

Registered number: 02537433

SUN HYDRAULIK HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 DECEMBER 2018



SUN HYDRAULIK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	N V Askew M Bennett G A P Gotting A L V Ore
Company secretary	Taylor Wessing Secretaries Limited
Registered number	02537433
Registered office	Taylor Wessing Secretaries Limited 5 New Street Square London EC4A 3TW
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Colmore Building 20 Colmore Circus Birmingham West Midlands B4 6AT

SUN HYDRAULIK HOLDINGS LIMITED

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SUN HYDRAULIK HOLDINGS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 DECEMBER 2018**

The directors present their strategic report together with the audited financial statements for the period ended 29 December 2018.

Principal activities, review of the business and future developments

The Company's principal activity is that of a holding company for the UK and German subsidiaries of Sun Hydraulics Corporation. There have been no changes in the company's activities in the year under review.

The financial position of both the Company's subsidiaries has continued to be strong during the year.

Principal risks and uncertainties

As a holding company, the principal risks and uncertainties are driven by performance of the subsidiary entities.


Financial key performance indicators

As a holding company, the Company does not have any key financial performance indicators.

This report was approved by the board on

and signed on its behalf.

M Bennett
Director


25/9/19.

SUN HYDRAULIK HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 DECEMBER 2018

The directors present their report and the financial statements for the year ended 29 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £33,593,846 (2017 - £Nil).

A dividend of £33,593,846 was declared and paid during the year (2017: Nil).

Directors

The directors who served during the year were:

N V Askew
M Bennett
G A P Gotting
A L V Ore

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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, 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 and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Qualifying third party indemnity provisions

The company has provided qualifying third party indemnity provisions in respect of its directors which were in force during the period and at the date of this report.

SUN HYDRAULIK HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2018**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.


Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.

M Bennett
Director


25/9/19.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUN HYDRAULIK HOLDINGS LIMITED

Opinion

We have audited the financial statements of Sun Hydraulik Holdings Limited (the 'Company') for the year ended 29 December 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUN HYDRAULIK HOLDINGS LIMITED
(CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Matter on which we are required to report under the Companies Act 2006

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 material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUN HYDRAULIK HOLDINGS LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

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.

Grant Thornton UK LLP

Natalie Gladwin BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: *25 September 2019*

SUN HYDRAULIK HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 DECEMBER 2018**

	Note	2018 £	2017 £
Dividends received	5	33,593,846	-
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		33,593,846	-
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains and losses for 2018 or 2017 other than those included in the income statement.

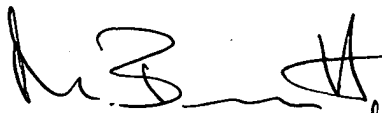
The notes on pages 10 to 14 form part of these financial statements.

SUN HYDRAULIK HOLDINGS LIMITED
REGISTERED NUMBER:02537433

STATEMENT OF FINANCIAL POSITION
AS AT 29 DECEMBER 2018

	Note	29 December 2018 £	31 December 2017 £
Fixed assets			
Investments	8	3,711,359	3,711,359
Net assets		<u>3,711,359</u>	<u>3,711,359</u>
Capital and reserves			
Called up share capital	9	1,521,498	1,521,498
Capital redemption reserve	10	851,834	851,834
Profit and loss account	10	1,338,027	1,338,027
		<u>3,711,359</u>	<u>3,711,359</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


M Bennett
Director
25/9/19.

The notes on pages 10 to 14 form part of these financial statements.

SUN HYDRAULIK HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2018**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	1,521,498	851,834	1,338,027	3,711,359
Profit for the year	-	-	33,593,846	33,593,846
Dividends paid	-	-	(33,593,846)	(33,593,846)
At 29 December 2018	1,521,498	851,834	1,338,027	3,711,359

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	1,521,498	851,834	1,338,027	3,711,359
At 31 December 2017	1,521,498	851,834	1,338,027	3,711,359

The notes on pages 10 to 14 form part of these financial statements.

SUN HYDRAULIK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 DECEMBER 2018

1. General information

Sun Hydraulik Holdings Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 5 New Street Square, London, EC47 3TW.

The principal activity of the Company is that of a holding company for the UK and German subsidiaries of Sun Hydraulics Corporation.

The Company uses a 91 day accounting period per quarter, meaning the year end does not always fall on the last day of the calendar year. Therefore, the accounting period ended 29 December 2018 is herein referred to as 2018 and the accounting period ended 31 December 2017 will be referred to as 2017.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is dormant within the Companies Act definition of a dormant company and has taken advantage of the option available under Section 35.10 of FRS 102 to retain its accounting policies for reported assets, liabilities and equity at the date of transition to FRS 102 until there is any change to those balances or the company undertakes any new transactions.

The Company has taken advantage of disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This information is included within the consolidated group financial statements of Sun Hydraulics Corporation as at 31 December 2018. These accounts are available to the public and may be obtained from 1500 West University Parkway, Sarasota, Florida, 34243, USA.

The following principal accounting policies have been applied:

2.2 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.3 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Fixed asset impairment

Directors determine whether there are indicators of impairment of fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the subsidiary and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

4. Auditor's remuneration

The following remuneration is borne by a subsidiary company, Sun Hydraulics Limited:

	2018 £	2017 £
Fees payable to the company's auditor in respect of audit services for the company	1,000	1,000
Fees payable to the company's auditor in respect of financial statement preparation	250	250
	<u>1,250</u>	<u>1,250</u>

5. Dividends received

During the year, the company received dividends of £14.9m (2017: £Nil) from Sun Hydraulics Limited and dividends of £18.7m (2017: £Nil) from Sun Hydraulik GmbH.

6. Dividends paid

During the year, the company paid dividends of £33.6m (2017: £Nil) to Sun Hydraulics Corporation.

7. Taxation

	2018 £	2017 £
Total current tax	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *the same as*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	33,593,846	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	6,382,831	-
Effects of:		
Income not taxable	(6,382,831)	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

The corporation tax rate changes to 17% from April 2020.

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	3,711,359
At 29 December 2018	3,711,359
Net book value	
At 29 December 2018	3,711,359
At 31 December 2017	3,711,359

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

8. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Sun Hydraulics Limited	United Kingdom	Manufacture and distribution of hydraulic valves	Ordinary	100%
Sun Hydraulic GmbH	Germany	Manufacture and distribution of hydraulic valves	Ordinary	100%

The aggregate of the share capital and reserves as at 29 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Sun Hydraulics Limited	8,023,699	1,489,894
Sun Hydraulic GmbH	8,948,818	2,699,212

9. Share capital

	29 December 2018 £	31 December 2017 £
Shares classified as equity		
Allotted, called up and fully paid		
2 (2017 - 2) Ordinary shares of £1.00 each	2	2
320,315 (2017 - 320,315) Ordinary shares of £4.75 each	1,521,496	1,521,496
	1,521,498	1,521,498

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

10. Reserves

Capital redemption reserve

The capital redemption reserve includes non distributable reserves arising from the company purchase of own shares.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

11. Controlling party

Sun Hydraulics Corporation is the ultimate parent undertaking. There is no ultimate controlling party by virtue of the shareholdings.

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.