

Edgar Filing: CORE LABORATORIES N V - Form 11-K

CORE LABORATORIES N V
Form 11-K
June 27, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from _____ to _____

Commission File Number 001-14273

A. Full title of the plan and the address of the plan, if different from that of
the issuer named below:

CORE LABORATORIES PROFIT SHARING AND RETIREMENT PLAN
6316 Windfern Road
Houston, Texas 77040

B. Name and issuer of the securities held pursuant to the plan and the address
of its principal executive office:

Core Laboratories N.V.
Herengracht 424
1017 BZ Amsterdam
The Netherlands

CORE LABORATORIES

Edgar Filing: CORE LABORATORIES N V - Form 11-K

PROFIT SHARING AND RETIREMENT PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE

AS OF DECEMBER 31, 2002

TOGETHER WITH AUDITORS' REPORT

CORE LABORATORIES

PROFIT SHARING AND RETIREMENT PLAN

INDEX TO FINANCIAL STATEMENTS

AND SUPPLEMENTAL SCHEDULE

DECEMBER 31, 2002

	Page (s)
Report of Independent Auditors.....	1
Financial Statements-	
Statements of Net Assets Available for Plan Benefits as of December 31, 2002 and 2001.....	2
Statement of Changes in Net Assets Available for Plan Benefits for the Year Ended December 31, 2002.....	3
Notes to Financial Statements.....	4-8
Supplemental Schedule*-	
Schedule of Assets (Held at End of Year) as of December 31, 2002.....	9

Edgar Filing: CORE LABORATORIES N V - Form 11-K

* All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because the information required by the schedules has been included in the notes to financial statements or the schedules are not applicable.

REPORT OF INDEPENDENT AUDITORS

To the Participants and Administrator of
Core Laboratories Profit Sharing and Retirement Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Core Laboratories Profit Sharing and Retirement Plan (the "Plan") at December 31, 2002 and December 31, 2001, and the changes in net assets available for benefits for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Houston, Texas

June 26, 2003

Edgar Filing: CORE LABORATORIES N V - Form 11-K

CORE LABORATORIES

PROFIT SHARING AND RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS

AS OF DECEMBER 31, 2002 AND 2001

	2002 ----	2001 ----
ASSETS		
Cash, noninterest-bearing	\$ 44,263	\$ 167,580
Investments, at fair value:		
Life insurance	43,709	54,325
Interest-bearing cash	2,617	19,802
Collective trust fund	5,894,230	3,952,082
Common stock	6,388,643	7,635,867
Mutual funds	22,554,374	25,914,574
Participant loans	1,211,004	1,034,700
	-----	-----
	36,094,577	38,611,350
Receivables:		
Other receivables	2,097	17,536
	-----	-----
	2,097	17,536
	-----	-----
Total assets	36,140,937	38,796,466
LIABILITIES		
Other payables	38,018	139,779
	-----	-----
Total liabilities	38,018	139,779
	-----	-----
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$ 36,102,919 =====	\$ 38,656,687 =====

The accompanying notes are an integral part of these financial statements.

CORE LABORATORIES

PROFIT SHARING AND RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2002

Edgar Filing: CORE LABORATORIES N V - Form 11-K

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:		
Interest and dividends		\$ 311,253
Contributions:		
Participant		3,562,405
Employee rollovers		300,118
Employer		1,727,763
Excess funds transferred from retirement plan (Note 7)		189,523

		5,779,809

Total additions		6,091,062

DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:

Net depreciation in fair value of investments:		
Common stock		1,337,962
Mutual funds		3,688,783

		5,026,745
Withdrawals and retirement benefits		3,502,819
Administrative expenses		96,820
Other deductions		18,446

Total deductions		8,644,830

NET DECREASE		(2,553,768)
NET ASSETS AVAILABLE FOR PLAN BENEFITS		
Beginning of year		38,656,687

End of year		\$36,102,919
		=====

The accompanying notes are an integral part of these financial statements.

CORE LABORATORIES

PROFIT SHARING AND RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002 and 2001

1. SUMMARY OF SIGNIFICANT PLAN PROVISIONS:

The Core Laboratories Profit Sharing and Retirement Plan (the "Plan" or "Core

Edgar Filing: CORE LABORATORIES N V - Form 11-K

Lab Plan") was established by Core Laboratories LP (the "Company"), effective October 1, 1994. Effective May 1, 2002, the Plan was amended to reflect a change in the Company's name and legal status from Core Laboratories, Inc. to Core Laboratories LP. The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Security Act of 1974, as amended ("ERISA"). Effective January 1, 2002, the Plan was restated in its entirety to incorporate previous amendments necessary to conform to recent legislation. Effective July 1, 2002 the plan was amended to allow for the excess funds of the terminated Retirement Income Plan for Employees of Saybolt Inc. to be transferred into the Plan. As of December 1, 2002 the plan was amended to allow participants who attained age 50 before the close of the Plan year to contribute an additional amount in accordance with, and subject to certain limitations of the Code.

Plan Administrator and Trustee

The Company is the Plan administrator as defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Company contracts with The 401K Company (the "Recordkeeper") to maintain the Plan's participant account balances. Austin Trust Company (the "Trustee") is the trustee of all investments held by the Plan. The management companies that issue securities are custodians of the mutual fund investments and the Pershing Division of Donaldson, Lufkin & Jenrette Securities Corporation is custodian of Core Laboratories N.V. common stock ("Company Common Stock").

Eligibility

Substantially all of the Company's employees, including temporary or part-time employees who have completed at least 1,000 hours of service in a Plan year, are eligible to participate in the Plan. Participation may commence upon the later of the first day of the calendar quarter coincident with or following such eligible employee's date of hire or the date on which such employee attains the age of 21.

Contributions

The Plan allows participants to contribute up to 15 percent of their compensation, as defined by the Plan, on a pretax basis. The plan was amended effective January 1, 2003 to provide for participant contributions of up to sixty percent of compensation. At its discretion, the Company makes matching contributions to the account of each participant up to four percent of each participant's compensation. The Company may, at its discretion, also contribute for a Plan year an additional amount with respect to each participant who has

4

completed one year of service and is employed by the Company on the last day of such Plan year. The Company's board of directors shall determine whether such contribution shall be made for a Plan year. No additional contributions were made to the Plan for 2002 and 2001.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a

Edgar Filing: CORE LABORATORIES N V - Form 11-K

participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are fully vested in their contributions and related earnings/losses and vest in Company contributions and related earnings/losses at the rate of 20 percent for each year of service. Upon death, total and permanent physical or mental disability, or normal retirement, all such participants become fully vested in Company contributions and related earnings/losses.

Investment Program

Participants may invest their contributions, the Company's matching contributions and any additional Company contributions in any of ten mutual funds, one collective trust fund and Company Common Stock.

Contributions may be invested in one fund or divided among two or more funds. Participants may transfer some or all of the balances out of any fund into one or any combination of the other funds on a daily basis. Participants who are seeking guidance in their investment direction can choose from four Asset Allocation Models: Short-Term Model (1-5 years); Medium-Term Model (5-10 years); Long-Term Model (10-15 years) or Longer-Term Model (15+ years) which represent a designated blend of the available mutual funds. Participants who select one of the Asset Allocation Models can also choose to invest a portion of their account balances in the Company Common Stock.

Administrative Expenses

The Plan pays all administrative expenses.

Loans

The Plan permits participants to borrow a minimum of \$1,000 up to a maximum amount equal to the lesser of \$50,000 or 50 percent of their vested account balances in the Plan. New loans bear interest at treasury rates plus four percent and are repaid through payroll deductions over a period not to exceed five years. The loans are secured by the balance in the participant's account.

Withdrawals and Forfeitures

A participant may elect to receive benefit payments through any one of the several methods provided by the Plan upon termination, retirement or financial hardship. Participants can withdraw their after-tax contributions, if any from the Plan, in cash without being suspended from making additional contributions to the Plan. Participants may also make an in-service withdrawal at age 59 1/2 of their vested account balance. Participants may elect an in-kind distribution of Core Laboratories N.V. stock in lieu of cash upon termination, retirement or upon electing an in-service withdrawal at age 59 1/2.

Hardship withdrawals are allowed in the event of immediate and heavy financial need, subject to the provisions of the Internal Revenue Code of 1986, as amended (the "Code"). The participants can withdraw up to 100 percent of their pre-tax

contributions and are suspended for at least 12 months from making additional contributions to the Plan.

Edgar Filing: CORE LABORATORIES N V - Form 11-K

Upon termination of employment with the Company, any unvested Company contributions and related earnings/losses are forfeited. Participants returning to the Company within 60 months of their initial termination are entitled to have their previous account balance reinstated by the Company. During 2002, \$79,648 of forfeited balances were utilized to reduce the Company's contributions. At December 31, 2002 forfeited amounts of \$168,029 were available to reduce future employer contributions or Plan expenses.

Priorities Upon Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Distributions to participants are recorded when paid.

Investment Valuation

The Plan reports the investments in the financial statements at fair value. Investments in life insurance policies is recorded at the cash surrender value of the life insurance policies, as determined by the investment issuer. Investments in mutual funds and common stock are reported at fair value based on quoted market prices. The fair value of the investment in the collective trust fund is based on the market value of the underlying assets, as determined by the investment issuer. The collective trust fund holds investment contracts that are recorded at contract value, which approximates fair value. The average yield of the collective trust fund for the year ended December 31, 2002, was 5.02 percent. Investment income is recorded as earned. Purchases and sales are recorded on a trade-date basis.

Net realized gains or losses on the sale of investments and unrealized appreciation (depreciation) in the fair value of investments are recorded in the accompanying statement of changes in net assets available for plan benefits as net appreciation (depreciation) in fair value of investments. Dividends are recorded at the ex-dividend rate.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make the use of estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

3. INVESTMENTS:

The following presents investments that represent five percent or more of the Plan's net assets as of December 31, 2002 and 2001.

Edgar Filing: CORE LABORATORIES N V - Form 11-K

2002-

Stable Value Fund	\$	5,894,166
Core Laboratories N.V. Common Stock		6,388,643
Washington Mutual Investors Fund - Class A		5,223,471
EuroPacific Growth Fund - Class A		2,197,837
Franklin Balance Sheet Investment Fund - Class A		2,458,461
Lord Abbett Developing Growth Fund		1,703,028
Putnam Growth Opportunities - Class A		2,904,160
Vanguard 500 Index Fund		2,461,505
The Bond Fund of America - Class A		3,005,886

2001-

Stable Value Fund	\$	3,952,018
Core Laboratories N.V. Common Stock		7,635,867
Washington Mutual Investors Fund - Class A		6,003,312
EuroPacific Growth Fund - Class A		2,698,514
Franklin Balance Sheet Investment Fund - Class A		2,659,598
Lord Abbett Developing Growth Fund		2,296,875
Putnam Growth Opportunities - Class A		3,431,073
Vanguard 500 Index Fund		2,844,814
The Bond Fund of America - Class A		3,351,428

4. RISKS AND UNCERTAINTIES:

The Plan provides for various investments in a collective trust fund, mutual funds and common stock. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term.

5. FEDERAL INCOME TAX STATUS:

The Plan obtained its latest determination letter on November 12, 1996, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended and restated since receiving the determination letter. An application was made in February 2002 for a favorable determination letter on the amended and restated plan. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, the Company believes that the Plan was qualified and tax-exempt as of December 31, 2002 and 2001.

7

6. RELATED-PARTY TRANSACTIONS:

The Plan provides for investment in shares of the Company Common Stock. As the Company is the Plan sponsor, these transactions qualify as party-in-interest transactions.

7. CONTRIBUTIONS OF EXCESS FUNDS AND TRANSFERS FROM OTHER PLANS:

Excess funds from the terminated Retirement Income Plan for Employees of Saybolt Inc. were transferred into the plan on October 15, 2002 in the amount of approximately \$578,000. Approximately \$388,000 was used to fund the Company's

Edgar Filing: CORE LABORATORIES N V - Form 11-K

employer match contributions. Excess funds at December 31, 2002 approximate \$190,000 and will be used to fund future employer contributions.

8

Schedule H line4i

CORE LABORATORIES
 PROFIT SHARING AND RETIREMENT PLAN
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 AS OF DECEMBER 31, 2002

Identity of Issuer -----	Description of Investment -----
Conseco Life Insurance Company	Cash surrender value of life insurance policies
Alliance Capital Management Corp.	Alliance Capital Reserves
American Funds	The Cash Management Trust of America - Class A
AMVESCAP National Trust Company	Stable Value Fund
Core Laboratories N.V.*	Core Laboratories N.V. Common Stock
American Funds	The Bond Fund of America - Class A
American Funds	Washington Mutual Investors Fund - Class A
American Funds	EuroPacific Growth Fund - Class A
Franklin Templeton Investments	Templeton Foreign Smaller Companies Fund - Class A
Franklin Templeton Investments	Templeton Developing Markets Trust - Class A
Franklin Templeton Investments	Franklin Balance Sheet Investment Fund - Class A
Franklin Templeton Investments	Franklin Real Estate Securities Fund - Class A
Lord Abbett & Company	Lord Abbett Developing Growth Fund
Putnam Investments	Putnam Growth Opportunities - Class A
The Vanguard Group	Vanguard 500 Index Fund
Participant Loans*	Interest rates ranging from 3.00% to 10.89% with varying maturity dates (zero cost)

Edgar Filing: CORE LABORATORIES N V - Form 11-K

Total assets (held at end of year)

Assets indicated by * are invested with parties-in-interest to the Plan as defined by Section 3 (14) of ERISA.

9

SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the plan administrator has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: June 27, 2003

CORE LABORATORIES
PROFIT SHARING AND RETIREMENT PLAN

By: /s/ Richard L. Bergmark

Richard L. Bergmark
Executive Vice President and
Chief Financial Officer

10

INDEX TO EXHIBIT

Exhibit
Number

23.1 - Consent of Independent Accountants

11