

Diamould Limited

Registered Number 3797278

Directors' Report and Financial Statements

Year Ended 31 December 2011

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Diamould Limited

Directors' Report for the year ended 31 December 2011

The directors submit their annual report together with the audited financial statements of Diamould Limited (the "Company") for the year ended 31 December 2011

Principal activities

The Company's principal activity is the manufacture, design and supply of integrated connectivity solutions to the oil and gas industry

Review of the business and results

The Company's profit for the financial year is £624,000 for the year ended 31 December 2011 (2010 £340,000). The directors do not recommend the payment of a dividend (2010 £0). The Directors believe that the Company has continued to invest in the growth of the business in 2011. The outlook for 2012 is uncertain. As the projected GDP growth continues to be revised downwards and in line with these lower growth forecasts oil demand forecasts have also been amended accordingly. However, the increasing weight of the emerging economies, the weakness of non-OPEC supply and a number of geopolitical concerns continue to support oil prices, which, absent a global recession, are not expected to weaken significantly. Taking these factors into account, the Company is planning for growth during the coming year.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the Schlumberger plc group, which include those of the Company, are discussed in the Directors' report disclosed on page 1 in the financial statements of Schlumberger plc which does not form part of this report.

Key performance indicators (KPI's)

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Future outlook

The Company has made significant progress during the year and the directors believe that the Company is well placed to continue to develop

Directors

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

A Nicholson
S Smoker
R H Martin (resigned 13/08/2012)

D Marsh (appointed 13/08/2012)
P Droy
P Ireland (resigned 01/12/2011)

Diamould Limited

Directors' Report for the year ended 31 December 2011 (continued)

Payments to suppliers

The Company agrees terms and conditions for its business transactions with suppliers, both third party and affiliated companies. Payment is made on these terms providing the supplier meets its obligations. The Company had 47 days purchases outstanding as at 31 December 2011 (2010: 19 days) based on the average daily amount invoiced by suppliers during the year.

Financial instruments

The Company has no significant concentration of liquidity risk as current assets include debtors repayable on demand sufficient to meet all current liabilities.

Financial instruments are not currently used to manage the Company's exposure to interest rate risk.

Political contributions and charitable donations

No political donations were made during the year (2010: £0). The Company made charitable donations amounting to £1,455 (2010: £3,000).

Policy for quality, health, safety and environment

It is the Company's policy to ensure that quality, health, safety and environmental considerations are top priority for management and employees. Prevention of accidental risk and loss from process failure is an integral part of the Company's continuous improvement culture.

Policy for employment of disabled persons

It is the Company's policy to give full and fair consideration to suitable applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the Company who become disabled to continue in their employment or to be trained for other positions in the Company.

Employee participation

Employees are regularly provided with information on matters of concern to them as employees. They are further encouraged to be involved in the Company's performance by being eligible to purchase stock of the ultimate parent company, Schlumberger Limited, at a discounted rate through a savings scheme.

The Company also lays stress on achieving a common awareness of all employees in relation to the financial and economic factors that affect the performance of the Company.

Statement of directors' responsibilities

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

Diamould Limited

Directors' Report for the year ended 31 December 2011 (continued)

Statement of directors' responsibilities (continued)

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 profit or loss of the group 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

Disclosure of information to auditors

Each of the persons, who are a director at the date of approval of this report, confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

Independent auditors

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

On behalf of the Board



P Droy
Company Secretary
30 August 2012

Diamould Limited

Independent auditors' report to the members of Diamould Limited for the year ended 31 December 2011

We have audited the financial statements of Diamould Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on pages 2 and 3, 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' 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 2011 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



Paul Christian (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Liverpool

30 August 2012

Diamould Limited

Profit and loss account for the year ended 31 December 2011

	<i>Note</i>	2011 £'000	2010 £'000
Turnover	2	11,227	10,739
Cost of sales		(4,818)	(4,905)
Gross profit		6,409	5,834
Net operating expenses	4	(5,518)	(5,323)
Operating profit	5	891	511
Interest receivable	6	20	34
Profit on ordinary activities before taxation		911	545
Tax charge on profit on ordinary activities	8	(287)	(205)
Profit for the financial year	16	624	340

All results are derived from continuing operations

The company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 18 form part of these financial statements.

Diamould Limited

Balance Sheet as at 31 December 2011

	<i>Note</i>	2011	2010
		£'000	£'000
Fixed assets			
Intangible Fixed Assets	<i>9</i>	-	-
Tangible Fixed Assets	<i>10</i>	644	605
		644	605
Current assets			
Stocks	<i>11</i>	2,743	1,780
Debtors – amounts due within one year	<i>12</i>	6,323	6,354
		9,066	8,134
Creditors: amounts falling due within one year	<i>13</i>	(2,235)	(1,888)
Net current assets		6,831	6,246
Net Assets		7,475	6,851
Capital and reserves			
Called up share capital	<i>15</i>	8,010	8,010
Share premium account	<i>16</i>	1,966	1,966
Profit and loss account – deficit	<i>16</i>	(2,501)	(3,125)
Total shareholder's funds	<i>17</i>	7,475	6,851

The notes on pages 7 to 18 form part of these financial statements

These financial statements on pages 5 to 18 were approved and authorised by the board of directors on 30 August 2012 and were signed on its behalf by



J A Nicholson
Director
Diamould Limited

Registered Number 3797278

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

1 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below

Turnover and revenue recognition

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

Products and service revenue recognition is based upon purchase orders, contracts or other persuasive evidence of an arrangement with the customer that include fixed and determinable prices and that do not include right of return or other similar provisions. Revenue is recognised for products on delivery, customer acceptance and when collectability is reasonably assured

For long-term projects revenue is recognised on a percentage of completion basis.

Leases

All leases which do not entail taking substantially all the risks and rewards of ownership of an asset are accounted for as 'operating leases' and the rentals are charged to the profit and loss account on a straight line basis over the life of the lease. The company does not have any leases which take substantially all the risks and rewards of ownership of an asset

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes direct materials only. Net realisable value is based on estimated selling price less further costs to completion and selling costs.

Work is undertaken for customers on long term contracts either on the basis that time and materials are billed as incurred or according to the terms of fixed price or limited price contracts (which are substantially long term). With respect to the former, turnover and profits are recognised according to time worked. With respect to fixed or limited price contracts, turnover is recognised according to the percentage of the estimated total contract value completed and a prudent proportion of profit is also recognised as the contract progresses. All losses are recognised as soon as incurred or foreseen.

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at 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

Leasehold buildings	50 years or the life of the lease if shorter
Plant and machinery	3-5 years
Fixtures, fittings, tools and equipment	2-10 years
Motor Vehicles	4 years
Computer equipment & software	3 years

Patents

Patents are valued at cost less accumulated amortisation. The patents are fully amortised

Taxation including deferred taxation

Corporation tax payable is provided on taxable profits at the current rate.

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 results as stated 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets are recognised only when it is regarded as more likely than not that there will be suitable taxable profits against which to recover such assets in the future.

Pensions

The charge against profits is the amount of defined contributions payable to the pension schemes in respect of the accounting period

The Schlumberger plc group scheme, which provides benefits on a defined benefit basis as well as a defined contribution basis, is run on a basis that does not enable individual companies within the group to identify their share of the underlying net assets and liabilities. As permitted by FRS17, the Company therefore accounts for the entire scheme as a defined contribution scheme

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

1 Accounting policies (continued)

Foreign currencies

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

Related Party Disclosure

Transactions with other companies within the Group are not disclosed as the Company has taken advantage of the exemption available under Financial Reporting Standard 8 (FRS 8) "Related Party Disclosures" paragraph 3(c).

Cash flow statement

The Company is a wholly-owned subsidiary of Schlumberger plc and is included in the consolidated financial statements of Schlumberger plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

Government grants

Grants of a revenue nature are credited to income in the period to which they relate. Grants of a capital nature are credited to deferred income and released over the life of the associated asset.

2 Turnover

The analysis of the destination of sales by geographical area is as follows

	2011	2010
	£'000	£'000
United Kingdom	2,799	4,429
Rest of Europe	588	193
Amencas	4,649	4,556
Africa/Asia/Australia	3,191	1,561
Total Turnover	11,227	10,739

In the opinion of the directors there is only one class of business

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

3 Staff numbers and costs

The average number of persons employed by the Company during the year (including directors) was as follows

	2011 Number	2010 Number
Direct labour	45	34
Selling, marketing and distribution	8	9
Administration	54	60
Total staff numbers	107	103

The aggregate payroll costs were as follows

	2011 £'000	2010 £'000
Wages and salaries (including bonuses)	3,683	3,585
Social security costs	388	326
Pension costs (note 18)	446	352
Total staff costs	4,517	4,263

4 Analysis of net operating expenses

	2011 £'000	2010 £'000
Administrative expenses	5,348	5,063
Selling, marketing and distribution costs	175	225
Other (income) /expenses (including exchange gain/loss)	(5)	35
Total net operating expenses	5,518	5,323

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

5 Operating profit

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

	2011	2010
	£'000	£'000
Depreciation of tangible fixed assets (note 10)	339	434
Auditors' remuneration		
- audit	22	20
Grant income	(26)	(34)
Foreign exchange losses	20	69

6 Interest receivable

	2011	2010
	£'000	£'000
Interest receivable from Schlumberger plc group companies	20	34

7 Directors' emoluments

Of the five directors in office during the year, two were remunerated by the company (2010 two).

The aggregate emoluments of the directors amounted to £295,425 (2010. £292,329) The emoluments of the highest paid director amounted to £169,246 (2010 £148,496) including pension contributions of £19,960 (2010 £17,400)

Of the directors one (2010. one) is accruing retirement benefits under a money purchase scheme

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Tax charge on profit on ordinary activities

The taxation charge based on the profit for the year as adjusted for taxation purposes may be analysed as follows

	2011 £'000	2010 £'000
Current tax		
Current year corporation tax at 26.5% (2010: 28%)	(71)	(10)
	(71)	(10)
Deferred tax		
Current year (note 14)	(216)	(195)
Total deferred tax	(216)	(195)
Total tax charge on profit on ordinary activities	(287)	(205)

The tax assessed for the period is lower (2010: lower) than the standard rate of corporation tax in the UK of 26.5% (2010: 28%). The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	911	545
Profit before tax multiplied by effective standard rate of 26.5% (2010: 28%)	(241)	(153)
Utilisation of losses	235	228
Expenses not deductible for tax purposes	(13)	(32)
Short term and other timing differences	(52)	(53)
Adjustment in respect of prior year	-	-
Current tax charge for the year	(71)	(10)

Legislation to reduce the main rate of corporation tax to 25% from 1 April 2012 was substantively enacted on 5 July 2011. The deferred tax asset at 31 December 2011 has been re-measured accordingly

Further reductions to the UK corporation tax rate were announced initially in the 2011 Budget which has then been revised in the 2012 Budget on 21 March 2012, which will now result in the rate reducing to 24% from 1 April 2012, with further 1% reductions per annum to 22% by 1 April 2014

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

8 Tax charge on profit on ordinary activities (continued)

The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the balance sheet.

9 Intangible fixed assets - Patents

	2011 £'000	2010 £'000
Cost		
At 1 January 2011 and 31 December 2011	13	13
Accumulated amortisation		
At 1 January 2011 and 31 December 2011	13	13
Net book value as at 31 December 2010 and 2011	-	-

10 Tangible fixed assets

	Leasehold property £'000	Plant & machinery £'000	Fixtures, fittings, tools & equipment £'000	Computer equipment & software £'000	Total £'000
Cost					
At 1 January 2011	617	1,790	907	35	3,349
Additions	51	330	-	-	381
Disposals	-	(10)	-	-	(10)
At 31 December 2011	668	2,110	907	35	3,720
Accumulated depreciation					
At 1 January 2011	(560)	(1,426)	(724)	(35)	(2,745)
Charge for the year	(57)	(233)	(49)	-	(339)
Disposals	-	8	-	-	8
At 31 December 2011	(617)	(1,651)	(773)	(35)	(3,076)
Net book value at 31 December 2011	51	459	134	-	644
Net book value at 31 December 2010	57	364	184	-	605

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

11 Stocks

Stocks at the end of the year are analysed as follows

	2011	2010
	£'000	£'000
Raw materials	2,214	1,544
Work in progress	233	78
Finished Goods	296	158
Total stocks	2,743	1,780

There is no material difference between the balance sheet amount of stock and its replacement value

12 Debtors – amounts due within one year

	2011	2010
	£'000	£'000
Trade debtors	2,085	2,289
Amounts owed by Schlumberger plc group companies	3,192	2,737
Amounts owed by other group companies	415	620
Deferred taxation (Note 14)	346	562
Prepayments and accrued income	174	146
Other debtors	111	-
Total debtors – due within one year	6,323	6,354

Non-trading balances and loans between the company and other Schlumberger plc group companies are repayable on demand and accrue interest at LIBOR plus 50 basis points. Trading transactions between these parties are settled within normal market terms

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

13 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Bank overdraft	-	8
Trade creditors	614	260
Amounts owed to Schlumberger plc group companies	-	86
Amounts owed to other group companies	173	237
Taxation and social security	165	106
Other creditors	-	-
Accruals and deferred income	1,283	1,191
Total creditors – due within one year	2,235	1,888

Non-trading balances and loans between the company and other Schlumberger plc group companies are repayable on demand and accrue interest at LIBOR plus 50 basis points. Trading transactions between these parties are settled within normal market terms

14 Deferred taxation

	2011	2010
	£'000	£'000
Asset as at 1 January	562	757
Profit and loss account charge current year	(216)	(195)
Asset at 31 December	346	562

At 31 December 2011 the deferred taxation asset balance is represented by the following timing differences

	2011	2010
	£'000	£'000
Accelerated Capital Allowances	287	284
Short term timing differences	59	39
Tax losses	-	239
Balance at 31 December – Asset	346	562

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

15 Called up share capital

	2011	2010
	£'000	£'000
Authorised		
9,998,000 Ordinary A shares of £1 each	9,998	9,998
2,000 ordinary B shares of £1 each	2	2
Total authorised	10,000	10,000
Allotted and fully paid		
8,009,184 ordinary A shares of £1 each	8,009	8,009
528 ordinary B shares of £1 each	1	1
Total allotted and fully paid	8,010	8010

Ordinary A Shares and Ordinary B Shares issued by the Company rank pari passu for all purposes

16 Reserves

	Share Premium account	Profit and loss account
	£'000	£'000
At 1 January 2011	1,966	(3,125)
Profit for the financial year	-	624
At 31 December 2011	1,966	(2,501)

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

17 Reconciliation of movements in shareholder's funds

	2011 £'000	2010 £'000
Opening shareholder's funds	6,851	6,511
Profit for the year	624	340
Closing shareholder's funds	7,475	6,851

18 Pension commitments

The Company participates in the Schlumberger Plc group pension scheme, providing retirement benefits on both a defined benefit (DB) and defined contribution (DC) basis. Any payments to other Schlumberger Ltd group pension schemes are made on a defined contribution basis. Pension contributions for all schemes were £446,000 for 2011 (2010 £352,000). At the end of the year, contributions of £117,000 (2010 £111,000), representing additional profit sharing contributions to the defined contribution section of the scheme were outstanding.

In the Final Salary Benefit (FSB) section, members accrue both types of benefit while members in the Personal Money Fund (PMF) section accrue only defined contribution benefits. The FSB section has been closed since April 1999 and new members are admitted to the PMF section. A qualified actuary determines the contributions on the basis of valuations using the projected unit method. Particulars of the (FSB) Company pension scheme are contained in the financial statements of Schlumberger Plc.

19 Leasing commitments

	2011 £'000	2010 £'000
Operating leases which expire:		
Within one year	10	56
Between two and five years	21	65
Total operating lease commitments	31	121

All leasing commitments relate to land and buildings.

The company had no other financial commitments at 31 December 2011 (2010: £0).

Diamould Limited

Notes to the financial statements for the year ended 31 December 2011 (continued)

20 Capital Commitments

Capital expenditure contracted as at 31 December, for which no provisions have been made in these financial statements, was as follows

	2011	2010
	£'000	£'000
Contracted	208	97

21 Ultimate parent company

The immediate parent undertaking is Schlumberger Oilfield UK plc, a company registered in United Kingdom

Schlumberger plc, is the parent undertaking of the smallest group of undertakings of which Diamould Limited is a member and for which group consolidated financial statements are drawn up

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 plc is a member and for which Group accounts are drawn up. The directors consider Schlumberger Limited to be the ultimate controlling party.

Copies of the financial statements of Schlumberger plc can be obtained from, Victory House, Churchill Court, Manor Royal, Crawley, West Sussex, RH10 9LU, United Kingdom and Schlumberger Limited from 17th Floor San Felipe, Houston, Texas, 77056, U S A