

# HUNTING OILFIELD SERVICES (UK) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

The directors present their report and audited financial statements of the group and of the company for the year ended 31 December 1995.

### DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were:

J A McColl (Chairman)  
S McClements (Managing Director)  
S Greig (Appointed 30 June 1995)  
Y Yakushiji (Appointed 22 May 1995)  
K Yamada (Appointed 22 May 1995)  
A Mackie (Resigned 31 August 1995)  
T Suga (Resigned 22 May 1995)  
N Ikarugi (Resigned 22 May 1995)

None of the directors had any notifiable interest in the shares of the company, or its fellow subsidiary undertakings, during the year.

The following directors hold options to subscribe for ordinary shares pursuant to the rules of Hunting PLC's executive share option schemes and the savings related share option schemes.

### EXECUTIVE SHARE OPTION SCHEMES

	<u>Subscription price p</u>	<u>Options exercisable between</u>	<u>Options at 31 December 1995</u>	<u>Options at 1 January 1995</u>
S McClements	173.01	1995-2002	41,616	41,616
	200.88	1992-1999	10,404	10,404
S Greig	215.00	1997-2004	40,000	40,000

### SAVINGS RELATED SHARE OPTION SCHEMES

	<u>Subscription price p</u>	<u>Options period expires in</u>	<u>Options at 31 December 1995</u>	<u>Options at 1 January 1995</u>
S McClements	205.00	2002	4,565	4,565
	181.66	2000	1,932	1,932

No options lapsed or were exercised during the year.



## **HUNTING OILFIELD SERVICES (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **SAVINGS RELATED SHARE OPTION SCHEMES (CONTINUED)**

The market price of the ordinary shares at 31 December 1995 was 198p and the range during the year was 163p to 219p.

Between 31 December 1995 and 31 March 1996 there was no change in the notifiable interests of the directors in the shares of Hunting PLC.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The group and company operates in the offshore oil and gas industry as part of the Hunting Oilfield Services (International) Limited group.

Business is conducted in the new pipe joints, accessory equipment manufacture and general repair section of the oil industry.

The group and company continues to win business in the UK and Continental Europe. 1995 reflected a full year's benefit from our purpose built plant at Badentoy, Aberdeen, together with an upturn in exploration development and production activities in the North Sea and world-wide.

#### **RESULT AND DIVIDEND**

The group's profit for the financial year amounted to £1,541,000 (1994 - £960,000). The directors propose the payment of a final dividend of £770,000 (1994 - £480,000). The balance of £771,000 (1994 - £480,000) has been transferred to reserves.

The company's profit for the financial year amounted to £1,217,000 (1994 - £896,000). The directors propose the payment of a final dividend of £770,000 (1994 - £480,000). The balance of £447,000 (1994 - £416,000) has been transferred to reserves.

#### **INSURANCE**

Hunting PLC holds a group directors' and officers' liability insurance policy.

#### **RESEARCH AND DEVELOPMENT**

A continuing programme of research and development is carried on by the group and the company where it is appropriate.

#### **TANGIBLE ASSETS**

A summary of the movement in tangible assets is shown in Note 10 to the financial statements.

## **HUNTING OILFIELD SERVICES (UK) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **EMPLOYEE POLICY**

Full and fair consideration is given to applications for employment for disabled persons and in their training, career development and promotion. Every effort is made to retain in employment those who become disabled.

The employment policies, degree of involvement by employees and the provision of information to them will vary. However, a common awareness of the financial and economic factors affecting the performance is encouraged by open management.

#### **THE ENVIRONMENT**

Hunting plc, the ultimate parent company, has established an environmental policy which is appropriate to the number of different markets and countries in which group companies operate. This is subject to regular review and incorporates new objectives as appropriate. In all group companies, there is a common awareness of the need to protect the environment by controlling emissions and waste. As a responsible employer, the company is conscious of its position and role within the community and is committed to continuously improving its environmental performance and providing working environments which meet the requirements of the Health and Safety at Work Act 1974.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for maintaining proper accounting records to enable them to prepare financial statements, as required by the Companies Act 1985, which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss for the company and the group.

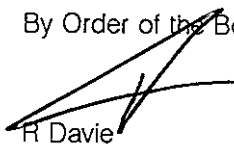
The directors confirm that the financial statements, using applicable accounting standards, have been prepared on a going concern basis using suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The directors are also responsible for safeguarding the assets of the group and the company and for preventing and detecting fraud and other irregularities.

#### **AUDITORS**

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

By Order of the Board



R Davie  
SECRETARY

19 April 1996

## *Price Waterhouse*



### **AUDITORS' REPORT TO THE SHAREHOLDERS OF HUNTING OILFIELD SERVICES (UK) LIMITED**

We have audited the financial statements on pages 5 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

#### **Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the group and the company as at 31 December 1995 and the profit for the group and the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors

19 April 1996

# HUNTING OILFIELD SERVICES (UK) LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>1995</u> £'000	<u>1994</u> £'000
<b>TURNOVER</b> (Note 2)	32,933	21,203
Cost of sales	<u>(25,169)</u>	<u>(15,908)</u>
<b>GROSS PROFIT</b>	7,764	5,295
Net operating expenses (Note 3)	<u>(5,207)</u>	<u>(3,828)</u>
<b>OPERATING PROFIT</b>	2,557	1,467
Interest receivable and similar income (Note 5)	22	115
Interest payable and similar charges (Note 6)	<u>(229)</u>	<u>(118)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 7)	2,350	1,464
Taxation on profit on ordinary activities (Note 8)	<u>(809)</u>	<u>(504)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,541	960
Dividends (Note 9)	<u>(770)</u>	<u>(480)</u>
<b>AMOUNT TRANSFERRED TO RESERVES</b> (Note 18)	771	480
	<u>=====</u>	<u>=====</u>
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1995</b>		
	<u>1995</u> £'000	<u>1994</u> £'000
Profit for the financial year	1,541	960
Exchange rate adjustment	<u>145</u>	<u>80</u>
Total profits recognised since last annual report	1,686	1,040
	<u>=====</u>	<u>=====</u>

All operations are continuing.

# HUNTING OILFIELD SERVICES (UK) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>1995</u> £'000	<u>1994</u> £'000
<b>TURNOVER</b> (Note 2)	20,537	15,315
Cost of sales	<u>(15,727)</u>	<u>(11,508)</u>
<b>GROSS PROFIT</b>	4,810	3,807
Net operating expenses (Note 3)	<u>(3,375)</u>	<u>(2,630)</u>
<b>OPERATING PROFIT</b>	1,435	1,177
Income from shares in group undertakings	<u>332</u>	<u>63</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	1,767	1,240
Interest receivable and similar income (Note 5)	8	102
Interest payable and similar charges (Note 6)	<u>(106)</u>	<u>(15)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 7)	1,669	1,327
Taxation on profit on ordinary activities (Note 8)	<u>(452)</u>	<u>(431)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	1,217	896
Dividends (Note 9)	<u>(770)</u>	<u>(480)</u>
<b>AMOUNT TRANSFERRED TO RESERVES</b> (Note 18)	<u>447</u>	<u>416</u>

There are no recognised gains or losses for either year other than shown above and all operations are continuing.

# HUNTING OILFIELD SERVICES (UK) LIMITED

## CONSOLIDATED BALANCE SHEET - 31 DECEMBER 1995

	<u>1995</u> £'000	<u>1994</u> £'000
<b>FIXED ASSETS</b>		
Tangible assets (Note 10)	<u>4,090</u>	<u>3,948</u>
<b>CURRENT ASSETS</b>		
Stocks (Note 12)	6,222	4,052
Debtors (Note 13)	9,317	6,109
Cash at bank and in hand	<u>1,793</u>	<u>583</u>
	17,332	10,744
<b>CREDITORS - Amounts falling due within one year (Note 14)</b>	<u>(16,735)</u>	<u>(11,008)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<u>597</u>	<u>(264)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	4,687	3,684
<b>PROVISIONS FOR LIABILITIES AND CHARGES (Note 16)</b>	<u>(56)</u>	<u>31</u>
	<u>4,631</u>	<u>3,715</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 17)	1,000	1,000
Profit and loss account (Note 18)	<u>3,631</u>	<u>2,715</u>
<b>SHAREHOLDERS' FUNDS (Note 19)</b>	<u>4,631</u>	<u>3,715</u>

All the shareholders' funds are attributable to equity interests.

# HUNTING OILFIELD SERVICES (UK) LIMITED

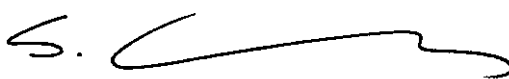
## BALANCE SHEET - 31 DECEMBER 1995

	<u>1995</u> £'000	<u>1994</u> £'000
<b>FIXED ASSETS</b>		
Tangible assets (Note 10)	1,843	2,033
Investments (Note 11)	<u>850</u>	<u>850</u>
	<u>2,693</u>	<u>2,883</u>
<b>CURRENT ASSETS</b>		
Stocks (Note 12)	4,822	2,279
Debtors (Note 13)	8,088	5,356
Cash at bank and in hand	<u>1,196</u>	<u>48</u>
	14,106	7,683
<b>CREDITORS - Amounts falling due within one year</b> (Note 14)	<u>(13,152)</u>	<u>(7,453)</u>
<b>NET CURRENT ASSETS</b>	<u>954</u>	<u>230</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	3,647	3,113
<b>CREDITORS - Amounts falling due after more than one year</b> (Note 15)	(834)	(834)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b> (Note 16)	<u>(56)</u>	<u>31</u>
	2,757	2,310
	<u>2,757</u>	<u>2,310</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 17)	1,000	1,000
Profit and loss account (Note 18)	<u>1,757</u>	<u>1,310</u>
<b>SHAREHOLDERS' FUNDS</b> (Note 19)	<u>2,757</u>	<u>2,310</u>

All the shareholders' funds are attributable to equity interests.

APPROVED BY THE BOARD OF DIRECTORS  
ON 19 APRIL 1996

S Greig





# **HUNTING OILFIELD SERVICES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995**

### **1 ACCOUNTING POLICIES**

#### **(1) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **(2) Basis of consolidation**

Goodwill arising on the acquisition of subsidiaries representing the excess of cost of shares over the value attributed to the net tangible assets at acquisition is charged directly to reserves.

#### **(3) Tangible assets and depreciation**

Tangible assets are stated at cost and depreciation is provided in equal annual instalments over their estimated useful lives by using the following rates:

Leasehold buildings	Life of lease
Plant and equipment	20-33%
Assets in the course of construction	Nil

#### **(4) Leases**

Assets acquired under finance leases have been recorded in the balance sheet as tangible fixed assets at their equivalent capital value and depreciated over the useful life of the asset. All other leases are operating leases, and the rental of these is charged to the profit and loss account on a straight line basis over the life of the lease.

#### **(5) Foreign currencies**

Trading activities denominated in foreign currency are translated at the average rate for the year. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

#### **(6) Deferred taxation**

Provision is made for deferred taxation using the liability method except where there is a reasonable probability that a liability will not arise in the foreseeable future. Deferred taxation assets are recognised to the extent that there is certainty that the timing difference will reverse and not be replaced in the future.

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (7) Stocks

Stocks, including work in progress, are stated at the lower of cost and net realisable value. The cost of work in progress includes direct labour and material costs, production overheads and a proportion of administrative overheads.

#### (8) Research and development

Research and development expenditure is written off as incurred.

#### (9) Pensions

Contributions to the Hunting PLC group schemes are assessed by a qualified actuary. Costs are not determined for each individual company hence contributions are charged to the profit and loss account for the period for which they become payable.

### 2 TURNOVER

Turnover represents the total amount receivable in the ordinary course of business for services provided and for goods sold, net of value added tax.

Group	Company	Group	Company
<u>1995</u>	<u>1995</u>	<u>1994</u>	<u>1994</u>
£'000	£'000	£'000	£'000

The geographical analysis of turnover by origin is as follows:

Europe	<u>32,933</u>	<u>20,537</u>	<u>21,203</u>	<u>15,315</u>
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And by destination:

Europe	31,192	18,796	20,089	14,201
South America	731	731	564	564
United States of America	396	396	550	550
Africa	127	127	-	-
Other	<u>487</u>	<u>487</u>	<u>-</u>	<u>-</u>
	<u>32,933</u>	<u>20,537</u>	<u>21,203</u>	<u>15,315</u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 3 OPERATING COSTS

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Net operating expenses:				
Administrative expenses	(5,240)	(3,521)	(3,828)	(2,762)
Other operating income	<u>33</u>	<u>146</u>	<u>-</u>	<u>132</u>
	<u>(5,207)</u>	<u>(3,375)</u>	<u>(3,828)</u>	<u>(2,630)</u>

### 4 STAFF COSTS

An analysis of staff costs, including directors, is as follows:

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Wages and salaries	3,150	2,252	2,649	1,776
Social security costs	323	175	321	172
Other pension costs	<u>96</u>	<u>38</u>	<u>98</u>	<u>44</u>
	<u>3,569</u>	<u>2,465</u>	<u>3,068</u>	<u>1,992</u>

The average number of persons, including directors, employed during the year was:

	Group <u>1995</u> Number	Company <u>1995</u> Number	Group <u>1994</u> Number	Company <u>1994</u> Number
UK	86	86	79	79
Other	<u>34</u>	<u>-</u>	<u>35</u>	<u>-</u>
	<u>120</u>	<u>86</u>	<u>114</u>	<u>79</u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 4 STAFF COSTS (CONTINUED)

#### Directors

The emoluments, including pension contributions, of the directors were as follows:

	<u>1995</u>	<u>1994</u>
	£'000	£'000
Emoluments	<u>121</u>	<u>107</u>

The emoluments of the highest paid director, excluding pension contributions, were £93,756 (1994 - £64,556).

The emoluments of the chairman, excluding pension contributions were £Nil (1994 - £Nil).

Other director emoluments fell within the following ranges:

	<u>1995</u>	<u>1994</u>
	<u>Number</u>	<u>Number</u>
£Nil - £5,000	5	2
£15,001 - £20,000	1	-
£35,001 - £40,000	<u>=</u>	<u>1</u>

### 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>1995</u>	<u>1995</u>	<u>1994</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Interest on bank balances	22	8	23	10
Loan interest from parent undertaking	<u>-</u>	<u>-</u>	<u>92</u>	<u>92</u>
	<u>22</u>	<u>8</u>	<u>115</u>	<u>102</u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Capitalised lease liabilities within five years	4	-	10	-
Interest payable on bank overdraft and other short term loans	135	70	40	3
Interest payable on parent undertaking loans	90	36	56	-
Other interest payable	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>
	229	106	118	15
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>

### 7 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Depreciation	695	551	517	322
Operating leases	298	298	46	14
Hire of plant and machinery	234	203	73	73
Auditors' remuneration:				
- audit	31	15	36	20
- other professional services	13	6	20	6
Research and development	<u>90</u>	<u>90</u>	<u>111</u>	<u>111</u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge/(credit) for taxation based on the profit for the year is as follows:

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Current year				
- UK tax at 33%	374	374	376	376
- overseas tax	360	3	73	-
- deferred taxation	76	76	53	53
Adjustment in respect of prior years:				
- corporation tax	(12)	(12)	(2)	(2)
- deferred tax	<u>11</u>	<u>11</u>	<u>4</u>	<u>4</u>
	809	452	504	431
	<u>809</u>	<u>452</u>	<u>504</u>	<u>431</u>

### 9 DIVIDENDS

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Dividends proposed on equity shares	<u>770</u>	<u>770</u>	<u>480</u>	<u>480</u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 10 TANGIBLE ASSETS

#### Group

	Freehold land and <u>buildings</u> £'000	Short leasehold <u>buildings</u> £'000	Plant and <u>equipment</u> £'000	Assets in course of <u>construction</u> £'000	<u>Total</u> £'000
<b>Cost</b>					
At 1 January 1995	1,932	811	7,707	143	10,593
Exchange adjustments	170	-	311	-	481
Transfers	-	-	143	(143)	-
Additions	17	-	662	-	679
Disposals	<u>-</u>	<u>-</u>	<u>(46)</u>	<u>-</u>	<u>(46)</u>
At 31 December 1995	<u>2,119</u>	<u>811</u>	<u>8,777</u>	<u>-</u>	<u>11,707</u>
<b>Depreciation</b>					
At 1 January 1995	213	712	5,720	-	6,645
Exchange adjustments	19	-	293	-	312
Charge for year	30	11	654	-	695
Disposals	<u>-</u>	<u>-</u>	<u>(35)</u>	<u>-</u>	<u>(35)</u>
At 31 December 1995	<u>262</u>	<u>723</u>	<u>6,632</u>	<u>-</u>	<u>7,617</u>
<b>Net book amount</b>					
At 31 December 1995	<u>1,857</u>	<u>88</u>	<u>2,145</u>	<u>-</u>	<u>4,090</u>
At 31 December 1994	<u>1,719</u>	<u>99</u>	<u>1,987</u>	<u>143</u>	<u>3,948</u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 10 TANGIBLE ASSETS (CONTINUED)

#### Company

	Short leasehold <u>buildings</u> £'000	Plant and <u>equipment</u> £'000	Assets in course of <u>construction</u> £'000	<u>Total</u> £'000
<b>Cost</b>				
At 1 January 1995	811	4,650	143	5,604
Transfers	-	143	(143)	-
Additions	-	372	-	372
Disposals	-	(46)	-	(46)
At 31 December 1995	<u>811</u>	<u>5,119</u>	<u>-</u>	<u>5,930</u>
<b>Depreciation</b>				
At 1 January 1995	712	2,859	-	3,571
Charge for year	11	540	-	551
Disposals	-	(35)	-	(35)
At 31 December 1995	<u>723</u>	<u>3,364</u>	<u>-</u>	<u>4,087</u>
<b>Net book amount</b>				
At 31 December 1995	<u>88</u>	<u>1,755</u>	<u>-</u>	<u>1,843</u>
At 31 December 1994	<u>99</u>	<u>1,791</u>	<u>143</u>	<u>2,033</u>

### 11 FIXED ASSET INVESTMENTS

#### Company

	<u>1995</u> £'000	<u>1994</u> £'000
Shares in subsidiary undertakings	<u>850</u>	<u>850</u>

In the opinion of the directors the value of the company's investments which relate to shares held in its subsidiary undertakings is not less than the amount at which it is included in the balance sheet.

A summary of the principal subsidiary undertakings is shown in Note 24.



# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995

### 12 STOCKS

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Raw materials	2,643	1,665	2,491	1,520
Work in progress	1,780	1,570	328	74
Finished goods	<u>1,799</u>	<u>1,587</u>	<u>1,233</u>	<u>685</u>
	6,222	4,822	4,052	2,279
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

The replacement cost of stock is not materially different from the amount stated in the financial statements.

### 13 DEBTORS

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
<b>Due within one year:</b>				
Trade debtors	5,002	3,726	4,726	4,075
Amounts owed by group undertakings:				
- parent	4,114	3,937	1,136	1,084
- subsidiaries	-	332	-	63
- fellow subsidiaries	-	-	1	1
Other debtors	91	91	44	133
Prepayments and accrued income	<u>96</u>	<u>2</u>	<u>63</u>	<u>-</u>
	9,303	8,088	5,970	5,356
<b>Due after one year:</b>				
Other debtors	<u>14</u>	<u>-</u>	<u>139</u>	<u>-</u>
	9,317	8,088	6,109	5,356
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 14 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	Group	Company
	<u>1995</u>	<u>1995</u>	<u>1994</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Capitalised lease liabilities	-	-	51	-
Trade creditors	7,088	5,356	4,404	2,453
Amounts owed to group undertakings:				
- parent	3,286	3,286	1,365	1,365
- fellow subsidiaries	1,128	163	970	84
Other creditors	380	-	373	-
Corporation tax	559	325	953	801
Other taxation and social security	150	-	89	62
Dividend proposed	770	770	480	480
Accruals and deferred income	<u>3,374</u>	<u>3,252</u>	<u>2,323</u>	<u>2,208</u>
	16,735	13,152	11,008	7,453
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 15 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Company	Company
	<u>1995</u>	<u>1994</u>
	£'000	£'000
Loan from subsidiary undertaking	<u>834</u>	<u>834</u>

There are no set repayment terms for the amounts owed to the subsidiary undertakings.

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 16 PROVISION FOR LIABILITIES AND CHARGES

<u>Group and Company</u>	
<u>1995</u>	<u>1994</u>
£'000	£'000

The potential liability/(asset) for deferred tax which has been fully recognised in the financial statements at 33% (1994 - 33%) is as follows:

Capital allowances	81	77
Other timing differences	(25)	(108)
	56	(31)
	=	=

An analysis of the movement on deferred tax is as follows:

	£'000
At January 1995	(31)
Provided during the year	<u>87</u>
	56
At 31 December 1995	=

### 17 CALLED UP SHARE CAPITAL

<u>1995</u>	<u>1994</u>
£'000	£'000

Authorised, allotted and fully paid 1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
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# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 18 PROFIT AND LOSS ACCOUNT

	Group <u>1995</u> £'000	Company <u>1995</u> £'000
At 1 January 1995	2,715	1,310
Exchange movement	145	-
Amount transferred to reserves	<u>771</u>	<u>447</u>
At 31 December 1995	<u>3,631</u>	<u>1,757</u>

### 19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group <u>1995</u> £'000	Company <u>1995</u> £'000	Group <u>1994</u> £'000	Company <u>1994</u> £'000
Profit for the financial year	1,541	1,217	960	896
Other recognised gains relating to the year	145	-	80	-
Dividends	<u>(770)</u>	<u>(770)</u>	<u>(480)</u>	<u>(480)</u>
Net additions to shareholders' funds	916	447	560	416
Opening shareholders' funds	<u>3,715</u>	<u>2,310</u>	<u>3,155</u>	<u>1,894</u>
Closing shareholders' funds	<u>4,631</u>	<u>2,757</u>	<u>3,715</u>	<u>2,310</u>

# HUNTING OILFIELD SERVICES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

### 20 CASHFLOW STATEMENT

The group has not prepared a cashflow statement as its cashflows are included in the cashflow statement prepared by its ultimate parent company, Hunting PLC.

### 21 PENSION ARRANGEMENTS

Pension arrangements exist for employees. Under these arrangements, which apply to the majority of employees, the company makes contributions based on actuarial advice to funded pension schemes. The contributions are charged against the profit and loss account.

Employees of the company are members of the Hunting PLC Scheme, contributions to which are determined by the aggregate membership and funding of the scheme. On the basis of a recent actuarial valuation the value of assets was in excess of the benefits that had accrued to members after allowing for expected future increases in pensionable earnings. Further details of the scheme are contained within the financial statements of Hunting PLC, the ultimate parent company.

### 22 CAPITAL COMMITMENTS

	Group	Company	Group	Company
	<u>1995</u>	<u>1995</u>	<u>1994</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Contracted but not provided for	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>

### 23 OPERATING LEASE COMMITMENTS

The group and the company have the following commitments in respect of operating leases next year.

	Group	Group	Company	Company
	<u>Land and</u>	<u>Others</u>	<u>Land and</u>	<u>Others</u>
	<u>buildings</u>		<u>buildings</u>	
	£'000	£'000	£'000	£'000
Leases which expire:				
Within one year	-	23	-	6
Between two and five years	<u>267</u>	<u>49</u>	<u>267</u>	<u>27</u>

## HUNTING OILFIELD SERVICES (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1995 (CONTINUED)

#### 24 PRINCIPAL SUBSIDIARY UNDERTAKINGS

The principal subsidiary undertakings, all of which are consolidated and involved in the group's principal activities, are as follows:

	Percentage interest in ordinary shares and proportion <u>of voting rights held</u>	Country of incorporation/ <u>registration</u>
Hunting Oilfield Dutch Holdings Limited	100	England
Hunting Oilfield Services BV*	100	Holland
Hunting Oilfield Equipment Services Limited**	100	England

\* Indirect holding

\*\* Dormant

#### 25 PARENT COMPANIES

Hunting Oilfield Services (International) Limited, a company registered in England, is the parent undertaking of the smallest group to consolidate these financial statements.

Hunting PLC, a company registered in England, is the parent undertaking of the largest group to consolidate these financial statements and is the ultimate parent company.

Copies of the group financial statements of Hunting PLC may be obtained from the Company Secretary, Hunting PLC, 3 Cockspur Street, London SW1Y 5BQ.