ROCK DEFORMATION RESEARCH LIMITED

Registered number: 03791808

Annual report and financial statements

For the year ended 31 December 2015

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ROCK DEFORMATION RESEARCH LIMITED

Company Information

Directors	D Marsh S Smoker P H Cenival
Company secretary	S Smoker
Registered Office	Schlumberger House Buckingham Gate Gatwick Airport West Sussex RH6 0NZ United Kingdom
Auditors	Deloitte LLP Chartered Accountants & Registered Auditors Leeds LS1 2AL United Kingdom

ROCK DEFORMATION RESEARCH LIMITED

Directors' report for the year ended 31 December 2015

The directors present annual report together with the audited financial statements of the Rock Deformation Research Limited (the "Company") for the year ended 31 December 2015.

Directors
The following were directors of the Company during the year and up to the date of signing these financial statements:

D Marsh
S Smoker
P H Cenival (appointed 1 May 2016)
P Droy-Moore (resigned 31 December 2015)
S M White (resigned 15 April 2016)

Principal activities and review of the business
The Company's did not trade during a period and has neither profit nor a loss (2014: £12,427,384 profit). The directors approved £413,570 (2014: Nil) share capital reduction in the period in order to bring the share capital into line with Company's requirements. Distribution was made to the shareholders for the value arising from capital reduction.

The Company's net assets decreased to £14,004 (2014: £15,558,536), as a result of dividend payment and reduction of share capital.

This is the first year that the Company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the period ended 31 December 2014. The date of transition to FRS 102 was 1 August 2013. There were no changes in accounting policies which resulted in a change to the profit for the financial period ended 31 December 2014 or the total equity as at 1 August 2013 and 31 December 2014 between UK GAAP as previously reported and FRS 102. There were no changes in classification as a result of the adoption of FRS 102.

Qualifying third-party indemnity provisions
During the year and up to the date of this report, the Company maintained liability insurance for its directors and officers. The Company also provides an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Dividend
The directors proposed a dividend during the year £15,130,962 (2014: £ Nil).

Going concern
Based on directors' assessment, they have concluded that the Company has ceased its operation, as such, the financial statements have been prepared on a basis other than the going concern. There are no material adjustment arose as a results of preparing the financial statements on a basis other than the going concern.

ROCK DEFORMATION RESEARCH LIMITED

Directors' report for the year ended 31 December 2015 (continued)

Disclosure of information to independent auditors
Each of the persons, who are directors at the date of approval of this report, confirm that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Small company provisions
This report has been prepared in accordance with the small companies regime under Companies Act 2006. The company has also taken the exemption available to small companies to not prepare the Strategic report.

Independent auditors
The auditors, Deloitte LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 23 September 2016 and signed on its behalf by

On behalf of the Board

D Marsh
Director

ROCK DEFORMATION RESEARCH LIMITED

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 profit or loss 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 judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standards" applicable in the UK and Republic of Ireland has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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 auditors' report to the members of Rock Deformation Research Limited

We have audited the financial statements of Rock Deformation Research Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 15 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 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 2015 and of its result 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 3 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 matters 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 auditors' report to the members of Rock Deformation Research 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 or from the requirement to prepare a Strategic Report.

Sarah Anderson

Sarah Anderson FCCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom
25th September 2016

ROCK DEFORMATION RESEARCH LIMITED

Profit and loss account
For the year ended 31 December 2015

	Note	2015 £	1 August 2013 to 31 December 2014 £
Turnover	5	-	5,691,427
Cost of sales		-	(654,234)
Gross profit		-	5,037193
Profit on disposal of business		-	15,046,136
Cost of reorganisation		-	(1,818,312)
Income from shares in group undertakings		-	155,605
Operating profit	7		
Interest receivable and similar income	8	-	7,586
Interest payables and similar charges	9	-	(2,534)
Profit on ordinary activities before taxation		-	14,456,839
Tax expense on profit on ordinary activities		-	(2,029,455)
Profit for the financial year		-	12,427,384

All results for the year ended 31 December 2015 are derived entirely from discontinuing operations.

The Company did not have any other comprehensive income during the year or the preceding period and consequently has not presented a statement of comprehensive income for the year ended 31 December 2015.

The notes on pages 9 to 15 form part of these financial statements.

ROCK DEFORMATION RESEARCH LIMITED

Balance Sheet
As at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Debtors	10	**14,004**	14,754,214
Cash at bank and in hand		**-**	804,322
		14,004	15,558,536
Net current assets		**14,004**	15,558,536
Net assets		**14,004**	15,558,536
Capital and reserves			
Called-up share capital	11	**2**	413,572
Other distributable reserve		**14,002**	14,002
Profit and loss account		**-**	15,130,962
Total shareholder's funds		**14,004**	15,558,536

The notes on pages 9 to 15 form part of these financial statements.

The accounts have been prepared in accordance with the provisions of Section 1A of FRS 102.

The financial statements were approved by the board of directors on 23 September 2016 and signed on its behalf by:

S Smoker
Director

Registered number: 03791808

ROCK DEFORMATION RESEARCH LIMITED

Statement of changes in equity
For the year ended 31 December 2015

	Note	Called up share capital £	Other distributable reserve £	Profit and loss account £	Total shareholders' funds £
Balance as at 31 July 2013	11	413,572	14,002	2,703,578	3,131,152
Profit for the period and total comprehensive income		-	-	12,427,384	12,427,384
Balance as at 31 December 2014		**413,572**	**14,002**	**15,130,962**	**15,558,536**
Share capital reduction	11	(413,570)	-	-	(413,570)
Results for the year and total comprehensive income		-	-	-	-
Dividends paid	12	-	-	(15,130,962)	(15,130,962)
Balance as at 31 December 2015		**2**	**14,002**	**-**	**14,004**

The notes on pages 9 to 15 form part of these financial statements

ROCK DEFORMATION RESEARCH LIMITED

Notes to the financial statements
For the year ended 31 December 2015

1 General information

Rock Deformation Research Limited did not trade during the year and is expected to continue in its current (inactive) form in the foreseeable future.

The company is incorporated in England and domiciled in United Kingdom. The address of its registered office is Schlumberger House, Buckingham Gate, Gatwick, West Sussex RH6 0NZ.

2 Statement of compliance

The financial statements of Rock Deformation Research 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. The date of transition to FRS 102 was on 1 August 2013.

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. Details of the transition to FRS 102 are disclosed in note 15.

Basis of preparation
The financial statements have been prepared under the historical cost convention, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council. The principal accounting policies are set out below and have been applied consistently in the current and preceding period.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in note 4.

All Company results are shown in pounds sterling unless stated otherwise.

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 being 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 flow 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 statement of Schlumberger Limited (paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29); and

iii) from the related party transactions discloses, required under FRS 102 as the information is provided in the consolidated financial statement of Schlumberger Limited (paragraph 33.1A).

3 Accounting policies (continued)

Going concern
The company's net assets primarily comprise balances due from its parent companies. Based on directors' assessment, the Company has ceased its operation, as such the financial statements have been prepared on a basis other than the going concern. There are no material adjustment arose as a results of preparing the financial statements on a basis other than the going concern.

Turnover
Turnover represents the sales value of goods and services supplied to external customers, excluding value added tax.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Turnover on sales not accounted for as long term contracts is recognised when the goods are accepted by the customer, and in accordance with the terms of the contract.

Taxation including deferred taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3 Accounting policies (continued)

Research and development
Research and development expenditure is included in cost of sales and is expensed in the year in which it is incurred.

Leases
All leases are classified as operating leases. Rentals payable and receivable under operating leases are accounted for on the straight line basis over the periods of the leases and are included in the profit and loss account.

Foreign currencies
The company's functional and presentation currency is the pound sterling.

Trading transactions in foreign currencies are translated into sterling at the exchange rate on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates at the balance sheet date. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

Following the sale of the business on 1 November 2014 when all the assets and liabilities denominated in foreign currencies were crystallised into their sterling equivalents, the assets held in foreign currencies remaining at the current period and prior period balance sheet date are recognised at the rate applicable at the date of sale.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is provided on a straight line basis over the expected useful lives of each category of tangible fixed assets at the following rates:

Fixtures, fittings, tools and equipment	2-10 years
Leasehold improvements	4 years straight line

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Impairment review
Any impairment is determined by comparing the carrying value of assets with their recoverable amount, where the recoverable amount is the higher of net realisable value or value in use. Value in use is calculated using the present value of future cash flows discounted at an appropriate rate.

Cash at bank and in hand
Cash balances represent current bank account balances, cash held on overnight deposit or cash in hand.

Financial assets and liabilities
The classification of financial assets and liabilities depends on the purpose for which the financial assets were acquired or the financial liabilities were incurred. Management determines the classification of its financial assets and liabilities at initial recognition. The Company classifies its financial assets in the following categories: loans and receivables and derivatives and its financial liabilities in the following categories: Other financial liabilities and derivatives.

3 Accounting policies (continued)

Financial assets and liabilities (continued)

(a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

The Company's loans and receivables mainly comprise basic financial assets including debtors (including amounts owed by Schlumberger Limited group companies) and cash at bank and in hand.

Loans and receivables are recognised initially 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.

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.

Distributions to equity holders
Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Related Parties
The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4 Critical accounting judgements and estimation uncertainty policies

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

(ii) 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.

Notes to the financial statements
For the year ended 31 December 2015 (continued)

5 Turnover

The analysis of the destination of turnover by geographical area is as follows:

	2015	1 August 2013 to 31 December 2014
	£	£
United Kingdom	-	256,880
Rest of Europe	-	3,808,795
Africa	-	119,661
Australasia	-	23,541
Americas	-	1,482,550
Total turnover	-	5,691,427

All turnovers relates to software services, the sole business segment of the Company which is based in the UK.

6 Directors' emoluments

Of the four directors in office during the year, none was remunerated by the Company (2014: two).

The total emoluments of the directors, including pension contributions, amounted to £nil (2014: £514,868).

Certain of the directors are also directors of the parent company, Schlumberger Oilfield UK plc and received remuneration from that company. It is not practicable to ascertain what proportion of this remuneration related to the company.

7 Operating profit

Operating profit is stated after charging / (crediting) the following items:

	2015	1 August 2013 to 31 December 2014
	£	£
Depreciation of tangible fixed assets	-	108,441
Auditors' remuneration:		
Audit	-	6,070
Gain on foreign currency exchange	-	(41,475)
Loss on disposal of tangible fixed assets	-	44,684

Auditor's remuneration has been borne by a related company in the current year. The directors estimate £3,500 audit fee during the year related to the company. No non-audit fees were payable to the auditor of the financial statements (2015: £ Nil).

Notes to the financial statements
For the year ended 31 December 2015 (continued)

8 Interest receivable and similar income

	2015 £	1 August 2013 to 31 December 2014 £
Interest due from Schlumberger Plc group companies	-	4,606
Other interest receivable	-	2,980
Total interest receivable	-	7,586

9 Interest payable and similar charges

	2015 £	1 August 2013 to 31 December 2014 £
Interest due to Schlumberger Plc group companies	-	(2,534)

10 Debtors

	2015 £	2014 £
Amounts owed by Schlumberger Plc group companies	**14,004**	14,754,214
Total debtors	**14,004**	14,754,214

Non-trading balances between Schlumberger plc group companies and its parent Schlumberger UK Limited are unsecured, repayable on demand and accrue interest. Trading transactions between all Schlumberger Limited companies are settled within normal market terms. There were no non-trading balances with other Schlumberger Limited group companies at the end of a year (2014: £ nil).

11 Called up share capital

Authorised, called up, allotted, issued and fully paid ordinary shares of £0.10 each:	**£**	**Number**
Balance at 1 January 2015	**413,572**	**4,135,715**
Share capital reduction	**(413,570)**	**(4,135,700)**
Balance at 31 December 2015	**2**	**15**

On the 23rd November 2015 the Company undertook a reduction of capital to bring the capital into line with the Company requirements. The reduction was registered by the Registrar of Companies on 4th December 2015.

12 Dividends paid

Dividends of 366 pence per ordinary share totalling to £15,130,962 were paid on 29 July 2015 (2014: £Nil) from distributable reserves.

13 Related parties

As a subsidiary company of ultimate parent undertaking Schlumberger Limited, the company has taken advantage of the exemptions in FRS102 Section 33 "Related Party Transactions" from disclosing transactions with members of Schlumberger Limited Group.

Notes to the financial statements
For the year ended 31 December 2015 (continued)

14 Controlling parties

The immediate parent company and controlling party is Schlumberger Oilfield UK plc, a company incorporated in England and Wales.

Schlumberger Limited, a company incorporated in Curacao, a country within the Kingdom of the Netherlands, is the parent undertaking of the smallest and the largest group of undertakings of which Schlumberger Cambridge Research Limited is a member and for which 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 Limited can be obtained from 17th Floor, 5599 San Felipe, Houston, Texas, 77056, USA or on the Group website at www.slb.com.

15 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the period ended 31 December 2014. The date of transition to FRS 102 was 1 August 2013. There were no changes in accounting policies which resulted in a change to the profit for the financial year ended 31 December 2014 or the total equity as at 1 August 2013 and 31 December 2014 between UK GAAP as previously reported and FRS 102. There were no changes in classification as a result of the adoption of FRS 102.