

Registration number: 04825478

Vetco International Limited  
Annual Report and Financial Statements  
for the Year Ended 31 December 2015

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# Vetco International Limited

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# Vetco International Limited

## Strategic Report

### **Business review**

The results for the company show a pre-tax loss of \$7,000 (2014: \$8,000).

The company has net assets of \$346,417,000 (2014: \$346,424,000) of which \$1,511,000 (2014: \$1,520,000) is due from fellow GE group companies.

### **Principal risks and uncertainties**

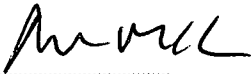
The principal risk of the company is the carrying value of its investments. The performance of the underlying subsidiary undertakings is periodically reviewed in order to mitigate this risk.

### **Financial key performance indicators**

The company has not identified any key performance indicators due to the nature of its operations as a holding company.

There were no significant transactions in the year and the directors are satisfied with both the performance for the year and balance sheet position at year-end.

Approved by the Board on 15 August 2016 and signed on its behalf by:



.....  
A M C Sloan  
Director

# Vetco International Limited

## Director's Report

The report and the financial statements for the year ended 31 December 2015.

### **Principal activity**

The principal activity of the company is that of a holding company.

### **Results and dividends**

The loss for the year, after taxation, amounted to \$7,000 (2014: \$8,000).

The directors do not recommend the payment of a dividend (2014: \$nil).

### **Directors of the company**

The directors who held office during the year and up to the date of the directors' report were as follows:

C M Deighan (resigned 24 March 2016)

J M Mock (resigned 6 November 2015)

A M C Sloan

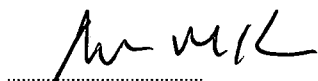
### **Disclosure of information to the auditors**

The director has taken steps that he ought to have taken as a director in order to make aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he is aware of and of which he knows the auditor is unaware.

### **Reappointment of auditors**

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 15 August 2016 and signed on its behalf by:



.....  
A M C Sloan  
Director

# Vetco International Limited

## Statement of Directors' Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the director must not approve the financial statements unless 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to ensure that the financial statements comply with the Companies Act 2006. general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and prevent and detect fraud and other irregularities.

# Vetco International Limited

## Independent Auditor's Report to the members of Vetco International Limited

We have audited the financial statements of Vetco International Limited for the year ended 31 December 2015, set out on pages 6 to 17. 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), including FRS 101 'Reduced Disclosure Framework'.

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 Statement of Directors' Responsibilities (set out on page 3), the director is 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 Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the 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 2015 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.

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

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

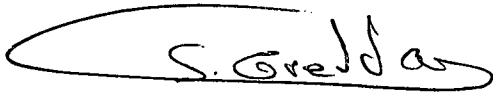
# Vetco International Limited

## Independent Auditor's Report to the members of Vetco International 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.



Slim Gueddana (Senior Statutory Auditor)

For and on behalf of  
**KPMG LLP**

Statutory Auditor  
Chartered Accountants

37 Albyn Place  
Aberdeen  
AB10 1JB

Date: 16 August 2016

# Vetco International Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 \$ 000	2014 \$ 000
Administrative expenses		<u>(9)</u>	<u>(9)</u>
<b>Operating loss</b>		(9)	(9)
Interest receivable and similar income	4	<u>2</u>	<u>1</u>
<b>Loss on ordinary activities before tax</b>		(7)	(8)
Tax on loss on ordinary activities	7	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<u>(7)</u>	<u>(8)</u>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<u><u>(7)</u></u>	<u><u>(8)</u></u>

The above results were derived from continuing operations.



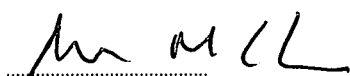
# Vetco International Limited

Registration number: 04825478

Balance Sheet  
as at 31 December 2015

	Note	2015 \$ 000	2014 \$ 000
<b>Fixed assets</b>			
Investments	8	347,068	347,068
<b>Current assets</b>			
Debtors	9	1,511	1,520
<b>Creditors:</b> Amounts falling due within one year	10	<u>(2,162)</u>	<u>(2,164)</u>
<b>Net current liabilities</b>		<u>(651)</u>	<u>(644)</u>
<b>Net assets</b>		<u>346,417</u>	<u>346,424</u>
<b>Capital and reserves</b>			
Called up share capital	11	3,097	3,097
Share premium account		16,146	16,146
Capital reserves		153	153
Profit and loss account		<u>327,021</u>	<u>327,028</u>
<b>Shareholders' funds</b>		<u>346,417</u>	<u>346,424</u>

Approved by the director on 15 August 2016.



A M C Sloan  
Director

## Vetco International Limited

### Statement of Changes in Equity for the Year Ended 31 December 2015

	Called up share capital \$ 000	Share premium account \$ 000	Capital reserves \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2015	3,097	16,146	153	327,028	346,424
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(7)	(7)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(7)	(7)
At 31 December 2015	<u>3,097</u>	<u>16,146</u>	<u>153</u>	<u>327,021</u>	<u>346,417</u>
	Called up share capital \$ 000	Share premium account \$ 000	Capital reserves \$ 000	Profit and loss account \$ 000	Total \$ 000
At 1 January 2014	3,097	16,146	153	327,036	346,432
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(8)	(8)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(8)	(8)
At 31 December 2014	<u>3,097</u>	<u>16,146</u>	<u>153</u>	<u>327,028</u>	<u>346,424</u>

# Vetco International Limited

## Notes to the Financial Statements

### 1 General information

The company is a private company limited by share capital incorporated and domiciled in the United Kingdom.

The address of its registered office is:

The Ark  
201 Talgarth Road  
Hammersmith  
London  
W6 8BJ

### 2 Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the company is provided in note 13.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at [www.ge.com](http://www.ge.com).

#### Exemption from preparing group accounts

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.

# Vetco International Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Changes in accounting policy

##### **New standards, interpretations and amendments effective**

The following have been applied for the first time from 1 January 2015 and have had an effect on the financial statements:

##### **FRS 100 and FRS 101**

In the current year the company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the company to take advantage of some of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

# Vetco International Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Going concern

The financial statements have been prepared on a going concern basis, notwithstanding net current liabilities of \$651,000 (2014: \$644,000).

The directors have reviewed the financial position of the company, including the arrangements with group undertakings. The directors have considered the financial position of the company's immediate group and ultimate parent.

On the basis of their assessment of the company's financial position and of the enquiries made by the directors, the company's directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the immediate group to continue as a going concern. Accordingly they expect that the company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Functional currency

The functional currency of the company is the US dollar. The company is expected to have a significant level of US dollar assets and transactions. The financial statements are presented in US dollars.

#### Foreign currency translation

Transactions in foreign currencies are recorded using a monthly average operating exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. The gains or losses arising are included in the profit and loss account.

#### Tax

Tax is recognised in the profit and loss account, except that a change 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 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.

Full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# Vetco International Limited

## Notes to the Financial Statements

### 2 Accounting policies (continued)

#### Investments

Investments in subsidiaries are valued at cost less provision for impairment.

At each balance sheet date the company reviews the carrying amounts of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If such indication exists, the recoverable amount of the investment is estimated based on its net asset value and value in use. Where the recoverable amount of the investment is less than the carrying value an impairment loss is recognised in profit or loss in the period.

### 3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

#### Impairment of investments

The principal activity of the company is to act as a holding company for underlying subsidiaries. As a result the main risk facing the company is the underlying trade of the investments not supporting the carrying value.

Investments are subject to impairment when there are indicators, such as, the net assets of the underlying company being less than the carrying value of the investments, adverse trade conditions in the underlying investments, cessation of trade in the underlying investments, significant losses in the year in the underlying investments and impairment of fixed assets in the underlying investments in the year.

Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs of disposal and value-in-use), an impairment loss is recognised by writing down the investments to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. The estimates of future cash flows exclude cash inflows or outflows attributable to financing activities and income tax. Impairment losses arising in respect of investments are not reversed once recognised.

# Vetco International Limited

## Notes to the Financial Statements

### 4 Interest receivable and similar income

	2015 \$ 000	2014 \$ 000
Interest receivable from group companies	<u>2</u>	<u>1</u>

### 5 Staff costs

The company has no employees (2014: nil). The directors did not receive any remuneration (2014: \$nil).

### 6 Auditors' remuneration

Remuneration of \$9,000 (2014: \$9,000) paid to the auditor for their services to the company was borne by a fellow group undertaking.

# Vetco International Limited

## Notes to the Financial Statements

### 7 Taxation

Tax charged in the profit and loss account

	2015 \$ 000	2014 \$ 000
UK corporation tax	-	-

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

	2015 \$ 000	2014 \$ 000
Loss before tax	(7)	(8)
Corporation tax at standard rate	(1)	(2)
Increase arising from group relief tax reconciliation	1	2
Total tax charge	-	-

The UK corporation tax rate was reduced from 21% to 20% on 1 April 2015. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted at the balance sheet date. This will reduce any current tax charges accordingly. Subsequently, the UK government announced that the UK corporation tax rate will reduce further to 17% from 1 April 2020. There are no other factors that may significantly affect future tax charges.

There were no amounts of provided or unprovided deferred taxation as at 31 December 2015 or 31 December 2014.

### 8 Investments

	Investments in subsidiary companies \$ 000
<b>Cost or valuation</b>	
At 1 January 2015	530,068
At 31 December 2015	530,068
<b>Provision</b>	
At 1 January 2015	183,000
At 31 December 2015	183,000



# Vetco International Limited

## Notes to the Financial Statements

### 8 Investments (continued)

Investments in  
subsidiary  
companies  
\$ 000

#### Net book value

At 31 December 2015	347,068
At 31 December 2014	347,068

The directors of the company have undertaken a review of the company's investment in group undertakings as at 31 December 2015. There are no indications of impairment and the carrying value of the investment is correct.

Details of the company's undertakings as at 31 December 2015 are as follows:

Name and nature of business	Country of registration	Percentage of shares held
Vetco Gray, Inc - Manufacture and construction of drilling and production equipment	United States	100%
Vetco Gray Trinidad Ltd* - Field services and asset management services	Trinidad	100%
Vetco Gray de Mexico SA de CV* - Manufacture, service, remanufacture and inspection of oil and natural gas valve equipment	Mexico	99.99%
Vetco Gray de Venezuela CA* - Manufacture and construction of surface drilling	Venezuela	100%
Pt Vetco Gray Indonesia* - Design, manufacture, fabrication, rental and repair of drilling equipment for the oil and gas industry	Indonesia	95%
Vetco Gray (Hong Kong) Limited* - Holding Company	Hong Kong	100%
PII North America LLC - Professional, Scientific, and Technical Services	United States	50%

# Vetco International Limited

## Notes to the Financial Statements

### 8 Investments (continued)

France 100%

Vetco Gray France SARL\*

- Sale of Vetco Gray products and services required in region

\* Indirect holdings

The directors have reviewed the carrying value of the company's investments as at 31 December 2015 and, in their opinion, the shares in its subsidiary undertakings are worth at least the amount stated in the balance sheet.

### 9 Debtors

	2015 \$ 000	2014 \$ 000
<b>Due within one year</b>		
Amounts owed by group undertakings	<u>1,511</u>	<u>1,520</u>

### 10 Creditors: Amounts falling due within one year

	2015 \$ 000	2014 \$ 000
Other creditors	-	2
Corporation tax	<u>2,162</u>	<u>2,162</u>
	<u>2,162</u>	<u>2,164</u>

# Vetco International Limited

## Notes to the Financial Statements

### 11 Share capital

#### Allotted, called up and fully paid shares

	2015		2014	
	No. 000	\$ 000	No. 000	\$ 000
Ordinary shares of \$0.01 each	<u>309,665</u>	<u>3,097</u>	<u>309,665</u>	<u>3,097</u>

### 12 Ultimate parent undertaking and Controlling party

The company's immediate parent undertaking and controlling party is IGE USA Group Limited, a company registered in the United Kingdom.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at [www.ge.com](http://www.ge.com).

### 13 Transition to FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.