

ENSCO PLC

FORM 11-K (Annual Report of Employee Stock Plans)

Filed 06/26/98 for the Period Ending 12/31/97

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ENSCO INTERNATIONAL INC

FORM 11-K

(Annual Report of Employee Stock Plans)

Filed 6/26/1998 For Period Ending 12/31/1997

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

Form 11-K

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

For the fiscal year ended December 31, 1997

Commission File Number 1-8097

ENSCO Savings Plan
(Full title of the plan)

ENSCO International Incorporated

2700 Fountain Place

1445 Ross Avenue

Dallas, Texas 75202-2792

(Name and address of principal executive office of issuer)

The financial statements listed in the accompanying table of contents on the following page are filed as part of this Form 11-K.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee of the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ENSCO Savings Plan

Date: June 19, 1998

/s/ William S. Chadwick, Jr.

By: William S. Chadwick, Jr.
Plan Administrator

ENSCO SAVINGS PLAN
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REPORT OF INDEPENDENT ACCOUNTANTS

To the Participants and Trustees of the
ENSCO Savings Plan

In our opinion, the accompanying statements of net assets available for plan benefits, with fund information, and the related statement of changes in net assets available for plan benefits, with fund information, present fairly, in all material respects, the net assets available for plan benefits of the ENSCO Savings Plan (the "Plan") at December 31, 1997 and 1996, and the changes in its net assets available for plan benefits for the year ended December 31, 1997, in conformity with generally accepted accounting principles. 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 generally accepted auditing standards 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 audits provide a reasonable basis for the opinion expressed above.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by ERISA. The Fund Information in the statements of net assets available for plan benefits and the statement of changes in net assets available for plan benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and the changes in net assets available for plan benefits of each fund. The additional information and fund information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PRICE WATERHOUSE LLP

PRICE WATERHOUSE LLP

*Dallas, Texas
June 19, 1998*

ENSCO SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS, WITH FUND INFORMATION

AT DECEMBER 31, 1997

	Fund Information						Total
	Company Stock Fund	Blended Stable Value Fund	Balanced Fund	Spectrum Income Fund	Spectrum Growth Fund	Loan Fund	
ASSETS:							
Receivables:							
Participant contributions	\$ 43,350	\$ 15,114	\$ 6,781	\$ 7,380	\$ 16,658	\$ --	\$ 89,283
Employer contributions	1,946,503	2,953,135	567,976	531,674	1,070,731	--	7,070,019
Investments, at fair value	17,396,798	--	2,066,646	1,484,361	5,278,037	--	26,225,842
Loans to participants	--	--	--	--	--	4,061	4,061
Investments, at contract value:							
The Prudential Insurance Co. of America Investment Contract GA-6436	--	5,455,797	--	--	--	--	5,455,797
T. Rowe Price Stable Value Common Trust Fund	--	8,627,567	--	--	--	--	8,627,567
Total investments	17,396,798	14,083,364	2,066,646	1,484,361	5,278,037	4,061	40,313,267
Total assets	19,386,651	17,051,613	2,641,403	2,023,415	6,365,426	4,061	47,472,569
LIABILITIES:							
Other payables	--	250,912	--	--	--	--	250,912
Total liabilities	--	250,912	--	--	--	--	250,912
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$19,386,651	\$16,800,701	\$2,641,403	\$2,023,415	\$6,365,426	\$ 4,061	\$47,221,657

The accompanying notes are an integral part of these financial statements

ENSCO SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR PLAN BENEFITS, WITH FUND INFORMATION

AT DECEMBER 31, 1996

Fund Information

	Company Stock Fund	Blended Stable Value Fund	Balanced Fund	Spectrum Income Fund	Spectrum Growth Total	Loan Fund	Total
ASSETS:							
Receivables:							
Participant contributions	\$ 13,463	\$ 16,402	\$ 5,493	\$ 5,951	\$ 12,540	\$ --	\$ 53,849
Employer contributions	707,495	1,838,286	269,318	284,572	542,724	--	3,642,395
Investments, at fair value	7,641,959	--	1,210,994	1,052,619	3,453,908	--	13,359,480
Loans to participants	--	--	--	--	--	16,827	16,827
Investments, at contract value:							
The Prudential Insurance Co. of							
America Investment Contract							
GA-6436	--	7,755,397	--	--	--	--	7,755,397
T. Rowe Price Stable Value Common							
Trust Fund	--	6,254,684	--	--	--	--	6,254,684
Total investments	7,641,959	14,010,081	1,210,994	1,052,619	3,453,908	16,827	27,386,388
Total assets	8,362,917	15,864,769	1,485,805	1,343,142	4,009,172	16,827	31,082,632
LIABILITIES:							
Other payables	--	141,091	--	--	--	--	141,091
Total liabilities	--	141,091	--	--	--	--	141,091
NET ASSETS AVAILABLE FOR PLAN BENEFITS	\$8,362,917	\$15,723,678	\$1,485,805	\$1,343,142	\$4,009,172	\$ 16,827	\$30,941,541

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

ENSCO SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS, WITH FUND INFORMATION

YEAR ENDED DECEMBER 31, 1997

	Fund Information						Total
	Company Stock Fund	Blended Stable Value Fund	Balanced Fund	Spectrum Income Fund	Spectrum Growth Fund	Loan Fund	
ADDITIONS TO NET ASSETS ATTRIBUTED TO:							
Interest and dividends	\$ 21,036	\$ 830,900	\$ 81,161	\$ 104,163	\$ 535,028	\$ 549	\$ 1,572,837
Participant contributions	1,178,327	1,021,229	409,747	408,829	860,656	--	3,878,788
Employer contributions	4,047,338	2,981,723	568,845	532,372	1,071,715	--	9,201,993
Net appreciation in the fair value of investments	3,464,457	--	240,518	60,915	217,230	--	3,983,120
Total additions	8,711,158	4,833,852	1,300,271	1,106,279	2,684,629	549	18,636,738
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:							
Distributions to participants	642,467	1,366,915	79,221	94,116	173,903	--	2,356,622
NET INCREASE PRIOR TO INTERFUND TRANSFERS	8,068,691	3,466,937	1,221,050	1,012,163	2,510,726	549	16,280,116
Interfund transfers	2,955,043	(2,389,914)	(65,452)	(331,890)	(154,472)	(13,315)	--
NET ADDITIONS (DEDUCTIONS)	11,023,734	1,077,023	1,155,598	680,273	2,356,254	(12,766)	16,280,116
NET ASSETS AVAILABLE FOR PLAN BENEFITS:							
Beginning of year	8,362,917	15,723,678	1,485,805	1,343,142	4,009,172	16,827	30,941,541
End of year	\$ 19,386,651	\$ 16,800,701	\$ 2,641,403	\$ 2,023,415	\$ 6,365,426	\$ 4,061	\$ 47,221,657

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

ENSCO SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

1. PLAN ORGANIZATION AND DESCRIPTION

The ENSCO Savings Plan (the "Plan") is a defined contribution tax deferred savings plan available to employees of ENSCO International Incorporated (the "Company"). It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). On June 12, 1996, the Company acquired DUAL DRILLING COMPANY ("Dual"). Dual provided a deferred contribution plan to its employees, DUAL DRILLING COMPANY Employees' Tax Deferred/Thrift Savings Plan and Trust, which the Company anticipates merging into the Plan upon appropriate government and regulatory approval.

The Plan was established to provide a retirement benefit for employees through a Company profit sharing contribution and matching contributions based on employee contributions, and to promote and encourage employees to provide additional security and income for their retirement through a systematic savings program. The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Participation

Employees of the Company may participate in the Plan upon completing certain service requirements, except for those employees, if any, who already receive retirement benefits in connection with a collective bargaining agreement and certain nonresident employees. Eligible employees may elect to participate in the employee savings feature of the Plan after completing a three-month period of service with the Company ("Savings Participants"). Eligible employees automatically participate in the profit sharing feature of the Plan after completing a twelve-month period of service with the Company.

Former employees of Dual who accepted employment with the Company were eligible to enroll in the Plan on July 1, 1996 dependent upon their completion of three months combined service with Dual and the Company.

Effective January 1, 1997, the entry date with respect to an eligible employee's ability to make 401(k) contributions is the first business day of the month following the month during which the employee satisfies eligibility and participation requirements. Formerly, the entry date an eligible employee was permitted to begin making 401(k) contributions was on January 1 or July 1.

Contributions

Savings Participants may elect to make contributions to the Plan by salary deferrals ("Savings Contributions"), which qualify for tax deferment under Section 401(k) of the Internal Revenue Code ("the Code"). Savings Contributions are generally limited to the lesser of 10% of the Savings Participant's compensation, or the annual dollar limitation set forth in Section 402(g) of the Code (\$9,500 for the year ended December 31, 1997). Within certain limits, as defined in the Plan, Savings Participants may elect to increase, decrease or suspend their Savings Contributions and corresponding salary deductions.

At the discretion of its Board of Directors, the Company may make contributions to the Plan for the benefit of Savings Participants ("Matching Contributions"). Matching Contributions may be made by the Company in the form of a stated dollar amount or in the form of a matching percentage of Savings Contributions. Matching Contributions, which are made to the Company Stock Fund, are allocated to individual Savings Participants pro rata based on their respective Savings Contributions for the Plan year, limited to 6% of their compensation as defined by the Plan document. The Company made Matching Contributions to active participant employee accounts as follows:

Contribution Level -----	Matching Percentage -----	
	1997	1996
First 3% of participation contribution	100%	
Second 3% of participant contribution	50%	
First 2% of participant contribution		100%
Second 2% of participant contribution		50%
Third 2% of participant contribution		25%

Total Matching Contributions for the year ended December 31, 1997 were \$2.2 million.

At the discretion of its Board of Directors, the Company may also make annual contributions to the Plan for the benefit of all eligible employees ("Profit Sharing Contributions"). The Company may make Profit Sharing Contributions in either cash or in the Company's common stock. Annual Profit Sharing Contributions are allocated to eligible employees based on their proportionate compensation. At December 31, 1997, the Plan recorded a receivable from the Company in the amount of \$7.0 million related to the 1997 Profit Sharing Contribution which

was paid in February 1998.

The Plan limits the sum of a participant's annual Savings Contributions, and Matching Contribution and Profit Sharing Contribution ("Company Contributions") to the lesser of \$30,000 or 25% of the Plan participant's compensation. Under certain circumstances, Plan participants may make contributions to the Plan in the form of rollover contributions ("Rollover Contributions").

Plan Administration

T. Rowe Price serves as the investment manager for the Plan's trust fund and executes all investment actions. Recordkeeping responsibilities are maintained by T. Rowe Price. The assets held by the Prudential Insurance Co. of America Investment Contract GA-6436, ("Prudential") are from a previously merged plan and in accordance with the fund's contract, Prudential is transferring the Guaranteed Interest Fund to T. Rowe Price in 60 consecutive monthly installments.

Vesting

A Plan participant's Matching Contribution account balance and Profit Sharing Contribution account balance shall become vested and nonforfeitable upon the completion of certain years of service with the Company or combined service with Dual and the Company, as follows:

Completed years of service -----	Vested percentage -----
Less than two years	0%
Two years	20%
Three years	40%
Four years	60%
Five years	80%
Six or more years	100%

A Plan participant shall become fully vested in his or her Matching Contribution account balance and Profit Sharing account balance upon certain events, including death or disability, attaining the age of 60, or a full or partial termination of the Plan. A Plan participant's Savings Contribution account balance and Rollover Contribution account balance is fully vested at all times.

Upon completion of each Plan year, the nonvested portion of Matching Contribution account balances and Profit Sharing Contribution account balances of terminated Plan participants are forfeited ("forfeitures") to the Plan and may be used to reduce the amount of Matching Contributions and Profit Sharing Contributions due or administrative expenses to be paid by the Company. At December 31, 1997 and 1996, the Plan had forfeiture balances of \$250,912 and \$141,091, respectively, which were reported as Other Payables in the Statement of Net Assets Available for Plan Benefits.

Distributions

Distributions of a Plan participant's Savings Contribution account and Rollover Contribution account and the vested portion of a participant's Matching Contribution account and Profit Sharing Contribution account are generally made within 60 days of an employee request due to termination of employment or certain Internal Revenue Service regulations. At December 31, 1997 and 1996, all persons had been paid who elected to withdraw from the Plan.

Investments

The Plan allows participants to invest among a number of different investment choices. The following are descriptions of the investment choices in the Plan:

Company Stock Fund - The objective is to provide long-term growth of capital by investing in ENSCO International Incorporated common stock.

Blended Stable Value Fund - The objective is to provide principal stability and a high level of monthly income by investing in an investment contract issued by an insurance company and the T. Rowe Price Stable Value Common Trust Fund which invests in investment contracts issued by insurance companies and banks.

Balanced Fund - The objective is to provide long-term capital appreciation, current income and capital preservation by investing in a balanced mix of common stocks and fixed income securities.

Spectrum Income Fund - The objective is to provide a high level of current income by investing in a managed mix of domestic bank funds, an international bond fund and an income-oriented stock fund.

Spectrum Growth Fund - The objective is to provide long-term growth of capital and current income by investing in a managed mix of

domestic stock funds, an international stock fund and a money market fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting.

The Plan's investments are stated at fair value, except for the Blended Stable Value Fund which is stated at contract value (Note 3). The Plan's investments are principally comprised of the Company's common stock, mutual funds and debt and equity securities. The fair value of the Plan's investments is determined by T. Rowe Price and is based on quoted market prices.

Purchases and sales of securities and the Company's common stock are recorded on a trade-date basis. Interest is recorded on the accrual basis and dividends are recorded on the ex-dividend date.

Distributions

Distributions are recorded when paid.

Loans

A loan program was available to all employees participating in a previously merged plan. Participants of this merged plan were no longer able to obtain new loans as of December 31, 1993. Existing loans will continue under their current terms. The loans generally are required to be repaid within five years except for loans used to acquire the principal residence of the participant.

The interest rate on a loan was based on the prevailing interest rates charged on similarly secured personal loans by persons in the business of lending money in the same geographic region in which the prior merged plan was administered.

T. Rowe Price assumed administration of the loan program. As security for the loan, the participant's Blended Stable Value Fund balance is reduced for the purposes of withdrawals, transfers and annuity amounts, by an amount equal to the outstanding loan balance.

Effective January 1, 1998, the Plan adopted a loan policy. Generally, approved loans to eligible participants shall be granted from the participants' vested accounts, other than the Company Common Stock Fund, on a pro-rata basis. The interest rate is a fixed rate determined monthly. All loans must be secured with an irrevocable pledge assignment.

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and related revenues and expenses, and disclosure of gain and loss contingencies at the date of the financial statements. Actual results could differ from those estimates.

3. INVESTMENT CONTRACTS

The Blended Stable Value Fund invests in an investment contract issued by Prudential and in a common trust fund which invests in investment contracts issued by insurance companies and banks. The Blended Stable Value Fund credited participant accounts at rates of interest ranging from 6.0% to 6.7% and 4.8% to 8.4% on the Prudential investment contract and the T. Rowe Price Stable Value Common Trust Fund, respectively, during 1997. The Blended Stable Value Fund is included in the financial statements at contract value, which approximates fair value. Contract value represents contributions made plus credited interest, less Plan withdrawals.

4. PLAN INVESTMENTS

Plan investments that represent 5% or more of the Plan's net assets are identified as follows:

	December 31,	
	1997	1996
Investment at Fair Value as Determined by Quoted Market Price		
Mutual Funds:		
Spectrum Growth Fund, 331,327 and 228,282 units, respectively	\$ 5,278,037	\$ 3,453,908
Other	3,555,068	2,280,440
Common Stock:		
ENSCO International Incorporated, 519,307 and 315,132 shares, respectively	17,396,798	7,641,959
	26,229,903	13,376,307
Investments at Contract Value		
Blended Stable Value Fund	14,083,364	14,010,081
Total Investments	\$40,313,267	\$27,386,388

In August 1997, the Company's Board of Directors approved a two-for-one stock split of the Company's common stock effective September 15, 1997. Accordingly, all references to common shares have been adjusted to reflect the two-for-one stock split. At December 31, 1997, the Plan's investment in the Company's common stock was based on the closing price on that date of \$33.50 per share. The per share price of the Company's common stock has subsequently declined to \$18.31 at the close of business on June 19, 1998. Like any investment in publicly traded securities, the Company's common stock is subject to price changes. During 1997, the high and low prices for the Company's common stock were \$47.00 and \$20.25, respectively.

5. ADMINISTRATIVE FEES

The Plan has no employees and the Company covers all administrative costs of the Plan. The Company paid \$71,859 and \$58,760 for the administrative costs of the Plan during 1997 and 1996, respectively.

6. EXCESS CONTRIBUTIONS

Net assets available for Plan benefits at December 31, 1997 and 1996 include \$40,467 and \$19,406, respectively, of amounts to be refunded from the Plan to certain highly compensated employees due to contributions which exceeded the discrimination limits under the Code Section 401(k). The 1997 excess contributions were due to administering the anti-discrimination tests for the 1995 and 1996 Plan years again as allowed by the Internal Revenue Service's Administrative Policy Regarding Self Correction ("APRSC"). These particular excess contributions were refunded to the applicable highly compensated employees in February 1998. The 1996 excess contributions were refunded to the applicable highly compensated employees and the associated excise taxes were paid by the Company in June 1997.

7. TAX STATUS

Management believes that the Plan is qualified under Section 401(a) of the Code and therefore the trust is exempt from taxation under Section 501(a). A favorable IRS determination letter dated September 21, 1995 was received for the Plan. Generally, contributions to a qualified plan are deductible by the Company when made, earnings of the trust are tax exempt and participants are not taxed on their benefits until withdrawn from the Plan.

Item 27a (Form 5500) - Schedule of Assets Held for Investment Purposes

at December 31, 1997

Identity of issue or party involved	Description of investment			Current Value
	Description of Investment	Rate of interest	Units or shares	
T. Rowe Price:				
Blended Stable Value Fund:				
*The Prudential Insurance Co. of America Investment	GIC	6.0% - 6.7%	-	\$ 5,455,797
*T. Rowe Price Stable Value Common Trust Fund	GIC	4.8% - 8.4%	-	8,627,567
*Balanced Fund	Mutual Fund	-	124,948	1,739,768
*Spectrum Income Fund	Mutual Fund	-	127,304	1,399,724
*Spectrum Growth Fund	Mutual Fund	-	331,327	4,666,179
				21,889,035
Employer securities:				
*ENSCO International Incorporated	ENSCO International Incorporated Common Stock	-	519,307	10,125,266
*Loan Fund	Participant Loans	7.0% - 10.0%		-
				\$32,014,301
				\$40,313,267

* Party-in-interest.

ENSCO SAVINGS PLAN

Additional Information
Schedule II

Item 27d (Form 5500) - Schedule of Reportable Transactions (in the Aggregate)

Year Ended December 31, 1997

Identity of party Involved	Description of transaction	Purchase price	Selling price	Lease rental	Expense incurred	Cost of asset	Market value on transaction date	Net gain
ENSCO International Incorporated	Purchase of shares	\$7,100,285					\$7,100,285	
	Sales of shares		\$ 808,248			\$ 543,226	808,248	\$265,022
T. Rowe Price Settlement Account	Purchase of shares						2,634,260	
	Sales of shares		2,634,260				2,634,260	
T. Rowe Price Stable Value Common Trust Fund	Purchase of shares	3,632,958					3,632,958	
	Sales of shares		3,676,286			3,676,286	3,676,286	-
T. Rowe Price Balanced Fund	Purchase of shares	1,137,503					1,137,503	
	Sales of shares		522,363			449,386	522,363	72,977
T. Rowe Price Spectrum Growth Fund	Purchase of shares	2,276,201					2,276,201	
	Sales of shares		669,291			557,836	669,291	111,455

ENSCO SAVINGS PLAN

Additional Information
Schedule II

Item 27d (Form 5500) - Schedule of Reportable Transactions (Single Transactions)

Year Ended December 31, 1997

Identity of party Involved	Description of transaction	Purchase price	Selling price	Lease rental	Expense incurred	Cost of asset	Market value on transaction date	Net gain
T. Rowe Price Stable Value Common Trust Fund	Purchase of shares	\$1,873,459					\$1,873,459	

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-40282) of ENSCO International Incorporated of our report dated June 19, 1998 which appears in the Annual Report of the ENSCO Savings Plan on Form 11-K for the fiscal year ended December 31, 1997.

/s/ PRICE WATERHOUSE LLP

PRICE WATERHOUSE LLP

Dallas, Texas
June 19, 1998

End of Filing

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