over 36 months. An amount of £123,438 (2011 £83,483) has been expensed through the profit and loss account in respect of these plans.

Share Incentive Plan

In 2009, the company activated a Share Incentive Plan (SIP), a scheme approved by HMRC. Under this plan, employees may make regular contributions to a trust which will acquire shares ('Partnership shares') in Sun Corp, on their behalf. The company has committed to match the number of Partnership shares purchased with a contribution to the trust to purchase shares in Sun Corp in a ratio of one for six shares ('Matching shares').

The plan also allows the company to award a number of shares to each employee as an outright award of shares ('Free shares') in Sun Corp. Free shares are awarded to all employees, regardless of their participation in purchasing Partnership shares. All shares awarded by the company are bought at market value at the date of purchase. The Free shares have a 3 year vesting period during which they are held in a trust, with one third vesting over 12 months, one third vesting over 24 months and one third vesting over 36 months.

An amount of £168,706 (2011 £226,239) has been expensed to the profit and loss account in respect of the Free shares during the year. There is a creditor of £168,343 at the year end in relation to SIP shares awarded which will be activated in 2013.

In addition, in relation to 2012 an amount of £4,580 (2011 £4,087) has been expensed through the profit and loss account in respect of Matching shares.

Sun Hydraulics Limited

**Notes forming part of the financial statements
for the year ended 29 December 2012 (*continued*)**

21 Ultimate parent company and parent undertaking of larger group

The company is a wholly owned subsidiary of Sun Hydraulics Corporation

The largest and smallest group in which the results of the company are consolidated is that headed by Sun Hydraulics Corporation, incorporated in United States of America. The consolidated accounts of this company are available to the public and may be obtained from 1500 West University Parkway, Sarasota, Florida, 34243, USA. No other group accounts include the results of the company.