



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 959 237 166
Organisasjonsform: Aksjeselskap
Foretaksnavn: TUBOSCOPE NORGE AS
Forretningsadresse: Gjertrudvegen 9A
5353 STRAUME

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Knut Kloster
Dato for fastsettelse av årsregnskapet: 18.11.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 07.12.2022



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue	13	361 836 023	224 424 283
Other operating revenue		2 221 661	
Sum inntekter		364 057 684	224 424 283
Kostnader			
Cost of Materials		65 671 355	61 659 768
Personell expenses	2	148 728 801	94 940 092
Depreciation of operating and intangible assets	4,5	16 628 152	6 962 323
Nedskrivning av varige driftsmidler og immaterielle eiendeler	4	9 833 090	-20 868
Other operating expenses		143 382 414	69 960 748
Sum kostnader		384 243 812	233 502 063
Driftsresultat		-20 186 128	-9 077 780
Finansinntekter og finanskostnader			
Annen renteinntekt	12	14 600	3 752 027
Sum finansinntekter		14 600	3 752 027
Rentekostnad til foretak i samme konsern	12	2 443 798	3 011 233
Annen rentekostnad	12	419 594	141 651
Other financial expenses	12	1 339 459	2 288 505
Sum finanskostnader		4 202 851	5 441 389
Netto finans		-4 188 251	-1 689 362
Ordinært resultat før skattekostnad		-24 374 379	-10 767 142
Tax on ordinary result	10	-8 322 198	-2 366 343
Ordinært resultat etter skattekostnad		-16 052 181	-8 400 799
Årsresultat		-16 052 181	-8 400 799
Overføringer og disponeringer			
Transfer from other Equity		-16 052 181	-8 400 799
Sum overføringer og disponeringer		-16 052 181	-8 400 799



Resultatregnskap

Beløp i: NOK	Note	2020	2019
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Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Research and development	5	2 098 813	3 464 105
Concessions, patents, trademarks, and similar rights	5	9 242	94 393
Utsatt skattefordel	10	16 929 599	2 257 300
Sum immaterielle eiendeler		19 037 654	5 815 798
Varige driftsmidler			
Buildings and Land	4	2 926 958	3 389 319
Machinery & Equipment	4	30 708 152	29 349 343
Equipment and other Movables	4	116 679 748	
Sum varige driftsmidler		150 314 858	32 738 662
Finansielle anleggsmidler			
Investering i datterselskap		0	151 201 010
Prepayment	6		33 173 137
Sum finansielle anleggsmidler		0	184 374 147
Sum anleggsmidler		169 352 512	222 928 607
Omløpsmidler			
Varer			
Inventories	11	38 052 337	13 996 279
Sum varer		38 052 337	13 996 279
Fordringer			
Accounts receivable	6	98 640 261	62 969 224
Other short term receivables	6	10 933 146	18 998 306
Sum fordringer		109 573 407	81 967 530
Sum omløpsmidler		147 625 744	95 963 809
SUM EIENDELER		316 978 256	318 892 416



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	8,9	250 000	250 000
Overkurs	9	96 041 571	96 041 571
Sum innskutt egenkapital		96 291 571	96 291 571
Opptjent egenkapital			
Other equity	9	-24 291 175	7 720 443
Sum opptjent egenkapital		-24 291 175	7 720 443
Sum egenkapital		72 000 396	104 012 014
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner			4 757 649
Langsiktig konserngjeld	6	158 806 388	156 011 233
Other long rterm liabilities		3 667 996	
Sum annen langsiktig gjeld		162 474 384	160 768 882
Sum langsiktig gjeld		162 474 384	160 768 882
Kortsiktig gjeld			
Leverandørgjeld	6	45 444 213	32 428 090
Public duties payable		9 251 689	4 966 109
Other current debt	6	27 807 574	21 505 534
Sum kortsiktig gjeld		82 503 476	58 899 733
Sum gjeld		244 977 860	219 668 615
SUM EGENKAPITAL OG GJELD		316 978 256	323 680 629



Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 898766

Enheten

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Organisasjonsform: Aksjeselskap
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Brønnøysundregistrene, 22.11.2021



Organisasjonsnr: 959 237 166
TUBOSCOPE NORGE AS

RESULTATREGNSKAP

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Organisasjonsnr: 959 237 166
TUBOSCOPE NORGE AS

BALANSE

Beløp i: NOK

Note	2020	2019
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BALANSE - EIENDELER

Anleggsmidler

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Sum anleggsmidler		169 352 512	222 928 607
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Omløpsmidler

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Organisasjonsnr: 959 237 166
TUBOSCOPE NORGE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note
1

Regnskapsprinsipper
Se filvedlegg

Note
2

Lønn og ytelser

<u>Lønn</u>	<u>Årets</u>	<u>Fjorårets</u>
	93853195.00	53673012.00
<u>Arbeidsgiveravgift</u>	<u>Årets</u>	<u>Fjorårets</u>
	14170162.00	8625445.00
<u>Pensjonskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	7667920.00	3711163.00
<u>Andre ytelser</u>	<u>Årets</u>	<u>Fjorårets</u>
	33037525.00	28930473.00
<u>Sum lønnskostnader</u>	<u>Årets</u>	<u>Fjorårets</u>
	148728802.00	94940093.00

Note
2

Ytelser til ledende personer

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
	1071466.00	57948.00	416516.00

Note
2

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:
188.00

Note
3



Obligatorisk tjenstepensjon

Er virksomheten pliktig til å ha tjenstepensjonsordning etter lov:
Ja

Oppfyller pensjonsordning lovkravene: Ja

Note

2

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei



Statsautoriserte revisorer
Ernst & Young AS

Vassbotnen 11a Forus, NO-4313 Sandnes
Postboks 8015, NO-4068 Stavanger

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Tuboscope Norge AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Tuboscope Norge AS, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations 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.

Responsibilities of management for the financial statements

The Board of Directors (management) is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's 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 auditor's 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from



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- fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
 - ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Other matters

This report replaces our previous auditor's report, dated 09.09.2021, issued at the expiration of the statutory deadline for holding the Annual Shareholders' Meeting. At that time, the financial statements and the Directors' report had not been approved.

Stavanger, 16 November 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Stig Tore Strand
State Authorised Public Accountant (Norway)

Independent auditor's report – Tuboscope Norge AS

A member firm of Ernst & Young Global Limited

Penneo Dokumentnøkkel: 251ZK-OUZBO-P3BSI-Y60Z6-Y7NFB-M6XES



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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Stig Tore Strand

Statsautorisert revisor

På vegne av: EY

Serienummer: 9578-5998-4-756562

IP: 145.62.xxx.xxx

2021-11-16 14:06:44 UTC



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TUBOSCOPE NORGE AS

ANNUAL REPORT

2020

Org.nr. 959 237 166



Tuboscope Norge AS

(Org.nr.: 959 237 166)

REPORT FROM THE BOARD OF DIRECTORS

General information about the Company, nature of business and location

Tuboscope Norge AS is a leading supplier of inspection, hardbanding and recut services services for drilling and production equipment and other equipment for the offshore industry. The Company has operations in Stavanger, Ågotnes, Mongstad, Florø and Kristiansund.

Tuboscope Norge is a Subsidiary of National Oilwell Varco Norway AS. Ultimate parent company is National Oilwell Varco, Inc. National Oilwell Varco ("NOV") has its' headquarter in Houston, USA and is listed on the New York Stock Exchange, USA. The Company's office address is at Straume in Fjell Community.

Going concern

The financial statements have been prepared under the assumption of going concern in accordance with the Norwegian accounting act section 3-3a and the Board of Directors confirms that this assumption is appropriate. It is also the Board of Director's opinion that the financial statements accurately present the Company's assets and liabilities, financial position and profits.

Report on financial statements

The Company's operating revenue was NOK 364.1 million in 2020.

The company's operating result and net income for the year was NOK -20.2 million and NOK -16.1 million respectively. 2019 had an operating result and net income of NOK -9.1 million and -8.4 million respectively.

The company invested a total of NOK 12.7 million during 2020, mainly related to investments in machines used in production. The investments were financed through operating activities. In addition the company purchased Tuboscope Machining Services AS (earlier Norse Oilfield Services AS). This investment was financed through loan from a group company.

Net cash flow from operating activities was NOK 23.4 million in 2020. Corresponding figure in 2019 was NOK 2.5 million.

Health, safety, and environment

The company has a positive working environment. Absence due to sickness was 6.4 %. The corresponding figure in 2019 was 5.79 %. Several action plans are in place to further improve the working environment and keep absence due to sickness as low as possible.

3 injuries was registered during 2020 resulting in an absence of 31 days. In 2019 the Company registered 6 injuries resulting in an absence of 79 days.

Equality and diversity

The company aims to home a working environment where equal opportunities exists between sexes. The company has incorporated a policy concerning equal opportunities which targets zero tolerance when it comes to discrimination between sexes.

Tuboscope Norge AS had 188 employees at the year end, of which 13% were female. In the administration there are 38% female and 62% male employees, and in the operation there are 6% female and 94% male.

The company also has a goal of having a working environment where no one is discriminated because of one's ethnic or cultural orientation. The company has adopted several global NOV policies such as; NOV Equal Employment Opportunity policy and NOV Sexual Harassment policy. These policies are guiding with respect to how the company's management and employees should promote equality and diversity. In addition, the company frequently arranges global campaigns concerning these topics.



Pollution from the production facilities of the Company include substances that can harm the external environment. The Company's activities are executed in facilities approved for these type of activities and within regulations set by the authorities. No event of substantial emission or pollution was reported during 2020. The Company is continuously working towards improving its protection of the external environment.

Financial risk

Market Risk

The Company has no long term debt so any fluctuations in the interest rates will not have a big impact.

Credit Risk

The Company considers the risk from counterparties being unable to fulfill their financial commitments as low based on the nature of the customers.

Liquidity Risk

The Company considers the cash flow of the Company to be strong, and currently has no plans to take further action in respect of liquidity risk.

Report on business outlook

The Company believes it is well positioned, and should benefit from its access to credit, NOV global infrastructure, NOV broad product and service offering and installed base of equipment. In the current situation with market downturn, the Company believes that its long history of cost-control and downsizing in response to slowing market conditions, and to capitalize on new opportunities within NOV to affect new organic growth, will enable the company to continue to run their business in a profitable way in the coming years.

Research and development

The Company has no Research and development activity.

Application of annual result

The Board proposes that the loss of the year of Tuboscope Norge AS, NOK -16,052,181 is allocated as follows:

Transfer to/ from retained earnings	-16,052,181
Total allocated	-16,052,181

Straume, 12.11.2021
The board of Tuboscope Norge AS

Trevor Brian Martin
chairman of the board

Robbert Oudendijk
member of the board

Dag Gjert Thomassen
General Manager



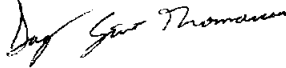


Profit and Loss			
Tuboscope Norge AS			
Operating income and operating expenses	Note	2020	2019
Revenue	13	361,836,023	224,424,283
Other operating income		2,221,661	0
Total operating income		<u>364,057,684</u>	<u>224,424,283</u>
Cost of materials		65,671,355	61,659,768
Personnel expenses	2	148,728,801	94,940,092
Depreciation of operating and intangible assets	4, 5	16,628,152	6,962,323
Write-downs of tangible and intangible assets	4	9,833,090	-20,868
Other operating expenses		143,382,414	69,960,748
Total operating expenses		<u>384,243,812</u>	<u>233,502,063</u>
Operating profit		<u>-20,186,128</u>	<u>-9,077,780</u>
Financial income and expenses			
Other interest income	12	14,600	3,752,027
Interest expense to group companies	12	2,443,798	3,011,233
Other interest expenses	12	419,594	141,651
Other financial expenses	12	1,339,459	2,288,506
Net financial items		<u>-4,188,251</u>	<u>-1,689,362</u>
Operating result before tax		-24,374,379	-10,767,142
Tax on ordinary result	10	-8,322,198	-2,366,343
Ordinary result after tax		<u>-16,052,181</u>	<u>-8,400,799</u>
Annual net profit		<u>-16,052,181</u>	<u>-8,400,799</u>
Brought forward			
Transferred from other equity		-16,052,181	-8,400,799
Net brought forward		<u>-16,052,181</u>	<u>-8,400,799</u>



Balance sheet			
Tuboscope Norge AS			
Assets	Note	2020	2019
Fixed assets			
Intangible assets			
Research and development	5	2,098,813	3,464,105
Concessions, patents, trademarks, and similar rights	5	9,242	94,393
Deferred tax assets	10	16,929,599	2,257,300
Total intangible assets	5	<u>19,037,654</u>	<u>5,815,797</u>
Tangible assets			
Buildings and land	4	2,926,958	3,389,319
Machinery and equipment	4	30,708,152	29,349,343
Equipment and other movables	4	116,679,748	0
Total tangible assets		<u>150,314,858</u>	<u>32,738,662</u>
Investments in subsidiaries		0	151,201,010
Prepayment	6	0	33,173,137
Total financial fixed assets		<u>0</u>	<u>184,374,147</u>
Total fixed assets		<u>169,352,511</u>	<u>222,928,606</u>
Current assets			
Inventories	11	38,052,337	13,996,279
Debtors			
Accounts receivables	6	98,640,261	62,969,224
Other short-term receivables	6	10,933,146	18,998,306
Total receivables		<u>109,573,407</u>	<u>81,967,531</u>
Investments			
Cash and bank deposits	7	0	0
Total current assets		<u>147,625,744</u>	<u>95,963,810</u>
Total assets		<u>316,978,255</u>	<u>318,892,416</u>



Balance sheet			
Tuboscope Norge AS			
Equity and liabilities	Note	2020	2019
Paid-up equity			
Share capital	8, 9	250,000	250,000
Other paid-up equity	9	96,041,571	96,041,571
Total paid-up equity		96,291,571	96,291,571
Retained earnings			
Other equity	9	-24,291,175	7,720,443
Total retained earnings		-24,291,175	7,720,443
Total equity		72,000,396	104,012,014
Liabilities			
Provisions for liabilities			
Other long-term liabilities			
Liabilities to financial institutions		0	4,757,649
Liabilities to group companies	6	158,806,388	156,011,233
Other long term liabilities		3,667,996	0
Total of other long term liabilities		162,474,384	160,768,882
Current debt			
Trade creditors	6	45,444,213	32,428,090
Public duties payable		9,251,689	4,966,109
Other current debt	6	27,807,574	21,505,534
Total current debt		82,503,475	58,899,733
Total liabilities		244,977,859	219,668,615
Total equity and liabilities		316,978,255	323,680,629
Straume, 12.11.2021			
The board of Tuboscope Norge AS			
			
Trevor Brian Martin chairman of the board	Robbert Oudendijk member of the board	Dag Gjert Thomassen General Manager	
Tuboscope Norge AS		Page 6	



Cash Flow Statement

Tuboscope Norge AS

	Note	2020	2019
Cash flows from operating activities			
Operating result before tax		-24,374,379	-10,767,142
+ Ordinary depreciation and amortization		16,628,152	6,962,323
+ Write-down assets/reversal of write down		9,833,090	-20,868
+/- Change in inventory		<u>-6,301,760</u>	<u>-5,186,992</u>
+/- Change in trade debtors		3,268,478	-5,768,619
+/- Change in trade creditors		<u>-6,575,130</u>	<u>3,849,592</u>
+/- Changes in other accrued items		<u>30,872,693</u>	<u>13,410,209</u>
= Net cash flow from operating activities		<u>23,351,143</u>	<u>2,478,504</u>
Cash flows from investment activities			
- Payment for purchasing fixed assets		12,716,450	7,369,471
- Payments for shares in companies		0	142,601,010
= Net cash flow from investment activities		<u>-12,716,450</u>	<u>-149,970,481</u>
Cash flows from financing activities			
+ Proceeds from issuing of long-term debt		0	156,011,233
+ Cash from merged company		15,739	0
= Net cash flow from financing activities		<u>15,739</u>	<u>156,011,233</u>
= Net change in cash, cash equivalents and bank overdraft		10,650,432	8,519,256
+/- Net deposit in NOV cashpool		<u>-10,650,432</u>	<u>-8,519,256</u>
= Cash, cash equivalents and bank overdraft at end of year		<u>0</u>	<u>0</u>



Note 1 Accounting Principles

General

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles. Tuboscope Norge AS is 100% owned by Natinal Oilwell Varco Norway AS. The company is included in the group National Oilwell Varco Inc., which is listed in the U.S..

Principles for assessment and classification of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities are the same criteria used.

Assets are recorded at cost and are written down to fair value if impairment is not expected to be temporary. Fixed assets with a limited useful life are depreciated. Current assets are valued at the lower of cost and net realizable value. Other non-current and current liabilities are valued at nominal. Some items are valued by other principles, as explained below.

Fixed assets

Fixed assets are capitalized and depreciated over the useful life if this is longer than 3 years and the acquisition cost is higher than NOK 15 000. Direct maintenance costs are expensed as incurred, while improvements are added to the acquisition cost and depreciated along with the asset.

Leased fixed assets are capitalized and depreciated if they are considered as financial leasing.

Inventories

Inventories of goods are valued at the lower of cost on a FIFO basis and net realizable value. It is made impairment for estimated obsolescence.

Receivables

Trade and other receivables are recorded at nominal value less a provision for doubtful debts. Provision is based on an individual assessment of each receivable.

Currency

Monetary items denominated in foreign currencies are calculated at exchange rates at the balance sheet date. Transactions in foreign currencies are generally calculated at the exchange rate in the current period.

Revenue

Revenue from sale of goods is recognized upon delivery. Services are recognized in accordance with the execution.

Accrued income, not yet invoiced and deposits from customers related to not finished projects is specified as accounts receivables and other short term liabilities in the balance sheet.

Project costs include direct material, subcontractor costs, and labour costs. Expected project costs include allowances for completion risk and guarantees that normally cannot be determined until the late stages of a project. Revisions of estimates during the period of a project are recognized in the accounting period in which the revised estimate is made. If expected total project costs exceed expected income, the full amount of the loss is recognized.

Costs

Costs are generally entered in the same period as the related revenue. In those cases where there is not a clear relationship between spending and revenue, the distribution is determined by discretionary criteria.

Use of estimates

The preparation of financial statements in accordance with NGAAP requires that management make



estimates and assumptions that affect the amounts of assets and liabilities in the balance sheet and reported amounts of revenues and expenses during the financial year. The final values realized may differ from these estimates.

Pension

The Company has defined contribution schemes, which are expensed in accordance with premium payments. Future pension contributions depend on number of years in participation, salaries and return on capital.

The Company also participates in a pension scheme (AFP) which gives most of the employees the opportunity to an early retirement. In accordance with NGAAP this pension scheme is booked as a defined benefit scheme.

Tax

Tax expense in the income statement for the period comprises current tax and changes in deferred tax. Deferred tax is calculated at 22% on the basis of temporary differences between accounting and tax values. Deferred tax assets and liabilities are presented net in the balance.

Cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

Note 2 - Salaries, allowances, loans to employees

Salaries	2020	2019
Wages	93,853,195	53,673,012
Employer tax	14,170,162	8,625,445
Pension	7,667,920	3,711,163
Other salary related expenses	33,037,525	28,930,473
Sum	148,728,801	94,940,092
Full time equivalent	188	84

Remuneration to executive personnel

The General manager has received a salary of NOK 1 071 466 and additional payments of NOK 416 516. The general manager is part of the same pension plan as other employees of the company, and payments to this plan for the general manager during the year amounts to NOK 57 948.

There are no loans or guarantees to the senior management of the company.

Auditor

Audit fees for 2020 amounts to NOK 1,427,320 for statutory audit. Audit fees are exclusive of VAT.



Note 3 - Pension Liabilities

The Company has a defined contribution pension plan for all its employees. This is funded from operations. Pension payments of defined contribution plan is NOK 4 372 447.

The company's pension scheme satisfies the requirements of the law on mandatory service. Pension costs and pension liabilities are calculated based on the employees that are members of the scheme.

Note 4 - Fixed assets, leasing and rentals

	Inspection halls	Machinery and equipment	Vehicles	Other fixed assets	Total
Acquisition cost 01.01.2020	10,987,685	73,332,817	0	0	84,320,502
Additions through merger	0	0	5,124,586	300,171,475	305,296,061
Correction of historical cost	-8,996	-1,420,821	0	-21,870,942	-23,300,759
Additions	0	2,720,867	0	9,995,583	12,716,450
Disposals/transfer/impairment	0	-1,564,280	0	-9,833,090	-11,397,370
Acquisition cost 31.12.2020	10,978,689	73,068,583	5,124,586	278,463,026	367,634,884
Acc. depreciation 01.01.2020	7,598,365	39,195,261	0	0	46,793,626
Accumulated depreciation from merger	0	0	4,741,232	168,990,995	173,732,227
Correction of accumulated depreciation	-8,996	-1,254,281	0	-16,304,037	-17,567,314
Depreciation	462,361	5,530,238	217,896	9,261,778	15,472,273
Disposals/transfer	0	-1,110,786	0	0	-1,110,786
Acc. depreciations 31.12.2020	8,051,730	42,360,432	4,959,128	161,948,736	217,320,026
Book value 31.12.2020	2,926,959	30,708,151	165,458	116,514,290	150,314,858
	0	0	0	0	0
Useful life	10-20 years	5-10 years	15-20 years	4-40 years	

Included in the numbers above are leased fixed assets with net book value of 5,097,055 NOK and the depreciation expense for these leased fixed assets are 1,489,314 NOK in 2020.



At year end the Company has entered into the following operational lease agreements:

	Annual Rent 2020	Lease Maturity	Commitment 2021	Commitment 2022	Commitment 2022<
Leasing of Buildings	33,232,657	2021-2038	27,571,377	28,233,934	198,214,904
Leasing of Equipment	2,427,435	2021-2027	1,096,576	777,608	125,696

Note 5 Intangible assets

	R&D	Patents	Total
Acquisition cost 01.01.2020	40,869,383	8,044,231	48,913,614
Acquisition cost 31.12.2020	40,869,383	8,044,231	48,913,614
Accumulated depr. 01.01.2020	37,672,023	7,977,657	45,649,680
The year's depreciation	1,098,547	57,332	1,155,879
Book value as at 31.12.2020	2,098,813	9,242	2,108,055
The year's depreciation	1,098,547	57,332	1,155,879
The year's write-downs	0	0	
Depreciation rates	14 %	20 %	

Note 6 - Balances with group companies

	2020	2019
Receivables		
Accounts receivable	38,389,799	26,498,709
Prepaid Royalty	0	33,173,137
Loan to subsidiary	0	9,000,000
Other receivables	7,165,014	3,143,468
Liabilities		
Trade creditors	18,524,396	23,994,871
Long term liabilities	158,806,388	156,011,233

The company is included in a cash pool owned by NOV Norway AS (owner), and most bank deposits are therefore presented as receivable from NOV Norway (under other receivables above) since they own the cash pool. The company has through this cash pool access to necessary funds included access to credit if needed to continue its operations.

All receivables and payables are due within 1 year after year after year-end. Prepaid royalty paid in 2015 and expensed over 5 years has now been fully expensed.



Note 7 - Bank deposits and more

Deposit for payment of withheld personal income tax have been secured with a bank guarantee of 6 500 000 NOK.

Note 8 - Share capital and shareholder information

The share capital of NOK 250 000 consists of 250 shares at a nominal value of NOK 1 000. All shares are owned by National Oilwell Varco Norway AS, and is part of the National Oilwell Varco Inc group with headquarters in Houston, USA.

Note 9 Equity

	Share capital	Additional paid in capital	Share premium	Other equity	Total equity
Pr. 31.12.2019	250,000	96,041,571	0	7,720,443	104,012,014
Historical correction*				-13,174,023	-13,174,023
Merger				-2,785,414	-2,785,414
Net profit				-16,052,181	-16,052,181
Pr 31.12.2020	250,000	96,041,575	0	-24,291,175	72,000,396

*The historical correction is related to prepaid royalty paid in 2015, which based on the terms of the agreement was not appropriately adjusted for in prior years.

Note 10 Tax

This year's tax expense	2020	2019
Entered tax on ordinary profit/loss:		
Payable tax	0	0
Changes in deferred tax assets	-8,322,198	-2,366,343
Tax expense on ordinary profit/loss	-8,322,198	-2,366,343
Taxable income:		
Ordinary result before tax	-24,374,379	-10,767,142
Permanent differences	-13,453,793	11,039
Taxable income	-37,828,172	-10,756,103
Payable tax in the balance:		
Payable tax on this year's result	0	0
Total payable tax in the balance	0	0
Calculation of effective tax rate		
Profit before tax	-24,374,379	-10,767,142
Total	0	0

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences



	2020	2019	Difference
Deferred tax assets (22 %)	-16,929,598	-8,607,400	8,322,198

Note 11 Inventories

	2020	2019
Goods for resale	33,358,601	11,144,040
Materials for use in production	4,693,737	2,852,239
Sum	38,052,337	13,996,279

Note 12 Financial Items

Other financial income	2020	2019
Interest income	14,600	3,752,027
Total other financial income	14,600	3,752,027
Other financial expenses	2020	2019
Interest expense to group entities	2,443,798	3,011,233
Other interest expense	419,594	141,651
Foreign exchange loss	1,319,501	2,288,506
Other financial expenses	19,959	0
Total other financial expenses	4,202,851	5,441,390

Note 13 Revenue by segment

All revenue are connected to customers in Norway and allocated to inspection, machining and repair services for the offshore industry.

Note 14 Merger

Effective 1 January 2020, Tuboscope Machining Services AS (transferor) is merged with Tuboscope Norge AS (transferee). The transaction was carried out at continuity for accounting purposes, ref. Norwegian Accounting Act section 7-2.

The companies were merged according to simplified principles for subsidiary companies merger, ref. Norwegian Shareholder Act section 13-24 by wholly transferring of the subsidiary's assets, rights and obligations to the parent company as transferee. According to the Norwegian Shareholder Act section 13-24 no consideration shall be paid.



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Rune Tystad	04.10.2012	19.10.2012
Telefon	Deres referanse	Vår referanse
977 59 464	79831223	2012/775185

NATIONAL OILWELL VARCO NORWAY AS
Postboks 8181
4069 STAVANGER

Dispensasjon fra kravet om utarbeidelse av årsregnskap og årsberetning på norsk språk for Tuboscope Norge AS, org.nr. 959 237 166

Vi viser til deres brev av 4. oktober 2012 hvor dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Tuboscope Norge AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering gitt Tuboscope Norge AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd.

Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Bakgrunn

Fra søknaden gjengis:

Tuboscope Norge AS er en ledende leverandør av tjenester innenfor inspeksjon og overflatebehandling av rør, samt kveilerør og trykkontroll utstyr til oljeindustrien. Selskapet er heleid datter av National Oilwell Varco (NOV) Norway AS, og inngår i NOV konsernet som er notert på børsen i New York i USA.

Konsernets arbeidsspråk er engelsk. Konsernet opererer i sektorer der engelsk er det klart dominerende språket. Selskapets aksjonær er ett utenlandsk selskap, og all kommunikasjon med konsernets primære kunder og kreditorer foregår på engelsk, herunder oversendes ett oversatt engelsk regnskap til disse.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives,

Postadresse	Besøksadresse	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org. nr: 996250318	Telefaks
For elektronisk henvendelse se www.skatteetaten.no		22 17 08 60



f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”


Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

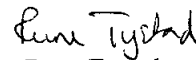
Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapets virksomhet er i en sektor der engelsk er det klart dominerende språket og at arbeidsspråket er engelsk. Videre er det vektlagt at selskapet indirekte eies av et utenlandsk selskap.

Vennligst oppgi vår referanse ved henvendelser i anledning saken.

Med hilsen


Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet


Rune Tystad