

Registered No: 400176

OneSubsea UK Limited

Annual report and Financial Statements

Year ended 31 December 2022

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COMPANIES HOUSE

OneSubsea UK Limited

Registered No: 400176

Company Information

Directors

S W McCloud
M A Boulby
C A Walker

Secretary

Abogado Nominees Limited

Solicitors

280 Bishopsgate
London
EC2M 4RB
United Kingdom

Registered Office

280 Bishopsgate
London
EC2M 4RB
United Kingdom

OneSubsea UK Limited

Registered No: 400176

Strategic report (continued)

The directors present their Strategic report for the year ended 31 December 2022. The previous financial statements reported the company's results for the year ended 31 December 2021.

Review of the business

The Company's principal activity during the year was the design, manufacture, and sale of a wide range of engineering products for the oil, gas transmission, electrical and other engineering industries.

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

	2022 \$000	2021 \$000	Comparable Change %
Turnover	414,194	371,919	11%
Gross profit	8,764	2,403	265%
Operating profit	21,588	17,290	25%
Net assets	240,260	54,832	338%

Turnover

Turnover for the year ended 31 December 2022 was at \$414,194,000 and represents a 11% increase from comparable turnover for the year ended 31 December 2021 of \$371,919,000.

This increase was mainly driven by higher global oil & gas activity which drove increased demand for certain products manufactured by the OneSubsea UK Limited as well as new projects and improved project performance for subsea production business.

Gross profit

The Company made a gross profit for the year ended 31 December 2022 of \$8,764,000 compared to the prior year 2021 gross profit of \$2,403,000.

This increase was due to improved operating leverage from higher activity, a favourable activity mix and an improving pricing environment.

Operating profit

The results of the Company show an operating profit for year ended 31 December 2022 of \$21,588,000 (2021: profit \$17,290,000).

This increase was due to improved operating leverage from higher activity, a favourable activity mix and an improving pricing environment.

Net assets

As of 31 December 2022, the Company's net assets were \$240,260,000 (2021: \$54,832,000). The increase in net assets was driven primarily by the issuance of new shares to its immediate parent company for total consideration of \$212,340,000.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Schlumberger Limited group and are not managed separately. For an analysis of the principal risk factors affecting the Schlumberger Limited group, see item 1A, Risk Factors, in the 2022 Annual Report of Schlumberger Limited, copies of which can be obtained from www.slb.com.

OneSubsea UK Limited

Registered No: 400176

Strategic report (continued)

Section 172 of the Companies Act 2006

Directors' Statement on performance of their statutory duties

The Directors are required to act in a manner which complies with their duties as set out in the UK Companies Act 2006.

The Directors have a duty to promote the success of the Company for the benefit of the stakeholders as a whole and have regard to the interests of stakeholders in their decision making. The Directors, acting responsibly and in good faith, consider what is most likely to promote the success of the Company for its stakeholders in the long term.

The Directors are briefed on these duties when appointed and provided with training and professional advice from the Company Secretary and Corporate Entity Management team, or from external independent advisors if necessary.

The values of the Directors and the stewardship of the Company are aligned with those of the Schlumberger Group, details of which can be viewed at www.slb.com/about/who-we-are.

The following table summarises examples of the stakeholder groups and actions management has taken to develop engagement:

Stakeholder	Engagement	Engagement actions
Employees	Diversity	Reflect the gender, cultural, and geographical diversity of the Company when considering employees' assignment allocation. The Company's Diversity & Inclusion policy is that of the Schlumberger Group, details of which can be viewed at: www.slb.com/who-we-are/guiding-principles/diversity-and-inclusion
Employees	Global surveys on employee well being	Acting on results and implementing positive change.
Employees	In-house training and development	Provision of training opportunities through online academies and classroom programs.
Customers	Remain customer centric	Constantly align with our customers' ensuring their needs are our priority.
Community	Commitment to invest in local communities.	Continue to implement social risks management process.

OneSubsea UK Limited

Registered No: 400176

Strategic report (continued)

Employee participation

Employees are regularly provided with information on matters of concern to them as employees of the OneSubsea UK Limited.

Consultations with employees or their representatives has continued at all levels to ensure that their views are taken into account when decisions are made that are likely to affect their interests. The Company endeavours to achieve a common awareness of all employees in relation to the financial and economic factors that affect the performance of the Company.

The Directors consider that they have acted in accordance with their duties under Section 172 in the decisions taken during the year ended 31 December 2022.

Streamlined energy and carbon reporting

The Company's emissions reduction strategy follows closely Schlumberger Limited Group's emissions reduction strategy, it is at the centre of its identity and vision, and its commitment to a sustainable future is underscored by bold science-backed targets aligned with the Paris Agreement. In 2021, the Schlumberger Limited Group became the first company in the energy services industry to commit to a 2050 net-zero greenhouse gas ("GHG") emissions target including all three emission scopes. By setting targets based on Schlumberger Limited Group's total 2019 baseline GHG footprint—inclusive of Scope 3 emissions (which accounted for approximately 95% of Schlumberger Limited Group's baseline)—and not just its Scope 1 and 2 footprint, the Schlumberger Limited Group's comprehensive emissions reduction roadmap addresses the entire oil and gas value chain.

Schlumberger Limited Group's 2050 net zero target is supported by the following interim milestones, using 2019 as the baseline year:

- by 2025, a 30% reduction in Scope 1 and Scope 2 emissions;
- by 2030, a 50% reduction in Scope 1 and Scope 2 emissions; and
- by 2030, a 30% reduction in Scope 3 emissions.

Net-zero ambition will be achieved through three key components: reducing operational emissions, reducing customer emissions that occur while using our technology, and taking carbon-negative actions of sufficient scale to offset any residual operational and technology emissions we may have in 2050. We will reduce emissions from our operations through utility efficiency and use of renewable energy and hybrid vehicles. We will reduce customer emissions with our Transition Technologies portfolio. For emissions that cannot be reduced, rather than relying on traditional offsets, we will rely on our carbon-negative actions that are technology-centric, where we can play a role, such as carbon capture and sequestration (CCS).

During 2022 in the UK there were carried out several initiatives that had at the core increasing the facility energy efficiency as well as reducing the CO2 footprint. Some of the initiatives implemented include:

- Purchase of electricity via REGO backed contracts;
- Completion of energy efficiency audits in anticipation of ESOS compliance;
- Installation of natural gas connections for certain facilities to replace diesel generator heating system;
- Commencement of installing solar power for certain operating locations; and
- Active transition of facilities to LED lighting.

OneSubsea UK Limited

Registered No: 400176

Strategic report (continued)**Streamlined energy and carbon reporting (continued)**

Details of the Company's emissions are presented in the following table:

	Unit	2022 *	2021 *
Scope 1 emissions			
- Combustion of gas	TCo2e	271	457
Combustion of fuel for transport purposes	TCo2e	-	6
Scope 2 emissions			
- Emissions from purchased electricity	TCo2e	528	546
Scope 3 emissions			
- Emissions from business travel where the Company is responsible for fuel purchase	TCo2e	29	-
Total gross TCo2e		829	1,009
Energy consumption used to calculate above emissions	kWh	4,221,052	5,132,876
Intensity ratio - based on £M Turnover		2.4	3.7

*Carbon reporting for the Company runs from 1 January to 31 December 2022

Brexit

The United Kingdom left the European Union on the 31 January 2020 and was in a transition process until 31 December 2022

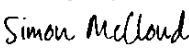
The impact of Brexit is not expected to present significant risk to the Company.

On behalf of the board

Simon Walter McCloud

Director

13 November 2023

DocuSigned by:

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OneSubsea UK Limited

Registered No: 400176

Directors' report

The directors present their report together with the unaudited financial statements for the year ended 31 December 2022.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

S W McCloud
M A Boulby
C A Walker (appointed 18 August 2022)
G E Varn (resigned 4 August 2022)

Qualifying third-party indemnity provisions

The Company had a qualifying third-party indemnity in force during the financial year and up to the date of approval of the financial statements. The qualifying third-party indemnity is purchased by Schlumberger Limited.

Results

The profit for the year after taxation amounts to \$16,699,000 (2021: \$23,291,000). The directors do not recommend the payment of a dividend. The directors did not propose any interim or final dividends during the year (2021: \$nil).

Disabled employees

The company gives full and fair consideration to applications for employment made by disabled persons and, where appropriate, would arrange for the retraining of those who become disabled whilst in employment. The company also endeavours to give equal opportunities of training, career development and promotion to all employees.

Employee involvement

The company recognises its responsibility to provide its employees with information of concern to them and to encourage their participation in the company's development. This is achieved by various means, including:

- (a) works committees
- (b) employee suggestion schemes
- (c) local notices and bulletins

OneSubsea UK Limited

Registered No: 400176

Directors' report (continued)

Going Concern

The directors note that the company made an operating profit of \$21,588,000 (2021: \$17,290,000). At year ended 31 December 2022, the company had net current liabilities of \$12,867,000 (2021: \$57,023,000). Overall, for year ended 31 December 2022 the Company had net assets of \$240,260,000 (2021: \$54,832,000).

The Directors have reviewed the financial position of the Company and its anticipated cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements and are satisfied that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Taking into account the current forecasts for the company and its subsidiaries for the next year, the facilities available to the Company and the net assets position, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Future outlook

Looking ahead, the Company believes the macro backdrop and market fundamentals that underpin a strong multiyear upcycle for energy remain very compelling in both oil and gas and in low-carbon energy resources. First, oil and gas demand is forecasted by the International Energy Agency ("IEA") to grow by 1.7 million barrels per day in 2023 despite concerns for a potential economic slowdown in certain regions. In parallel, markets remain very tightly supplied. Second, energy security is prompting a sense of urgency to make further investments to ensure capacity expansion and diversity of supply. And third, the secular trends of digital and decarbonization are set to accelerate with significant digital technology advancements, favourable government policy support, and increased spending on low-carbon initiatives and resources. Based on these factors, global upstream spending projections continue to trend positively. Activity growth is expected to be broad-based, marked by an acceleration in international basins. These positive activity dynamics will be amplified by higher service pricing and tighter service sector capacity.

Audit exemption

Schlumberger UK Limited, a company registered in England, is the parent undertaking of the smallest group of undertakings of which OneSubsea UK Limited is a member and for which Schlumberger UK Limited group financial statements are drawn up.

Historically, Schlumberger UK Limited and its subsidiaries have prepared standalone audited financial statements and have not been required to produce consolidated financial statements. For the year ended 31 December 2022, the directors of Schlumberger UK Limited decided to take advantage of Section 479A of the Companies Act of 2006 that exempts subsidiaries of a UK parent company from preparing audited financial statements if certain criteria are met. These criteria include having their financial results included in the consolidated financial statements of its UK parent. In order to meet these criteria, Schlumberger UK Limited has prepared the audited consolidated financial statements for the year ended 31 December 2022, which include *inter alia* results of the Company.

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under Section 479A of the Companies Act 2006. Under the provision of section 479C of the Companies Act 2006, Schlumberger UK Limited, the UK parent undertaking, has given a statutory guarantee of all the outstanding liabilities to which the Company is subject at the end of the financial year and the members of the Company have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

Independent auditors

The Directors have relied upon the provisions of Section 479A of the Companies Act 2006 and have resolved not to appoint auditors.

OneSubsea UK Limited

Registered No: 400176

Directors' report (continued)

Financial risk management

Credit risk

The key risk for the Company is related to the receivables from group undertakings. The Company could suffer from delayed repayments, as well as loss of principal and interest. The amounts presented in the balance sheet under trade and other debtors are net of allowances for doubtful receivables.

In order to mitigate this risk, the Treasury function of the ultimate parent company, Schlumberger Limited, is managed centrally with regular reviews of financing and cash flow across the group.

Capital risk

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Foreign exchange risk

The Company is exposed to foreign exchange risk, primarily with respect to cash pool balances in GBP. The Treasury function of the ultimate parent company, Schlumberger Limited, is managed centrally where foreign exchange risk is reviewed periodically and mitigated by using various financial instruments such as foreign currency hedging.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses an intercompany cash pooling system.

OneSubsea UK Limited

Registered No: 400176

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

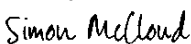
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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 them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board

DocuSigned by:

289712518EBA4E4
Simon Walter McCloud

Director

13 November 2023

OneSubsea UK Limited

Registered No: 400176

Income statement

for the year ended 31 December 2022

		2022	2021
	Note	\$'000	\$'000
Turnover	5	414,194	371,919
Cost of sales		(405,430)	(369,316)
Gross profit		8,764	2,403
Administrative income		12,824	14,887
Operating profit	6	21,588	17,290
Interest receivable and similar income	9	758	985
Interest payable and similar expenses	10	(2,654)	(364)
Profit before taxation		19,692	17,911
Tax on profit	11	(2,993)	5,380
Profit for the financial year		16,699	23,291

Statement of comprehensive income

for the year ended 31 December 2022

		2022	2021
	Note	\$'000	\$'000
Profit for the financial year		16,699	23,291
Remeasurement gain recognised on pension scheme	20	2,771	14,789
Foreign exchange (loss)/gain on pension scheme assets and liabilities	20	(3,746)	1,847
Movement on deferred tax relating to pension liability	11	244	(3,873)
Total other comprehensive (expense)/income		(731)	12,763
Total comprehensive income for the financial year		15,968	36,054

All activities relate to continuing operations (2021: nil).

The notes on pages 13 to 36 form part of these financial statements.

OneSubsea UK Limited

Registered No: 400176

Statement of financial position

for the year ended 31 December 2022

	Note	2022 \$'000	2021 \$'000
Fixed assets			
Intangible assets	12	9,829	11,058
Tangible assets	13	24,374	27,954
Investments	14	228,547	16,108
		<u>262,750</u>	<u>55,120</u>
Current assets			
Stocks	15	51,638	30,294
Debtors	16	406,175	284,295
Cash at bank and in hand		975	1,400
		<u>458,788</u>	<u>315,989</u>
Creditors - amounts falling due within one year	17	(471,655)	(373,012)
Net current liabilities		<u>(12,867)</u>	<u>(57,023)</u>
Total assets less current liabilities		<u>249,883</u>	<u>(1,903)</u>
Provisions for Liabilities	18	(9,623)	(10,865)
Retirement benefit surplus	20	-	67,600
Net assets		<u>240,260</u>	<u>54,832</u>
Capital and reserves			
Called up share capital	21	21,487	253
Share premium account	22	277,088	85,982
Capital contribution reserve	22	45,046	95,109
Share based payment reserve	23	18,475	17,387
Profit and loss account	22	(121,836)	(143,899)
Total Shareholders' funds		<u>240,260</u>	<u>54,832</u>

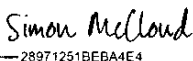
For the year ended 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirement of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 10 to 36 were approved for issue by the Board of Directors and signed on its behalf by:

Simon Walter McCloud
Director
13 November 2023

DocuSigned by:

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OneSubsea UK Limited

Registered No: 400176

Statement of changes in equity

for the year ended 31 December 2022

	<i>Called up share capital \$000</i>	<i>Share premium account \$000</i>	<i>Share based payment reserve \$000</i>	<i>Capital contribution reserve \$000</i>	<i>Profit and loss account \$000</i>	<i>Total Shareholders' funds \$000</i>
At 1 January 2021	253	85,982	16,551	95,109	(201,259)	(3,364)
Profit for the year	-	-	-	-	23,291	23,291
Other comprehensive income	-	-	-	-	12,763	12,763
Total comprehensive income for the year	-	-	-	-	36,054	36,054
Share based payments (note 24)	-	-	836	-	-	836
Group relief in respect of prior year	-	-	-	-	21,306	21,306
At 31 December 2021	253	85,982	17,387	95,109	(143,899)	54,832
Profit for the year	-	-	-	-	16,699	16,699
Other comprehensive expense	-	-	-	-	(731)	(731)
Total comprehensive income for the year	-	-	-	-	15,968	15,968
Share based payments (note 24)	-	-	1,088	-	-	1,088
Group relief in respect of prior year	-	-	-	-	6,095	6,095
Issuance of shares	21,234	191,106	-	-	-	212,340
Capital repayment	-	-	-	(50,063)	-	(50,063)
At 31 December 2022	21,487	277,088	18,475	45,046	(121,836)	240,260

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements

For the year ended 31 December 2022

1. General information

OneSubsea UK Limited is a privately owned company limited by shares. The Company is incorporated in the United Kingdom and the address of its registered office is 280 Bishopsgate, London, EC2M 4RB.

2. Statement of compliance

The financial statements of OneSubsea UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standards 102, "The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented. The company has adopted FRS 102 in these financial statements.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards. The principal accounting policies are set out below and have been applied consistently in the current and preceding year. The financial statements are prepared in US Dollars which is the functional currency of the Company and is rounded to the nearest \$'000.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Schlumberger Limited and is included in the Schlumberger Limited group financial statements.

For the year ended 31 December 2022, OneSubsea UK Ltd was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Schlumberger UK Limited, a company registered in England, is the parent undertaking of the smallest group of undertakings of which OneSubsea UK Limited is a member and for which Schlumberger UK Limited group financial statements are drawn up. Under the provision of section 479C of the Companies Act 2006, Schlumberger UK Limited, the UK parent undertaking, has given a statutory guarantee of all the outstanding liabilities to which the Company is subject at the end of the financial year and the members of the Company have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

Going Concern

The directors note that the company made an operating profit of \$21,588,000 (2021: \$17,290,000). At year ended 31 December 2022, the company had net current liabilities of \$12,867,000 (2021: \$57,023,000). Overall, for year ended 31 December 2022 the Company had net assets of \$240,260,000 (2021 net assets: \$54,832,000).

The Directors have reviewed the financial position of the Company and its anticipated cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements and are satisfied that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Taking into account the current forecasts for the company and its subsidiaries for the next year, the facilities available to the Company and the net assets position, the directors consider it appropriate to prepare the financial statements on a going concern basis.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Accounting policies (continued)

Exemption for qualified entities under FRS 102

In its adoption of FRS 102, the Company as a qualifying entity has taken advantage of certain disclosure exemptions permitted, subject to certain conditions, which have been complied with, being the notification of, and no objection to the use of these exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of Schlumberger Limited, includes the Company's cash flow. (FRS 102 paragraph 1.12(b));
- ii. from the financial instrument disclosures, required under FRS 102 as the information is provided in the consolidated financial statements of Schlumberger Limited (paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29);
- iii. from the related party transactions disclosures, required under FRS 102 as the information is provided in the consolidated financial statements of Schlumberger Limited (paragraph 33.1A);
- iv. from preparation and delivering of group financial statements as the Company is a wholly owned subsidiary of Schlumberger Limited, a company incorporated in Curacao (a country within the Kingdom of the Netherlands), and its results are included in the publicly available consolidated financial statements of Schlumberger Limited (paragraph 9.3(c));
- v. from the share-based payment disclosure, required under FRS 102. The disclosure exemptions are available under 1.12(c) FRS102 due to the equivalent disclosures having been given in the Schlumberger Limited financial statements as the share-based payment is being settled in the equity instruments of another group entity. The disclosure exemption applied to the following section 26 disclosures are:
 - Paragraph 26.18(b) of FRS 102 (the number and weighted average exercise prices of share options) for each of the following groups of options:
 - a) Outstanding at the beginning of the year.
 - b) Granted during the year.
 - c) Forfeited during the year.
 - d) Exercised during the year.
 - e) Expired during the year.
 - f) Outstanding at the end of the year.
 - g) Exercisable at the end of the year.
 - Paragraphs 26.19-26.21 (determination of fair values and information about modifications; and
 - Paragraph 26.23 (impact on profit or loss).

The financial statements of Schlumberger Limited are available to the public from the address shown in note 25.

Goodwill

Goodwill arising on the acquisition of subsidiaries and businesses, representing the excess of the fair value of the consideration over that of the separable net assets acquired is capitalised and written off over its expected useful economic life of 20 years. Goodwill is reviewed for impairment on annual basis. Refer to details of the relevant estimates on the critical accounting estimates section.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****3. Accounting policies (continued)*****Investments***

The Company holds investments in subsidiary undertakings at historic cost less impairment. The Company reviews the carrying value of investments against the subsidiary's net assets and impairs where the investment carrying value exceeds the value of the recoverable amount. Refer to details of the relevant estimates on the critical accounting estimates section.

Turnover

Turnover, excluding value added tax, derives from the provision of goods and services to customers including amounts attributable to long term contracts. Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Contracts which meet the criteria for long term contracts are included within turnover using percentage completion accounting. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable, they will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract work in progress is stated at cost incurred after deducting foreseeable losses and payments on account not matched with turnover. Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account. Payments received in excess of recorded turnover are recorded in creditors as payments received on account.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

i. Freehold Land & buildings

Land and buildings include freehold and leasehold offices. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses.

ii. Plant and machinery and fixtures, fittings, tools and equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

iii. Assets under construction

Assets under construction are stated at cost. These assets are not depreciated until they are available for use.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****3. Accounting policies (continued)*****Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	20 – 50 years
Plant and machinery	4 – 12 years
Fixtures and fittings	3 – 10 years

The carrying values of fixed assets are reviewed for impairment in years where events or changes in circumstances indicate that the carrying value may not be recoverable.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials	- purchase cost on a first-in, first-out basis
Work-in-progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Temporary differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Accounting policies (continued)

Taxation (continued)

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the temporary difference.

Foreign currencies

The company's functional and presentation currency is the US dollar.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Leasing commitments

Rentals paid under operating leases are charged to income on a straight-line basis over the term of the lease.

Pensions

The Company operates a defined contribution pension scheme, the costs of which are recognised in the profit and loss account in the year in which they become payable.

The Company operates a defined benefit pension scheme which requires contributions to be made to separately administered funds. The service costs are recognised in the accounting years in which the benefits are earned by employees, and the related finance costs and other changes in the value of assets and liabilities are recognised in the accounting years in which they arise.

Prior to 2022 the Company held the pension surplus on the balance sheet as an asset, given the surplus could be recovered through a reduction of future employer contributions. Starting 16 June 2022, the assets, liabilities, and associated pension expenses are recorded in the Financial Statements of Schlumberger Public Limited Company (see note 21).

Financial instruments

The company is applying section 11 and 12 of FRS 102, in respect of recognition and measurement of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables, cash, and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Accounting policies (continued)*i. Financial assets (continued)*

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables, loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

iii. Offsetting

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. Critical accounting judgements and estimates

The company makes estimates concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. In the opinion of directors, the estimates that have a significant risk of causing a material adjustment to the financial statements within the next financial year are described below.

Revenue Recognition

The Company generates revenue through long contracts. Some degree of estimation is required when assessing the revenue and profit to be recognised on these contracts in any particular year. Where a reliable estimate can be made, the estimates are kept accurate through regular (at least quarterly) reviews. More details are included in the turnover policy.

Goodwill and Investment Impairment reviews

The Company holds investments in subsidiary undertakings and Goodwill arising on historic acquisitions. The carrying values of goodwill and investments are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. The company makes judgments about whether an investment should be subjected to an impairment review and whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount. The company uses estimates and assumptions in performing the impairment review concerning the recoverable value of investments. The estimates will, by definition, seldom equal the related actual results. Any impairment in the value of assets below their carrying value is charged to the profit and loss account.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

4. Critical accounting judgements and estimates (continued)

Recoverability of intercompany debtors

The Company has outstanding loan receivables from other group companies. When assessing recoverability and potential impairment, management considers factors including the financial results and balance sheet position of the group undertakings. In addition, the Treasury function of the ultimate parent company Schlumberger Limited is managed centrally with regular reviews of financing and cash flow requirements across the group.

Inventory provisioning

The company designs, manufactures and sells a wide range of engineering products for the oil, gas transmission, electrical and other engineering industries. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumption around anticipated saleability of finished goods and future usage of raw materials.

Impairment of debtors

The company makes an estimate of recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the debtors, the ageing profile of debtors and historical experience.

Pensions

Determining the present value of future obligations of pensions requires an estimation of future mortality rates, future salary increases, future pension increases, future inflation increases and discount rates. These assumptions are determined in association with qualified actuaries. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Note 20 provides details on the assumptions used.

Share-based payments

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

Onerous lease provision

The Company recorded a provision for liabilities in relation to an onerous lease contract for one office building. The termination costs will be amortized over the remaining months of lease contract, to offset the monthly rent for this facility. The onerous lease provision is expected to be unwound over the next ten years.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****5. Turnover**

An analysis of turnover by geographical market is given below:

	2022	2021
	\$000	\$000
Africa	93,769	132,924
Asia	154,412	117,688
North and South America	99,118	64,676
United Kingdom	58,062	45,689
Australia	1,426	8,604
Other European countries	7,407	2,338
	<u>414,194</u>	<u>371,919</u>

All turnover relates to oilfield goods and services, the sole business segment of the Company which is based in UK.

An analysis of turnover by activity is given below:

	2022	2021
	\$000	\$000
Sales of goods	368,039	348,934
Rendering of services	46,155	22,985
	<u>414,194</u>	<u>371,919</u>

6. Operating profit

This is stated after charging/(crediting):

	2022	2021
	\$000	\$000
Depreciation of tangible fixed assets (Note 13)	7,363	11,967
Reversal of bad debt provision	(7,278)	(49,833)
Foreign exchange loss	15	9,085
Operating lease rentals – land and buildings	1,444	1,381
Amortisation of goodwill (Note 12)	1,229	1,229
Auditors' remuneration – audit services	-	242
Gain on disposal of fixed assets	(980)	(4,044)

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****7. Directors' remuneration**

Of the four (2021: three) directors in office during the year, two were remunerated by the Company, the remaining two being remunerated by an indirect parent company.

The emoluments of the directors amounted to \$748,498 (2021: \$753,345). This included pension contributions of \$52,191 (2021: \$55,992). The emoluments of the highest paid director amounted to \$518,572 (2021: \$513,126). The pension contribution for the highest paid director to the defined contribution scheme amounted to \$29,384 (2021: \$31,657). None of the directors exercised share options granted by the Company in the year ended 31 December 2022 (2021: nil). During the year there was no compensation paid to directors for loss of office.

The Company does not have any other key management personnel apart from directors.

8. Staff costs

	<i>\$000</i>	<i>\$000</i>
Wages and salaries	52,372	55,105
Social security costs	7,307	5,689
Defined contribution pension costs	4,267	4,566
Defined benefit pension cost	252	1,113
Share-based payment charge	1,088	836
	<u>65,286</u>	<u>67,309</u>

The average monthly number of employees during the year was made up as follows:

	<i>2022</i>	<i>2021</i>
	<i>Number</i>	<i>Number</i>
Office and management	642	620
Manufacturing	47	48
	<u>689</u>	<u>668</u>

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

9. Interest receivable and similar income

	2022 \$000	2021 \$000
Interest receivable from group undertakings	254	270
Net finance income on pension scheme	504	715
	<u>758</u>	<u>985</u>
Net finance income on pension scheme:		
Interest on pension scheme assets	3,149	5,195
Interest on pension scheme liabilities	(2,645)	(4,480)
	<u>504</u>	<u>715</u>

10. Interest payable and similar expenses

	2022 \$000	2021 \$000
Interest payable to group undertakings	2,654	364
	<u>2,654</u>	<u>364</u>

11. Tax on profit**(a) Tax on profit**

The tax charge/(credit) is made up as follows:

	2022 \$000	2021 \$000
<i>Current tax</i>		
UK Corporation tax on profit for the year	3,688	(6,804)
Adjustments in respect of prior years	(3,304)	(577)
Foreign tax relief	(3,235)	-
Foreign tax suffered	3,731	3,486
Total current tax	<u>880</u>	<u>(3,895)</u>
<i>Deferred tax</i>		
Origination and reversal of temporary differences	1,284	1,342
Adjustments in respect of prior years	259	(1,822)
Effect of changes in tax rates	570	(1,004)
Total deferred tax	<u>2,113</u>	<u>(1,484)</u>
Tax charge/(credit)	<u>2,993</u>	<u>(5,380)</u>

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Tax on profit (continued)

	2022	2021
	\$000	\$000
<i>Other comprehensive (income)/expense items</i>		
Deferred tax (credit)/charge relating to pension liability	(244)	3,873
	<u>(244)</u>	<u>3,873</u>

(b) Factors affecting the tax charge/(credit)

The tax assessed on the profit for the year is lower than (2021: lower the standard rate of corporation tax of 19% (2021: 19%). The differences are reconciled below:

	2022	2021
	\$000	\$000
Profit before taxation	19,692	17,911
Profit before taxation multiplied by the standard rate of corporation tax of 19% (2021: 19%)	3,741	3,403
Expenses not deductible	2,278	1,489
Effects of group relief/ other reliefs	-	(111)
Income not taxable	(12)	(9,581)
Effects of overseas tax	429	2,823
Adjustments in respect of prior years	(3,045)	(2,399)
Tax rate changes	570	(1,004)
Movements in deferred tax not previously recognised	(968)	-
Total tax charge/(credit) for the year	2,993	(5,380)

The Directors took the decision to align the treatment of group relief in respect of the payment and compensation by and to the recipient and surrendering companies respectively, within the UK group. Previously only certain companies within the UK group made payments for group relief and this change has therefore been affected to ensure consistency across the UK group, as a whole. This decision is effective from 1 January 2020. The Company has not paid or received payments for group relief before this decision was taken.

The income relating to earlier years of \$6,095,000 is recognised in the Profit and loss account in the Statement of Changes in Equity (2021: income \$21,306,000) and the income relating to 2022 of \$2,681,000 is recognised as Tax on profit in the Income Statement (2021: income 3,895,000). The balances for 2020 and earlier years were settled before 31 December 2022. The current balance is recognised as Amounts due from group undertakings.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Tax on profit (continued)**(c) Deferred tax**

A reconciliation of the deferred tax asset brought forward to the deferred tax asset carried forward is presented thus:

	<i>\$000</i>
Deferred tax asset at 1 January 2022	(1,376)
Adjustments in respect of prior years	259
Deferred tax charge in income statement for the year	1,854
Deferred tax credit in OCI for the year	(244)
Movement arising from merger of Cameron Iron Works Retirement Benefits Plan (1974) with Schlumberger UK Pension Scheme	(16,688)
Deferred tax asset at 31 December 2022	<u>(16,195)</u>

Deferred taxation is recognised at 25% (2021: 25%) in the financial statements as follows:

	<i>2022</i>	<i>2021</i>
	<i>\$000</i>	<i>\$000</i>
Fixed asset timing differences	(14,669)	(17,465)
Short term timing differences – trading	(702)	16,247
R&D expenditure credit	(824)	(158)
Deferred tax assets	<u>(16,195)</u>	<u>1,376</u>

The 2021 UK Budget announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. This increase in the UK's main corporation tax rate was substantively enacted on 24 May 2021, i.e. as at the balance sheet date of 31 December 2021. Therefore, this increase has been reflected in the measurement of the closing deferred tax balances, which have been recognised at 25% (2021 – 25%).

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****12. Intangible assets**

	<i>Goodwill</i>
	<i>\$000</i>
Cost	
At 1 January 2022	24,575
	<hr/>
At 31 December 2022	24,575
	<hr/>
Accumulated amortisation and impairment	
At 1 January 2022	13,517
Charge for the year	1,229
	<hr/>
At 31 December 2022	14,746
	<hr/>
Net book amount	
At 31 December 2022	9,829
	<hr/>
At 31 December 2021	11,058
	<hr/>

Goodwill is on the acquisition of trade and assets of OneSubsea Operations Limited and is being amortised on a straight-line basis over 20 years which is equal to the duration over which the Company is expected to derive economic benefit.

The Company's goodwill has been reviewed for impairment. No impairment has been recognised in this year.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

13. Tangible fixed assets

	<i>Freehold land and buildings \$000</i>	<i>Plant and Machinery \$000</i>	<i>Fixtures and fittings \$000</i>	<i>Assets under construction \$000</i>	<i>Total \$000</i>
Cost					
At 1 January 2022	24,981	79,958	1,624	2,122	108,685
Additions	-	191	-	-	191
Transfers from assets under construction	259	4,033	10	(4,302)	-
Additions to assets under construction	-	-	-	4,163	4,163
Transfers to group entities	-	(7,934)	-	-	(7,934)
Disposals	-	(2,492)	-	-	(2,492)
At 31 December 2022	25,240	73,756	1,634	1,983	102,613
Accumulated depreciation					
At 1 January 2022	6,420	73,960	351	-	80,731
Depreciated during the year	1,146	6,038	179	-	7,363
Transfers to group entities	-	(7,371)	-	-	(7,371)
Disposals	-	(2,484)	-	-	(2,484)
At 31 December 2022	7,566	70,143	530	-	78,239
Net book amount					
At 31 December 2022	17,674	3,613	1,104	1,983	24,374
At 31 December 2021	18,561	5,998	1,273	2,122	27,954

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****14. Investments**

<i>Shares in subsidiary undertakings</i>	<i>2022</i>	<i>2021</i>
	<i>\$000</i>	<i>\$000</i>
Net book amount at 1 January	16,108	16,108
Additions	212,439	-
Net Book Amount at 31 December	228,547	16,108

During the year, the Company made an additional investment in OneSubsea Offshore Systems Nigeria Limited as Equity Capital in total amount of \$98,578.

In December 2022, the Company made an investment of \$ 212,340,000 in OneSubsea Lux SARL, a "Société à Responsabilité Limitée" under Luxembourg company law.

The principal subsidiary undertakings at 31 December 2022 were:

<i>Name of company</i>	<i>Percentage of Ownership</i>	<i>Registered address</i>
OneSubsea Operations Limited	100%	Badentoy Avenue, Portlethen, Aberdeenshire, AB12 4YB
OneSubsea Offshore Engineering Limited	100%	100 New Bridge Street, London, EC4V 6JA
OneSubsea Angola - Prestação de Serviços, LDA	99%	Rua 6-I.L. Boavista, Sunils OSC Base, P. O. Box 2289, Luanda, Angola
OneSubsea Offshore Systems Nigeria Limited	100%	Road D/F, Onne Oil and Gas Free Zone, Onne, Port-Harcourt, Nigeria
OSS Technologies Guyana Inc.	100%	1, Area X, Houston Georgetown, Guyana
Cameron Pensions Trustee Limited	100%	100 New Bridge Street, London, EC4V 6JA
OneSubsea Lux SARL	100%	5 Place de la Gare, L-1610 Luxembourg

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. Investments (continued)

The Company also has indirect subsidiaries:

Name of Company	Direct Parent	Country
OneSubsea do Brasil Servicos Submarinos Ltda.	OneSubsea Lux SARL	Brazil
OneSubsea Canada ULC	OneSubsea Lux SARL	Canada
OneSubsea (Shenzhen) Systems Co., Ltd	OneSubsea Lux SARL	China

The Company's investment portfolio has been reviewed for impairment.

No impairment was charged by the Company during the financial year (2021: \$nil) to reduce the carrying amount of subsidiary undertakings to their recoverable amount, as there were no indications that the carrying value of investments in subsidiaries may be impaired.

15. Stocks

	2022 \$000	2021 \$000
Raw materials and consumables	615	123
Work in progress	22,701	10,316
Finished goods and goods for resale	28,322	22,341
Payments on account	-	(2,486)
	<u>51,638</u>	<u>30,294</u>

Stocks recognised as an expense in the year were \$83,054,834 (2021: \$99,446,896).

A provision for slow-moving inventory was recognised at year end in amount of \$245,745 (2021: \$334,063). Out of the total provision amount, \$58,984 refers to WIP obsolescence (2021: \$158,582).

16. Debtors

	2022 \$000	2021 \$000
<i>Amounts due within one year</i>		
Trade debtors	3,659	7,051
Amounts recoverable on contracts	20,226	33,350
Amounts owed by subsidiary undertakings	29,277	15,237
Amounts owed by other fellow group companies	267,141	163,184
Corporation tax receivable	5,459	3,241
VAT recoverable	-	1,675
Deferred tax asset	16,195	1,376
Other debtors	81	282
Prepayments and accrued income	64,137	58,899
	<u>406,175</u>	<u>284,295</u>

Trading transactions between all Schlumberger Limited companies are unsecured and interest free.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

17. Creditors: amounts falling due within one year

	2022	2021
	\$000	\$000
<i>Amounts due within one year</i>		
Trade creditors	16,831	6,000
Payments received on account	79,897	35,011
Amounts due to parent undertakings	144,918	103,831
Amounts owed to subsidiary undertakings	30,220	36,419
Amounts owed to other fellow group companies	110,255	143,056
Taxation and social security	1,959	
Other creditors	6,112	4,252
Accruals and deferred income	80,287	44,443
VAT payable	1,176	-
	<u>471,655</u>	<u>373,012</u>

Cash pool balances with Schlumberger UK Limited group companies, are unsecured, repayable on demand. From 1st of January 2022, the interest rate charged is the aggregate of the Sterling Overnight Index Average (SONIA), the Credit Adjustment Spread (2.26 basis points per month) and the net interest margin (15 basis points per month).

Trading transactions between all Schlumberger Limited companies are unsecured and interest free.

18. Provisions for liabilities

	<i>Onerous lease provision</i>	<i>Onerous Lease provision</i>
	2022	2021
	\$000	\$000
Balance at 1 January	10,865	12,107
Released in the year	(1,242)	(1,242)
Balance at 31 December	<u>9,623</u>	<u>10,865</u>

Onerous lease provision

The Company recorded a provision for liabilities in relation to an onerous lease contract for one office building. The termination costs will be amortized over the remaining months of lease contract, to offset the monthly rent for this facility. The onerous lease provision is expected to be unwound over the next ten years.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****19. Other financial commitments**

The company has future minimum rentals payable under non-cancellable operating leases as follows:

	2022	2021
	\$000	\$000
Within one year	1,444	1,381
Between two and five years	7,712	6,761
After more than five years	4,583	4,535
	13,739	12,677

20. Retirement benefit surplus

Prior to 2022, the company was a member of the Cameron Iron Works Retirement Benefits Plan (1974), a defined benefit pension scheme which is closed to new entrants. The scheme was funded by the payment of contributions to a separately administered fund, with the assets of the scheme held in this separately administered fund.

Employer contributions to the Cameron Iron Works Retirement Benefits Plan (1974) in the year to December 2022 were \$251,890 (2021: \$2,745,000).

The present value of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method. Actuarial gains and losses have been recognised in the year in which they occur through Other Comprehensive Income (OCI).

On 13 June 2022 Cameron Pensions Trustee Limited, a sole corporate trustee of the Cameron Iron Works Retirement Benefits Plan (1974), Schlumberger Trust Company Limited, Cameron Flow Control Technology (UK) Limited, OneSubsea UK Limited and Schlumberger Public Limited Company entered a transfer deed and made a transfer of the assets and liabilities of the CIWRBP to the Schlumberger UK Pension Scheme with the merger date being 16 June 2022. Effective 16 June 2022, the assets, liabilities, and associated pension expense are recorded in the Financial Statements of Schlumberger Public Limited Company.

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS102 are set out below:

	% per annum	% per annum
	2022	2021
Inflation (RPI)	-	3.30
Inflation (CPI)	-	2.50
Rate of general long-term increase in salaries	-	2.35
Rate of increase of pensions in payment subject to RPI increases (cap 5.0%)	-	3.20
Rate of increase of pensions in payment subject to RPI increases (cap 2.5%)	-	2.20
Rate of increase of pensions in payment subject to CPI increases (cap 3.0%)	-	2.10
Discount rate for scheme liabilities	-	2.00

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

20. Retirement benefit surplus (continued)***Mortality assumption***

The mortality assumptions were based on standard mortality tables which allow for future mortality improvements. The assumptions were that a pensioner currently aged 65 will live on average for a further 21.2 years after retirement if they are male, and for a further 23.0 years after retirement if they are female.

For a member who retires in 2041 at age 65 the assumptions were that they will live on average for a further 23.0 years after retirement if they are male and a further 24.7 years after retirement if they are female.

Analysis of income statement charge

	2022	2021
	\$000	\$000
<i>Operating cost:</i>		
Current service cost	252	1,113
Administration expenses	378	869
<i>Financing cost:</i>		
Interest on net defined benefit asset	(504)	(715)
Expense recognised in the profit and loss	126	1,267

Scheme assets and expected rate of return

	2022	2021
	\$000	\$000
Growth component	-	371,200
Cash/other	-	4,533
	-	375,733

The pension plan assets for year ended 31 December 2021 were invested mainly in the asset backed securities and semi liquid credit-growth. None of the plan assets were invested in the company's financial instruments or in property occupied by, or other assets used by, the Company.

Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

Reconciliation of funded status to balance sheet

	2022	2021
	\$000	\$000
Fair value of scheme assets	288,666	375,733
Actuarial value of scheme liabilities	(221,915)	(308,133)
Merger with Schlumberger UK Pension Scheme	(66,751)	-
Surplus in the scheme	-	67,600

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

20. Retirement benefit surplus (continued)**Actual return of plan assets**

	2022	2021
	\$000	\$000
Net interest on plan assets	3,149	5,195
Actuarial (losses)/gains on plan assets	(64,736)	(8,396)
Actual return on plan assets	(61,587)	(3,201)

Analysis of movements in scheme assets and liabilities in the year

	2022	2021
	\$000	\$000
<i>Scheme liabilities</i>		
At beginning of year	(308,133)	(325,708)
Foreign exchange movement on opening liabilities recorded in the statement of comprehensive income	17,074	(12,158)
Current service cost	(252)	(1,113)
Interest cost	(2,645)	(4,480)
Contributions by plan participants	-	(15)
Actuarial gains/(losses) on plan liabilities	67,507	23,185
Net benefits paid out	4,534	12,156
Merger with Schlumberger UK Pension Scheme	221,915	-
At end of year	-	(308,133)

Analysis of movements in scheme assets and liabilities in the year

	2022	2021
	\$000	\$000
<i>Scheme assets</i>		
At beginning of year	375,732	375,194
Foreign exchange movement on opening assets recorded in the statement of comprehensive income	(20,819)	14,005
Net interest on plan assets	3,149	5,195
Actuarial (losses)/gains on plan assets	(64,736)	(8,396)
Contributions by the employer	252	2,745
Contributions by plan participants	-	15
Net benefits paid out	(4,534)	(12,156)
Administration expenses	(378)	(869)
Merger with Schlumberger UK Pension Scheme	(288,666)	-
At end of year	-	375,733

In addition, the company operates a defined contribution pension scheme for which the pension cost is equal to the employer contributions made. The pension charge for this scheme in the year ended 31 December 2022 was \$4,267,000 (2021: \$4,566,000).

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

21. Called up share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>No.</i>	<i>No.</i>	<i>\$000</i>	<i>\$000</i>
Ordinary shares of £1 each	17,643,518	100,000	21,487	253

During December 2022, the Company received an application by OneSubsea Investments UK Limited for the allotment to the OneSubsea Investments UK Limited of 17,560,518 ordinary shares with a par value of £1.00 each in the capital of the Company (the "Shares") credited as fully paid at an aggregate premium of GBP 158,044,662 and ranking *pari passu* in all respects with the existing shares of that class (the "Allotment"). The shares were allotted and credited as fully paid on 15 December 2022. The consideration for the Allotment was satisfied by the assignment to the Company of a promissory note with a face value of \$212,340,000 equalling £175,605,180 at the December 2022 intragroup exchange rate.

22. Reserves*Share premium account*

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

An increase during 2022 in \$191,106,000 relates to premium received on shares issued during the year.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Share based payment reserve

The share-based payment reserve records the cost of equity-settled transactions with employees for share options which have vested.

Capital contribution reserve

The capital contribution reserve represents a capital contribution from the Company's immediate parent undertaking, OneSubsea Investments UK Limited. The reduction in capital contribution reserve during the year relates to the merger of Cameron Iron Works Retirement Benefits Plan (1974) with Schlumberger UK Pension Scheme (note 20).

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)**For the year ended 31 December 2022****23. Share based payments**

Schlumberger Limited, the ultimate parent of OneSubsea UK Limited, has three types of stock-based compensation programs: (i) stock options, (ii) a restricted stock and restricted stock unit program (collectively referred to as "restricted stock") and (iii) a discounted stock purchase plan ("DSPP").

Stock options

Key employees may be granted stock options under Schlumberger Limited stock option plans. For all the stock options granted, the exercise price of each option equals the average of the high and low sales prices of Schlumberger Limited stock on the date of grant. An option's maximum term is ten years, and options generally vest in increment over five years.

There were no stock option grants during 2022 and 2021.

Restricted Stock

The ultimate parent company Schlumberger Limited, grants certain key employees of OneSubsea UK Limited performance share units. The restricted stock awards generally vest at the end of three years or vest rateably in equal tranches over a three-year period.

Restricted stock awards do not pay dividends or have voting rights prior to vesting. Accordingly, the fair value of a restricted stock award is the quoted market price of Schlumberger Limited's stock on the date of grant less the present value of the expected dividends not received prior to vesting.

During 2022 and 2021, the following shares of restricted stock were granted to the Companies key employees:

	2022	2021
Number of shares	22,500	25,120
Weighted-average fair market value per share	\$ 36.16	\$ 25.16

Discounted Stock Purchase Plan

Under the terms of the DSPP, employees can choose to have a portion of their earnings withheld, subject to certain restrictions, to purchase Schlumberger Limited common stock. Until July 1, 2022, the purchase price of the stock was 92.5% of the lower of the stock price at the beginning or end of the plan period at six-month intervals. Effective July 1, 2022, the purchase price of the stock was changed to 85% of the lower of the stock price at the beginning or end of the plan period at six-month intervals.

The fair value of the employees' purchase rights under the DSPP was estimated using the Black-Scholes model with the following assumptions and resulting weighted average fair value per share:

	2022	2021
Dividend yield	1.8%	2.0%
Expected volatility	47%	67%
Risk free interest rates	1.32%	0.07%
Weighted average fair value per share	\$8.05	\$6.72

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

23. Share based payments (continued)

Total share-based payments expense recognised in OneSubsea UK Limited:

	2022	2021
	\$'000	\$'000
Share Option Scheme	85	267
Restricted Share Option Scheme	584	569
DSPP	419	-
Total	1,088	836

24. Parent undertaking and ultimate parent company

OneSubsea Investments UK Limited, a company registered in England, is the immediate parent company.

Schlumberger UK Limited, a company registered in England, is the parent undertaking of the smallest group of undertakings of which OneSubsea UK Limited is a member and for which Schlumberger UK Limited group financial statements are drawn up.

Schlumberger Limited, a company incorporated in Curacao is the parent undertaking of the largest group of undertakings of which OneSubsea UK Limited is a member and for which Schlumberger Limited group financial statements are drawn up. The directors consider Schlumberger Limited to be the ultimate parent company and controlling party.

Copies of the financial statements of Schlumberger UK Limited can be obtained from Companies House website at www.gov.uk/government/organisations/companies-house and Schlumberger Limited from the Group website at www.slb.com.

25. Events after the end of reporting period

During January 2023, the Company made a transfer of 100 shares held in Cameron Pensions Trustee Limited to Cameron Flow Control Technology (UK) Limited, with a selling price equal with the nominal value of the shares, namely GBP 1.00 per share.

During March 2023, the Company acquired from a related party the entire issued share capital of OSS Services B.V, a company incorporated in the Netherlands, for a consideration price of USD 1,129,000.

During August 2023, the Company issued to its parent 20,706,482 ordinary shares with a nominal value GBP 1.00 credited as fully paid and ranking *pari passu* in all respects with the existing shares of that class. The consideration for the allotment of the shares was satisfied by a cash payment in the amount of USD 249,830,000 and by release of a liability owned to its parent in the amount of USD 12,235,645, pursuant to a loan note issued by the Company. The loan note is considered cash consideration pursuant to Section 583(3)(e) of the Companies Act. The balance of the allotment was credited to share premium.

During August 2023, the Company acquired from a related party the entire issued share capital of OneSubsea GmbH, a company incorporated in Germany, for a consideration amount of USD 73,511,000.

OneSubsea UK Limited

Registered No: 400176

Notes to the financial statements (continued)

For the year ended 31 December 2022

25. Events after the end of reporting period (continued)

During August 2023, the Company acquired from a related party all rights, title and interests in the UK landing strings business under a separate business transfer agreement for USD 12,235,645. The consideration was satisfied by an issue of the loan note of principle aggregate amount USD 12,235,645. The company also acquired certain international assets of the landing strings business under a separate business transfer agreement for a cash consideration of USD 24,170,703.

During September 2023, the company made a contribution to the share premium of its wholly owned subsidiary – OneSubsea Lux SARL in the amount of USD 154,595,000.