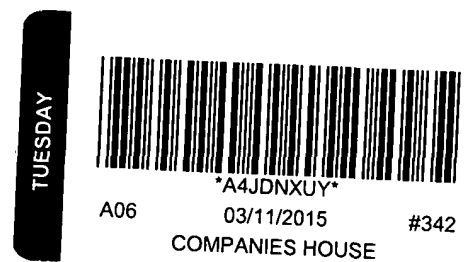


# **Diamould Limited**

Registered Number 3797278

## **Annual Report and Financial Statements**

**Year Ended 31 December 2014**



# Diamould Limited

## Strategic Report for the year ended 31 December 2014

The directors present their Strategic report for the year ended 31 December 2014.

### Principal activities and review of the business

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

On 15 November 2012 Cameron (Diamould's ultimate parent) and Schlumberger announced the creation of OneSubsea™, a joint venture to manufacture and develop products, systems and services for the subsea oil and gas market. The legal clearances and formations were completed by 1 July 2013. Diamould Limited was included within this joint venture. The joint venture was created in two parts; one in the USA which operates under a US LLC, and the second larger grouping which operates as a Non-USA Dutch BV resident company. Cameron and Schlumberger have 60/40 ownership of the joint venture, respectively. On announcement shares in Cameron rose 3.2%, and Schlumberger 1.1%, reflecting the market's view that the Joint Venture made sound commercial sense for both partners.

The partnership is expected to benefit from Schlumberger's expertise in subsea processing and platform integration and Cameron's expertise and market position in subsea processing control technology. The combined expertise will offer a unique position in the market place in terms of increasing yield extraction rates from Subsea Reservoirs.

Diamould Limited acquired, on 1 April 2013, the trade and assets of the Surveillance and Flow Assurance businesses from Sensor Highway Ltd and Schlumberger Oilfield UK Plc. These acquisitions were purchased at book value of £5,805k.

On 26 August 2015 it was announced that Schlumberger Limited and Cameron Corporation International, the company's ultimate parent undertaking, had entered into a definitive merger agreement in which the companies will combine in a stock and cash transaction. The transaction is subject to Cameron shareholders' approval, regulatory approvals and other customary closing conditions. It is anticipated that the closing of the transaction will occur in the first quarter of 2016.

The company's key financial and other performance indicators during the years were as follows:

	<b>2014</b>	<b>2013</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Turnover	<b>19,965</b>	21,624	(8%)
Profit for the financial year	<b>2,144</b>	157	1,266%
Shareholders' funds	<b>11,345</b>	9,201	23%
Current assets as % of current liabilities ("quick ratio")	<b>146%</b>	168%	(11%)
Average number of employees (No.)	<b>157</b>	145	8%

Total turnover has decreased as a result of two major contract awards originally scheduled for 2014 moving to 2015. However, existing profit for the financial year has increased, year on year, due to one off exceptional acquisition cost incurred in 2013, improved operating margins driven from further integration into the Onesubsea structure and a change in stock costing whereby an element of labour and overhead is now recognised in stock. This change in stock valuation has increased stock and profit by £1.275m at the year end. Average number of employees has also increased year on year in line with intercompany partnerships on New Technology developments.

# **Diamould Limited**

## **Strategic Report for the year ended 31 December 2014 (continued)**

### **Future developments**

The Directors believe that the Company has continued to invest in the growth of the business in 2014. The outlook for the global oil and gas market for 2015 is one of a weakening Global GDP growth with significant structural risks in the EU and the BRICS. The current decline in Oil prices reflects this weakening demand coupled with increasing supply from US Shale. Taking these factors into account, the Company and the wider OSS Joint Venture is planning for slower growth during the coming year and an increasing focus on cost reduction to drive profitability.

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

### **Principal risks and uncertainties**

The principal risks and uncertainties of the Company are integrated with the principal risks of the Joint Venture and significant commercial and operating risks are not managed separately. Accordingly, the principal risks and uncertainties of the Joint Venture group, which include those of the Company, are discussed in the Directors' report disclosed in the financial statements of OneSubsea UK Limited (400176), which does not form part of this report.

Management assess the internal controls at the end of each year and also as an integral part of the internal audit on an on-going basis. Policies and procedures are also in force and serve to formalise the support for required controls and the execution of on-going work practices. The Company considers health and safety as a number one priority and Group and local health forums have been established whose goals are to eliminate work related injuries, comply with regulatory requirements and improve performance. It reviews performance in these areas, collects data, shares best practices and plans for the future. This ensures consistency in performance measurement and improvement activities. Forum members also conduct safety audits to identify practices that are working well and areas for improvement. Their reporting is used to track completion of corrective actions.

### **Financial risk management**

The Company's operations expose it to a variety of financial risks that includes foreign exchange risk, interest rate risk and credit risk.

None of the financial risks are deemed material to its operations or financial position and as such are not actively managed.

Should the need arise the Group will provide such assistance to ensure any exposures are mitigated against.

On behalf of the board



J A Nicholson

**Director**

28 October 2015

# **Diamould Limited**

## **Directors' Report for the year ended 31 December 2014**

The directors present their report and financial statements for the year ended 31 December 2014.

### **Future developments**

An indication of the likely future developments of the business is included in the Strategic Report on page 1.

### **Directors**

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

JA Nicholson

CA Platt

AS Variu (appointed 6 March 2014)

CL Roberts (resigned 7 March 2014)

### **Results and dividends**

The Company's profit for the financial year is £2,144,000 for the year ended 31 December 2014 (2013: £157,000). The directors do not recommend the payment of a dividend (2013: £nil).

### **Financial instruments**

No financial instruments are used.

### **Political contributions and charitable donations**

No political donations were made during the year (2013: £nil). The Company made charitable donations amounting to £250 (2013: £2,804).

### **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.

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.

# **Diamould Limited**

## **Directors' Report for the year ended 31 December 2014 (continued)**

### **Going Concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **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



J A Nicholson  
**Director**  
28 October 2015

# **Diamould Limited**

## **Directors' Report for the year ended 31 December 2014 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 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 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 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.

# **Diamould Limited**

## **Independent auditors' report to the members of Diamould Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Diamould Limited's financial statements (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.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

# **Diamould Limited**

## **Independent auditors' report to the members of Diamould Limited (continued)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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) ("ISAs (UK & 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.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Randal Casson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Liverpool

28 October 2015



# Diamould Limited

## Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Turnover</b>			
Existing operations		19,965	15,694
Acquired operations		-	5,930
	2	19,965	21,624
Cost of sales		(13,044)	(12,422)
<b>Gross profit</b>		6,921	9,202
Exceptional operating expenses	4	(393)	(618)
Net operating expenses	4	(3,968)	(8,539)
<b>Total operating expenses</b>		(4,361)	(9,157)
<b>Operating profit/(loss)</b>			
Existing operations	5	2,560	1,048
Acquired operations	5	-	(1,003)
		2,560	45
Interest receivable and similar income	6	13	22
<b>Profit on ordinary activities before taxation</b>		2,573	67
Tax (charge)/credit on profit on ordinary activities	8	(429)	90
<b>Profit for the financial year</b>	16	2,144	157

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.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their cost equivalents.

The notes on pages 10 to 22 form part of these financial statements.

# Diamould Limited

## Balance sheet as at 31 December 2014

		2014	2013
	Note	£'000	£'000
<b>Fixed assets</b>			
Intangible assets	9	-	-
Tangible assets	10	2,342	1,118
		<b>2,342</b>	<b>1,118</b>
<b>Current assets</b>			
Stocks	11	7,479	2,152
Debtors	12	11,717	14,701
Cash at bank and in hand		9,562	3,031
		<b>28,758</b>	<b>19,884</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(19,755)</b>	<b>(11,801)</b>
<b>Net current assets</b>		<b>9,003</b>	<b>8,083</b>
<b>Net assets</b>		<b>11,345</b>	<b>9,201</b>
<b>Capital and reserves</b>			
Called up share capital	15	8,010	8,010
Share premium account	16	1,966	1,966
Profit and loss account	16	1,369	(775)
<b>Total shareholders' funds</b>	17	<b>11,345</b>	<b>9,201</b>

The notes on pages 10 to 22 form part of these financial statements.

These financial statements on pages 8 to 22 were approved and authorised by the board of directors on, and were signed on its behalf by:



**Director**

Diamould Limited

28 October 2015

Registered Number: 03797278

# **Diamould Limited**

## **Notes to the financial statements for the year ended 31 December 2014 (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.

The results of the company are included in the consolidated financial statements of the ultimate parent undertaking, Cameron International Corporation, a company registered in United States of America, which are publicly available (see note 22). The company has therefore taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1, Cash Flow Statements.

#### **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.

#### **Stock and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises manufacturing labour and materials, together with an appropriate share of overhead expenses. 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 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 2014 (continued)**

### **1 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
Assets under construction	Not depreciated

#### **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.

#### **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.

# Diamould Limited

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

### 1 Accounting policies (continued)

#### Exceptional items

Exceptional items are recognised for material items which derive from events or transactions that fall within the ordinary activities of the company and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

#### 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:

	2014	2013
	£'000	£'000
United Kingdom	3,827	5,385
Rest of Europe	3,049	2,611
Americas	7,291	6,530
Africa/Asia/Australia	5,788	7,002
Russian Federation	10	96
<b>Total Turnover</b>	<b>19,965</b>	<b>21,624</b>

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 2014 (continued)

### 3 Staff numbers and costs

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

	2014 Number	2013 Number
Direct labour	39	40
Selling, marketing and distribution	12	9
Administration	106	96
<b>Total staff numbers</b>	<b>157</b>	<b>145</b>

The aggregate payroll costs were as follows:

	2014 £'000	2013 £'000
Wages and salaries (including bonuses)	6,810	6,861
Social security costs	682	565
Other pension costs (note 18)	679	395
<b>Total staff costs</b>	<b>8,171</b>	<b>7,821</b>

### 4 Analysis of net operating expenses

	2014 £'000	2013 £'000
Administrative expenses	4,393	9,309
Selling, marketing and distribution costs	21	39
Other income (including exchange gain/loss)	(53)	(191)
<b>Total net operating expenses</b>	<b>4,361</b>	<b>9,157</b>

During 2014, the company moved to an absorption costing method for stock costing. Therefore, an element of labour and overhead is now recognised in stock. As a result of this change in estimation technique £1,275,000 has been transferred from administration expenses into stock. Consequently, profit before tax has increased by £1,275,000 at year end.

# Diamould Limited

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

### 5 Operating profit

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

	2014	2013
	£'000	£'000
Depreciation of tangible fixed assets (note 10)	316	379
Auditors' remuneration:		
- audit	53	39
Grant income	-	(10)
Foreign exchange gains	(189)	(181)
Operating leases charges - other	110	318

### 6 Interest receivable and similar income

	2014	2013
	£'000	£'000
Interest receivable from Schlumberger plc.group companies	-	7
Bank interest	13	15
	13	22

### 7 Directors' emoluments

Of the seven directors in office during the year, one was remunerated by the company (2013: one). The remuneration of the other directors was borne by Cameron and Schlumberger.

The emoluments of the director amounted to £138,391 (aggregate emoluments 2013: £121,468). This included pension contributions of £11,983 (aggregate pension contributions 2013: £19,640).

Of the directors, one (2013: one) is accruing retirement benefits under a Retirement Savings Plan.

# Diamould Limited

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

### 8 Tax on profit on ordinary activities

The taxation charge based on the profit for the financial year as adjusted for taxation purposes is analysed as follows:

	2014 £'000	2013 £'000
<b>Current tax</b>		
UK corporation tax at 21.49% (2013: 23.25%)	504	79
Adjustment in respect of prior periods	75	-
	<b>579</b>	<b>79</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(24)	(238)
Adjustment in respect of previous periods	(128)	(6)
Effect of changes in tax rates	2	75
Total deferred tax credit	<b>(150)</b>	<b>(169)</b>
Total tax charge/(credit) on profit on ordinary activities	<b>429</b>	<b>(90)</b>

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
<b>Profit on ordinary activities before taxation</b>	<b>2,573</b>	<b>67</b>
Profit on ordinary activities before taxation multiplied by effective standard rate of 21.49% (2013: 23.25%)	553	16
Expenses not deductible for tax purposes	7	1
Short term and other timing differences	24	142
Adjustment in respect of prior periods	75	-
Group relief not paid	(80)	(80)
Current tax charge for the year	<b>579</b>	<b>79</b>

#### Factors that may affect future tax charges

The main rate of corporation tax was reduced from 21% to 20% from 1 April 2015.

Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.



# Diamould Limited

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

### 9 Intangible fixed assets - Patents

	2014 £'000	2013 £'000
<b>Cost</b>		
At 1 January 2014 and 31 December 2014	13	13
<b>Accumulated amortisation</b>		
At 1 January 2014 and 31 December 2014	13	13
<b>Net book value as at 31 December 2013 and 2014</b>	-	-

### 10 Tangible fixed assets

	Leasehold property	Plant & machinery	Fixtures, fittings, tools & equipment	Computer equipment & software	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 January 2014	961	2,972	910	35	4,878
Additions	1,037	356	147	-	1,540
<b>At 31 December 2014</b>	<b>1,998</b>	<b>3,328</b>	<b>1,057</b>	<b>35</b>	<b>6,418</b>
<b>Accumulated depreciation</b>					
At 1 January 2014	(730)	(2,087)	(908)	(35)	(3,760)
Charge for the year	(54)	(205)	(57)	-	(316)
<b>At 31 December 2014</b>	<b>(784)</b>	<b>(2,292)</b>	<b>(965)</b>	<b>(35)</b>	<b>(4,076)</b>
<b>Net book value at 31 December 2014</b>	<b>1,214</b>	<b>1,036</b>	<b>92</b>	<b>-</b>	<b>2,342</b>
Net book value at 31 December 2013	231	885	2	-	1,118

# Diamould Limited

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

### 11 Stocks

Stocks at the end of the year are analysed as follows:

	2014	2013
	£'000	£'000
Raw materials	3,734	1,662
Work in progress	3,127	380
Finished goods	618	110
	<b>7,479</b>	<b>2,152</b>

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

### 12 Debtors

	2014	2013
	£'000	£'000
Trade debtors	4,669	4,224
Amounts owed by related party undertakings	4,199	9,238
Amounts owed by group undertakings	1,653	-
Deferred taxation (Note 14)	630	480
Other debtors	467	3
Prepayments and accrued income	99	756
	<b>11,717</b>	<b>14,701</b>

Trading transactions between the company and other related party undertakings are settled within normal market terms.

# Diamould Limited

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

### 13 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	1,878	240
Amounts owed to related party undertakings	3,851	5,364
Amounts owed to group undertakings	10,889	3,329
Taxation and social security	1,224	669
Accruals and deferred income	1,913	2,199
	<b>19,755</b>	<b>11,801</b>

Amounts owed to related parties and group undertakings are unsecured, interest free and repayable on demand.

### 14 Deferred taxation

	2014	2013
	£'000	£'000
Asset as at 1 January	480	311
Profit and loss account credit in current year	22	163
Prior year adjustment	128	6
<b>Asset at 31 December</b>	<b>630</b>	<b>480</b>

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

	2014	2013
	£'000	£'000
Accelerated capital allowances	543	426
Short term timing differences	87	54
<b>Balance at 31 December - Asset</b>	<b>630</b>	<b>480</b>

# Diamould Limited

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

### 15 Called up share capital

	2014	2013
	£'000	£'000
<b>Authorised</b>		
9,998,000 (2013: 9,998,000) ordinary A shares of £1 each	9,998	9,998
2,000 (2013: 2,000) ordinary B shares of £1 each	2	2
<b>Total authorised</b>	<b>10,000</b>	<b>10,000</b>

	2014	2013
	£'000	£'000
<b>Allotted and fully paid</b>		
8,009,184 (2013: 8,009,184) ordinary A shares of £1 each	8,009	8,009
528 (2013: 528) ordinary B shares of £1 each	1	1
<b>Total allotted and fully paid</b>	<b>8,010</b>	<b>8,010</b>

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

### 16 Reserves

	Share Premium account £'000	Profit and loss account £'000
At 1 January 2014	1,966	(775)
Profit for the financial year	-	2,144
<b>At 31 December 2014</b>	<b>1,966</b>	<b>1,369</b>

### 17 Reconciliation of movements in shareholders' funds

	2014	2013
	£'000	£'000
Opening shareholders' funds	9,201	9,044
Profit for the financial year	2,144	157
<b>Closing shareholders' funds</b>	<b>11,345</b>	<b>9,201</b>

# Diamould Limited

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

### 18 Pension commitments

The Company participates in a defined contribution pension scheme, the costs of which are recognised in the profit and loss account in the period in which they become payable. Pension contributions were £678,752 for 2014 (2013: £395,140). At the end of the year, contributions of £nil (2013: £115,000) were outstanding.

### 19 Leasing commitments

At 31 December 2014 the company had annual commitments under operating leases as set out below:

	2014 £'000	2013 £'000
Between two and five years	9	8
Over five years	101	55
<b>Total operating commitments</b>	<b>110</b>	<b>63</b>

All leasing commitments relate to land and buildings.

The company had no other financial commitments at 31 December 2014 (2013: £nil).

### 20 Capital Commitments

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

	2014 £'000	2013 £'000
<b>Contracted</b>	<b>41</b>	<b>13</b>

### 21 Related party disclosure

During the year the group entered into transactions, in the ordinary course of business, with other related parties and group undertakings. Transactions entered into, and trading balances outstanding at 31 December 2014, are as follows:

# Diamould Limited

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

### 21 Related party disclosure (continued)

	Sales to Related Party	Purchases from Related Party	Amounts Owed from Related Party	Amounts owed to Related Party
	£'000	£'000	£'000	£'000
SCHLUMBERGER OILFIELD UK LTD	32	-	-	85
SCHLUMBERGER OILFIELD UK PLC	10	-	-	113
SENSA HIGHWAYS LIMITED	-	2,369	774	1,017
DOWELL SCHLUMBERGER	59	-	-	-
DOWELL SLB (WESTERN) S.A.	1	-	-	-
ETUDES ET PRODUCTIONS SLB	340	-	120	-
PETROLEUM EQT & SUPPLIES NV	44	-	-	-
PETROLEUM EQUIP+SUPPLIES FZE	11	-	-	-
PETROLEUM EQUIPMENT SUPP FZE	2,924	-	570	-
PETROLEUM EQUIPMENT SUPP NV	757	-	81	-
SCHLUMBERGER AUSTRALIA PTY	-	-	-	-
SCHLUMBERGER CANADA LIMITED	121	-	-	-
SCHLUMBERGER HOLDINGS LTD	1,523	-	147	-
SCHLUMBERGER LOGELCO INC	4	-	-	-
SCHLUMBERGER NORGE AS	12	-	3	-
SCHLUMBERGER OILFIELD (UK)PL	(21)	-	2	-
SCHLUMBERGER OILFIELD EQUIP-	83	-	48	-
SCHLUMBERGER OILFIELD UK PLC	(30)	4,061	7	-
SCHLUMBERGER OILFIELD(UK)PLC	1,569	-	-	-
SCHLUMBERGER OILFIELD (USD)	-	-	428	-
SCHLUMBERGER OILFIELD (GBP)	-	-	594	-
SCHLUMBERGER OILFIELD BELFAST	-	-	34	-
SCHLUMBERGER OVERSEAS S.A.	1	-	-	-
SCHLUMBERGER RESERVOIR	75	-	-	-
SCHLUMBERGER SEACO INC.	0	-	2	-
SCHLUMBERGER SURENCO S.A.	8	-	1	-
SCHLUMBERGER TECHNOLOGY CORP	1,870	-	546	-
SCHLUMBERGER TECHNOLOGY SERVICES	-	-	6	-
SHTR	196	-	-	-
SLB ASIA SERVICES LTD	10	-	10	-
SLB AUSTRALIA PTY LTD (OFS)	26	-	1	-
SLB OFFSHORE SERVICES LTD	371	-	(10)	-
SLB OFFSHORE SERVS LTD USD	436	-	-	-
SLB RESERVOIR PRODUCTS FZE	915	-	265	-
SLB SERVICOS DE PETROLEO LTD	2	-	-	-
SLB TECHNOLOGY CORPORATION	145	-	42	-
SOUTHERN SCHLUMBERGER SA	5	21	5	-
SOUK PLC C/O ACCENTURE	-	-	468	-
SCHLUMBERGER RES.PROD.FZE	6	-	-	-
SERVICES TECHNIQUES	-	-	-	-
SCHLUMBERGER	-	-	-	1,709
MFG FINANCIAL CENTRE	-	-	-	927
	11,505	6,451	4,199	3,851

## **Diamould Limited**

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

#### **22 Ultimate parent company**

The immediate parent undertaking is OneSubsea B.V, a company incorporated in the Netherlands.

The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Cameron International Corporation, which is incorporated in the United States of America. Cameron International Corporation is also the company's ultimate parent company and controlling party. Copies of the Annual Report of Cameron International Corporation are available from Cameron International Corporation, 1333 West Loop South, Suite 1700, Houston, Texas 77027, USA.

#### **23 Acquisition note**

In the prior year, on 1 April 2013 the Company purchased the trade and assets of the Surveillance and Flow Assurance businesses from Sensor Highway Ltd and Schlumberger Oilfield UK Plc. for a total consideration of £5,805k.

The book values of the assets and liabilities were taken from the management accounts. No fair value adjustments were considered necessary. Prior to the acquisition the Surveillance and Flow Assurance businesses were part of Sensor Highway Ltd and Schlumberger Oilfield UK Plc. However, only certain of the assets and liabilities of these businesses were acquired.

#### **24 Subsequent events**

Subsequent to the year end one of the significant contracts acquired with the Surveillance and Flow Assurance business was transferred back to the Schlumberger Group at its book amount. The company made no gain or loss on the transfer.

On 26 August 2015 it was announced that Schlumberger Limited and Cameron Corporation International, the company's ultimate parent undertaking, had entered into a definitive merger agreement in which the companies will combine in a stock and cash transaction. The transaction is subject to Cameron shareholders' approval, regulatory approvals and other customary closing conditions. It is anticipated that the closing of the transaction will occur in the first quarter of 2016.

# **Diamould Limited**

**Registered Number 3797278**

## **Annual Report and Financial Statements**

**Year Ended 31 December 2014**



# Diamould Limited

## Strategic Report for the year ended 31 December 2014

The directors present their Strategic report for the year ended 31 December 2014.

### Principal activities and review of the business

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

On 15 November 2012 Cameron (Diamould's ultimate parent) and Schlumberger announced the creation of OneSubsea™, a joint venture to manufacture and develop products, systems and services for the subsea oil and gas market. The legal clearances and formations were completed by 1 July 2013. Diamould Limited was included within this joint venture. The joint venture was created in two parts; one in the USA which operates under a US LLC, and the second larger grouping which operates as a Non-USA Dutch BV resident company. Cameron and Schlumberger have 60/40 ownership of the joint venture, respectively. On announcement shares in Cameron rose 3.2%, and Schlumberger 1.1%, reflecting the market's view that the Joint Venture made sound commercial sense for both partners.

The partnership is expected to benefit from Schlumberger's expertise in subsea processing and platform integration and Cameron's expertise and market position in subsea processing control technology. The combined expertise will offer a unique position in the market place in terms of increasing yield extraction rates from Subsea Reservoirs.

Diamould Limited acquired, on 1 April 2013, the trade and assets of the Surveillance and Flow Assurance businesses from Sensor Highway Ltd and Schlumberger Oilfield UK Plc. These acquisitions were purchased at book value of £5,805k.

On 26 August 2015 it was announced that Schlumberger Limited and Cameron Corporation International, the company's ultimate parent undertaking, had entered into a definitive merger agreement in which the companies will combine in a stock and cash transaction. The transaction is subject to Cameron shareholders' approval, regulatory approvals and other customary closing conditions. It is anticipated that the closing of the transaction will occur in the first quarter of 2016.

The company's key financial and other performance indicators during the years were as follows:

	<b>2014</b>	<b>2013</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Turnover	<b>19,965</b>	21,624	(8%)
Profit for the financial year	<b>2,144</b>	157	1,266%
Shareholders' funds	<b>11,345</b>	9,201	23%
Current assets as % of current liabilities ("quick ratio")	<b>146%</b>	168%	(11%)
Average number of employees (No.)	<b>157</b>	145	8%

Total turnover has decreased as a result of two major contract awards originally scheduled for 2014 moving to 2015. However, existing profit for the financial year has increased, year on year, due to one off exceptional acquisition cost incurred in 2013, improved operating margins driven from further integration into the Onesubsea structure and a change in stock costing whereby an element of labour and overhead is now recognised in stock. This change in stock valuation has increased stock and profit by £1.275m at the year end. Average number of employees has also increased year on year in line with intercompany partnerships on New Technology developments.

# **Diamould Limited**

## **Strategic Report for the year ended 31 December 2014 (continued)**

### **Future developments**

The Directors believe that the Company has continued to invest in the growth of the business in 2014. The outlook for the global oil and gas market for 2015 is one of a weakening Global GDP growth with significant structural risks in the EU and the BRICS. The current decline in Oil prices reflects this weakening demand coupled with increasing supply from US Shale. Taking these factors into account, the Company and the wider OSS Joint Venture is planning for slower growth during the coming year and an increasing focus on cost reduction to drive profitability.

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

### **Principal risks and uncertainties**

The principal risks and uncertainties of the Company are integrated with the principal risks of the Joint Venture and significant commercial and operating risks are not managed separately. Accordingly, the principal risks and uncertainties of the Joint Venture group, which include those of the Company, are discussed in the Directors' report disclosed in the financial statements of OneSubsea UK Limited (400176), which does not form part of this report.

Management assess the internal controls at the end of each year and also as an integral part of the internal audit on an on-going basis. Policies and procedures are also in force and serve to formalise the support for required controls and the execution of on-going work practices. The Company considers health and safety as a number one priority and Group and local health forums have been established whose goals are to eliminate work related injuries, comply with regulatory requirements and improve performance. It reviews performance in these areas, collects data, shares best practices and plans for the future. This ensures consistency in performance measurement and improvement activities. Forum members also conduct safety audits to identify practices that are working well and areas for improvement. Their reporting is used to track completion of corrective actions.

### **Financial risk management**

The Company's operations expose it to a variety of financial risks that includes foreign exchange risk, interest rate risk and credit risk.

None of the financial risks are deemed material to its operations or financial position and as such are not actively managed.

Should the need arise the Group will provide such assistance to ensure any exposures are mitigated against.

On behalf of the board



J A Nicholson

**Director**

28 October 2015

# **Diamould Limited**

## **Directors' Report for the year ended 31 December 2014**

The directors present their report and financial statements for the year ended 31 December 2014.

### **Future developments**

An indication of the likely future developments of the business is included in the Strategic Report on page 1.

### **Directors**

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

JA Nicholson

CA Platt

AS Variu (appointed 6 March 2014)

CL Roberts (resigned 7 March 2014)

### **Results and dividends**

The Company's profit for the financial year is £2,144,000 for the year ended 31 December 2014 (2013: £157,000). The directors do not recommend the payment of a dividend (2013: £nil).

### **Financial instruments**

No financial instruments are used.

### **Political contributions and charitable donations**

No political donations were made during the year (2013: £nil). The Company made charitable donations amounting to £250 (2013: £2,804).

### **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.

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.

# **Diamould Limited**

## **Directors' Report for the year ended 31 December 2014 (continued)**

### **Going Concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **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



J A Nicholson  
**Director**  
28 October 2015

# **Diamould Limited**

## **Directors' Report for the year ended 31 December 2014 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 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 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 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.

# **Diamould Limited**

## **Independent auditors' report to the members of Diamould Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Diamould Limited's financial statements (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.

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

# Diamould Limited

## Independent auditors' report to the members of Diamould Limited (continued)

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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) ("ISAs (UK & 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.

#### What an audit of financial statements involves

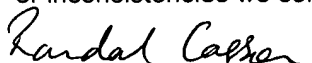
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Randal Casson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Liverpool

28 October 2015

# Diamould Limited

## Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Turnover</b>			
Existing operations		19,965	15,694
Acquired operations		-	5,930
	2	19,965	21,624
Cost of sales		(13,044)	(12,422)
<b>Gross profit</b>		6,921	9,202
Exceptional operating expenses	4	(393)	(618)
Net operating expenses	4	(3,968)	(8,539)
<b>Total operating expenses</b>		(4,361)	(9,157)
<b>Operating profit/(loss)</b>			
Existing operations	5	2,560	1,048
Acquired operations	5	-	(1,003)
		2,560	45
Interest receivable and similar income	6	13	22
<b>Profit on ordinary activities before taxation</b>		2,573	67
Tax (charge)/credit on profit on ordinary activities	8	(429)	90
<b>Profit for the financial year</b>	16	2,144	157

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.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their cost equivalents.

The notes on pages 10 to 22 form part of these financial statements.



# Diamould Limited

## Balance sheet as at 31 December 2014

		2014	2013
	Note	£'000	£'000
<b>Fixed assets</b>			
Intangible assets	9	-	-
Tangible assets	10	2,342	1,118
		<b>2,342</b>	<b>1,118</b>
<b>Current assets</b>			
Stocks	11	7,479	2,152
Debtors	12	11,717	14,701
Cash at bank and in hand		9,562	3,031
		<b>28,758</b>	<b>19,884</b>
<b>Creditors: Amounts falling due within one year</b>	13	<b>(19,755)</b>	<b>(11,801)</b>
<b>Net current assets</b>		<b>9,003</b>	<b>8,083</b>
<b>Net assets</b>		<b>11,345</b>	<b>9,201</b>
<b>Capital and reserves</b>			
Called up share capital	15	8,010	8,010
Share premium account	16	1,966	1,966
Profit and loss account	16	1,369	(775)
<b>Total shareholders' funds</b>	17	<b>11,345</b>	<b>9,201</b>

The notes on pages 10 to 22 form part of these financial statements.

These financial statements on pages 8 to 22 were approved and authorised by the board of directors on, and were signed on its behalf by:



**Director**

Diamould Limited

28 October 2015

Registered Number: 03797278

# **Diamould Limited**

## **Notes to the financial statements for the year ended 31 December 2014 (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.

The results of the company are included in the consolidated financial statements of the ultimate parent undertaking, Cameron International Corporation, a company registered in United States of America, which are publicly available (see note 22). The company has therefore taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1, Cash Flow Statements.

#### **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.

#### **Stock and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost comprises manufacturing labour and materials, together with an appropriate share of overhead expenses. 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 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 2014 (continued)

### 1 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
Assets under construction	Not depreciated

#### 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.

#### 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.

# Diamould Limited

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

### 1 Accounting policies (continued)

#### Exceptional items

Exceptional items are recognised for material items which derive from events or transactions that fall within the ordinary activities of the company and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

#### 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:

	2014	2013
	£'000	£'000
United Kingdom	3,827	5,385
Rest of Europe	3,049	2,611
Americas	7,291	6,530
Africa/Asia/Australia	5,788	7,002
Russian Federation	10	96
<b>Total Turnover</b>	<b>19,965</b>	<b>21,624</b>

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 2014 (continued)

### 3 Staff numbers and costs

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

	2014	2013
	Number	Number
Direct labour	39	40
Selling, marketing and distribution	12	9
Administration	106	96
<b>Total staff numbers</b>	<b>157</b>	<b>145</b>

The aggregate payroll costs were as follows:

	2014	2013
	£'000	£'000
Wages and salaries (including bonuses)	6,810	6,861
Social security costs	682	565
Other pension costs (note 18)	679	395
<b>Total staff costs</b>	<b>8,171</b>	<b>7,821</b>

### 4 Analysis of net operating expenses

	2014	2013
	£'000	£'000
Administrative expenses	4,393	9,309
Selling, marketing and distribution costs	21	39
Other income (including exchange gain/loss)	(53)	(191)
<b>Total net operating expenses</b>	<b>4,361</b>	<b>9,157</b>

During 2014, the company moved to an absorption costing method for stock costing. Therefore, an element of labour and overhead is now recognised in stock. As a result of this change in estimation technique £1,275,000 has been transferred from administration expenses into stock. Consequently, profit before tax has increased by £1,275,000 at year end.

# Diamould Limited

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

### 5 Operating profit

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

	2014	2013
	£'000	£'000
Depreciation of tangible fixed assets (note 10)	316	379
Auditors' remuneration:		
- audit	53	39
Grant income	-	(10)
Foreign exchange gains	(189)	(181)
Operating leases charges - other	110	318

### 6 Interest receivable and similar income

	2014	2013
	£'000	£'000
Interest receivable from Schlumberger plc.group companies	-	7
Bank interest	13	15
	13	22

### 7 Directors' emoluments

Of the seven directors in office during the year, one was remunerated by the company (2013: one). The remuneration of the other directors was borne by Cameron and Schlumberger.

The emoluments of the director amounted to £138,391 (aggregate emoluments 2013: £121,468). This included pension contributions of £11,983 (aggregate pension contributions 2013: £19,640).

Of the directors, one (2013: one) is accruing retirement benefits under a Retirement Savings Plan.

# Diamould Limited

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

### 8 Tax on profit on ordinary activities

The taxation charge based on the profit for the financial year as adjusted for taxation purposes is analysed as follows:

	2014	2013
	£'000	£'000
<b>Current tax</b>		
UK corporation tax at 21.49% (2013: 23.25%)	504	79
Adjustment in respect of prior periods	75	-
	<b>579</b>	<b>79</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(24)	(238)
Adjustment in respect of previous periods	(128)	(6)
Effect of changes in tax rates	2	75
Total deferred tax credit	<b>(150)</b>	<b>(169)</b>
Total tax charge/(credit) on profit on ordinary activities	<b>429</b>	<b>(90)</b>

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014	2013
	£'000	£'000
<b>Profit on ordinary activities before taxation</b>	<b>2,573</b>	<b>67</b>
Profit on ordinary activities before taxation multiplied by effective standard rate of 21.49% (2013: 23.25%)	553	16
Expenses not deductible for tax purposes	7	1
Short term and other timing differences	24	142
Adjustment in respect of prior periods	75	-
Group relief not paid	(80)	(80)
Current tax charge for the year	<b>579</b>	<b>79</b>

#### Factors that may affect future tax charges

The main rate of corporation tax was reduced from 21% to 20% from 1 April 2015.

Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

# Diamould Limited

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

### 9 Intangible fixed assets - Patents

	2014 £'000	2013 £'000
<b>Cost</b>		
At 1 January 2014 and 31 December 2014	13	13
<b>Accumulated amortisation</b>		
At 1 January 2014 and 31 December 2014	13	13
<b>Net book value as at 31 December 2013 and 2014</b>	-	-

### 10 Tangible fixed assets

	Leasehold property	Plant & machinery	Fixtures, fittings, tools & equipment	Computer equipment & software	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 January 2014	961	2,972	910	35	4,878
Additions	1,037	356	147	-	1,540
<b>At 31 December 2014</b>	<b>1,998</b>	<b>3,328</b>	<b>1,057</b>	<b>35</b>	<b>6,418</b>
<b>Accumulated depreciation</b>					
At 1 January 2014	(730)	(2,087)	(908)	(35)	(3,760)
Charge for the year	(54)	(205)	(57)	-	(316)
<b>At 31 December 2014</b>	<b>(784)</b>	<b>(2,292)</b>	<b>(965)</b>	<b>(35)</b>	<b>(4,076)</b>
<b>Net book value at 31 December 2014</b>	<b>1,214</b>	<b>1,036</b>	<b>92</b>	<b>-</b>	<b>2,342</b>
Net book value at 31 December 2013	231	885	2	-	1,118



# Diamould Limited

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

### 11 Stocks

Stocks at the end of the year are analysed as follows:

	2014	2013
	£'000	£'000
Raw materials	3,734	1,662
Work in progress	3,127	380
Finished goods	618	110
	<b>7,479</b>	<b>2,152</b>

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

### 12 Debtors

	2014	2013
	£'000	£'000
Trade debtors	4,669	4,224
Amounts owed by related party undertakings	4,199	9,238
Amounts owed by group undertakings	1,653	-
Deferred taxation (Note 14)	630	480
Other debtors	467	3
Prepayments and accrued income	99	756
	<b>11,717</b>	<b>14,701</b>

Trading transactions between the company and other related party undertakings are settled within normal market terms.

## Diamould Limited

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

#### 13 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	1,878	240
Amounts owed to related party undertakings	3,851	5,364
Amounts owed to group undertakings	10,889	3,329
Taxation and social security	1,224	669
Accruals and deferred income	1,913	2,199
	<b>19,755</b>	<b>11,801</b>

Amounts owed to related parties and group undertakings are unsecured, interest free and repayable on demand.

#### 14 Deferred taxation

	2014	2013
	£'000	£'000
Asset as at 1 January	480	311
Profit and loss account credit in current year	22	163
Prior year adjustment	128	6
<b>Asset at 31 December</b>	<b>630</b>	<b>480</b>

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

	2014	2013
	£'000	£'000
Accelerated capital allowances	543	426
Short term timing differences	87	54
<b>Balance at 31 December - Asset</b>	<b>630</b>	<b>480</b>

# Diamould Limited

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

### 15 Called up share capital

	2014 £'000	2013 £'000
<b>Authorised</b>		
9,998,000 (2013: 9,998,000) ordinary A shares of £1 each	9,998	9,998
2,000 (2013: 2,000) ordinary B shares of £1 each	2	2
<b>Total authorised</b>	<b>10,000</b>	<b>10,000</b>

	2014 £'000	2013 £'000
<b>Allotted and fully paid</b>		
8,009,184 (2013: 8,009,184) ordinary A shares of £1 each	8,009	8,009
528 (2013: 528) ordinary B shares of £1 each	1	1
<b>Total allotted and fully paid</b>	<b>8,010</b>	<b>8,010</b>

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

### 16 Reserves

	Share Premium account £'000	Profit and loss account £'000
At 1 January 2014	1,966	(775)
Profit for the financial year	-	2,144
<b>At 31 December 2014</b>	<b>1,966</b>	<b>1,369</b>

### 17 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	9,201	9,044
Profit for the financial year	2,144	157
<b>Closing shareholders' funds</b>	<b>11,345</b>	<b>9,201</b>

## **Diamould Limited**

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

#### **18 Pension commitments**

The Company participates in a defined contribution pension scheme, the costs of which are recognised in the profit and loss account in the period in which they become payable. Pension contributions were £678,752 for 2014 (2013: £395,140). At the end of the year, contributions of £nil (2013: £115,000) were outstanding.

#### **19 Leasing commitments**

At 31 December 2014 the company had annual commitments under operating leases as set out below:

	<b>2014 £'000</b>	<b>2013 £'000</b>
Between two and five years	<b>9</b>	<b>8</b>
Over five years	<b>101</b>	<b>55</b>
<b>Total operating commitments</b>	<b>110</b>	<b>63</b>

All leasing commitments relate to land and buildings.

The company had no other financial commitments at 31 December 2014 (2013: £nil).

#### **20 Capital Commitments**

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

	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Contracted</b>	<b>41</b>	<b>13</b>

#### **21 Related party disclosure**

During the year the group entered into transactions, in the ordinary course of business, with other related parties and group undertakings. Transactions entered into, and trading balances outstanding at 31 December 2014, are as follows:

# Diamould Limited

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

### 21 Related party disclosure (continued)

	Sales to Related Party	Purchases from Related Party	Amounts Owed from Related Party	Amounts owed to Related Party
	£'000	£'000	£'000	£'000
SCHLUMBERGER OILFIELD UK LTD	32	-	-	85
SCHLUMBERGER OILFIELD UK PLC	10	-	-	113
SENSA HIGHWAYS LIMITED	-	2,369	774	1,017
DOWELL SCHLUMBERGER	59	-	-	-
DOWELL SLB (WESTERN) S.A.	1	-	-	-
ETUDES ET PRODUCTIONS SLB	340	-	120	-
PETROLEUM EQT & SUPPLIES NV	44	-	-	-
PETROLEUM EQUIP+SUPPLIES FZE	11	-	-	-
PETROLEUM EQUIPMENT SUPP FZE	2,924	-	570	-
PETROLEUM EQUIPMENT SUPP NV	757	-	81	-
SCHLUMBERGER AUSTRALIA PTY	-	-	-	-
SCHLUMBERGER CANADA LIMITED	121	-	-	-
SCHLUMBERGER HOLDINGS LTD	1,523	-	147	-
SCHLUMBERGER LOGELCO INC	4	-	-	-
SCHLUMBERGER NORGE AS	12	-	3	-
SCHLUMBERGER OILFIELD (UK)PL	(21)	-	2	-
SCHLUMBERGER OILFIELD EQUIP-	83	-	48	-
SCHLUMBERGER OILFIELD UK PLC	(30)	4,061	7	-
SCHLUMBERGER OILFIELD(UK)PLC	1,569	-	-	-
SCHLUMBERGER OILFIELD (USD)	-	-	428	-
SCHLUMBERGER OILFIELD (GBP)	-	-	594	-
SCHLUMBERGER OILFIELD BELFAST	-	-	34	-
SCHLUMBERGER OVERSEAS S.A.	1	-	-	-
SCHLUMBERGER RESERVOIR	75	-	-	-
SCHLUMBERGER SEACO INC.	0	-	2	-
SCHLUMBERGER SURENCO S.A.	8	-	1	-
SCHLUMBERGER TECHNOLOGY CORP	1,870	-	546	-
SCHLUMBERGER TECHNOLOGY SERVICES	-	-	6	-
SHTR	196	-	-	-
SLB ASIA SERVICES LTD	10	-	10	-
SLB AUSTRALIA PTY LTD (OFS)	26	-	1	-
SLB OFFSHORE SERVICES LTD	371	-	(10)	-
SLB OFFSHORE SERVS LTD USD	436	-	-	-
SLB RESERVOIR PRODUCTS FZE	915	-	265	-
SLB SERVICOS DE PETROLEO LTD	2	-	-	-
SLB TECHNOLOGY CORPORATION	145	-	42	-
SOUTHERN SCHLUMBERGER SA	5	21	5	-
SOUK PLC C/O ACCENTURE	-	-	468	-
SCHLUMBERGER RES.PROD.FZE	6	-	-	-
SERVICES TECHNIQUES	-	-	-	-
SCHLUMBERGER	-	-	-	1,709
MFG FINANCIAL CENTRE	-	-	-	927
	11,505	6,451	4,199	3,851

## **Diamould Limited**

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

#### **22 Ultimate parent company**

The immediate parent undertaking is OneSubsea B.V, a company incorporated in the Netherlands.

The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Cameron International Corporation, which is incorporated in the United States of America. Cameron International Corporation is also the company's ultimate parent company and controlling party. Copies of the Annual Report of Cameron International Corporation are available from Cameron International Corporation, 1333 West Loop South, Suite 1700, Houston, Texas 77027, USA.

#### **23 Acquisition note**

In the prior year, on 1 April 2013 the Company purchased the trade and assets of the Surveillance and Flow Assurance businesses from Sensor Highway Ltd and Schlumberger Oilfield UK Plc. for a total consideration of £5,805k.

The book values of the assets and liabilities were taken from the management accounts. No fair value adjustments were considered necessary. Prior to the acquisition the Surveillance and Flow Assurance businesses were part of Sensor Highway Ltd and Schlumberger Oilfield UK Plc. However, only certain of the assets and liabilities of these businesses were acquired.

#### **24 Subsequent events**

Subsequent to the year end one of the significant contracts acquired with the Surveillance and Flow Assurance business was transferred back to the Schlumberger Group at its book amount. The company made no gain or loss on the transfer.

On 26 August 2015 it was announced that Schlumberger Limited and Cameron Corporation International, the company's ultimate parent undertaking, had entered into a definitive merger agreement in which the companies will combine in a stock and cash transaction. The transaction is subject to Cameron shareholders' approval, regulatory approvals and other customary closing conditions. It is anticipated that the closing of the transaction will occur in the first quarter of 2016.