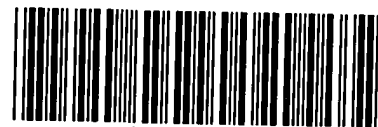


Company Registration No. 08296577

DOVER UK PENSIONS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

FRIDAY



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DOVER UK PENSIONS LIMITED

COMPANY INFORMATION

Directors

P S Carroll
D E Bird

Company number

08296577

Registered office

c/o Wragge Lawrence Graham & Co LLP
11th Floor, 2 Snowhill
Birmingham
West Midlands
United Kingdom
B4 6WR

Independent auditors

PricewaterhouseCoopers LLP
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

DOVER UK PENSIONS LIMITED

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DOVER UK PENSIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and audited financial statements for the year ended 31 December 2016. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the company is acting as the Principal Employer of the HEIL Europe Limited Retirement Benefits Scheme.

The company was nominated as the 'sponsoring employer' for the HEIL Europe Limited Retirement Benefits Scheme, a defined benefit scheme, on 23 January 2013. The assets of the scheme are held separately from the company in an independently administered fund. The scheme was closed to new members on 30 April 2010. All administrative expenses relating to this company are settled by Dover Fluids UK Limited, a fellow group company.

Going concern

The directors have prepared these financial statements on a going concern basis because any and all future liabilities arising in respect of the scheme (up to a maximum of £25 million) have been underwritten by The HEIL Co., a subsidiary of Dover Corporation.

Strategic report

The directors have taken advantage of the small companies exemption in section 414B of the Companies Act 2006 not to provide a Strategic Report.

Re-appointment of auditors

The auditors PricewaterhouseCoopers LLP have expressed their willingness to continue in office. In accordance to S.485 of the Companies Act 2006, a resolution is to be proposed at the next board meeting for the re-appointment of PricewaterhouseCoopers LLP as auditors of the company.

Directors

The following directors have held office since 1 January 2016 and up to the date of signing these financial statements:

P S Carroll

D E Bird

DOVER UK PENSIONS LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of directors' responsibilities

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 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.

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.

Statement of disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board and signed on its behalf by :



D E Bird

Director

25 September 2017

DOVER UK PENSIONS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DOVER UK PENSIONS LIMITED

Report on the financial statements

Our opinion

In our opinion, Dover UK Pensions Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.

What we have audited

The financial statements, included within the Annual Report and Financial statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**DOVER UK PENSIONS LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DOVER UK PENSIONS LIMITED (continued)**

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

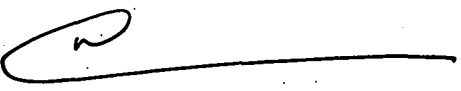
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Michael Coffin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
28 September 2017

DOVER UK PENSIONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Net interest payable and similar expenses	5	(5,000)	(18,000)
Loss on ordinary activities before taxation		(5,000)	(18,000)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		(5,000)	(18,000)
Other comprehensive income/(expense):			
Items that cannot be reclassified to profit or loss:			
Remeasurement (loss)/gain recognised on defined benefit pension scheme	5	(2,244,000)	278,000
Other comprehensive (expense)/gain for the year, net of tax		(2,244,000)	278,000
Total comprehensive (expense)/gain for the year		(2,249,000)	260,000

The notes on pages 8 to 15 form part of these financial statements.

DOVER UK PENSIONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Capital contribution	Accumulated losses	Total shareholders' deficit
	£	£	£	£
At 1 January 2015	1,000	100,000	(619,000)	(518,000)
Loss for the financial year	-	-	(18,000)	(18,000)
Other comprehensive income	-	-	278,000	278,000
Total comprehensive income for the year	-	-	260,000	260,000
Capital contribution	-	100,000	-	100,000
Total transactions with owners recognised directly in equity	-	100,000	-	100,000
At 31 December 2015	1,000	200,000	(359,000)	(158,000)
At 1 January 2016	1,000	200,000	(359,000)	(158,000)
Loss for the financial year	-	-	(5,000)	(5,000)
Other comprehensive loss	-	-	(2,244,000)	(2,244,000)
Total comprehensive loss for the year	-	-	(2,249,000)	(2,249,000)
Capital contribution	-	100,000	-	100,000
Total transactions with owners recognised directly in equity	-	100,000	-	100,000
At 31 December 2016	1,000	300,000	(2,608,000)	(2,307,000)

DOVER UK PENSIONS LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Current assets			
Cash at bank and in hand		1,000	1,000
		<u>1,000</u>	<u>1,000</u>
Post-employment benefits	5	(2,308,000)	(159,000)
		<u>(2,307,000)</u>	<u>(158,000)</u>
Net liabilities			
		<u>(2,307,000)</u>	<u>(158,000)</u>
Capital and reserves			
Called up share capital	6	1,000	1,000
Capital contribution	7	300,000	200,000
Accumulated losses		(2,608,000)	(359,000)
		<u>(2,307,000)</u>	<u>(158,000)</u>
Total shareholders' deficit		<u>(2,307,000)</u>	<u>(158,000)</u>

The financial statements on pages 5 to 15 were approved by the Board of Directors on 25 September 2017 and signed on its behalf by:



D E Bird
Director

Company Registration No. 08296577

DOVER UK PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 General information

Dover UK Pensions Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England.

1.2 Statement of compliance

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2016 and Companies Act 2006.

1.3 Basis of preparation

The financial statements of Dover UK Pensions Limited were authorised for issue by the Board of Directors on 25 September 2017. 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. These financial statements are prepared as a going concern basis, under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

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

- (a) The requirement to prepare a reconciliation of the number of shares at the beginning and end of the financial year [Section 4 *Statement of Financial Position* paragraph 4.12 (a) (iv)].
- (b) 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)].
- (c) The requirement to disclose transactions with wholly owned subsidiaries within the group. [Section 33 *Related Party Disclosures* paragraph 33.1a].

1.4 Judgements and key sources of estimation uncertainty

The preparation of 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 expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following estimates are 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:

Post-employment benefits

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the plan, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rate of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables. Future pension increases are based on expected future inflation rates. Further details are given in note 5.

DOVER UK PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (continued)

- 1.5** The principal accounting policies which have been applied consistently throughout the time period are set out below:

Pensions

In accordance with FRS 102, the operating and financial costs of the pensions were charged to the profit and loss account in the period in which they arose and are recognised separately. The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arose. The difference between actual and expected returns on assets during the period, including changes in actuarial assumptions, is recognised in other comprehensive income, to the extent that they are permitted by FRS 102. Pension costs are assessed in accordance with the advice of a qualified actuary.

Taxation

Deferred tax assets are recognised to the extent they are recoverable against future profits.

2 Going concern

The directors have prepared these financial statements on the Going Concern basis because any and all future liabilities arising in respect of the scheme (up to a maximum of £25 million) have been underwritten by The HEIL Co., a subsidiary of Dover Corporation.

3 Operating profit

The audit fee of £11,000 (2015: £10,400) for the audit of the company's financial statements for the year ended 31 December 2016 (year ended 31 December 2015) was settled by Dover Fluids UK Limited, a fellow group company.

DOVER UK PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

4 Taxation

	2016 £	2015 £
U.K. corporation tax	-	-
Total current tax	-	-
Deferred tax		
Originating and reversal of timing differences	-	-
Total tax charge on loss on ordinary activities	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(5,000)	(18,000)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2015: 20.25%)	(1,000)	(3,645)
Allowable pension contributions	(19,000)	(16,605)
Surrendered for group relief - nil consideration	20,000	20,250
Total tax expense	-	-
Deferred tax - pension		
As at 1 January 2016	-	-
Deferred tax charged to the income statement	-	-
Deferred tax credited to OCI	-	-
As at 31 December 2016	-	-

A potential deferred tax asset of £392,360 (2015: £28,620) has not been recognised on the basis of its future recoverability as the company is expected to be loss making for the foreseeable future.

Factors that may affect future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. The reduction of the corporation tax rate was substantively enacted on 15 September 2016. As such, the deferred tax balances as at 31 December 2016 are based on the rate at which they are expected to unwind.

DOVER UK PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Post-employment benefits

The company operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The company does not operate any unfunded schemes.

During 2017 the triennial valuation as at 6 April 2016 was completed. The deficit was £847,000 which is to be addressed by Employer contributions of £100,000 per annum on 30 September 2017 through to September 2022. The contributions of £100,000 per annum are consistent with the amounts due under the previous agreement, from 30 September 2014 through, to September 2021 which was superseded. The scheme was closed to further accrual in April 2010, and has been closed to new members since April 2010.

An actuarial valuation of the pension scheme, using the projected unit basis, was carried out at 31 December 2016 by The Royal London Mutual Insurance Society Limited, independent consulting actuaries. The figures provided below are based on the Initial Results report for the triennial actuarial valuation as completed in July 2017 and updated to reflect changes in the estimated liabilities of the scheme at 31 December 2016 in accordance

The major assumptions used by the actuary were:

	2016 %	2015 %
Discount rate	2.60	3.80
Retail Price Inflation	3.50	3.30
Consumer Price Inflation	2.60	2.40
Rate of increase to pensions in payment:		
- GMP earned before 06/04/1988	3.00	3.00
- GMP earned on or after 05/04/1988	3.00	3.00
- Pension earned before 06/04/1997 in excess of GMP	3.00	3.00
- Pension earned between 06/04/1997 and 21/11/2007	3.50	3.30
- Pension earned on or after 21/11/2007	2.50	2.40

DOVER UK PENSIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

5 Post-employment benefits (continued)

	2016	2015
	% p.a	% p.a
Rates of early leaver revaluation:		
- GMP	Fixed rates	Fixed rates
- Pension in excess of GMP earned before 06/04/2009	2.6	2.40
- Pension earned on or after 05/04/2009	2.5	2.40

The mortality assumptions are based on CMI 2015 mortality projection model with ages rated up 1 year and a 1% underpin in the rate of future improvements in mortality.

	2016	2015
Longevity at age 65 for current pensioners:		
Men	21.1 years	21.0 years
Women	23.0 years	22.9 years

Longevity at age 65 for future pensioners currently aged 45:		
Men	22.3 years	22.3 years
Women	24.5 years	24.4 years

The values of the assets in the scheme at 31 December are as follows:

	2016	2015
	£	£
Equities	3,432,000	2,959,000
Bonds	1,264,000	3,049,000
Property	1,174,000	987,000
Other assets	3,161,000	1,973,000
Total market value of assets	9,031,000	8,968,000
Present value of scheme liabilities	(11,339,000)	(9,127,000)
Deficit in scheme	(2,308,000)	(159,000)
Net pension liability	(2,308,000)	(159,000)

None of the plan assets are represented by financial instruments of the company.

None of the plan assets are occupied or used by the company.

DOVER UK PENSIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016****5 Post-employment benefits (continued)****Analysis of the amount shown as finance (expense)/income:**

	2016	2015
	£	£
Interest income	332,000	316,000
Interest on pension scheme liabilities	(337,000)	(334,000)
Net interest payable	<u>(5,000)</u>	<u>(18,000)</u>

Analysis of amount recognised in Other Comprehensive Income/(Expense):

	2016	2015
	£	£
Actual return, excluding interest income	60,000	(104,000)
Experience gains and losses arising on scheme liabilities	577,000	80,000
Changes in assumptions underlying the present value of the scheme liabilities	(2,881,000)	302,000
Actual (loss)/gain recognised in other comprehensive (expense)/income	<u>(2,244,000)</u>	<u>278,000</u>

DOVER UK PENSIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016****5 Post-employment benefits (continued)****Movement in deficit during the year**

	2016 £	2015 £
Recognised deficit at 1 January	(159,000)	(519,000)
Defined benefit cost	(2,249,000)	260,000
Employer contributions	100,000	100,000
Deficit in scheme at 31 December	<u>(2,308,000)</u>	<u>(159,000)</u>

Changes in fair value of plan assets are as follows:

	2016 £	2015 £
Opening fair value of plan assets	8,968,000	8,842,000
Interest Income	332,000	316,000
Actuarial gain/(loss)	60,000	(104,000)
Contributions by employer	100,000	100,000
Benefits paid	(429,000)	(186,000)
	<u>9,031,000</u>	<u>8,968,000</u>

The actual return on scheme assets in the year was £392,000 (2015: £212,000).

Changes in present value of plan liabilities are as follows:

	2016 £	2015 £
Opening present value of plan liabilities	9,127,000	9,361,000
Interest cost on scheme liabilities	337,000	334,000
Actuarial loss/(gain)	2,304,000	(382,000)
Benefits paid	(429,000)	(186,000)
	<u>11,339,000</u>	<u>9,127,000</u>

DOVER UK PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

6	Called up share capital	2016	2015
		£	£
	Allotted and fully paid		
	1,000 (2015: 1,000) ordinary shares of £1 each	1,000	1,000
		<u> </u>	<u> </u>

7 Reserves

On 26 September 2016 and 28 September 2015, £100,000 was received from the parent company, Dover Fluids UK Limited, as a capital contribution.

8 Directors' emoluments and employee information

The directors did not receive any emoluments from the company during the year. The directors received emoluments from other group companies during the year, but their services to Dover UK Pension Limited were merely incidental to their other services within the group. An allocation for their services to this company cannot be determined.

The company employs no staff.

9 Ultimate parent undertaking

The immediate parent undertaking is Dover Fluids UK Limited, a company incorporated in the United Kingdom and registered in England. The ultimate parent undertaking and controlling party is Dover Corporation, a company incorporated in the USA.

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. Copies of its consolidated financial statements are available from 3005 Highland Parkway, Suite 200, Downers Grove, IL 60515, USA.