Registered Number: 03532045

Hunting Energy Services Overseas Holdings Limited

Annual Report

For the Year Ended 31 December 2015

Contents

Strategic Report

Business Review

The Company primarily operates as a holding and investment company to companies within the Hunting Energy Services Overseas Holdings Limited sub-group.

The company (loss) / profit before tax decreased to £(8,587)k in comparison to the prior year profit before tax of £2,854k. The main contributor was a decrease in investment value. An impairment of £8,677k was taken at 31 December 2015 based on the net asset value of Canadian operations.

In 2015 dividends amounted to £78k. (2014:£2,857k).The company did not pay a dividend this year. (2014:£154k)

The company made no investments during the year.

Key Risks and Uncertainties

The Company's sole purpose is to hold investments and therefore there is a risk of impairment due to market conditions. In addition the company holds cash balances and borrowings in Sterling and is exposed to fluctuations in interest rates.

Key Performance Indicators (KPIs)

The company's sole purpose is to hold investments and these are reported at cost. However, the value of the investment is analysed on a regular basis to check for any impairment issues. An impairment review of investment was undertaken resulting in an impairment of £8,677,000 in the period. Further details provided in note 10.

Approval by the board of directors and signature on behalf of the board

Peter Rose - Director

28 September 2016

Report of the Directors

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2015.

Principal Activities

The Company operates as an intermediate investment holding company. The company discloses its financial risk management objectives and policies within the notes to the financial statements in note 12.

The results of the Company are set out in the Statement of Comprehensive Income on page 7.

Registered Office

The registered office of the company is 5 Hanover Square, London, W1S 1HQ.

Directors

The Directors who held office during the year and up to the date of this report were:

P Rose
R J Davie – Resigned 9th October 2015
A J Johnson
D L Proctor – Appointed 9th October 2015

No Director during the year had any interest in the share capital of the Company or a material interest in any contract of significance.

Environment

The Company operates to the Hunting PLC Group's environmental policy. The Hunting PLC Group's environmental policy is to look for opportunities and adopt practices that create a safer and cleaner environment. It is particularly sensitive to the challenges for the industry in which it operates. The Group has programmes in place to monitor environmental impact from its operational activities and remains focused on ensuring environmental consideration is at the forefront of its business practices.

The environmental policies aim to ensure:

- Policies, procedures and practices are in place so that any adverse effects on the environment are reduced to a practicable minimum.
- The Group encourages the reduction of waste and emissions and promotes awareness of recycled materials and use of renewable resources.
- Each operating unit develops and implements its own procedures and conducts structured reviews to ensure that they are maintained and refined.
- Employees are encouraged to pay special regard to environmental concerns in the communities in which the Group operates.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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.

Report of the Directors (continued)

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRS) as adopted by the European Union 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from the legislation in the other jurisdictions.

Disclosure of Information to Auditors

In accordance with Companies Act requirements all Directors in office as at the date of this report have confirmed so far as they are aware there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all reasonable steps necessary in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern

The Directors, after making enquiries and on the basis of current financial projections and the facilities available, believe that the Company has adequate financial resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office as independent auditors. A resolution to reappoint them as auditors to the Company will be proposed at the Annual General Meeting.

Approval by the board of directors and signature on behalf of the board

Peter Rose - Director

28 September 2016

Independent Auditors' Report to the Members of Hunting Energy Services Overseas Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Hunting Energy Services Overseas Holdings 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 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; 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, comprise:

- the Balance Sheet as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash flows 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 IFRSs as adopted by the European Union, and applicable law.

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 matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of Hunting Energy Services Overseas Holdings Limited (continued)

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.

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.

Independent Auditors' Report to the Members of Hunting Energy Services Overseas Holdings Limited (continued)

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.

Bruce Collins

Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
28 September 2016

Statement of Comprehensive Income
For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Administrative expenses	6	**(8,698)**	(25)
Operating loss		**(8,698)**	(25)
Finance income		**33**	26
Finance expense		-	(4)
Dividend Income	14	**78**	2,857
(Loss) / profit before tax		**(8,587)**	2,854
Taxation	8	-	(3)
(Loss) / profit for the financial year		**(8,587)**	2,851
Other Comprehensive Income for the year		-	-
Total Comprehensive (Expense) / Income for the year		**(8,587)**	2,851

The current and prior year results have been derived wholly from continuing activities.

Balance Sheet
At 31 December 2015

	Note	2015 £'000	2014 £'000
ASSETS			
Non-current assets			
Investment in subsidiaries	10	**14,694**	23,371
Investment in associates	10	**829**	829
Investment in joint ventures	10	**82**	82
Non-current assets		**15,605**	24,282
Current assets			
Trade and other receivables		**3**	-
Cash and cash equivalents	7	**3,362**	3,489
Current assets		**3,365**	3,489
Total Assets		**18,970**	27,771
LIABILITIES			
Current liabilities			
Trade and other payables		**(11)**	-
Current tax liabilities		**(3)**	(3)
Borrowings	9	-	(225)
Current liabilities		**(14)**	(228)
Total Liabilities		**(14)**	(228)
Net assets		**18,956**	27,543
Equity attributable to owners			
Share capital	13	**21,163**	21,163
Retained earnings		**(2,207)**	6,380
Total equity		**18,956**	27,543

The notes on pages 11 to 23 are an integral part of these financial statements.

The financial statements on pages 7 to 23 were approved by the board of directors on 28 September 2016 and were signed on its behalf by:

Peter Rose - Director
Hunting Energy Services Overseas Holdings Limited Registered Number: 03532045

Statement of Changes in Equity

For the year ended 31 December 2015

	Share Capital	Retained Earnings	Total Equity
	£'000	**£'000**	**£'000**
At 1 January	21,163	6,380	**27,543**
Loss for the year	-	(8,587)	(8,587)
Dividend paid	-	-	-
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	-	-
Balance at 31 December	21,163	(2,207)	**18,956**

For the year ended 31 December 2014

	Share Capital	Retained Earnings	Total Equity
	£'000	**£'000**	**£'000**
At 1 January	21,163	3,683	**24,846**
Profit for the year	-	2,851	**2,851**
Dividend paid	-	(154)	**(154)**
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	2,697	**2,697**
Balance at 31 December	21,163	6,380	**27,543**

Statement of Cash Flows
For the year ended 31 December 2015

	Note	**2015 £'000**	2014 £'000
Operating activities			
Net cash used in operating activities	17	**(14)**	(25)
Interest received		**33**	26
Interest paid		**-**	(4)
Tax received		**1**	21
Net cash inflow from operating activities		**20**	18
Investing activities			
Dividend received from associate	14	**78**	2,857
Net cash inflow from investing activities		**78**	2,857
Financing activities			
Repayment of borrowings	9	**(225)**	-
Dividends paid	15	**-**	(154)
Net cash outflow from financing activities		**(225)**	(154)
Net (decrease) / increase in cash and cash equivalents		**(127)**	2,721
Cash and cash equivalents at the beginning of the year		**3,489**	768
Cash and cash equivalents at the end of the year		**3,362**	3,489

Notes to the Financial Statements

1. Basis for preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and those International Financial Reporting Standards ('IFRS') and International Financial Reporting Standards Interpretations Committee ('IFRSIC') Interpretations as adopted by the European Union. The financial statements have been prepared on a going concern basis under the historical cost convention

The principal accounting policies applied in the preparation of these financial statements are set out in note 18. These policies have been consistently applied to all the years presented.

Adoption of new standards, amendments and interpretations

The following standards, amendments and interpretations have been adopted and are effective for the Company's accounting period beginning on or after 1 January 2015:

- Annual Improvements to IFRSs 2011-2013 Cycle

Although the adoption of these standards, amendments and interpretations represents a change in accounting policy, comparative figures for 2014 have not been restated for these as the changes do no impact the financial performance or position of the Company.

The following standards, amendments and interpretations are effective subsequent to the year end and are being assessed to determine whether there is a significant impact on the Company's results or financial position:

- IFRS 9 Financial Instruments*
- IFRS 15 Revenue from Contracts and Customers*
- IFRS 16 Leases*
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception*
- Amendments to IAS 1: Disclosure Initiative
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to IAS 27: Equity Method in Separate Financial Statements
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses*
- Amendments to IAS 7: Disclosure Initiative*
- Annual Improvements to IFRSs 2010–2012 Cycle
- Annual Improvements to IFRSs 2012–2014 Cycle

* Not yet endorsed by the European Union.

Notes to the Financial Statements (continued)

2. Going Concern

The Directors, after making enquiries and on the basis of current financial projections and the facilities available, believe that the Company has adequate financial resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

3. Directors' Remuneration

No remuneration was paid to directors for their services to the Company during the year (2014 - £nil).

4. Employee Information

During 2015 and 2014 the Company did not have any employees.

5. Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements and assumptions about the future, resulting in the use of accounting estimates. These will, by definition, seldom equal the related actual results and adjustments will consequently be necessary. Estimates are continually evaluated, based on experience and reasonable expectations of future events. Accounting estimates are applied in determining the carrying value of investments in subsidiaries, as the carrying value of each investment must not be less than the minimum future benefits that are expected to be generated by that investment.

In respect of the carrying value of the Company's investments in subsidiaries, assessments are undertaken at least annually to determine whether there have been any events or changes in circumstances that indicate that the carrying value may be impaired. An impairment review is carried out when such indicators are present by comparing the carrying value of a subsidiary to its recoverable amount. The recoverable amount is the higher of either the fair value less costs to sell or the net present value of estimated future cash flows, known as value in use. Any impairment is recognised in the statement of comprehensive income immediately.

The estimated future gross cash flows used in the impairment review are based on the Directors' view of the future trading prospects of the business units owned by Hunting Energy Services Overseas Holdings Limited are discounted at a rate that is determined for each business unit in isolation by consideration of their business risk profiles.

The estimated future gross cash flows expected from a number of business units were revised downwards to reflect the severity of the downturn in the oil and gas sector and its impact on business activity levels. Consequently, the investment in Hunting Energy Services (Canada) Holdings Limited was impaired by £8,677,000 to reflect these revised estimates.

Further details of the impairment review are disclosed in note 10.

6. Administrative Expenses

	2015	2014
	£'000	£'000
Auditors fees	**13**	9
Legal fees	**2**	16
Management fee	**5**	-
Impairment of Investments	**8,677**	-
Other	**1**	-
	8,698	25

Notes to the Financial Statements (continued)

7. Cash and Cash Equivalents

	2015 £'000	2014 £'000
Cash and cash equivalents	**3,362**	3,489

Cash and cash equivalents consist of bank balances which are denominated in GBP.

8. Taxation

	2015 £'000	2014 £'000
UK current tax:		
- current year (expense)	**-**	(3)
Taxation	**-**	(3)

The tax assessed for the year is lower than (2014 – lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £'000	2014 £'000
Profit / (loss) before tax	**(8,587)**	2,851
Profit on ordinary activities multiplied by standard rate in the UK 20.25% (2014: 21.5%)	**1,739**	(613)
Effects of:		
- Dividend income not assessable for tax purposes	**(1,737)**	613
- Expenses not deductible for tax purposes	**(2)**	(3)
Taxation	**-**	(3)

Factors affecting current and future tax charges

In July 2013, the UK Government enacted a change in the UK corporation tax rate from 21% to 20% effective from 1 April 2015. The impact of the change in rate to 20% has been recognised in calculating the effective rate of tax for the year ended 31 December 2015.

A number of changes to the UK tax system were announced in the summer 2015 budget statement. Whereby, from 1 April 2017 the main rate of corporation tax will reduce from 20% to 19%, with a further reduction from recent budget announcement.

Notes to the Financial Statements (continued)

9. Borrowings

	2015	2014
	£'000	£'000
Loan from Hunting Knightsbridge Holdings Ltd (company under common control)	-	225
	-	225

10. Investments

Investment in subsidiaries	**2015**	2014
	£'000	£'000
At 1 January	**23,371**	23,371
Impairment	**(8,677)**	-
At 31 December	**14,694**	23,371

Investment in associates		
At 1 January and 31 December	**829**	829

Investment in joint ventures		
At 1 January and 31 December	**82**	82

In respect of the carrying value of the Company's investments in subsidiaries, assessments are undertaken at least annually to determine whether there have been any events or changes in circumstances that indicate that the carrying value may be impaired. An impairment review is carried out when such indicators are present by comparing the carrying value of a subsidiary to its recoverable amount.

The downturn in the oil and gas sector began towards the end of 2014 and continued to worsen during 2015. Business activity levels declined more quickly and more severely than was initially expected during 2015 and a decline in the performance of operating businesses is expected in 2016. Likewise, the general view on the outlook for commodity prices remains progressively "lower for longer". Hence, management has carried out an impairment review in preparing these financial statements.

The recoverable amount for each investment has been determined based on a fair value less costs to sell approach, thereby including currently approved capital projects, which are in progress, and deducting appropriate selling costs. The recoverable amount calculations use discounted post-tax nominal cash flow projections. The value of the debt has then been deducted from the cash flows. The key assumptions for the recoverable amount calculations are revenue growth rates, taking into account the impact these have on margins, terminal growth rates and the discount rates applied. The valuation is a level 3 measurement as per the fair value hierarchy as defined within IFRS 13 due to unobservable inputs used in the valuation.

Notes to the Financial Statements (continued)

10. Investments (continued)

For 2016 and 2017, projections are based on budgets prepared by the business units owned by Hunting Energy Services Overseas Holdings Limited in May 2016 and approved by the Hunting PLC Board in early September 2016. Modest downward adjustments have been made to the budget projections, reflecting worsening conditions and a downturn in expectations. For 2018 to 2021 management has made revenue projections using Spears and Associates "Drilling and Production Outlook" reports as a basis, selecting the most appropriate geographic market and driver (rig count, footage drilled or E&P spend) for each investment. Management has then applied judgemental decreases to reflect the worsening of expectations and has then modelled the expected impact on margin and cash flows from the resulting revenue projections.

Market conditions remain volatile, difficult to predict and will impact subsidiaries differently. The compound annual growth rates ("CAGR") for revenue for the subsidiaries between 2016 and 2021 vary between 1% and 8%. After 2021, a terminal value has been calculated assuming growth above inflation of 50 basis points, giving nominal growth rates of 1.4%.

Cash flows have been discounted using nominal post-tax rates of 7.9%. The discount rates reflect current market assessments of the time value of money, the risks associated with the cash flows, the likely external borrowing rate of the subsidiary and expected levels of leverage. Consideration has also been given to other factors such as currency risk, operational risk and country risk.

Following the impairment review, an impairment charge of £8,677,000 (2014: £nil) was recognised in relation to the Company's investment in Hunting Energy Services (Canada) Holdings Limited to reflect a reduction in the estimated future cash flows arising from the sustained current downturn in the oil and gas sector.

In the opinion of the Directors, following the impairment review, the value of the investments in the subsidiaries is not less than the aggregate carrying value amount shown in the balance sheet.

Notes to the Financial Statements (continued)

11. Financial Instruments

Fair values of financial assets and financial liabilities

The carrying amounts of each measurement category of the Company's financial assets and financial liabilities are stated below, together with a comparison of fair value and carrying amount for each class of financial asset and financial liability.

31/12/2015	Loans and Receivables	Financial Liabilities Measured at Amortised Cost	Total	Total
		Carrying Amount		Fair Value
	£'000	£'000	£'000	£'000
Current Assets				
Cash and cash equivalents	3,362	-	3,362	3,362
Current Liabilities				
Borrowings	-	-	-	-
	3,362	-	3,362	3,362

31/12/2014	Loans and Receivables	Financial Liabilities Measured at Amortised Cost	Total	Total
		Carrying Amount		Fair Value
	£'000	£'000	£'000	£'000
Current Assets				
Cash and cash equivalents	3,489	-	3,489	3,489
Current Liabilities				
Borrowings	-	(225)	(225)	(225)
	3,489	(225)	3,264	3,264

The fair value of financial instruments approximates to the carrying amount because of the short-term maturity of these instruments.

Notes to the Financial Statements (continued)

12. Financial Risk

The activities of the Company expose it to certain financial risks, namely interest rate, currency and liquidity risk. The Company's risk management strategy seeks to minimise potential adverse effects on its financial performance.

There are clearly defined objectives and principles for managing financial risk established by the Board of Directors, with policies, parameters and procedures covering foreign currency and cash management.

The Company works closely with the treasury function of Hunting PLC to ensure proper implementation of the policies for foreign currency and cash management.

(a) Liquidity risk
The Company is party to the Hunting PLC group set-off arrangement with Barclays Bank PLC.

(b) Capital Management
The Company's objective when managing capital is to provide sufficient resources to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt (which includes loans from group undertakings, trade and other payables and accruals), cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued share capital and retained earnings.

(c) Foreign exchange risk
The Company is exposed to foreign exchange risk from loans from foreign group companies. Foreign exchange risks arise from future transactions and cash flows and from recognised monetary assets and liabilities that are not denominated in the functional currency of the Company's local operations.

(d) Interest rate risk
The Company is exposed to fluctuations in the interest rates received / paid to financial institutions and it has an impact on its post-tax profit / (losses) per the sensitivity analysis below.

(e) Sensitivity analysis
The following sensitivity analysis is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on profit or loss and shareholders' equity. The sensitivity analysis relates to the position as at 31 December 2015 and 31 December 2014.

Interest rate sensitivity

At 31 December, if interest rates had been 0.5% higher or lower, with all other variables held constant, the post-tax effects for the year would have been as follows:

	2015		2014	
	Income Statement	**Equity**	Income Statement	Equity
	£'000	**£'000**	£'000	£'000
Interest Rates +0.5%	-	-	(1)	-
Interest Rates -0.5%	-	-	1	-

These movements arise from the floating interest rate on the bank balances.

Notes to the Financial Statements (continued)

12. Financial Risk (contuned)

Foreign Exchange Rate Sensitivity

The table below shows the post-tax impact for the year of a reasonably possible change in the US dollar exchange rate, with all other variables held constant at 31 December.

	2015		2014	
	Income Statement	**Equity**	Income Statement	Equity
	£'000	**£'000**	£'000	£'000
US dollar exchange rates +10% (2014: +10%)	-	-	-	-
US dollar exchange rates -10% (2014: -10%)	-	-	-	-

The movement arises from US dollar denominated borrowings. There is no impact on equity from a change in the US dollar exchange rate.

13. Share Capital

	2015	2014
	£'000	£'000
Authorised, allotted, called up and fully paid		
21,163,000 ordinary shares of £1 each (2014: 21,163,000)	**21,163**	21,163

Hunting Energy Services Overseas Holdings Limited is a private limited company, incorporated and domiciled in England and Wales.

14. Ultimate Parent Undertaking and Related Party Transactions

Hunting Energy Services (International) Limited is the Company's immediate parent undertaking. The results of the Company are included in the consolidated Group statutory financial statements of Hunting PLC, which is its ultimate parent company.

Companies under common control are the companies controlled by Hunting PLC.

Copies of the financial statements of Hunting Energy Services (International) Limited and Hunting PLC may be obtained from the Company Secretary, Hunting PLC, 5 Hanover Square, London W1S 1HQ.

Notes to the Financial Statements (continued)

14. Ultimate Parent Undertaking and Related Party Transactions (contined)

Related party transactions during the year were as follow:	**2015** **£'000**	2014 £'000
Dividends received:		
- Tubular Resources Pte Limited (associate)	-	2,780
- Oilfield Services Company (associate)	78	77
Interest:		
- paid to Hunting Titan Ltd (under common control)	-	-
- paid to Hunting Knightsbridge Holdings Ltd (under common control)	-	4

Related party balances as at the year-end were as follow:	**2015** **£'000**	2014 £'000
Owed to Hunting Knightsbridge Holdings Ltd (under common control)	-	225

15. Dividends Paid

	2015 **£'000**	2014 £'000
Declared and paid during the year:		
Dividends paid to ordinary shareholders	-	154

No dividends paid in 2015. (2014: 0.7p per share)

Notes to the Financial Statements (continued)

16. Subsidiaries, Associates and Joint Ventures

The following are subsidiaries, associates and a joint venture and related percentage interests as at 2015 and 2014		Percentage interest in ordinary shares and proportion of voting rights held	Country of incorporation and operations	Business
Corporate activities				
Hunting Energy Services (Canada) Holdings Limited	Subsidiary	100	Canada	Holding company
Oil and gas activities				
Hunting Titan ULC	Subsidiary	100	Canada	Oilfield services
Hunting Energy Services (Canada) Limited *	Subsidiary	100	Canada	Oilfield services
Hunting Energy Services (Drilling Tools) Limited*	Subsidiary	100	Canada	Oilfield Services
Hunting Airtrust Tubulars Pte Limited	Joint Venture	50	Singapore	Oilfield services
Tianjin Huaxin Premium Connections Pipe Co Limited	Associate	28.5	China	Oilfield Services
Tubular Resources Pte Limited	Associate	30	Singapore	Oilfield services

Notes

1. Interests in companies marked * are held indirectly.
2. All interests in subsidiaries are in the equity shares of these companies.

17. Cash outflow from operating activities

Reconciliation of (loss) / profit before tax to cash outlflow from operating activities:

	2015 £'000	2014 £'000
(Loss) / profit before tax	**(8,587)**	**2,854**
Adjustments for:		
- Finance income	**(33)**	**(26)**
- Finance cost	**1**	**4**
- Impairment of investments	**8,677**	**-**
- Dividends received	**(78)**	**(2,857)**
Changes in working capital:		
- Increase in other receivables	**(5)**	**-**
- Increase in other payables	**11**	**-**
Net cash used in operating activities	**(14)**	**(25)**

Notes to the Financial Statements (continued)

18. Principal Accounting Policies

Financial Statements

The Company is exempt from preparing consolidated financial statements in accordance with section 400 of the Companies Act 2006. The financial statements of the Company are included within the consolidated financial statements of the ultimate parent company, Hunting Plc.

Interest

Interest income and expense is recognised in the income statement using the effective interest method.

Investments

Investments are valued at the lower of cost and net realisable value and represent investments in the equity share capital of subsidiary undertakings, associates and jointly controlled entities. Income from investments is credited to the profit and loss account when dividends are declared. Impairment to investments is considered on an annual basis. Any impairment in carrying value which is deemed as being permanent is taken immediately as a charge to the income statement.

Foreign Currencies

The functional currency of the company is GBP. Exchange differences arising from transactions are dealt with in the income statement. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the financial period. Exchange gains or losses on monetary assets and liabilities are taken to the income statement. The year-end exchange rate of GBP sterling to US Dollar is 1.4739 (2014: 1.5593).

Taxation

The tax charge on the profit or loss for the year comprises current tax. Current tax is the expected tax payable arising in the current year on the current year's profit before tax, using tax rates enacted or substantively enacted at the balance sheet date, plus adjustments to tax payable in respect of prior years' profits.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with a maturity of less than three months from the date of deposit that are readily convertible to a known amount of cash. Accrued interest is disclosed as part of the year-end balance.

For cash flow statement purposes, cash and cash equivalents include bank overdrafts and short-term deposits with a maturity of less than three months from the date of deposit. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Notes to the Financial Statements (continued)

18. Principal Accounting Policies (continued)

Financial Assets

The Company classifies its financial assets into the following two categories: financial assets at fair value through profit or loss, and loans and receivables. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date. The Company assesses at each balance sheet date whether a financial asset is impaired by comparing its carrying value with its present value of the estimated future cash flows discounted at a rate relevant to the nature of the financial asset. If the carrying amount is higher, it is reduced to the appropriate value and the loss is recognised in the income statement immediately. Financial assets cease to be recognised when the right to receive cash flows has expired or has been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(a) Financial assets at fair value through the profit and loss
Gains and losses arising from changes in the fair value are included in the income statement in the period in which they arise.

(b) Loans and receivables
Loans and receivables are initially recognised at fair value then measured at amortised cost subsequently using the effective interest rate method.

Financial Liabilities

Financial liabilities are initially recognised at fair value at the trade date which is normally the consideration. The Company subsequently re-measures all of its non-derivative financial liabilities, including trade payables, at amortised cost.

Dividend distributions

Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the company's shareholders in case of final dividends or are recognised in the period paid in case of interim dividends.

Dividend income

Dividend income received from subsidiary undertakings are recognised in the financial statements in the period that they are received and are dealt with in the Income Statement below the operating loss line in investing activity.

Impairments

The Company assesses at least annually whether there have been any events or changes in circumstances that indicate that investments may be impaired. An impairment review is carried out whenever the assessment indicates that the carrying amount may not be fully recoverable.

For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where impairment exists, the asset is written down to the higher of (a) its fair value minus costs to sell; and (b) its value in use. Impairments are recognised immediately in the income statement.

When applicable, an impairment of any asset is reversed, but only to the extent that the consequent carrying value does not exceed what would have been the carrying value had the impairment not originally been made.

Notes to the Financial Statements (continued)

18. Principal Accounting Policies (continued)

Share Capital

The Company's share capital comprises a single class of Ordinary shares, which are classified as equity. Incremental costs directly attributable to the issue of new shares are charged to equity as a deduction from the proceeds, net of tax.