

Registered number: 06600308

PIPEX PROJECT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017



PIPEX PROJECT SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr A J Fleming Mr R Oudendijk
Company secretary	Ms A M Sloan
Registered number	06600308
Registered office	C/O National Oilwell Varco Stonedale Road Oldends Lane Industrial Estate Stonehosue Gloucestershire GL10 3RQ
Independent auditors	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

PIPEX PROJECT SERVICES LIMITED

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PIPEX PROJECT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Financial Reporting Standard 102 has been adopted by this entity from 1 April 2016. The comparative figures presented in these financial statements for the 18 months period ended 31 March 2016 have therefore been converted to be compliant with the new standard. Information on the impact of the first-time adoption of FRS 102 is given in note 13.

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

The company has taken advantage of the exemption from presenting a strategic report per section 415B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Results and dividends

The profit for the year, after taxation, amounted to £NIL (2016 - £301,863).

The directors recommend a final dividend payment of £nil be made in respect of the financial year ended 31 March 2017 (period ended 31 March 2016 - £nil).

On 31 March 2016 the trade and assets of Pipex Project Services Limited were transferred at net book value to the parent company Pipex Limited in exchange for intercompany debt. The company ceased to trade from that date.

Directors

The directors who served during the year were:

Mr A J Fleming
Mr R Oudendijk

Going concern

The company is no longer operating as a going concern following the transfer of the company's trade and assets to its immediate parent Pipex Limited on 31 March 2016. The directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a break-up basis. It is the directors' current intention to voluntarily dissolve the company once a full and comprehensive due diligence exercise into the dissolution has been completed.

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.

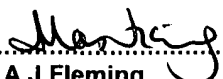
PIPEX PROJECT SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Auditors

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

This report was approved by the board on 29 June 2017 and signed on its behalf.


.....
Mr A J Fleming
Director

PIPEX PROJECT SERVICES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

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 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. As explained in note 2 to the financial statements, the directors do not believe the going concern basis to be appropriate for the preparation of the financial statements of the company and accordingly the financial statements of the company have not been prepared on a going concern basis.

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.

PIPEX PROJECT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIPEX PROJECT SERVICES LIMITED

We have audited the financial statements of Pipex Project Services Limited for the year ended 31 March 2017, 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 13. The financial reporting framework that has been applied in their preparation is applicable law and the 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'. As described in note 2, the financial statements have been prepared on a break up basis.

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.

Respective responsibilities of Directors and Auditors

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. 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). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

PIPEX PROJECT SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIPEX PROJECT SERVICES LIMITED
(CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where 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' exemption from the requirement to prepare a Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.



Chris Gilbert (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
Bristol

30 June 2017

PIPEX PROJECT SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

		Continuing operations year ended 31 March 2017 £	Discontin'd operations year ended 31 March 2017 £	Continuing operations period ended 31 March 2016 £	Discontinued operations period ended 31 March 2016 £
	Note				
Turnover	3	-	-	-	1,803,118
Cost of sales		-	-	-	(709,141)
Gross profit		-	-	-	1,093,977
Administrative expenses		-	-	-	(714,990)
Operating profit		-	-	-	378,987
Tax on profit	7	-	-	-	(77,124)
Profit for the financial year/period		-	-	-	301,863

The notes on pages 10 to 18 form part of these financial statements.

PIPEX PROJECT SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

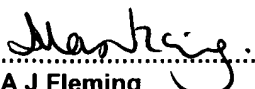
	year ended 31 March 2017 £	<i>period ended</i> <i>31 March</i> <i>2016</i> <i>£</i>
Note		
Profit for the financial year/period	-	301,863
Other comprehensive income for the year/period	-	-
Total comprehensive income for the year/period	-	301,863

PIPEX PROJECT SERVICES LIMITED
REGISTERED NUMBER: 06600308

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	8	432,872	432,872
		<u>432,872</u>	<u>432,872</u>
Total assets less current liabilities		432,872	432,872
Net assets			
		<u>432,872</u>	<u>432,872</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		432,772	432,772
		<u>432,872</u>	<u>432,872</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2017.


.....
Mr A J Fleming
Director

The notes on pages 10 to 18 form part of these financial statements.

PIPEX PROJECT SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2014	100	130,909	131,009
Comprehensive income for the period			
Profit for the period	-	301,863	301,863
At 1 April 2016	100	432,772	432,872
Comprehensive income for the year			
Profit for the year	-	-	-
At 31 March 2017	100	432,772	432,872

PIPEX PROJECT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Pipex Project Services Limited is a limited liability company incorporated in England. 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

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Taking into account that the company is not a going concern, the break up basis of accounting has been applied. No adjustments were necessary to the amounts at which the remaining assets and shareholders' funds are included in these financial statements.

Information on the impact of first-time adoption of FRS 102 is given in note 13.

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 2016 and these financial statements may be obtained from 7909 Parkwood Circle Drive, Houston, Texas, 77036, USA.

2.3 Going concern

The company is no longer operating as a going concern following the transfer of the company's trade and assets to its immediate parent Pipex Limited on 31 March 2016. The directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a break-up basis. It is the directors' current intention to voluntarily dissolve the company once a full and comprehensive due diligence exercise into the dissolution has been completed.

PIPEX PROJECT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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. Loans that are receivable within one year are not discounted.

PIPEX PROJECT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The company's financial statements are prepared in Pound Sterling (GBP), which is the functional and presentation currency of the entity.

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 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.

PIPEX PROJECT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3. Turnover

Turnover represents the amounts derived from sale of goods and provision of services which fell within the company's ordinary activities, stated net of value added tax.

Prior to 31 March 2016 the company engaged in one principal area of activity represented by the installation and project management of GPR, GRE, composite and thermoplastic materials.

Analysis of turnover by geographical region is given below:

	2017 £	2016 £
United Kingdom	-	630,779
Rest of the world	-	1,172,339
	<u>-</u>	<u>1,803,118</u>
	<u><u>-</u></u>	<u><u>1,803,118</u></u>

An analysis of turnover by category is as follows:

	2017 £	2016 £
Sale of goods	-	170,700
Provision of services	-	1,632,418
	<u>-</u>	<u>1,803,118</u>
	<u><u>-</u></u>	<u><u>1,803,118</u></u>

4. Auditors' remuneration

	year ended 31 March 2017 £	period ended 31 March 2016 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>3,000</u>	<u>2,000</u>
	<u><u>3,000</u></u>	<u><u>2,000</u></u>

The audit fee is borne by the company's immediate parent company, Pipex Limited.

PIPEX PROJECT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

5. Employees

The average number of employees directly employed by the company during the year was nil (period ended 31 March 2016 - nil).

During the period ended 31 March 2016 all staff were employed by the immediate parent company, Pipex Limited, which recharged payroll costs to the company.

The aggregate payroll costs were as follows:

	year ended 31 March 2017 £	period ended 31 March 2016 £
Wages and salaries	-	485,004
	<u>-</u>	<u>485,004</u>

6. Directors' remuneration

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

One of the directors, who was paid by a fellow UK group company, received remuneration for the year of £109,000, amounts receivable under long-term incentive schemes of £8,000 and pension contributions of £8,000. The director does 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.

The total remuneration (including benefits in kind) received by all directors who served during the 18 months period ended 31 March 2016 amounted to £259,000.

PIPEX PROJECT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. Taxation

	year ended 31 March 2017 £	period ended 31 March 2016 £
Corporation tax		
Current tax on profits for the year/period	-	77,124
Taxation on profit	<u>-</u>	<u>77,124</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 20% (2016 - 20.35%) as set out below:

	year ended 31 March 2017 £	period ended 31 March 2016 £
Profit before tax	<u>-</u>	<u>378,987</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20.35%)	<u>-</u>	<u>77,124</u>
Total tax charge for the year/period	<u>-</u>	<u>77,124</u>

8. Debtors

	2017 £	2016 £
Amounts owed by parent undertakings	<u>432,872</u>	<u>432,872</u>
	<u>432,872</u>	<u>432,872</u>

PIPEX PROJECT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Share capital

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

10. 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.

11. Post balance sheet events

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

12. Controlling party

The company's immediate parent undertaking is Pipex Limited, a company incorporated in England.

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 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.

PIPEX PROJECT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2014. The impact of the transition to FRS 102 is as follows:

	<i>As previously stated 1 October 2014</i>	<i>Effect of transition 1 October 2014</i>	FRS 102 (as restated) 1 October 2014	<i>As previously stated 31 March 2016</i>	<i>Effect of transition 31 March 2016</i>	FRS 102 (as restated) 31 March 2016
Note	£	£	£	£	£	£
Current assets	160,435	-	160,435	432,872	-	432,872
Creditors: amounts falling due within one year	(29,426)	-	(29,426)	-	-	-
Net current assets	131,009	-	131,009	432,872	-	432,872
Total assets less current liabilities	131,009	-	131,009	432,872	-	432,872
Net assets	131,009	-	131,009	432,872	-	432,872
Capital and reserves	131,009	-	131,009	432,872	-	432,872

PIPEX PROJECT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. First time adoption of FRS 102 (continued)

	Note	<i>As previously stated 31 March 2016 £</i>	<i>Effect of transition 31 March 2016 £</i>	FRS 102 (as restated) 31 March 2016 £
Turnover		1,803,118	-	1,803,118
Cost of sales		(709,141)	-	(709,141)
		<hr/> 1,093,977	<hr/> -	<hr/> 1,093,977
Administrative expenses		(714,990)	-	(714,990)
		<hr/> 378,987	<hr/> -	<hr/> 378,987
Operating profit		378,987	-	378,987
Taxation		(77,124)	-	(77,124)
		<hr/> 301,863	<hr/> -	<hr/> 301,863
Profit after taxation and for the financial period		<hr/> <hr/> 301,863	<hr/> <hr/> -	<hr/> <hr/> 301,863