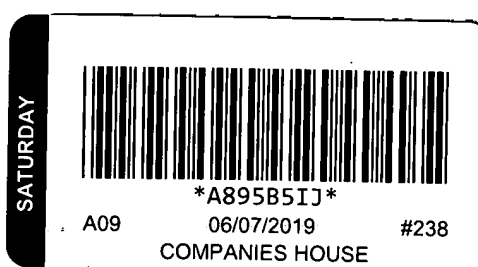

PIPEX LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



PIPEX LIMITED

COMPANY INFORMATION

Directors	A J Fleming (resigned 31 August 2018) R Oudendijk S S Reid (appointed 9 July 2018)
Company secretary	A M Sloan
Registered number	01203356
Registered office	C/O National Oilwell Varco Stonedale Road Oldends Lane Industrial Estate Stonehouse Gloucestershire GL10 3RQ
Independent auditors	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

PIPEX LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditors' Report	6 - 8
Profit and Loss Account	9
Statement of Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 34

PIPEX LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The Directors present their Strategic Report for the year ended 31 December 2018.

Business review

The principal activity of the Company continues to be the design, manufacture, supply and installation of innovative composite and thermoplastic products and systems to construction, industrial and military applications. The Company's products reduce weight, corrosion, maintenance, time and costs for customers, on projects in industries ranging from oilfield equipment to civil engineering.

The Company's headquarters are in Plymouth, UK, and business activity and outlook are global. The Company was acquired by National Oilwell Varco UK Limited in 2015 and operates within National Oilwell Varco, Inc.'s international Fiber Glass Systems (FGS) business unit.

The Company's key financial performance indicators during the year were as follows:

	2018 £000	2017 £000
Turnover	10,810	13,161
Gross profit	1,336	2,997
(Loss)/profit before taxation	(1,336)	3,659
Equity shareholders' funds	4,859	5,914

Revenue was below forecast in 2018, and declined 18% compared to 2017, due to delays in customers' orders and subdued activity in the marine offshore market. Profitability was impacted by restructuring the business, vacating the Company's manufacturing facility in Bothwell and expanding and consolidating operations at Plymouth. As a result, gross profit and loss/profit before taxation both declined in 2018 compared to 2017. This is the main cause of decline in Shareholders' funds which fell 18% to £4,859,000. It was a productive and positively transformative year, characterised by FGS' continued investment in the Company's capabilities. The Company is ideally positioned for a stronger 2019 and forward growth.

Future Developments

The Company is exploring various opportunities to progress non-metallic use within the NOV group and is on a pathway to become FGS' specialist division for structural composite materials and product solutions, global engineering projects including field service, and research and development innovation.

PIPEX LIMITED

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

Principal risks and uncertainties

Foreign exchange risk

Given the Company's heavy reliance on foreign suppliers, the principal risk and uncertainty facing the Company is adverse currency fluctuations. The Company manages this risk by using forward foreign exchange contracts when appropriate.

Legislative risk

When designing a new product, the Company ensures that the legislative requirements of the end user are fully met.

Other risks and uncertainties

In the UK, both economic and political uncertainty have heightened over the last twelve months, with precariousness as to the outcome of Brexit negotiations and the implications for trade with the European Union. The Directors are engaged in exploring the range of outcomes and are aware of the potential impacts including supply chain restraints and access to the European Market. The Directors are confident that the Company has in place appropriate measures to lower the risks and withstand any potential negative consequences.

This report was approved by the board on 28 June 2019 and signed on its behalf.


.....
S S Reid
Director

PIPEX LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Results and dividends

The loss for the year, after taxation, amounted to £1,139,000 (2017 - profit £3,567,000).

No dividends were paid or proposed during either year.

Directors

The Directors who served during the year were:

A J Fleming (resigned 31 August 2018)

R Oudendijk

S S Reid (appointed 9 July 2018)

Future developments

Likely future developments in the business of the Company are discussed in the Strategic Report.

Financial instruments

The Company's operations expose it to a variety of financial risks that include the effects of interest rate risk, liquidity risk, credit risk and price risk.

Interest rate risk

Exposure to interest rate risk is limited to movements in the UK and US base rates. However, as the Company has no external debt other than its bank overdraft, its exposure to interest rate risk is considered low.

Liquidity risk

The Company has available cash reserves along with utilising a bank overdraft facility. The Company has no other external debt. As such, the Directors consider the Company's exposure to liquidity risk to be low.

Credit risk

The Company does have an element of credit risk attributable to its trade receivables, but is rigorous in its financial appraisal of potential customers before entering into sales contracts. The Company has a large and geographically diverse customer base which also mitigates the potential exposure on receivables. The amounts presented in the Balance Sheet are shown net of provisions for doubtful receivables. An allowance for impairment has been made where there is an identifiable loss event, or the likelihood of failure to be able to collect amounts based on previous experience and the current business situation for specific customers.

Price risk

The Directors believe that the Company is well placed to mitigate against this risk due to its diversity of product and flexibility of service.

PIPEX LIMITED

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

Going concern

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

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

Research and development activities

The Company continues to meet and exceed market demand by enhancing its product offering through research and development.

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.

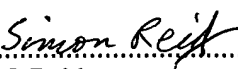
Post balance sheet events

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

Auditors

In accordance with section 487 of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as the auditor of the Company.

This report was approved by the board on 28 June 2019 and signed on its behalf.


.....
S S Reid
Director

PIPEX LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIPEX LIMITED

Opinion

We have audited the financial statements of Pipex Limited for the year ended 31 December 2018, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 31, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our Auditors' Report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Eleri James (Senior Statutory Auditor)

for and on behalf of

Ernst & Young LLP, Statutory Auditor

Bristol

2 July 2019

PIPEX LIMITED

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

	Note	2018 £000	2017 £000
Turnover	4	10,810	13,161
Cost of sales		(9,474)	(10,164)
Gross profit		1,336	2,997
Administrative expenses		(2,745)	(2,807)
Other operating income		90	115
Operating (loss)/profit	5	(1,319)	305
Loss on disposal of tangible fixed assets		(10)	(3)
Income from shares in group undertakings	9	-	3,367
Amounts written off fixed asset investments	15	(5)	(5)
Interest receivable and similar income	10	1	-
Interest payable and similar expenses	11	(3)	(5)
(Loss)/profit before tax		(1,336)	3,659
Tax on (loss)/profit	12	197	(92)
(Loss)/profit for the financial year		(1,139)	3,567

The notes on pages 13 to 34 form part of these financial statements.

PIPEX LIMITED

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

	2018 £000	2017 £000
(Loss)/profit for the financial year	(1,139)	3,567
Other comprehensive income		
Loss on derivative financial instruments	-	(32)
Total comprehensive (loss)/income for the year	(1,139)	3,535

The notes on pages 13 to 34 form part of these financial statements.

PIPEX LIMITED
REGISTERED NUMBER: 01203356

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	13	26	119
Tangible assets	14	5,410	4,353
Investments	15	-	5
		<u>5,436</u>	<u>4,477</u>
Current assets			
Stocks	16	2,290	1,961
Debtors: amounts falling due within one year	17	3,519	3,876
Cash at bank and in hand		92	84
		<u>5,901</u>	<u>5,921</u>
Creditors: amounts falling due within one year	18	(6,363)	(4,283)
Net current (liabilities)/assets		<u>(462)</u>	<u>1,638</u>
Total assets less current liabilities		<u>4,974</u>	<u>6,115</u>
Creditors: amounts falling due after more than one year	19	(64)	(97)
Provisions for liabilities			
Deferred tax	20	(33)	(25)
Other provisions	21	(18)	(79)
Net assets		<u>4,859</u>	<u>5,914</u>
Capital and reserves			
Called up share capital	22	61	61
Share premium account	23	19	19
Capital redemption reserve	23	14	14
Share based payment reserve	23	180	96
Capital contribution reserve	23	2,527	2,527
Profit and loss account		2,058	3,197
		<u>4,859</u>	<u>5,914</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 June 2019.


.....
S S Reid
Director

The notes on pages 13 to 34 form part of these financial statements.

PIPEX LIMITED

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

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Share based payment reserve £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2017	61	19	14	26	2,527	(338)	2,309
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	3,567	3,567
Loss on derivative financial instruments	-	-	-	-	-	(32)	(32)
Total comprehensive income for the year	-	-	-	-	-	3,535	3,535
Share based payments (note 24)	-	-	-	70	-	-	70
At 1 January 2018	61	19	14	96	2,527	3,197	5,914
Comprehensive loss for the year							
Loss for the year	-	-	-	-	-	(1,139)	(1,139)
Total comprehensive loss for the year	-	-	-	-	-	(1,139)	(1,139)
Share based payments (note 24)	-	-	-	84	-	-	84
At 31 December 2018	61	19	14	180	2,527	2,058	4,859

The notes on pages 13 to 34 form part of these financial statements.

PIPEX LIMITED

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

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

2.3 Exemption from preparing consolidated financial statements

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

PIPEX LIMITED

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

2. Accounting policies (continued)

2.4 Going concern

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

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

2.5 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

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

PIPEX LIMITED

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

2. Accounting policies (continued)

2.6 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.

Construction contracts

Revenue arising from construction contracts is recognised by reference to the stage of completion. Stage of completion is measured by reference to the proportion that costs incurred for work performed to date bear to the estimated total costs. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and Loss Account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

PIPEX LIMITED

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

2. Accounting policies (continued)

2.8 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.10 Interest income

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

2.11 Finance costs

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

2.12 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

PIPEX LIMITED

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

2. Accounting policies (continued)

2.13 Hedge accounting

The Company uses foreign currency forward contracts to manage its exposure to cash flow risk on its foreign currency denominated sales, where appropriate. These derivatives are measured at fair value at each Balance Sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in Other comprehensive income and presented within the Profit and Loss Account reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Share based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate pricing model. In valuing equity-settled transactions no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the ultimate parent company (market conditions).

No expense is recognised for awards that do not ultimately vest.

At each Balance Sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions on the number of equity instruments that will ultimately vest as described above. The movement in cumulative expense since the previous Balance Sheet date is recognised in the Profit and Loss Account, with a corresponding entry in equity.

PIPEX LIMITED

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

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.17 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful life is as follows:

Software	-	5	years
----------	---	---	-------

PIPEX LIMITED

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

2. Accounting policies (continued)

2.18 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold buildings	- 35 years
Plant and machinery	- 12 years
Motor vehicles	- 5 years
Office equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.20 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.21 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.

PIPEX LIMITED

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

2. Accounting policies (continued)

2.22 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.23 Creditors

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

2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

PIPEX LIMITED

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

a. Critical judgements in applying the entity's accounting policies

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations (which are described below) that have had a significant effect on the amounts recognised in the financial statements.

b. Critical accounting estimates and assumptions

(i) Revenue recognition – percentage of completion method

The Company applies the percentage of completion method ("POC") in accounting for construction contracts as outlined in accounting policy 2.6. The use of the POC method requires management to determine the stage of completion by reference to the contract costs incurred for work performed to date in proportion to the estimated total contract costs. Based on this estimated stage of completion, a respective portion of the expected revenue is recognised. If circumstances arise that may change the original estimates of revenues, costs or extent of progress towards completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues and costs and are reflected in the Profit and Loss Account in the period in which the circumstances that give rise to the revision become known.

Experience, systematic use of the project execution model and focus on core competencies reduce, but do not eliminate, the risk that estimates associated with POC estimates may change significantly.

(ii) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful life economic lives of the assets. They are amended when necessary to reflect current estimates, based on future investment and the physical condition of the asset.

(iii) Inventory provision

The Company considers the recoverability of the cost of the inventory and associated provisioning required. When calculating the inventory provision, management considers the nature and condition of inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

PIPEX LIMITED

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

4. Turnover

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

A geographical analysis of turnover is as follows:

	2018 £000	2017 £000
Europe	9,566	12,880
Far East	880	52
Africa	171	122
Americas	170	38
Middle East	23	69
	<u>10,810</u>	<u>13,161</u>

An analysis of turnover by category is as follows:

	2018 £000	2017 £000
Sale of goods	6,837	8,403
Provision of services and construction contracts	3,973	4,758
	<u>10,810</u>	<u>13,161</u>

5. Operating (loss)/profit

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

	2018 £000	2017 £000
Exchange differences	15	(131)
Operating leases - land and buildings	66	66
Operating leases - plant and machinery	105	132
Depreciation of tangible fixed assets (note 14)	270	258
Depreciation of tangible fixed assets held under hire purchase (note 14)	24	30
Amortisation of intangible assets (note 13)	82	129
Amortisation of intangible assets held under hire purchase (note 13)	11	16
Auditors' remuneration (note 6)	28	24
Government grants	(90)	(115)
Research & development charged as an expense	15	-
Impairment of stock	88	-
	<u>88</u>	<u>-</u>

PIPEX LIMITED

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

6. Auditors' remuneration

	2018	2017
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>28</u>	<u>24</u>

7. Employees

The Company's employees' contracts of employment are with National Oilwell Varco UK Limited. However, as the employment costs associated with these employees are borne by the business, the Company has included relevant disclosures below.

Staff costs, excluding Directors' remuneration, were as follows:

	2018	2017
	£000	£000
Wages and salaries	4,643	4,701
Social security costs	442	451
Cost of defined contribution scheme (note 27)	217	206
Share based payments (note 24)	84	70
	<u>5,386</u>	<u>5,428</u>

The average monthly number of employees, excluding the Directors, during the year was as follows:

	2018	2017
	No.	No.
Administrative and support	19	22
Production	127	131
	<u>146</u>	<u>153</u>

PIPEX LIMITED

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

8. Directors' remuneration

The Directors of the Company are also Directors of the holding company and fellow subsidiaries.

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

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

9. Income from shares in group undertakings

	2018 £000	2017 £000
Pipex Composite Pipes Limited	-	2,295
Pipex Drainage & Civils Products Limited	-	640
Pipex Project Services Limited	-	433
	<u>-</u>	<u>3,368</u>

The amounts received during the year ended 31 December 2017 represent interim dividends declared by Pipex Composite Pipes Limited, Pipex Drainage & Civils Products Limited and Pipex Project Services Limited, which were satisfied by set-off against the intercompany debt due from Pipex Limited to these subsidiaries for the transfer of the trade and assets on 31 March 2016.

10. Interest receivable and similar income

	2018 £000	2017 £000
Other interest	<u>1</u>	<u>-</u>

11. Interest payable and similar expenses

	2018 £000	2017 £000
Finance leases and hire purchase contracts	<u>3</u>	<u>5</u>

PIPEX LIMITED

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

12. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on (loss)/profit for the year	(192)	68
Adjustments in respect of previous periods	(14)	-
	<u>(206)</u>	<u>68</u>
Foreign tax		
Foreign tax on income for the year	1	-
Total current tax	<u>(205)</u>	<u>68</u>
Deferred tax		
Origination and reversal of timing differences	-	(18)
Adjustments in respect of previous periods	8	(28)
Losses brought forward	-	70
Total deferred tax (note 20)	<u>8</u>	<u>24</u>
Taxation on (loss)/profit	<u>(197)</u>	<u>92</u>

PIPEX LIMITED

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

12. Taxation (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
(Loss)/profit before tax	(1,336)	3,659
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(254)	704
Effects of:		
Expenses not deductible for tax purposes	46	51
Adjustments in respect of previous periods	(6)	(28)
Other timing differences	16	-
Income not taxable for tax purposes	-	(648)
Tax rate differences	-	13
Overseas tax expensed	1	-
Total tax (credit)/charge for the year	(197)	92

Factors that may affect future tax charges

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

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

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

As at 15 September 2016 the reductions in the UK corporation tax rate to 19% (from 1 April 2017) and 17% (from 1 April 2020) were enacted and therefore a rate of 19% has been applied to the deferred tax calculations in these accounts.

PIPEX LIMITED

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

13. Intangible assets

	Software £000
Cost	
At 1 January 2018 and 31 December 2018	481
	<hr/>
Amortisation	
At 1 January 2018	362
Charge for the year	93
	<hr/>
At 31 December 2018	455
	<hr/>
Net book value	
At 31 December 2018	26
	<hr/> <hr/>
<i>At 31 December 2017</i>	119
	<hr/> <hr/>

PIPEX LIMITED

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

14. Tangible fixed assets

	Freehold land £000	Freehold buildings £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost						
At 1 January 2018	227	3,075	3,440	145	212	7,099
Additions	-	976	376	-	9	1,361
Adjustment	-	-	(495)	(35)	-	(530)
Disposals	-	-	(10)	(6)	-	(16)
At 31 December 2018	227	4,051	3,311	104	221	7,914
Depreciation						
At 1 January 2018	-	255	2,228	135	128	2,746
Charge for the year	-	96	170	5	23	294
Adjustment	-	-	(495)	(35)	-	(530)
Disposals	-	-	(5)	(1)	-	(6)
At 31 December 2018	-	351	1,898	104	151	2,504
Net book value						
At 31 December 2018	227	3,700	1,413	-	70	5,410
At 31 December 2017	227	2,820	1,212	10	84	4,353

Following a review of fixed assets, historic disposals not recorded as such were identified, and as a result, have been removed from the account.

PIPEX LIMITED

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

15. Fixed asset investments

	Subsidiary undertakings £000
Cost	
At 1 January 2018	89
Disposals	(85)
At 31 December 2018	<u>4</u>
Impairment	
At 1 January 2018	84
Charge for the year	5
Disposals	(85)
At 31 December 2018	<u>4</u>
Net book value	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>5</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal Activity
Pipex Structural Composites Limited	Ordinary	100 %	Dormant

The registered office address of Pipex Structural Composites Limited is C/O National Oilwell Varco Stonedale Road, Oldends Lane Industrial Estate, Stonehouse, Gloucestershire, United Kingdom, GL10 3RQ. During the year this investment was written down to the value of its share capital.

The following dormant subsidiaries were dissolved during the year:

- Pipex Composite Pipes Limited
- Pipex Project Services Limited
- Pipex Drainage & Civils Products Limited
- Pipex PX (Scotland) Limited

PIPEX LIMITED

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

16. Stocks

	2018 £000	2017 £000
Raw materials and consumables	2,066	1,640
Work in progress	218	312
Finished goods and goods for resale	6	9
	<u>2,290</u>	<u>1,961</u>

Stock recognised in Cost of sales during the year as an expense was £6,144,000 (2017 - £6,488,000).

17. Debtors

	2018 £000	2017 £000
Trade debtors	2,292	3,142
Amounts owed by fellow subsidiary undertakings	748	403
Prepayments and accrued income	217	281
Group relief recoverable	192	-
Other debtors	70	50
	<u>3,519</u>	<u>3,876</u>

Trade debtors are stated after provisions for impairment of £nil (2017 - £7,000).

18. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	2,901	1,177
Trade creditors	1,359	752
Accruals and deferred income	1,087	1,275
Amounts owed to subsidiary undertaking	499	499
Amounts owed to fellow subsidiary undertakings	188	127
VAT payable	181	390
Payments received on account	148	-
Obligations under finance lease and hire purchase contracts	-	39
Corporation tax	-	19
Derivative financial instruments	-	5
	<u>6,363</u>	<u>4,283</u>

PIPEX LIMITED

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

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

	2018 £000	2017 £000
Deferred government grant income	<u>64</u>	<u>97</u>

20. Deferred taxation

	2018 £000
At beginning of year	25
Adjustments in respect of prior years	8
At end of year	<u><u>33</u></u>

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	38	30
Share based payments	(5)	(5)
	<u>33</u>	<u>25</u>

21. Other provisions

	Warranty provision £000
At 1 January 2018	79
Additions	41
Amounts reversed	(50)
Utilised in year	(52)
At 31 December 2018	<u><u>18</u></u>

Warranty provision relates to expected warranty claims and it is expected that most of these costs will be incurred in the next financial year.

PIPEX LIMITED

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

22. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
24,073 Ordinary A shares of £1 each	24,073	24,073
32,208 Ordinary B shares of £1 each	32,208	32,208
2,985 Ordinary C shares of £1 each	2,985	2,985
1,267 Ordinary D shares of £1 each	1,267	1,267
	<hr/>	<hr/>
	60,533	60,533
	<hr/>	<hr/>

23. Reserves

Share premium reserve

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of redeemed shares.

Capital contribution reserve

This reserve records amounts received from fellow group entities, which are not repayable.

Share based payments reserve

At each Balance Sheet date, the cumulative cost of equity-settled transactions with employees is calculated. The movement in cumulative expense since the previous Balance Sheet date is recognised in the Profit and Loss Account, with a corresponding entry in equity.

24. Share based payments

Senior Executive Plan

Share options in the Company's ultimate parent National Oilwell Varco, Inc. are granted to senior executives. The exercise price of the options is equal to the closing market price of National Oilwell Varco, Inc. common stock on the date of the grant. The options vest over a three year period starting one year from the date of the grant and expire ten years from the date of the grant. There are no cash settlement alternatives.

Restricted shares

National Oilwell Varco, Inc. issues restricted stock awards with no exercise price to officers and key employees in addition to share options. During the year the Company granted restricted shares to key employees at a fair value of £25.45 (2017 - £31.20). These shares will not vest until the third anniversary of the date of the grant, at which time they will be 100% vested.

PIPEX LIMITED

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

25. Contingent liabilities

At 31 December 2018 the Company had contingent liabilities in respect of outstanding guarantees given for performance bonds and contracting agreements amounting to £93,000 (2017 - £130,000) entered into in the normal course of business.

26. Capital commitments

At 31 December 2018 the Company had capital commitments as follows:

	2018 £000	2017 £000
Contracted for but not provided in these financial statements	362	-

27. Pension commitments

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £217,000 (2017 - £206,000).

Contributions totalling £nil (2017 - £nil) were payable to the scheme at the Balance Sheet date.

28. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Plant and equipment		
Not later than 1 year	38	15
Later than 1 year and not later than 5 years	23	3
	<u>61</u>	<u>18</u>
	2018 £000	2017 £000
Land and buildings		
Not later than 1 year	10	33
Later than 1 year and not later than 5 years	17	-
	<u>27</u>	<u>33</u>

PIPEX LIMITED

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

29. 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.

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December 2018, were as follows:

	2018 Sales to related parties £000	2018 Amounts owed by related parties £000	2017 Sales to related parties £000	2017 Amounts owed by related parties £000
Fiber Glass Systems Oman LLC	5	-	-	-
Seabox AS	813	541	61	-
	818	541	61	-

30. Post balance sheet events

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

31. Controlling party

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

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.