

Company Registration No. 02661838

**SPECIALISED PETROLEUM
SERVICES INTERNATIONAL
(BRANCH) LIMITED**

Annual report and financial Statements

31 December 2012

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SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Annual report and financial statements 2012

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SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Officers and professional advisers

Directors

I Jack
J Andrews

Secretary

P Droy

Registered Office

Victory House Manor Royal
Crawley
West Sussex
United Kingdom
RH10 9LU

Banker

Bank of Scotland
39 Albyn Place
Aberdeen
AB10 1YN

Solicitor

Pinsent Masons LLP
13 Queens Road
Aberdeen
AB14 4YL

Independent Auditor

Deloitte LLP
Aberdeen

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies regime.

Principal activity

The company has not traded since 1 January 2009 following the transfer of the trade, certain assets and liabilities of the company to M-I Drilling Fluids U K Limited, an intermediate parent company.

Results

The profit for the year after tax of £6,760k (2011 Loss £622k) includes a tax credit of £6,663k (2011 tax charge £522k). The current year tax credit comprises a write back of previous estimates of tax liabilities, interest and penalties arising in foreign jurisdictions where the company operated in the past and there was a permanent establishment exposure for tax purposes. This exposure largely arose at the time of acquiring the company from its previous owners. The statute limits for the provisions written back have been exceeded, therefore the directors are of the opinion there is no further tax exposure in these jurisdictions.

Going concern

As noted above, on 1 January 2009 the trade of the company was transferred to M-I Drilling Fluids U K Limited and the company ceased to trade. Accordingly, and as explained in note 1 to the financial statements, the financial statements are prepared on a basis other than as a going concern.

Directors

The directors, who served during the year and to the date of this report, except as noted otherwise, were as follows:

J Andrews
I Jack

Independent auditor

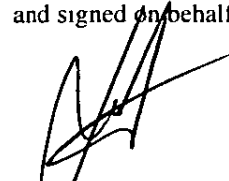
Each of the persons who is a director of the company at the date when this report is approved confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



I Jack
Director

22nd August 2013

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the 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 result of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

We have audited the financial statements of Specialised Petroleum Services International (Branch) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

**Independent auditor's report to the members of
SPECIALISED PETROLEUM SERVICES
INTERNATIONAL (BRANCH) LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report

L. Cowie

Lyn Cowie CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Aberdeen, United Kingdom
22nd August 2013

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Profit and loss account Year ended 31 December 2012

	Note	2012 £'000	2011 £'000
Operating income /(expense)		97	(100)
Operating profit/(loss)	3	<u>97</u>	<u>(100)</u>
Profit /(loss) on ordinary activities before taxation		97	(100)
Tax on profit/(loss) on ordinary activities	4	6,663	(522)
Profit/(loss) for the financial year	8	<u>6,760</u>	<u>(622)</u>

All the activities relate to discontinued operations

There were no recognised gains or losses attributable to the shareholder in the current or preceding year other than as included in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Balance sheet As at 31 December 2012

	Note	2012 £'000	2011 £'000
Current assets			
Debtors	5	13,281	13,281
		<u>13,281</u>	<u>13,281</u>
Creditors: amounts falling due within one year	6	(6,387)	(13,147)
		<u>(6,387)</u>	<u>(13,147)</u>
Net current assets		6,894	134
		<u>6,894</u>	<u>134</u>
Total assets less current liabilities		6,894	134
		<u>6,894</u>	<u>134</u>
Net assets		6,894	134
		<u>6,894</u>	<u>134</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	6,894	134
		<u>6,894</u>	<u>134</u>
Shareholder's funds	9	6,894	134
		<u>6,894</u>	<u>134</u>

The financial statements of Specialised Petroleum Services International (Branch) Limited, company registration number 02661838, were approved by the Board of Directors on 22nd August 2013 and signed on the Board's behalf


I Jack
Director

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Notes to the financial statements (continued) Year ended 31 December 2012

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are set out below.

Basis of preparation

The company ceased trading on 1 January 2009 when the trade was transferred to a fellow group company. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No significant adjustments arose as a result of ceasing to apply the going concern basis. The financial statements do not include any provision for the costs of winding up or liquidating the company where the costs were not incurred or committed at the balance sheet date.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised), "Cash flow statements" on the grounds that it is a wholly owned subsidiary of a parent company which produces consolidated financial statements which are publicly available (note 11).

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 timing 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. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The translation differences arising are included in the profit and loss account.

2. Information regarding directors and employees

The company had no employees in the current or prior year. The directors received no emoluments from this company (2011: £nil). The directors are also employees of other group companies and in the opinion of the directors, it is not practical to apportion directors' remuneration to subsidiaries and accordingly no allocation has been made.

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Notes to the financial statements (continued) Year ended 31 December 2012

3. Operating profit/(loss)

	2012	2011
	£'000	£'000
Operating profit/(loss) is stated after charging		
Foreign exchange gain/(loss)	97	(43)

Audit fees for the current and prior year were borne by M-I Drilling Fluids U K Limited, a fellow group company. The directors estimate £3,100 (2011: £3,000) of that fee related to the company.

4. Tax on profit/(loss) on ordinary activities

	2012	2011
	£'000	£'000
Current taxation		
UK corporation tax	-	58
	-	58
Adjustments in respect of prior years - Foreign taxation	(6,663)	406
- UK corporation tax	-	58
Total current tax	(6,663)	522

The adjustments in respect of prior years - foreign taxation comprises a write back of previous estimates of tax liabilities, interest and penalties arising in foreign jurisdictions where the company operated in the past and there was a permanent establishment exposure for tax purposes. This exposure arose at the time of acquiring the company from its previous owners. The statute limits for the provisions written back have been exceeded, therefore the directors are of the opinion there is no further tax exposure in these jurisdictions.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 24.5% (2011: 26.5%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Notes to the financial statements (continued) Year ended 31 December 2012

4. Tax on profit/(loss) on ordinary activities (continued)

	2012	2011
	£'000	£'000
Profit/(loss) on ordinary activities before tax	97	(100)
Tax on profit/(loss) on ordinary activities at standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	24	(27)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	-	22
Non-taxable Income	(24)	
Adjustments to tax charge in respect of prior years	(6,663)	464
Transfer pricing adjustment	-	63
Total current tax charge for the year	(6,663)	522

5 Debtors: amounts falling due within one year

	2012	2011
	£'000	£'000
Amounts owed by group undertakings	13,281	13,281

Amounts due from group undertakings have no formal repayment terms and do not bear interest

6. Creditors: amounts falling due within one year

	2012	2011
	£'000	£'000
Amounts owed to group undertakings	5,403	5,347
Taxation	984	7,800
	6,387	13,147

Amounts due to group undertakings have no formal repayment terms and do not bear interest

7. Called up share capital

	2012	2011
	£	£
Allotted, called-up and fully paid:		
400 ordinary shares of £1 each	400	400

SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

Notes to the financial statements (continued) Year ended 31 December 2012

8. Profit and loss account

	£'000
At 1 January 2012	134
Profit for the year	6,760
	<hr/>
At 31 December 2012	6,894
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9. Reconciliation of movements in shareholder's funds

	2012 £'000	2011 £'000
Profit/(loss) for the financial year	6,760	(622)
	<hr/>	<hr/>
Net increase/(reduction) in shareholder's funds	6,760	(622)
Opening shareholder's funds	134	756
	<hr/>	<hr/>
Closing shareholder's funds	6,894	134
	<hr/>	<hr/>

10. Related party transactions

The directors have taken advantage of the disclosure exemptions conferred by Financial Reporting Standard 8 ("Related Party Disclosures") not to disclose details of transactions with related parties who are fellow group undertakings

11. Ultimate parent company

The ultimate parent company is Schlumberger Limited, a company incorporated in Curacao and whose share capital is listed on NYSE. The immediate parent of this company is Specialised Petroleum Services Group Limited, a company incorporated in Scotland.

The smallest and largest group in which the results of the company are consolidated is that headed by Schlumberger Limited. Copies of its group financial statements are available from Schlumberger Limited, 5599 San Felipe, Houston, Texas 7705 USA.