

Registered number: 02537433

SUN HYDRAULIK HOLDINGS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**



SUN HYDRAULIK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Bennett T Molle J Morgan
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 27 DECEMBER 2019**

The directors present their strategic report together with the audited financial statements for the year ended 27 December 2019.

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 and signed on its behalf.

Ronald Molle

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T Molle
Director

Date: 28/1/2021

SUN HYDRAULIK HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 27 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 27 December 2019.

Results and dividends

The profit for the year, after taxation, amounted to £4,800,000Nil (2018 - £33,593,846).

Directors

The directors who served during the year were:

M Bennett
T Molle (appointed 30 March 2020)
J Morgan (appointed 21 October 2019)
N Askew (resigned 30 March 2020)
G Gotting (resigned 21 October 2019)
R Menon (appointed 30 December 2019) (resigned 11 September 2020)
A Ore (resigned 30 December 2019)

Future developments

Enter text here - user input

Going concern

As a holding company the going concern of the business is supported by the investments held by the company and the potential inflows from the cashflows they generate. In considering the going concern of the business the directors have assessed the impact of the covid-19 pandemic on its subsidiaries. As part of their assessment the directors have considered the cash on hand at the date of signing these financial statements and have also prepared forecasts which reflect the potential impact of the covid-19 pandemic. Despite the pandemic the directors are of the opinion that the company has sufficient cash on hand and forecasted cash inflows to meet the liabilities of the company as they fall due.

In preparing these financial statements the directors are satisfied that the company has the ability to satisfy its debts, as and when they fall due, for a period of 12 months from the signing of these financial statements.

Post balance sheet events

After the balance sheet date the covid-19 pandemic has created a significant impact on many businesses. The company is a holding entity and has thus experienced little impact, however the company is underpinned by its trading subsidiary, Sun Hydraulics Limited which has experienced decline in demand due customers machinery usage reductions due to the pandemic. Despite the reduced trade the subsidiary company has remained profitable and cash generative since the outbreak of the pandemic.

To comply with UK government regulations the UK production process has been reduced due to restrictions on employee numbers present on the site at a point in time. The company has also placed strict restrictions on visitors to the UK premises in attempt to reduce the spread of the pandemic.

The directors do not consider the pandemic to pose a threat to the long term performance of the company or its subsidiary.

As part of their consideration of the going concern of the business management have prepared forecasts which incorporate the expected impact of the virus on the business.

SUN HYDRAULIK HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2019**

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.

Matters covered in the strategic report

A review of the business, principal risks and uncertainties and financial key performance indicators are included in the strategic report.

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 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 to 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 and other information included in Directors' reports may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

SUN HYDRAULIK HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 27 DECEMBER 2019**

Auditor

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

This report was approved by the board and signed on its behalf.

Ronald Moelle

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T Molle
Director

Date: 28/1/2021



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 27 December 2019, 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 27 December 2019 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.

The impact of uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.



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

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.

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the Company will continue in operation.

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.



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

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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 SUN HYDRAULIK HOLDINGS LIMITED
(CONTINUED)**

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: 28/1/2021

SUN HYDRAULIK HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 27 DECEMBER 2019**

	Note	2019 £	2018 £
Dividends received	5	4,800,000	33,593,846
Total comprehensive income for the year		<u><u>4,800,000</u></u>	<u><u>33,593,846</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the income statement.

The notes on pages 12 to 18 form part of these financial statements.

SUN HYDRAULIK HOLDINGS LIMITED
REGISTERED NUMBER:02537433

STATEMENT OF FINANCIAL POSITION
AS AT 27 DECEMBER 2019

		27 December 2019 £	31 December 2018 £
	Note		
Fixed assets			
Investments	9	3,711,359	3,711,359
Current assets			
Debtors: amounts falling due within one year		3,325,000	-
Creditors: amounts falling due within one year		(3,325,000)	-
Net assets		<u>3,711,359</u>	<u>3,711,359</u>
Capital and reserves			
Called up share capital	13	1,521,498	1,521,498
Capital redemption reserve	14	851,834	851,834
Profit and loss account	14	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 by:

Ronald Molle

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T Molle
 Director

Date: 28/1/2021

The notes on pages 12 to 18 form part of these financial statements.

SUN HYDRAULIK HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 27 DECEMBER 2019**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 30 December 2018	1,521,498	851,834	1,338,027	3,711,359
Comprehensive income for the year				
Profit for the year	-	-	4,800,000	4,800,000
Total comprehensive income for the year	-	-	4,800,000	4,800,000
Transactions with owners				
Dividends paid	-	-	(4,800,000)	(4,800,000)
At 27 December 2019	1,521,498	851,834	1,338,027	3,711,359

**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 2017	1,521,498	851,834	1,338,027	3,711,359
Comprehensive income for the period				
Profit for the period	-	-	33,593,846	33,593,846
Total comprehensive income for the period	-	-	33,593,846	33,593,846
Transactions with owners				
Dividends paid	-	-	(33,593,846)	(33,593,846)
At 29 December 2018	1,521,498	851,834	1,338,027	3,711,359

The notes on pages 12 to 18 form part of these financial statements.

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**

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 27 December 2019 is herein referred to as 2019 and the accounting period ended 29 December 2018 will be referred to as 2018.

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 2019. 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 Going concern

As a holding company the going concern of the business is supported by the investments held by the company and the potential inflows from the cashflows they generate. In considering the going concern of the business the directors have assessed the impact of the covid-19 pandemic on its subsidiaries. As part of their assessment the directors have considered the cash on hand at the date of signing these financial statements and have also prepared forecasts which reflect the potential impact of the covid-19 pandemic. Despite the pandemic the directors are of the opinion that the company has sufficient cash on hand and forecasted cash inflows to meet the liabilities of the company as they fall due.

In preparing these financial statements the directors are satisfied that the company has the ability to satisfy its debts, as and when they fall due, for a period of 12 months from the signing of these financial statements.

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Income statement if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 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.

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:

	2019	2018
	£	£
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
	1,250	1,250

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**

5. Dividends received

During the year, the company received dividends of £4.8m (2018: £14.9m) from Sun Hydraulics Limited and dividends of £18.7m (2018: £18.7m) from Sun Hydraulik GmbH.

6. Dividends paid

During the year, the company paid dividends of £4.8m (2018: £33,600,000) to Sun Hydraulics Corporation.

7. Taxation

	2019 £	2018 £
Total current tax	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	4,800,000	33,593,846
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	912,000	6,382,831
Effects of:		
Income not taxable	(912,000)	(6,382,831)
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**

7. Taxation (continued)

All income and expenditure in the current and prior year are non-taxable and this is expected in future periods. As a result there is no expected impact on the tax charge of the company as a result of changes in future tax rates.

8. Dividends**9. Fixed asset investments**

	Investments in subsidiary companies £
Cost or valuation	
At 30 December 2018	3,711,359
At 27 December 2019	<u>3,711,359</u>

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%

10. Debtors

	27 December 2019 £	29 December 2018 £
Amounts owed by group undertakings	3,325,000	-

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**

10. Debtors (continued)

3,325,000	-
<u><u>3,325,000</u></u>	<u><u>-</u></u>

Amounts owed by group undertakings, are unsecured, repayable on demand and non-interest bearing

11. Creditors: Amounts falling due within one year

27 December 2019 £	29 December 2018 £
3,325,000	-
<u><u>3,325,000</u></u>	<u><u>-</u></u>

Amounts owed to group undertakings

Amounts owed to group undertakings, are unsecured, repayable on demand and non-interest bearing

12. Financial instruments

27 December 2019 £	29 December 2018 £
---------------------------------------	---------------------------------------

Financial assets

Financial assets measured at amortised cost	3,325,000	-
	<u><u>3,325,000</u></u>	<u><u>-</u></u>

Financial liabilities

Financial liabilities measured at amortised cost	3,325,000	-
	<u><u>3,325,000</u></u>	<u><u>-</u></u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

13. Share capital

29 December 2019 £	29 December 2018 £
---------------------------------------	---------------------------------------

Shares classified as equity

Allotted, called up and fully paid

SUN HYDRAULIK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 DECEMBER 2019**

13. Share capital (continued)

2 (2018 - 2) Ordinary shares of £1.00 each	2	2
320,315 (2018 - 320,315) Ordinary shares of £4.75 each	1,521,496	1,521,496
	<u>1,521,498</u>	<u>1,521,498</u>

Both classes of share entitle the holders to 1 vote per share, rank pari passu on dividends declared by the company and are non-redeemable.

14. 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.

15. Post balance sheet events

After the balance sheet date the covid-19 pandemic has created a significant impact on many businesses. The company is a holding entity and has thus experienced little impact, however the company is underpinned by its trading subsidiary, Sun Hydraulics Limited which has experienced decline in demand due customers machinery usage reductions due to the pandemic. Despite the reduced trade the subsidiary company has remained profitable and cash generative since the outbreak of the pandemic.

To comply with UK government regulations the UK production process has been reduced due to restrictions on employee numbers present on the site at a point in time. The company has also placed strict restrictions on visitors to the UK premises in attempt to reduce the spread of the pandemic.

The directors do not consider the pandemic to pose a threat to the long term performance of the company or its subsidiary.

As part of their consideration of the going concern of the business management have prepared forecasts which incorporate the expected impact of the virus on the business.

16. 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.