
ROBBINS & MYERS HOLDINGS UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



ROBBINS & MYERS HOLDINGS UK LIMITED

COMPANY INFORMATION

Directors A J Fleming (resigned 31 August 2018)
 R Oudendijk
 S S Reid (appointed 9 July 2018)

Company secretary A M Sloan

Registered number 02757423

Registered office Stonedale Road
 Oldends Lane Industrial Estate
 Stonehouse
 Gloucestershire
 GL10 3RQ

Independent auditors Ernst & Young LLP
 Blenheim House
 Fountainhall Road
 Aberdeen
 AB15 4DT

ROBBINS & MYERS HOLDINGS UK LIMITED

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ROBBINS & MYERS HOLDINGS UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The company's principal activity is that of holding a third party loan and intercompany balances.

Results and dividends

The profit for the year, after taxation, amounted to £879,000 (2017 - loss £279,000).

No dividends were paid or proposed during either year.

Directors

The directors who served during the year were:

A J Fleming (resigned 31 August 2018)
R Oudendijk
S S Reid (appointed 9 July 2018)

Future developments

The activity of this entity will continue unchanged in the near future.

Going concern

The financial statements have been prepared under the going concern basis. The directors believe this basis to be appropriate as the parent company has provided the company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of any amounts made available to the company by fellow group undertakings in preference to any third parties.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this financial support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this understanding the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

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

ROBBINS & MYERS HOLDINGS UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Auditors

In accordance with section 487 of the Companies Act 2006, Ernst & Young LLP is deemed to be re-appointed as the auditor of the company.

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

In accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has taken exemption from preparing a separate Strategic Report.

This report was approved by the board on 1 May 2019 and signed on its behalf.


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S S Reid
Director

ROBBINS & MYERS HOLDINGS UK LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROBBINS & MYERS HOLDINGS UK LIMITED

Opinion

We have audited the financial statements of Robbins & Myers Holdings UK Limited for the year ended 31 December 2018, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15, 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 FRS 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 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROBBINS & MYERS HOLDINGS UK LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, 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, except to the extent otherwise explicitly stated in this 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.

Opinion 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 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.

Matters on which we are required to report by exception

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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROBBINS & MYERS HOLDINGS UK LIMITED (CONTINUED)

Responsibilities of directors

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.

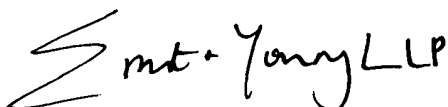
Auditors' responsibilities for the audit of the financial statements

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' 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.



Kenneth MacLeod Hall (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

Aberdeen

1 May 2019

ROBBINS & MYERS HOLDINGS UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Administrative income/(expenses)		581	(832)
Operating profit/(loss)	3	581	(832)
Interest receivable and similar income	6	1,013	1,012
Interest payable and similar expenses	7	(509)	(526)
Profit/(loss) before tax		1,085	(346)
Tax on profit/(loss)	8	(206)	67
Profit/(loss) for the financial year		879	(279)

The notes on pages 11 to 17 form part of these financial statements.

ROBBINS & MYERS HOLDINGS UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £000	2017 £000
Profit/(loss) for the financial year	879	(279)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	879	(279)

The notes on pages 11 to 17 form part of these financial statements.

ROBBINS & MYERS HOLDINGS UK LIMITED
REGISTERED NUMBER: 02757423

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors: amounts falling due after more than one year	9	27,294	24,759
Creditors: amounts falling due within one year	10	(667)	(461)
Net current assets		<u>26,627</u>	<u>24,298</u>
Total assets less current liabilities		<u>26,627</u>	<u>24,298</u>
Creditors: amounts falling due after more than one year	11	(20,268)	(18,818)
Net assets		<u><u>6,359</u></u>	<u><u>5,480</u></u>
Capital and reserves			
Called up share capital	12	3,900	3,900
Profit and loss account		<u>2,459</u>	<u>1,580</u>
		<u><u>6,359</u></u>	<u><u>5,480</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 May 2019.



S S Reid
 Director

The notes on pages 11 to 17 form part of these financial statements.

ROBBINS & MYERS HOLDINGS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	3,900	1,859	5,759
Comprehensive loss for the year			
Loss for the year	-	(279)	(279)
At 1 January 2018	3,900	1,580	5,480
Comprehensive income for the year			
Profit for the year	-	879	879
At 31 December 2018	3,900	2,459	6,359

The notes on pages 11 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Robbins & Myers Holdings UK Limited is a limited liability company incorporated in England and Wales. The registered office is Stonedale Road, Oldends Lane Industrial Estate, Stonehouse, Gloucestershire, GL10 3RQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of National Oilwell Varco Inc. as at 31 December 2018 and these financial statements may be obtained from its principal office at 7909 Parkwood Circle Drive, Houston, Texas 77036, USA.

ROBBINS & MYERS HOLDINGS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared under the going concern basis. The directors believe this basis to be appropriate as the parent company has provided the company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of any amounts made available to the company by fellow group undertakings in preference to any third parties.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this financial support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this understanding the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

2.4 Creditors

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

2.5 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.

ROBBINS & MYERS HOLDINGS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The financial statements are prepared in British pound sterling (GBP), which is the functional and presentation currency of the company, and rounded to the nearest £'000.

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 when deferred in Other comprehensive income as qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the Profit and Loss Account within 'Administrative expenses'.

2.7 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.9 Taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as Other comprehensive income or to an item recognised directly in equity is also recognised in Other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the company operates and generates income.

ROBBINS & MYERS HOLDINGS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Operating profit/(loss)

The operating profit/(loss) is stated after crediting/(charging):

	2018	2017
	£000	£000
Exchange differences	581	(832)

4. Auditors' remuneration

	2018	2017
	£000	£000
Fees payable to the company's auditor for the audit of the company's annual accounts	4	4

The audit fee is borne by a fellow group company, National Oilwell Varco UK Limited.

5. Directors' remuneration

The directors of the company are also directors of the holding company and fellow subsidiaries.

Two of the directors, who were paid by a fellow UK group company, received remuneration for the year of £172,000 (2017 one director - £113,000), amounts receivable under long-term incentive schemes of £9,000 (2017 one director - £13,000) and pension contributions of £11,000 (2017 one director - £8,000). The directors do not believe that it is practicable to apportion this amount between their services as director of the company and their services as director of the holding and fellow subsidiary companies.

Another director was paid by a fellow group company outside of the UK.

6. Interest receivable and similar income

	2018	2017
	£000	£000
On loans to third parties	715	706
On loans to group undertakings	298	306
	1,013	1,012

ROBBINS & MYERS HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Interest payable and similar expenses

	2018 £000	2017 £000
On loans from group undertakings	509	526

8. Taxation

	2018 £000	2017 £000
Group relief payable/(recoverable)	206	(67)
Total current tax	206	(67)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%) as demonstrated below:

	2018 £000	2017 £000
Profit/(loss) before tax	1,085	(346)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	206	(67)
Total tax charge/(credit) for the year	206	(67)

Factors that may affect future tax charges

UK Corporation tax is calculated at 19% (2017 - 19.25%) of the estimated assessable profit for the year.

The Finance Bill 2015 (no 2) was enacted on 18 November 2015 reducing the UK corporation tax rate to 19% (from 1 April 2017) and 18% (from 1 April 2020).

The Finance Bill 2016 further reduced the UK corporation tax rate to 17% (from 1 April 2020) and was enacted on 15 September 2016.

ROBBINS & MYERS HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Debtors

	2018 £000	2017 £000
Due after more than one year		
Amounts owed by fellow subsidiary undertakings - loan note	12,000	11,033
Other debtors - loan notes	15,294	13,726
	<u>27,294</u>	<u>24,759</u>

'Amounts owed by fellow subsidiary undertakings - loan note' is represented by a loan of \$13,691,107 payable by a fellow group company Robbins & Myers Holdings LLC, incurring interest at 2.91% per annum.

'Other debtors - loan notes' are represented by floating rate loan notes of \$19,395,000 (2017 - \$18,448,000), issued by Pfaudler International S.a.r.l., redeemable in 2020 together with accrued interest of \$84,000 (2017 - \$80,000). The interest rate associated with the loan note was 5.04% per annum up to and including the third anniversary. After the third anniversary of the issue date the interest rate is the higher of:

- 5.04% per annum; and
 - LIBOR as determined on the first day of each interest period plus 4.40% per annum.
- Interest continues to be capitalised after each interest period concludes.

10. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Group relief payable	<u>667</u>	<u>461</u>

11. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Amounts owed to fellow subsidiary undertakings - loan notes	<u>20,268</u>	<u>18,818</u>

'Amounts owed to fellow subsidiary undertakings - loan notes' are represented by two loans of \$19,215,965 and £3,054,546 payable to a fellow group company Robbins & Myers BV, incurring interest at 2.91% and 3.02% respectively, per annum. The balances are repayable on 30 December 2020 and 31 December 2020 respectively.

ROBBINS & MYERS HOLDINGS UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
3,900,000 Ordinary shares of £1 each	3,900	3,900

13. Related party transactions

As permitted by FRS 102, the company has not disclosed transactions entered into between two or more wholly owned members of the National Oilwell Varco, Inc. group.

There are no other related party transactions to disclose.

14. Post balance sheet events

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

15. Controlling party

The company is a wholly owned subsidiary undertaking of Robbins & Myers UK Holding LLC, a company incorporated in the United States of America.

The company's ultimate parent undertaking is National Oilwell Varco Inc., a company incorporated in the United States of America. The consolidated accounts of National Oilwell Varco Inc. are those of the smallest and the largest group of which the company is a member and for which group accounts are prepared. Copies of these accounts are available from its principal office at 7909 Parkwood Circle Drive, Houston, Texas 77036, USA.