



**Scott-Moncrieff**  
business advisers and accountants

**APL (UK) LIMITED**

***Company registration number SC295399***

**Financial Statements**

**For the year ended 31 December 2013**

WEDNESDAY



\*S32JNJYQ\*

SCT

26/02/2014

#195

COMPANIES HOUSE

APL (UK) LIMITED

Financial statements for the year ended 31 December 2013

---

<b>Contents</b>	<b>Pages</b>
Directors, officers and advisers	1
Directors' report	2-3
Independent Auditor's report	4-5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8-14

**APL (UK) LIMITED**

**Directors, officers and advisers**

---

**Directors**

A J Fleming  
C P O'Neil

**Secretary and registered office**

A M Sloan  
National Oilwell Varco  
Badentoy Crescent  
Badentoy Industrial Estate  
Portlethen  
Aberdeen  
AB12 4YD

**Registered number**

SC295399

**Auditor**

Scott-Moncrieff  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

**Bankers**

Barclays Bank PLC  
163 -165 Union Street  
Aberdeen  
AB11 6SL

## **APL (UK) LIMITED**

### **Directors' report for the year ended 31 December 2013**

---

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

#### **Principal activity**

On 30 April 2013, the company's trade, assets and liabilities were transferred to its parent company, National Oilwell Varco UK Limited, and the company ceased to trade. The business now trades as APL UK, a division of National Oilwell Varco UK Limited.

The principal activity of the company prior to the date of transfer was the provision of consultancy, engineering and market services.

#### **Directors**

The current directors are shown on page 1.

A J Fleming was appointed a director on 31 July 2013.

S G Valentine was a director before resigning on 23 August 2013.

#### **Directors' responsibilities statement**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

#### **Disclosure of information to auditor**

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

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

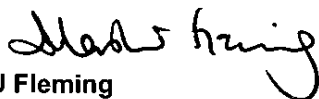
APL (UK) LIMITED

Directors' report for the year ended 31 December 2013 (continued)

---

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

This report was approved by the board on 19 FEBRUARY 2014 and signed on its behalf by:

  
A J Fleming  
Director

## **APL (UK) LIMITED**

### **Independent auditor's report to the members of APL (UK) Limited**

---

We have audited the financial statements of APL (UK) Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 auditor**

As explained more fully in the Directors' Responsibilities Statement 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). Those standards require us to comply with the Auditing Practice's Board's (APB'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 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 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

**APL (UK) LIMITED**

**Independent auditor's report to the members of APL (UK) Limited (continued)**

---

**Matters on which we are required to report by exception**

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 in preparing the directors' report.

*Donald C Forsyth*

**Donald C Forsyth (Senior Statutory Auditor)**  
**for and on behalf of Scott-Moncrieff, Statutory Auditor**  
**Chartered Accountants**  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date: 19 February 2014

**APL (UK) LIMITED**

**Profit and loss account for the year ended 31 December 2013**

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
		<u>£</u>	<u>£</u>
<b>Turnover</b>	2	<b>687,099</b>	4,508,488
Cost of sales		<u>(491,040)</u>	<u>(3,268,672)</u>
<b>Gross profit</b>		<u><b>196,059</b></u>	<u>1,239,816</u>
Administrative expenses		<u>(82,364)</u>	(693,895)
Other operating income	3	<u>4,017</u>	<u>11,227</u>
<b>Operating profit</b>	4	<u><b>117,712</b></u>	557,148
Gain on disposal of discontinued operations	7	<u><b>533,625</b></u>	-
<b>Profit on ordinary activities before interest</b>		<u><b>651,337</b></u>	557,148
Other interest receivable and similar income		-	739
Interest payable and similar charges		<u>(23,014)</u>	<u>(70,798)</u>
<b>Profit on ordinary activities before taxation</b>		<u><b>628,323</b></u>	487,089
Taxation on profit on ordinary activities	8	<u>(26,267)</u>	<u>(122,818)</u>
<b>Profit for the financial year</b>	16	<u><u><b>602,056</b></u></u>	<u><u>364,271</u></u>

All operations were discontinued when the company's trade, assets and liabilities were transferred to its parent company on 30 April 2013.

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.



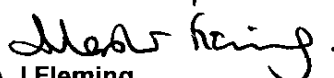
**APL (UK) LIMITED**

**Balance sheet at 31 December 2013**

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
		<u>£</u>	<u>£</u>
<b>Fixed assets</b>			
Tangible assets	9	-	333,679
<b>Current assets</b>			
Stock	10	-	591,222
Debtors	11	100	365,225
Cash at bank and in hand		-	1,518,599
		<u>100</u>	<u>2,475,046</u>
<b>Creditors: amounts falling due within one year</b>	12	-	(2,037,684)
		<u>100</u>	<u>437,362</u>
<b>Net current assets</b>			
		<u>100</u>	<u>771,041</u>
<b>Total assets less current liabilities</b>			
		<u>100</u>	<u>771,041</u>
<b>Deferred income</b>	14	-	(52,573)
		<u>100</u>	<u>718,468</u>
<b>Net assets</b>			
		<u>100</u>	<u>718,468</u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account	16	-	718,368
		<u>100</u>	<u>718,468</u>
<b>Shareholders' funds</b>	18	<u>100</u>	<u>718,468</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board of directors on 19 February 2014 and signed on its behalf by:

  
A J Fleming  
Director

Company Registration No: SC295399

The notes on pages 8 to 14 form part of these financial statements.

## 1 Accounting policies

### Basis of accounting

On 30 April 2013, the company's trade, assets and liabilities were transferred to its parent company, National Oilwell Varco UK Limited. The company ceased to be a going concern and became dormant on this date. As a result, assets and liabilities are stated at their recoverable amounts.

The business now trades as APL UK, a division of National Oilwell Varco UK Limited.

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards.

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 'Cash Flow Statements'.

### Turnover

Turnover, related costs and attributable profit are recognised as contract activity progresses. Long term work in progress is recognised at sales value. Excess of payments received over turnover is disclosed as "payments on account on long term contracts" and is included within creditors.

### Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Workshop	20%	reducing balance
Equipment, fixtures and fittings	20%	reducing balance
Office equipment	20%	reducing balance

### Stocks

Stock is valued at the lower of cost and estimated net realisable value, after making allowance for obsolete and slow moving stock.

### Long term contracts

Turnover, related costs and attributable profit are recognised as contract activity progresses. Long term work in progress is recognised at sales value. Excess of payments received over turnover is disclosed as "payments on account on long term contracts" and is included within creditors.

### Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a nondiscounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

# APL (UK) LIMITED

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 1 Accounting policies (continued)

#### Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange rate differences are taken into account in arriving at the operating results.

#### Hire purchase and lease transactions

Rentals under operating leases are charged to the profit and loss account as they fall due.

#### Pension scheme

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

### 2 Turnover

The turnover is attributable to the one principal activity of the company. An analysis of turnover attributable to markets outside of the UK is as follows:

	2013	2012
	£	£
<b>Turnover analysed by geographical area:</b>		
Asia	487,447	3,371,833
Europe	199,652	1,136,655
	<u>687,099</u>	<u>4,508,488</u>

### 3 Other operating income

	2013	2012
	£	£
Sundry income	512	-
Deferred government grants released	3,505	11,227
	<u>4,017</u>	<u>11,227</u>

### 4 Operating profit

This is stated after charging:

	2013	2012
	£	£
Depreciation	22,247	83,462
Auditor's remuneration - audit fee	5,000	6,800
Operating lease rentals - plant and machinery	2,387	6,629
Operating lease rentals - land & buildings	17,792	46,890
Foreign exchange (gains)/losses	<u>(36,544)</u>	<u>59,113</u>

# APL (UK) LIMITED

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 5 Employee information

	2013	2012
	£	£
<b>Staff costs:</b>		
Wages and salaries	97,320	312,465
Social security costs	11,096	32,831
Other pension costs	6,139	21,577
	<u>114,555</u>	<u>366,873</u>

The average number of persons employed during the year, including executive directors, was made up as follows:

	2013	2012
	Number	Number
Management	1	1
Administrative	5	5
	<u>6</u>	<u>6</u>

### 6 Directors' emoluments

The directors of the company are also directors of fellow subsidiaries. These directors received total remuneration for the year £312,000 (2012: £310,000), all of which was paid by other group companies in the UK. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

### 7 Exceptional items

Exceptional items which are summarised below have been classified within the profit and loss account under the appropriate heading and arise in respect of discontinued operations.

On 30 April 2013 the company ceased to trade and transferred its trade, assets and liabilities to National Oilwell Varco UK Limited for a consideration of US\$2,048,000, under the terms of the agreement for the sale of the business. This resulted in a gain on disposal of £533,625.

# APL (UK) LIMITED

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 8 Taxation on profit on ordinary activities

	2013	2012
	£	£
United Kingdom corporation tax at 24.25% (2012: 24.5%)	23,495	121,463
Adjustments in respect of previous years	5,417	4,096
Total current tax	28,912	125,559
Deferred tax		
Originating and reversal of timing differences	78	(1,921)
Adjustments in respect of previous periods	(2,723)	(820)
	(2,645)	(2,741)
	26,267	122,818

#### Factors affecting tax charge for the period

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.25% (2012: 24.5%)	152,368	119,337
Effects of:		
Capital allowances in excess of depreciation	446	1,941
Income not taxable for tax purposes	(129,319)	185
Adjustments in respect of previous years	5,417	4,096
Current tax charge for the year	28,912	125,559

#### Factors that may affect future tax charges

UK Corporation tax is calculated at 24.5% (2012: 24.5%) of the estimated assessable profit for the year.

In the Budget of June 2010, it was announced that the full rate of UK corporation tax would be reduced by 1% per year for four years starting from 1 April 2011, ultimately bringing the corporation tax rate down to 24%. In addition, it was proposed to reduce the main rate of capital allowances from 20% to 18%.

In the budget of March 2011, it was further announced that the full rate of UK corporation tax would instead reduce by 2% to 26% effective from 1 April 2011 and then 1% per year for three years thereafter, ultimately bringing the corporation tax rate down to 23%.

In the budget of March 2012, it was further announced that the full rate of UK corporation tax would be reduced to 24%, effective from 1 April 2012, and then 1% per year for two years thereafter, ultimately bringing the corporation tax rate down to 22%.

In addition to the Budget 2012 announcement, the full rate of UK corporation tax effective from 1 April 2014 will be reduced by a further 1% to 21%. In addition the Annual Investment Allowance will be increased from £25,000 to £250,000 per annum for a 2 year period commencing from 1 January 2013.

The Budget 2013 announced an additional one per cent cut to the CT main rate for the year beginning 1 April 2015, ultimately bringing the corporation tax down to 20%. As at 17 July 2013 the reduction in the UK corporation tax rate to 20% was substantively enacted and has been applied to the deferred tax calculations in these accounts.

**APL (UK) LIMITED**

**Notes to the financial statements for the year ended 31 December 2013 (continued)**

**9 Tangible fixed assets**

	<b>Workshop</b>	<b>Equipment fixtures and fittings</b>	<b>Office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 January 2013	634,637	11,097	6,774	652,508
Transfer on sale of business	(634,637)	(11,097)	(6,774)	(652,508)
At 31 December 2013	-	-	-	-
<b>Depreciation</b>				
At 1 January 2013	307,632	6,995	4,202	318,829
Charge for the year	21,803	273	171	22,247
Adjustments for transfer	(329,435)	(7,268)	(4,373)	(341,076)
At 31 December 2013	-	-	-	-
<b>Net book value</b>				
At 31 December 2013	-	-	-	-
At 31 December 2012	327,005	4,102	2,572	333,679

The net book value of the workshop at 31 December 2013 is made up as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Leasehold improvements	-	327,005

**10 Stocks**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Raw materials	-	480,445
Work in progress	-	110,777
	-	591,222

**11 Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	100	54,440
Prepaid expenses and accrued income	-	11,086
VAT debtor	-	88,606
Amounts recoverable on long term contracts	-	210,398
Deferred tax asset (note 13)	-	695
	100	365,225

**APL (UK) LIMITED**

**Notes to the financial statements for the year ended 31 December 2013 (continued)**

**12 Creditors: amounts falling due within one year**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Trade creditors	-	146,268
Amounts owing to group undertakings	-	1,753,951
Accruals	-	14,843
Corporation tax	-	122,622
	<u>-</u>	<u>2,037,684</u>

**13 Provisions for liabilities**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax</b>		
Accelerated capital allowances	-	(695)
Provision at start of year	(695)	
Deferred tax charge in profit and loss account for year (note 8)	(2,645)	
Transfer on sale of business	3,340	
	<u>-</u>	
Asset at end of year included in debtors (note 11)	-	

**14 Deferred income**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
At 1 January 2013	52,573	40,800
Deferred grant income received during the year	-	23,000
Released to profit and loss account	(3,505)	(11,227)
Transferred to National Oilwell Varco UK Limited	(49,068)	-
	<u>-</u>	<u>52,573</u>
At 31 December 2013	-	52,573

**15 Called-up share capital**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
<b>Equity shares:</b>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**16 Reserves**

	<b>Profit and loss account</b>
	<b>£</b>
At 1 January 2013	718,368
Profit for the year	602,056
Dividends paid (note 17)	(1,320,424)
	<u>-</u>
At 31 December 2013	<u>-</u>

# APL (UK) LIMITED

## Notes to the financial statements for the year ended 31 December 2013 (continued)

### 17 Dividends

	2013	2012
	£	£
<b>On equity shares:</b>		
Final dividend in respect of the year ended 31 December 2013	<u>1,320,424</u>	<u>-</u>

### 18 Reconciliation of movement in shareholders' funds

	2013	2012
	£	£
Profit for the year	602,056	364,271
Dividends	(1,320,424)	-
Net (reduction in) addition to shareholders' funds	(718,368)	364,271
Shareholders' funds at 1 January 2013	718,468	354,197
Shareholders' funds at 31 December 2013	<u>100</u>	<u>718,468</u>

### 19 Leasing commitments

#### Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 December 2013 are as set out below:

	2013 Land and buildings	2012 Land and buildings
	£	£
Operating leases which expire:		
Over five years	-	68,500
	<u>-</u>	<u>68,500</u>

### 20 Ultimate parent company

The company's immediate parent undertaking became National Oilwell Varco UK Limited on 30 April 2013, when its existing parent, APL Norway AS, transferred its shareholding. 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.

### 21 Related parties

The company has taken advantage of the exemption available under the Financial Reporting Standard 8 'Related Party Disclosures' from disclosing transactions with other wholly owned entities which form part of the group.