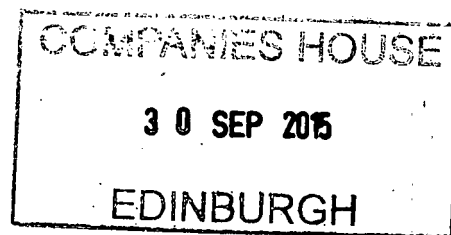
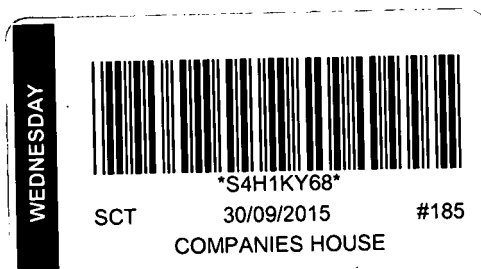


**Company Registration No. 02661838**

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

**Annual Report And Financial Statements**

**For the year ended 31 December 2014**



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

## **Annual report and financial statements For the year ended 31 December 2014**

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

## **Officers and professional advisers**

### **Directors**

I Jack  
R A Kidd

### **Company Secretary**

P Droy Moore

### **Registered Office**

Schlumberger House  
Buckingham Gate  
Gatwick Airport  
West Sussex  
RH6 ONZ  
United Kingdom

### **Banker**

Bank of Scotland  
39 Albyn Place  
Aberdeen  
AB10 1YN

### **Solicitor**

Pinsent Masons LLP  
13 Queens Road  
Aberdeen  
AB14 4YL

### **Independent Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Aberdeen  
United Kingdom

# **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 2014. The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' regime. The directors have taken the exemption available to small companies to not produce a Strategic report.

### **Principal activity**

The company is a dormant entity.

### **Business review**

The result reflected in the profit and loss account reflects the current year tax charge in relation to a transfer pricing adjustment and prior year taxation adjustments.

### **Going concern**

The company exists as a dormant entity. The net assets substantially comprise balances due from other group companies which are considered recoverable. Having considered financial commitments due within 12 months of the date of this report, we consider the company has sufficient assets available to satisfy its obligations. A fellow group company has confirmed it will provide working capital support towards settlement of intra group balances if required. Accordingly we have adopted the going concern basis in preparing the financial statements.

### **Directors**

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

J Andrews (resigned 1 January 2015)  
R A Kidd (appointed 19 January 2015)  
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



R Kidd  
Director

29<sup>th</sup> September 2015

# **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; 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 2014 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

## **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.

## **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 Strategic Report and 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  
29<sup>th</sup> September 2015

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

## **Profit and loss account For the year ended 31 December 2014**

	Note	2014 £'000	2013 £'000
Operating result/income		-	24
<b>Operating result/profit</b>	3	-	24
<b>Profit on ordinary activities before taxation</b>		-	24
Tax on profit on ordinary activities	4	(500)	105
<b>Profit for the financial year</b>	8	(500)	129

All the activities relate to continuing operations.

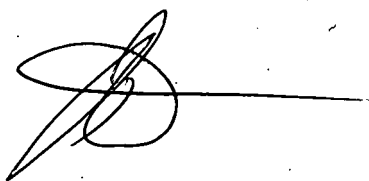
There were no recognised gains or losses attributable to the shareholder in the current or preceding year other than as included in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

# SPECIALISED PETROLEUM SERVICES INTERNATIONAL (BRANCH) LIMITED

## Balance sheet As at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Current assets</b>			
Debtors	5	13,281	13,281
		<u>13,281</u>	<u>13,281</u>
<b>Creditors: amounts falling due within one year</b>	6	(5,758)	(6,258)
<b>Net current assets</b>		<u>7,523</u>	<u>7,023</u>
<b>Total assets less current liabilities</b>		<u>7,523</u>	<u>7,023</u>
<b>Net assets</b>		<u><u>7,523</u></u>	<u><u>7,023</u></u>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account	8	7,523	7,023
<b>Shareholder's funds</b>	9	<u><u>7,523</u></u>	<u><u>7,023</u></u>

The financial statements of Specialised Petroleum Services International (Branch) Limited, company registration number 02661838, were approved by the Board of Directors on 29th September 2015 and signed on the Board's behalf:



R Kidd  
Director



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

## **Notes to the financial statements (continued) For the year ended 31 December 2014**

### **1. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies which have been applied consistently in the current and previous year, are set out below.

#### **Going concern**

The company's net assets substantially comprise balances due from other group companies. Having considered financial commitments due within 12 months of signing the financial statements, the directors consider the company has sufficient assets available to satisfy its obligations. A fellow group company has confirmed it will provide working capital support towards settlement of intra group balances if required. Accordingly, the going concern basis has been adopted.

#### **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 in the current year (2013: £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) For the year ended 31 December 2014

### 3. Operating result/profit

	2014 £'000	2013 £'000
Operating profit is stated after charging:		
Foreign exchange gain	-	24

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 £3,625 (2013: £3,300) of that fee related to the company.

### 4. Tax on profit on ordinary activities

	2014 £'000	2013 £'000
<b>Current taxation</b>		
UK corporation tax	33	34
	-	-
Adjustments in respect of prior years - Foreign taxation	-	(189)
- UK corporation tax	(533)	50
Total current tax	(500)	(105)

The adjustments in respect of prior years - foreign taxation comprised 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.

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	-	24
Tax on profit on ordinary activities at standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	-	6
<b>Factors affecting charge for the year:</b>		
Non-taxable income	-	(6)
Adjustments to tax charge in respect of prior years	(533)	(139)
Transfer pricing adjustment	33	34
Total current tax charge for the year	(500)	(105)

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

## **Notes to the financial statements (continued) For the year ended 31 December 2014**

### **4. Tax on result/profit on ordinary activities (continued)**

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 21.5% (2013: 23.25%). 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.

### **5. Debtors: amount falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
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**

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	5,692	5,642
Taxation	66	616
	<u>5,758</u>	<u>6,258</u>

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

### **7. Called up share capital**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Allotted, called-up and fully paid: 400 ordinary shares of £1 each	<u>400</u>	<u>400</u>

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

## **Notes to the financial statements (continued) For the year ended 31 December 2014**

### **8. Profit and loss account**

	<b>£'000</b>
At 1 January 2014	7,023
Profit for the year	500
	<hr/>
At 31 December 2014	7,523
	<hr/>

### **9. Reconciliation of movements in shareholder's funds**

	<b>2014 £'000</b>	<b>2013 £'000</b>
Profit for the financial year	500	129
	<hr/>	<hr/>
Net increase in shareholder's funds	500	129
Opening shareholder's funds	7,023	6,894
	<hr/>	<hr/>
Closing shareholder's funds	7,523	7,023
	<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.