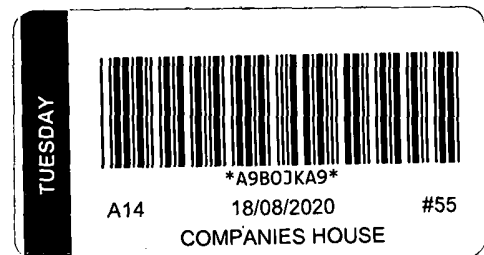


Dover Fluids UK Ltd

Report and financial statements

For the year ended 31 December 2019

Registered number: 02304713



Dover Fluids UK Ltd

Corporate information

Directors

V Fisson

L Esse (appointed on 6 June 2019)

R Amir (appointed on 23 January 2020)

Independent Auditors

PricewaterhouseCoopers LLP

Savannah House

3 Ocean Way

Southampton

SO14 3TJ

Secretary

L Esse (appointed on 23 January 2020)

Bankers

Deutsche Bank

6 Bishopsgate

London

EC2N 4DA

Solicitors

Mishcon de Reya

Summit House

12 Red Lion Square

London

WC1R 4QD

Registered Office

Midland House

2 Poole Road

Bournemouth

Dorset

BH2 5QY

Dover Fluids UK Ltd

Contents

	Page(s)
Strategic report	1-2
Directors' report	3
Statement of directors' responsibilities in respect of the financial statements	4
Independent auditors' report	5-10
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of financial position	13
Notes to the financial statements	14-27

Dover Fluids UK Ltd

Strategic Report

The directors present their strategic report for the year ended 31 December 2019.

Review of the business

The Company acts as a holding company for certain subsidiaries of Dover Corporation based in the UK, Australia, Dubai and South Africa. The Company is a private company limited by shares.

The principal activity of the Company during the year was the management of investments and certain activities relating to the group where co-ordination facilitates more effective management, mainly in the areas of accounting, taxation and treasury facilities.

Dover Fluids UK Ltd is a wholly owned subsidiary of Dover Corporation, a diversified global manufacturer of value-added products and components that serve a variety of industrial and commercial markets. The company's investments in subsidiaries include the majority of Dover operations in the UK and also in a number of Dover companies in Australia, Dubai and South Africa. All investments are listed within the notes to the financial statements.

The Company's profit for the financial year was £7,648,000 (2018: loss of £23,847,00). This financial result was achieved due to foreign exchange gains and intercompany interest payable, as well as the year-end tax position.

During the year under review, there was a transfer of ownership of Notes Payable from Dover Luxembourg Participations SARL to Revod Singapore Ltd. The balance of those Notes at year end was £564,454,000 and during the year they have been listed on The International Stock Exchange (TISE).

During the year under review, impairments of investments were made totalling £100,000 (2018: £100,000). These impairments are reported in amounts written off investments as detailed in note 4.

In the future, the costs of the Company will be covered by dividend income from its investments. The directors believe that the underlying business will generate profits and dividends in the future that will supply an appropriate return on the investments. The directors' have received confirmation that Dover Luxembourg Participations SARL (the immediate parent company) intends to support the company in order that it can meet its liabilities as they fall due for at least one year after the financial statements are signed and therefore the directors believe the Company to be a going concern.

Key performance indicators

At 31 December 2019, the Company's net assets were £61,919,000 (2018: £54,271,000).

Dover Fluids UK Ltd

Strategic Report (continued)

Principal risks and uncertainties and financial risk management

The principal risks and uncertainties facing the business are connected to foreign exchange rate fluctuations. These are managed in conjunction with Dover Corporation's Treasury department. Loans from parent undertakings are denominated in Swedish Krona and Euros hence the company is exposed to volatility when translating these amounts to Sterling. Regarding the COVID-19 outbreak, the directors are not aware of any significant risks that jeopardise the going concern status of the Company.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. The Company has a policy and procedures manual that sets out specific guidelines to manage interest rate risk and credit risk. The performance of subsidiary investments is reported on a monthly basis, and impairment assessments are performed annually or when impairment triggers are identified.

Price risk

The Company has a limited exposure to commodity price risk as a result of its operations. Given the size of the Company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Credit risk

The main transactions of the Company are with companies within the group, and so the Company has limited exposure to credit risk.

Liquidity risk

The management of the Company's liquidity risk resides with the parent company.

Interest rate risk

The Company has interest bearing intercompany payables. Interest on the intercompany advance account is reviewed quarterly and interest on loan notes is fixed. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Foreign exchange risk

The Company has loans from parent undertakings which are denominated in Swedish Krona and Euros hence it is exposed to volatility when translating these amounts to Sterling.

On behalf of the board


L Esse
Director

Date: 31 July 2020

Dover Fluids UK Ltd

Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2019.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on the Corporate information page. The Directors of the Company who resigned during the year and up to the date of signing the financial statements are shown below.

E Mitton resigned on 6 June 2019.

K Bissett resigned on 15 November 2019.

S Franken resigned on 27 April 2020.

Dividends

There was no dividend distribution in 2019 (2018: £13,900,000).

Financial risk management

Information on the Company's financial risk management policies can be found in the Strategic report.

Future developments

The Company is actively involved in the management of Dover Corporation's investments in the UK, Australia and Dubai and South Africa, in line with Dover Corporation guidelines and actively supports targeted acquisition activity. The Company is not involved in the day to day operations of the businesses, but rather offers corporate services including taxation, banking, treasury management, company secretarial activities and co-ordination of accounting and audit services, and will continue to do so in the future.

Going Concern

The underlying assets of the Company are expected to supply a return on investment in the near future. The directors believe the Company to be a going concern and the directors have received confirmation that Dover Luxembourg Participations SARL intends to support the company in order that it can meet its liabilities as they fall due for at least one year after the financial statements are signed.

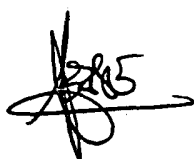
Statement of disclosure of information to auditors

We, the directors of the Company who held office at the date of approval of these financial statements each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board

L Esse
Director
Date: 31 July 2020



Dover Fluids UK Ltd

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

Dover Fluids UK Ltd

Independent auditors' report to the members of Dover Fluids UK Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Dover Fluids UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2019; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

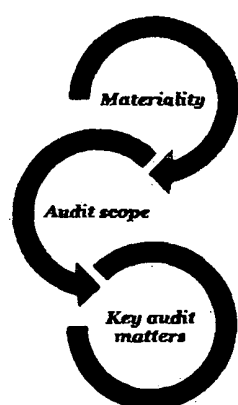
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

During the year, two intercompany loans payable within the financial statements of Dover Fluids UK Ltd were listed on The International Stock Exchange.

Overview



Overall materiality: £8,300,000 (2018: £16,665,000), based on 1% of total assets (2018: based on 2% of total assets).

We have conducted our audit to ensure that, with reference to the materiality level determined, we have obtained sufficient evidence to be able to give an opinion on the financial statements as a whole.

The key areas of focus were:

Impairment of investments

Going concern considerations relating to COVID-19

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal

Dover Fluids UK Ltd

Independent auditors' report to the members of Dover Fluids UK Ltd (continued)

controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Impairment of investments</i></p> <p>The company holds a number of investments in subsidiaries, which are held at cost less accumulated impairments, with a book value of £794.5m at 31 December 2019.</p> <p>The directors conduct an annual exercise to determine whether investments in subsidiaries should be subject to a full impairment review, based upon whether an indicator of impairment is identified.</p> <p>Where an impairment indicator is identified in an investment, the directors have assessed for impairment using a discounted cash flow model. The directors concluded that no impairment was required.</p> <p>Disclosures of this approach are included within the accounting policies and Note 11 of the Annual Report.</p>	<p>We have assessed whether any impairment indicators exist as of the year end date. Impairment indicators were identified in respect of four investments, for which the directors prepared discounted cash flow models. Where no impairment indicator is deemed to exist, we have corroborated that the net assets of the investee exceeds the carrying value of the investment held by the company.</p> <p>We reperformed the calculations in the impairment models and ensured they were mathematically accurate.</p> <p>We have considered the key assumptions inherent within the model, by way of conducting lookback tests to assess management's ability to forecast, as well as looking at historical trends in actual performance to consider any significant deviations anticipated by the models. We found the assumptions to be consistent and in line with our expectations based on historical trends. We have obtained data from the first half of FY20 to understand how trading in the underlying businesses has developed during the year to date, as compared to the forecasts within the models.</p> <p>With regard to discount rates and long term growth rates, we considered the reasonableness of these in the context of headroom within the discounted cash flow models. These were found to be reasonable and would require a considerable variation to result in a material impairment.</p> <p>We conducted a range of sensitivity analyses on the models, considering the impact of changing one assumption in isolation and multiple assumptions in combination. We concluded there was no evidence to suggest the magnitude of changes required to each of the models to give rise to a material impairment were reasonably possible.</p>

Dover Fluids UK Ltd

Independent auditors' report to the members of Dover Fluids UK Ltd (continued)

Going concern considerations relating to COVID-19

The directors have considered whether the impact of the COVID-19 pandemic should be presented as a non-adjusting post balance sheet event, and have concluded that it should. In doing so, the directors have had particular focus on the company's ability to continue as a going concern.

The directors have assessed the impact on the principal activities and as an investment holding company have concluded that there is limited impact. In addition, the directors have also assessed the impact of the pandemic on the subsidiaries in which it holds investments, with a focus on whether future dividend income streams may be affected. The directors have not identified any significant impact, realised or anticipated, in this regard.

Given the net current liabilities position of the company as at 31 December 2019 of £23.3m, the directors have obtained a letter of support from the immediate parent company (Dover Luxembourg Participations SARL) confirming its intention to support the company in meeting its obligations falling due for a period of at least 12 months from the date of approval of these financial statements. The directors are therefore satisfied Dover Fluids UK Ltd continues to be a going concern and have disclosed this fact in the Strategic Report, Directors' Report and Note 1 of the financial statements

We have considered the directors' assessment that the impact of COVID-19 is a non-adjusting post balance sheet event and concurred with their conclusion in this regard.

We have obtained a copy of the letter of support received by the directors from the immediate parent, Dover Luxembourg Participations SARL, and we have assessed the ability of Dover Luxembourg Participations SARL to honour the support being provided by performing the following:

- Obtained a copy of the audited accounts for the immediate parent, and considered the liquidity of the assets held on its balance sheet;
- Understood the extent of support letters issued by the immediate parent to other entities in the group and noted these to be few in number;
- Understood the nature, terms and conditions of the group cash pool arrangement managed by the immediate parent and to which this company has access, in order to ensure the availability of sufficient funds to enable this company to continue to draw funds as and when required; and
- Considered the liquidity and going concern status of the wider Dover Corporation group, of which Dover Luxembourg Participations SARL is a wholly owned subsidiary.

No issues were identified in respect of the above procedures performed.

We have considered the trading performance of the subsidiary investments post 31 December 2019 through obtaining actual results for each entity for the first half of 2020 and comparing to budget. Whilst some impact to trading performance was noted in this period as a result of the various in-country lockdowns caused as a result of the COVID-19 pandemic, results have since begun to stabilise. We concur that the impact of COVID-19 is a non-adjusting post balance sheet event, and there have been no impairments recognised in the carrying value of the investments as a result.

We have challenged management to ensure sufficient disclosures are included in this Annual Report to adequately bring to the readers' attention the potential implications and risks posed by the pandemic on the company. Based on the information available at the time of the directors' approval of the financial statements, we consider the preparation of the financial statements on a going concern basis remains appropriate and that the disclosures made are reasonable, whilst noting that the impact of COVID-19 on the future performance of the subsidiary investments held is difficult to quantify with certainty.

Our conclusions in relation to going concern are included within the section of this report entitled 'Conclusions relating to going concern'.

Dover Fluids UK Ltd

Independent auditors' report to the members of Dover Fluids UK Ltd (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company is a non-trading holding company, which holds investments in fellow subsidiaries of Dover Corporation, as well as intercompany loans payable.

The audit of the company is scoped based upon our determined materiality, and a full scope audit is conducted to cover all material balances.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£8,300,000 (2018: £16,665,000).
How we determined it	1% of total assets (2018: 2% of total assets).
Rationale for benchmark applied	We believe that total assets is the primary measure used by the readers of the report and financial statements in assessing the performance of company, given its nature as a holding company, and is a generally accepted auditing benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above £415,000 (2018: £833,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Dover Fluids UK Ltd

Independent auditors' report to the members of Dover Fluids UK Ltd (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Dover Fluids UK Ltd

Independent auditors' report to the members of Dover Fluids UK Ltd (continued)

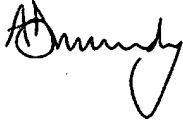
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Alison Dunwoody (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

5 August 2020

Dover Fluids UK Ltd

Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Administrative expenses including foreign exchange gains of £38,048,000 (2018: loss of £4,104,000)		36,878	(4,998)
Amounts written off investments	4	(100)	(100)
Other operating income	5	709	937
Operating profit/ (loss)	6	37,487	(4,161)
Income from shares in group undertakings		-	693
Interest receivable and similar income	7	6	-
Interest payable and similar expenses	8	(26,918)	(26,929)
Profit/ (Loss) before taxation		10,575	(30,397)
Tax	9	(2,927)	6,550
Profit/ (Loss) for the financial year		7,648	(23,847)
Other comprehensive income		-	-
Total comprehensive income/ (expense) for the financial year		7,648	(23,847)

Dover Fluids UK Ltd

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital	Share premium account	Capital contribution reserve	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2018	28,846	325	8,357	54,490	92,018
Loss for the financial year	-	-	-	(23,847)	(23,847)
Total comprehensive expense for the financial year	-	-	-	(23,847)	(23,847)
Equity dividend paid	-	-	-	(13,900)	(13,900)
Total transactions with shareholders recognised directly in equity	-	-	-	(13,900)	(13,900)
Balance as at 31 December 2018	28,846	325	8,357	16,743	54,271
Balance at 1 January 2019	28,846	325	8,357	16,743	54,271
Profit for the financial year	-	-	-	7,648	7,648
Total comprehensive income for the financial year	-	-	-	7,648	7,648
Balance as at 31 December 2019	28,846	325	8,357	24,391	61,919

Dover Fluids UK Ltd

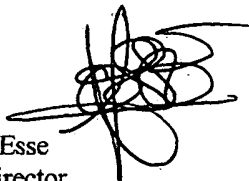
Registered number: 02304713

Statement of financial position As at 31 December 2019

	Note	2019 £'000	2018 £'000
Fixed assets			
Intangible assets	10	2,578	2,845
Investments	11	794,532	794,532
		797,110	797,377
Current assets			
Debtors	12	25,961	29,896
Cash at bank and in hand		8,674	7,931
		34,635	37,827
Creditors: amounts falling due within one year	13	(59,948)	(46,764)
Net current liabilities		(25,313)	(8,937)
Total assets less current liabilities		771,797	788,440
Creditors: amounts falling due after more than one year	14	(709,878)	(734,169)
Net assets		61,919	54,271
Capital and reserves			
Called up share capital	15	28,846	28,846
Share premium account		325	325
Capital contribution reserve	16	8,357	8,357
Retained earnings		24,391	16,743
Total shareholders' funds		61,919	54,271

The notes on pages 14 to 27 are an integral part of these financial statements.

These financial statements on pages 11 to 27 were approved and authorised for issue by the board of directors on 31 July 2020 and were signed on its behalf by:


L Esse
Director
Date: 31 July 2020

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019

1 Accounting policies

General Information

Dover Fluids UK Ltd is a private company limited by shares and is incorporated and domiciled in the United Kingdom and registered in England.

Statement of compliance

The Company's financial statements have been prepared in compliance with United Kingdom accounting standards, comprising Financial Reporting Standard 102, "the financial reporting standard applicable in the United Kingdom and Republic Ireland" ("FRS102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of preparation

The financial statements of Dover Fluids UK Ltd were authorised for issue by the Board of Directors on 31 July 2020. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements have been prepared in Sterling which is the functional currency of the Company rounded to the nearest £'000. These financial statements are prepared on a going concern basis, under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirement to prepare a statement of cash flows, under FRS102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company, Dover Corporation, includes the Company's cash flows in its own consolidated financial statements [Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d)].
- (b) The requirement to disclose transactions with wholly owned subsidiaries within the group. [Section 33 Related Party Disclosures paragraph 33.1a].
- (c) the requirements of Sections 11 and 12 for certain financial instrument disclosures, as listed by section 1, paragraph 1.12 (c), where such disclosures are presented in the consolidated financial statements of the group in which the Company is consolidated.

Consolidation

The Company is a wholly owned subsidiary of Dover Luxembourg Participations S.A.R.L. and of its ultimate parent, Dover Corporation. It is included in the consolidated financial statements of Dover Corporation which are publicly available and may be obtained from its principal place of business which is 3005 Highland Parkway Suite 200, Downers Grove, IL 65015, USA. Therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Significant accounting policies (continued)

Going Concern

The underlying assets of the Company are expected to supply a return on investment in the near future. The directors believe the Company to be a going concern and the directors have received confirmation that Dover Luxembourg Participations SARL intends to support the company in order that it can meet its liabilities as they fall due for at least one year after the financial statements are signed.

Investments

Investment in a subsidiary company is held at cost less accumulated impairment losses. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Financial Instruments

The Company has chosen to adopt Sections 11 'Basic Financial Instruments', in respect of financial instruments.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognised in administrative expenses in the Statement of Comprehensive Income for the excess of the carrying value of the asset over the present value of the estimated future cash flows.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are recognised at transaction price.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual right to the cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some of the significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party without imposing additional restrictions.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Summary of significant accounting policies (continued)

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in interest receivable and similar income and interest payable and similar expenses.

Foreign currencies

i. Functional and presentational currency

The company's functional and presentational currency is the pound sterling.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Statement of comprehensive income within 'Administrative expenses'.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Summary of significant accounting policies (continued)

Taxation (continued)

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is recognised on a non-discounted basis.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

Intangible assets

Intellectual property rights arising on business acquisitions is included in the Statement of Financial Position and amortised over their remaining useful life as follows:

- Intellectual property – 15 years

The related royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreement.

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of financial position date.

Pension costs

The Company operates a defined contribution pension schemes. The scheme funds, which are administered by trustees, are independent of the Company's finances. The Company's contributions to the funds are charged to the Statement of comprehensive income account in the year in which the contributions are paid.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Statement of financial position date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The company applied no material judgements within the period.

The following estimate is dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the statement of financial position date:

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation when fair value can be estimated. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

2 Directors' emoluments

	2019 £'000	2018 £'000
Aggregate emoluments	92	93

One director was accruing retirement benefits (2018: one) under the Company's money purchase scheme.

No directors (2018: none) exercised share options during the year. The emoluments above relate to one director employed by another Group Company and for which salary costs are recharged to the Company.

The emoluments of the other directors have been borne by other Dover group companies as their services provided to Dover Fluids UK Ltd are incidental to services provided elsewhere within the group. It is not possible to determine a specific allocation for services rendered to this Company.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

2 Directors' emoluments (continued)

Directors' name	Remuneration borne by
K Bissett	Dover Intercompany Services UK Ltd
V Fisson	Dover Luxembourg Participations SARL
S Franken	Dover Europe SARL
L Esse	Dover Luxembourg Participations SARL
R Amir	Dover Luxembourg Participations SARL
E Mitton	Dover Luxembourg Participations SARL

3 Staff numbers and costs

The average monthly number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	2019 Number	2018 Number
Administration	4	5

The aggregate payroll costs of these persons were as follows:

	2019 £'000	2018 £'000
Wages and salaries	78	79
Social security costs	10	10
Other pension costs (note 18)	4	4
	92	93

4 Amounts written off investments

	2019 £'000	2018 £'000
Impairment of investments	100	100

The impairment relates to a capital contribution provided to Dover UK Pensions Limited of £100,000 (2018: £100,000). The directors believed the carrying value of the investments were equal to their recoverable value.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

5 Other operating income

	2019 £'000	2018 £'000
Royalty income	709	937

6 Operating profit/ (loss)

	2019 £'000	2018 £'000
Operating profit/ (loss) is stated after crediting/ (charging):		
Foreign exchange gains/ (losses)	38,048	(4,104)
Amortisation	(267)	(268)
Auditors' remuneration – audit	(40)	(30)
Impairment of investments	(100)	(100)

During 2016 the intercompany loans were redenominated from Sterling into Euro and Swedish Krona. The foreign exchange gains arose on the translation into Sterling at the closing rate for the period.

There are no amounts payable to the auditors for any non-audit services.

7 Interest receivable and similar income

	2019 £'000	2018 £'000
Bank interest receivable	6	-

8 Interest payable and similar expenses

	2019 £'000	2018 £'000
Bank interest payable	4	17
Interest on amounts owed to group undertakings	1,130	-
Interest on amounts owed to parent undertakings	25,784	26,912
	26,918	26,929

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

9 Tax on Profit/ (Loss)

	2019 £'000	2018 £'000
Current tax:		
UK corporation tax for the financial year	1,957	(5,849)
Adjustment in respect of prior years	914	(669)
Total current tax	2,871	(6,518)
Deferred tax		
Origination and reversal of timing differences	41	(34)
Adjustment in respect of previous periods	19	-
Effect of changes in tax rates	(4)	3
Total deferred tax	56	(31)
Tax Charge/ (Credit)	2,927	(6,550)

Factors affecting the tax charge for the year

The tax for the year is higher (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £'000	2018 £'000
Profit/ (Loss) before taxation	10,575	(30,397)
Profit/ (Loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	2,009	(5,775)
Tax effect on:		
Non-taxable income from shares in subsidiaries	-	-
Impairment of investments	-	-
Expenses not deductible for tax purposes	19	23
Adjustment in respect of prior years	933	(669)
Tax rate changes	(4)	3
Deferred tax not provided	(30)	(132)
Total tax charge/ (credit) for the financial year	2,927	(6,550)

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be immaterial.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

10 Intangible assets

	Intellectual Property £'000
Cost	
At 1 January 2019 and	
At 31 December 2019	4,011
Accumulated amortisation	
At 1 January 2019	1,166
Charge for the year	267
At 31 December 2019	1,433
Net book value	
At 31 December 2019	2,578
At 31 December 2018	2,845

The intellectual property relates to intellectual property rights of Liquip International Pty Ltd acquired in 2014.

All assets are measured at amortised cost.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

11 Investments

	Shares in group undertakings £'000
Cost	
At 1 January 2019	795,032
Additions	100
Disposals	-
At 31 December 2019	795,132
Impairment	
At 1 January 2019	500
Provision for impairments	100
Disposals	-
At 31 December 2019	600
Net book value	
At 31 December 2019	794,532
At 31 December 2018	794,532

An additional cash contribution of £100,000 was paid to Dover UK Pensions Limited (2018: £100,000).

The directors believe that the carrying value of the investments is supported by the recoverable amount.

The subsidiaries at 31 December 2019 are:

Subsidiary undertakings	Principal activities
BSC Filters Limited	Design and manufacture of filters for the microwave industry
Cook Compression Limited	Design, manufacture and sale of compressor valves
Dover Refrigeration & Food Equipment UK Limited	Holding company for refrigeration & food equipment segment of the Dover group
Dover UK Pensions Limited	Pension fund funding vehicle for the Dover UK corporate group
Hydro Systems Europe Limited	Sale of proportioning and dispensing systems
Waukesha Bearings Limited	Manufacture of industrial bearings
Dover Australia Holdings Pty Ltd	Holding company for Liquip International Pty Ltd
Dover EMEA FZE	Dover representative office for the Dubai region
Fairbanks Environmental Ltd	Wetstock management
Dover Business Services EMEA Ltd	Shared service centre for the EMEA region
Dover Operations South Africa Proprietary Limited	Providing business development to the African region.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

11 Investments (continued)

All subsidiaries are wholly owned, incorporated in the United Kingdom and are registered in England and Wales with the exception of Dover Australia Holdings Pty Ltd which is registered in Australia, Dover EMEA FZE which is registered in Dubai, Dover Business Services EMEA Ltd which is registered in Scotland and Dover Operations South Africa Proprietary Limited which is registered in South Africa.

12 Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	5,173	8,541
Other debtors	2	2
Deferred tax	3	59
Corporation tax	2,325	-
Corporation tax – group relief receivable	18,458	21,294
	25,961	29,896

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest was not charged in 2019 (2018: nil).

All assets are carried at amortised cost using the effective interest method.

The deferred tax asset of £3,000 (2018: £59,000) comprises losses and non-trading short term timing differences as shown below. The movement on this asset during the year is set out on Note 9.

Deferred Tax

The deferred tax consists of the following deferred tax assets:

	2019 £'000	2018 £'000
Short term timing differences – non-trading	3	2
Losses	-	57
Total deferred tax	3	59

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

13 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Overdraft facilities	-	-
Trade creditors	60	288
Amounts owed to parent undertaking	48,907	36,369
Amounts owed to group undertakings	10,237	9,679
Taxation and social security	49	41
Accruals and deferred income	695	387
	59,948	46,764

At 31 December 2019, amounts owed to parent undertaking related to cash pool had a total balance of £36,148,000. They are denominated in GBP, unsecured, have no fixed date of repayment and are repayable on demand. Interest was charged based on sterling LIBOR plus 50 basis points (2018: LIBOR plus 50 basis points).

At 31 December 2019, amounts owed to parent undertaking related to loans had a total balance of £12,729,000. These were interests that were repaid in February 2020.

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

There were no overdraft facilities in place at 31 December 2019 (2018: nil).

14 Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Amounts owed to parent undertaking	145,425	734,169
Amounts owed to group undertakings	564,454	-
	709,879	734,169

£145,425,000 equivalent to SEK 1,721,998,000 (2018: £143,737,000) of the amount owed to parent undertaking is unsecured and repayable in full on 1 January 2022. Interest is charged at 5.5% per annum.

£291,811,000 equivalent to €341,631,000 (2018: £302,816,000) of the amount owed to group undertaking is unsecured and repayable in full on 1 January 2024. Interest is charged at 3.33% per annum.

£272,643,000 equivalent to €319,191,000 (2018: £287,616,000) of the amount owed to group undertaking is unsecured and repayable in full on 1 January 2026. Interest is charged at 3.33% per annum.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

14 Creditors: amounts falling due after more than one year (continued)

In the framework of the introduction of Transfer Pricing rules in Ireland on 1st January 2020, Dover Group decided to review its financing structure in Europe and to proceed to a global reorganization entailing amongst other the change of creditor of these above notes and the listing on 30 December 2019 of the £291,811,000 and £272,643,000 notes on The International Stock Exchange (TISE).

15 Called up share capital

	2019 £'000	2018 £'000
Allocated and fully paid		
28,846,017 (2018: 28,846,017) ordinary shares of £1 each	28,846	28,846

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital

16 Capital Contribution reserve

Capital contribution reserve comprises capital contributions from the parent Company, Dover Luxembourg Participations SARL. No contributions were received during the year (2018: £nil).

17 Dividends

No dividend was paid during the year (2018: £13,900,000, equating to £0.48 per share).

18 Pension Schemes

Total pension charge for the year was £4,000 (2018: £4,000). No amounts were outstanding at the end of the year in relation to these schemes. The assets of the schemes are held separately from those of the Company in independently administered funds.

19 Related parties

The Company has taken advantage of the exemption under FRS102 Section 33 *Related party disclosures* (paragraph 33.1a) not to disclose transactions with fellow wholly owned subsidiaries.

20 Ultimate parent company

The smallest and largest group in which the results of the Company are consolidated is that headed by Dover Corporation, a company incorporated in the USA, which is also the ultimate parent company and the ultimate controlling party. The consolidated financial statements of this group are available to the public and may be obtained from 3005 Highland Parkway, Suite 200, Downers Grove, IL 60515, USA.

Dover Luxembourg Participations SARL is the immediate parent company and was incorporated in Luxembourg.

Dover Fluids UK Ltd

Notes to the financial statements for the year ended 31 December 2019 (continued)

21 Investment registered addresses

The subsidiaries at 31 December 2019 registered addresses are:

Subsidiary undertakings	Registered address
BSC Filters Limited	Unit 10-11 Sterling Park, York, YO30 4WU, UK
Cook Compression Limited	1-3 Helix Business Park, New Bridge Road, Ellesmere Port, Cheshire, CH65 4LR, UK
Dover Refrigeration & Food Equipment UK Limited	Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY, UK
Dover UK Pensions Limited	c/o Wragge Lawrence Graham & Co LLP, 11th Floor, 2 Snowhill, Birmingham, West Midlands, B4 6WR, UK
Hydro Systems Europe Limited	Unit 3, The Sterling Centre, Eastern Road, Bracknell, Berkshire, RG12 2PW, UK
Waukesha Bearings Limited	Unit J, Downland Business Park, Lyons Way, Worthing, West Sussex, BN14 9LA, UK
Dover Australia Holdings Pty Ltd	13 Hume Road, Smithfield, NSW 2164, Australia
Dover EMEA FZE	Building 6EB/550 DAFZA, Dubai Airport Free Zone, PO Box 371494, Dubai, United Arab Emirates
Fairbanks Environmental Ltd	The Technology Management Centre, Moss Lane View, Skelmersdale, Lancashire, WN8 9TN, UK
Dover Business Services EMEA Ltd	Exchange Tower, 19 Canning Street, Edinburgh, Scotland, EH3 8EH, UK
Dover Operations South Africa Proprietary Limited	1st Floor Block B and Block C, Metropolitan Park, 8 Hillside Road, Parktown, Gauteng, 2196, South Africa

The company owns 100% of the ordinary share capital of its subsidiary/associate