

Diamould Limited

Registered Number 03797278

Annual Report and Financial Statements

Year ended 31 December 2022

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COMPANIES HOUSE

Diamould Limited

Directors and Advisors

Directors

J A Nicholson
S W McCloud
C A Walker

Secretary

Abogado Nominees Limited

Registered Office

280 Bishopsgate
London
EC2M 4RB
United Kingdom

Diamould Limited

Strategic Report for the year ended 31 December 2022

The directors present their Strategic report for the year ended 31 December 2022.

Principal activities and review of the business

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

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

	2022	2021	Change
	£'000	£'000	%
Turnover	17,167	19,131	(10%)
Profit for the financial year	1,829	205	792%
Total Shareholders' funds	21,085	19,256	9%
Current assets as % of current liabilities ("quick ratio")	376%	504%	(25%)
Average number of employees (No.)	114	97	15%

Turnover reduced from the prior year due to challenges in executing the existing contracted backlog while dealing with continued quality incidents from the prior period. Overall, the company fell short in its target of scheduled deliveries for its control's connector product to intercompany partners which will now be scheduled for delivery in future periods.

Despite short term challenges around structure and material costs the company remained profitable due to significant foreign exchange gains from holding a material value of United states dollars on its balance sheet coupled with the material weakening of the Great British Pound against the United States dollar.

Future developments

Global oil and gas activity continued to grow in 2022 and, because of this continued market upcycle, contracted awards for product delivery in 2023 and beyond are at a record level for the Company and will ensure a sustained period of activity. The company retains a robust order book with contracted work and deliveries all the way out till late 2024. 2023 is expected to see an increase in turnover and activity levels through the continued execution of Schlumberger and third-party awards.

The recorded contracted backlog of deliveries has had an impact on operating capacity and the company's ability to deliver contracted orders within agreed dates. The company's management team has instigated a relief plan and is confident on clearing any overdue contracted deliverables and commitments by the end of 2023.

The company has continued to diversify its suppliers base due to the long-lasting impact of global events such as the pandemic and the war in Ukraine affecting key material availability and cost. The directors and companies' management are confident they can manage existing contractual commitments without the need for cancellations or force majeure type of events.

In addition, the Company continues to be part of the Schlumberger UK group of companies and as such there are no immediate funding restraints in delivering its current projects or servicing its creditors.

Diamould Limited

Strategic Report for the year ended 31 December 2022 (continued)

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Schlumberger Limited worldwide group and are not managed separately. For an analysis of the principal risk factors affecting the Schlumberger Limited group, see item 1A, Risk Factors, in the 2022 Annual Report of Schlumberger Limited, copies of which can be obtained from www.slb.com.

Management assesses 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. The company had significant exchange gains in the year due to a significant United States Dollar (USD) intercompany cash pool receivable of \$72,930,000 (2021: \$62,409,000) held on its balance sheet coupled with the material weakening of the Great British Pound (GBP) against the United States Dollar (USD).

Operating expense/income in the year was a total credit of £1,680,000 (2021: Debit £1,986,000). Operating income/expenses contained a foreign exchange gain of £4,629,000 (2021: gain £724,000). Excluding foreign exchange gains operating expenses were £2,949,000 (2021: £1,824,000). Operating expenses were higher than the prior year due to costs associated with changing the businesses operating systems.

The strategic report on pages 2 to 3 were approved by the Board of Directors on 13 November 2023 and signed on its behalf by Joseph Allan Nicholson.

DocuSigned by:

169AF95EA440436
Joseph Allan Nicholson
Director
13 November 2023

Diamould Limited

Directors' Report for the year ended 31 December 2022

The directors present their report and unaudited financial statements for the year ended 31 December 2022.

Future developments

An indication of the likely future developments of the business is included in the Strategic Report on pages 2-3.

Directors

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

J A Nicholson

S W McCloud

C A Walker (Appointed on 18 August 2022)

Results and dividends

The Company's profit is £1,829,000 for the year ended 31 December 2022 (2021: profit £205,000). The directors do not recommend the payment of a dividend (2021: £nil).

Financial instruments

The corporate treasury policies are structured to minimise exchange losses and also to ensure efficient use of available cash to support on-going working capital and business development. The Company trades in multi-currency contracts worldwide and natural currency offsets help to minimise exchange exposure. The Company manages its exchange risk through matching, as far as possible, foreign currency manufacturing costs against foreign currency on income on related contracts. Impacts of exchanges risks to the financial statements are documented in the 'Financial risk management' section of the 'Strategic report for year ended 31 December 2022'.

Political contributions and charitable donations

No political or charitable donations were made in the year (2021: £nil).

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 focuses 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 2022 (continued)

Going Concern

As at 31 December 2022, the Company's balance sheet had net current assets amounting to £20,516,000 (2021: net current assets £18,015,000).

The directors have reviewed the financial position of the Company and its anticipated cash flow forecasts for the period of at least 12 months from the date of approval of these financial statements and are satisfied that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of these financial statements.

Taking into account the current forecasts for the Company, the facilities available to the Company and the net current assets position, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

Diamould Limited

Directors' Report for the year ended 31 December 2022 (continued)

Audit exemption

Schlumberger UK Limited, a company registered in England, is the parent undertaking of the smallest group of undertakings of which Diamould Limited is a member and for which Schlumberger UK Limited group financial statements are drawn up.


Historically, Schlumberger UK Limited and its subsidiaries have prepared standalone audited financial statements and have not been required to produce consolidated financial statements. For the year ended 31 December 2022, the directors of Schlumberger UK Limited decided to take advantage of Section 479A of the Companies Act of 2006 that exempts subsidiaries of a UK parent company from preparing audited financial statements if certain criteria are met. These criteria include having their financial results included in the consolidated financial statements of its UK parent. In order to meet these criteria, Schlumberger UK Limited has prepared the audited consolidated financial statements for the year ended 31 December 2022, which include *inter alia* results of the Company.

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under Section 479A of the Companies Act 2006. Under the provision of section 479C of the Companies Act 2006, Schlumberger UK Limited, the UK parent undertaking, has given a statutory guarantee of all the outstanding liabilities to which the Company is subject at the end of the financial year and the members of the Company have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

Independent Auditors

The directors have relied upon the provisions of Section 479A of the Companies Act 2006 and have resolved not to appoint auditors.

The directors report on pages 4 to 6 were approved by the Board of Directors on 13 November 2023 and signed on its behalf by Joseph Allan Nicholson.

DocuSigned by:

169AF95EA440436
Joseph Allan Nicholson
Director
13 November 2023

Diamould Limited

Income statement For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000 As restated*
Turnover	2	17,167	19,131
Cost of sales		(16,805)	(16,964)
Gross profit		362	2,167
Operating income / (expenses)	4	1,680	(1,139)
Exceptional Item	4	-	(886)
Net interest income	5	221	39
Profit before taxation	6	2,263	181
Tax (charge) / credit on profit	8	(434)	24
Profit for the financial year		1,829	205

*The comparatives for 2021 have been restated to separate Net interest income from the Operating income/(expenses). For details of the restatement refer to note 19.

The company did not have any other comprehensive income during the current year or the preceding year and consequently has not presented a statement of comprehensive income.

The notes on pages 10 to 23 form part of these financial statements.

Diamould Limited

Statement of financial position As at 31 December 2022

		2022	2021
	Note	£'000	£'000
Fixed assets			
Tangible assets	10	920	1,241
		920	1,241
Current assets			
Stocks	11	13,046	8,781
Debtors	12	14,906	13,594
Cash at bank and in hand		-	90
		27,952	22,465
Creditors: Amounts falling due within one year	13	(7,436)	(4,450)
Net current assets		20,516	18,015
Provision for Liabilities		(351)	-
Net assets		21,085	19,256
Capital and reserves			
Called up share capital	15	8,010	8,010
Share premium account		1,966	1,966
Profit and loss account		11,109	9,280
Total shareholders' funds		21,085	19,256

For the year ended 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirement of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The notes on pages 10 to 23 form part of these financial statements.

These financial statements on pages 7 to 23 were approved and authorised by the board of directors on 13 November 2023 and were signed on its behalf by:

DocuSigned by:

 169AF95EA440436
Joseph Allan Nicholson
Director
13 November 2023

Registered Number: 03797278

Diamould Limited

Statement of changes in equity For the year ended 31 December 2022

	Called up share capital	Share premium account	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
At 1 January 2021	8,010	1,966	9,075	19,051
Profit for the financial year	-	-	205	205
At 31 December 2021 and 1 January 2022	8,010	1,966	9,280	19,256
Profit for the financial year	-	-	1,829	1,829
31 December 2022	8,010	1,966	11,109	21,085

The notes on pages 10 to 23 form part of these financial statements.

Diamould Limited

Notes to the financial statements For the year ended 31 December 2022

1 Accounting policies

General Information

Diamould Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is 280 Bishopsgate, London, EC2M 4RB. The nature of the company's operations and its principal activities are set out in the Strategic report on pages 2-3.

Statement of Compliance

The financial statements have been prepared in compliance with United Kingdom accounting standards, including financial reporting standard 102, the finance reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102 and the companies act 2006). These financial statements have been prepared on the basis that an entity has chosen to apply Sections 11 and 12 of FRS 102 in respect to the recognition and measurements of financial instruments.

Basis of preparation

The financial statements are prepared in sterling (£) which is the functional currency of the company and rounded to the nearest £'000.

The following disclosure exemptions have been adopted:

- The requirement to present a statement of cash flows and related notes.
- The requirements relating to certain disclosures in respect of related party transactions.
- The requirements relating to certain disclosures in respect of key management personnel.

The financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting policies, which have been applied on a consistent basis, as set out below.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Critical judgements in applying the entity's accounting policies

In the course of preparing the financial statements, no judgements have been made in the process of applying the company's accounting policies, other than those involving estimations provided in the paragraph below that have had a significant effect on the amounts recognised in the financial statements.

b. Critical accounting estimates and assumptions

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

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

1 Accounting policies (continued)

i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and 'tangible fixed assets' section for economic lives for each class of assets.

ii. Stock provisioning

Stock is reviewed annually, as part of the budgeted cost roll. This is based on the average purchase price and any manufacturing costs are updated in accordance with market conditions.

Slow moving stock is provided at 50% for anything without usage in the last 12 months but some in 24 months or aged less than 24 months. 70% for anything without usage in the last 24 months, but some in 36 months or aged less than 36 months. 100% for Material without usage in the last 36 months and 36 months old. Nothing is provided for the first year. These percentages take into account the cyclical nature of the industry and will be rebased every year upon assessment of the market conditions.

iii. Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.

Going Concern

As at 31 December 2022, the Company's balance sheet had net current assets amounting to £20,516,000 (2021: net current assets £18,015,000).

The directors have reviewed the financial position of the Company and its anticipated cash flow forecasts for the period of at least 12 months from the date of approval of these financial statements and are satisfied that the Company will be able to meet its liabilities as they fall due for at least 12 months from the date of these financial statements.

Taking into account the current forecasts for the Company, the facilities available to the Company and the net current assets position, the directors consider it appropriate to prepare the financial statements on a going concern basis.

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.

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

1 Accounting policies (continued)

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the financial statements date. This is normally measured by the proportion that contract costs incurred for work performed to date to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable, they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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 income statement 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

Stocks are valued at the lower of cost and selling price less cost to sell. Cost comprises manufacturing labour and materials, together with an appropriate share of overhead expenses.

Stocks are recognised as expense in the related period in which the revenue is recognised.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less cost to complete sale and impairment charge recognised in the income statement. Where a reversal of the impairment charge is recognised the impairment charge is reversed, up the original impairment loss, and recognised as a credit in the income statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Depreciation Policy

Leasehold buildings	50 years or the life of the lease if shorter this remained
Plant and machinery	3-5 years this was revised to 4-12 years
Fixtures, fittings, tools and equipment	2-10 years this was revised to 3-10 years
Computer equipment & software	3 years this remained
Assets under construction	Not depreciated

The carrying values of fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

1 Accounting policies (continued)

Patents

Patents are valued at cost less accumulated amortisation and accumulated impairment losses.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements.

These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

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

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

Financial assets and liabilities

The classification of financial assets and liabilities depends on the purpose for which the financial assets were acquired, or the financial liabilities were incurred. Management determines the classification of its financial assets and liabilities at initial recognition and applies sections 11 and 12 of FRS102 in respect of recognition and measurement of financial instruments. The Company classifies its financial assets in the following categories: loans and receivables and derivatives and its financial liabilities in the following categories: Other financial liabilities and derivatives.

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

1 Accounting policies (continued)

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. The Company's loans and receivables mainly comprise debtors (including amounts owed by Schlumberger Limited group companies) and cash at bank and in hand.

Loans and receivables are recognised initially at fair value plus directly attributable transaction costs. Subsequently, loans and receivables are stated at amortised cost using the effective interest method, less provision for impairment.

ii. Other financial liabilities

The Company's other financial liabilities mainly comprise creditors (including amounts owed to Schlumberger Limited group companies) and borrowings.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Subsequently, other financial liabilities are stated at amortised cost using the effective interest method.

iii. Fair value estimation

The fair value of financial instruments is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date.

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties. Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates and by applying appropriate exchange rates.

The carrying values less impairment provision of intercompany receivables and payables approximate their fair values.

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

1 Accounting policies (continued)

Pensions

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

Cash at bank and In Hand

This includes cash in hand, deposits held at banks, other short term highly liquid investments with original maturity of three months or less and bank overdraft.

Foreign currencies

Income statement 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 income statement.

Exceptional Items

Disclosure of exceptional items e.g., restructuring provisions, impairments etc. will be made in the notes to the financial statements by means of additional line items or headings if such presentation is relevant to understanding the entity's financial performance. Disclosure of exceptional items will include the nature of items and value.

Audit exemption

Schlumberger UK Limited, a company registered in England, is the parent undertaking of the smallest group of undertakings of which Diamould Limited is a member and for which Schlumberger UK Limited group financial statements are drawn up.

Historically, Schlumberger UK Limited and its subsidiaries have prepared standalone audited financial statements and have not been required to produce consolidated financial statements. For the year ended 31 December 2022, the directors of Schlumberger UK Limited decided to take advantage of Section 479A of the Companies Act of 2006 that exempts subsidiaries of a UK parent company from preparing audited financial statements if certain criteria are met. These criteria include having their financial results included in the consolidated financial statements of its UK parent. In order to meet these criteria, Schlumberger UK Limited has prepared the audited consolidated financial statements for the year ended 31 December 2022, which include *inter alia* results of the Company.

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under Section 479A of the Companies Act 2006. Under the provision of section 479C of the Companies Act 2006, Schlumberger UK Limited, the UK parent undertaking, has given a statutory guarantee of all the outstanding liabilities to which the Company is subject at the end of the financial year and the members of the Company have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

2 Turnover

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

	2022	2021
	£'000	£'000
United Kingdom	726	5,758
Rest of Europe	6,872	6,703
Americas	4,110	3,654
Africa/Asia/Australia	5,459	2,995
Russian Federation	-	21
Total turnover	17,167	19,131

The analysis of sales by sales type is as follows:

	2022	2021
	£'000	£'000
Sales of goods	17,167	17,683
Rendering of services	-	1,448
Total turnover	17,167	19,131

3 Staff numbers and costs

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

	2022	2021
	Number	Number
Direct labour	32	21
Selling, marketing and distribution	7	6
Administration	75	70
Total staff numbers	114	97

The aggregate payroll costs were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	6,701	6,059
Social security costs	432	456
Other pension costs (note 16)	409	443
Total staff costs	7,542	6,958

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

4 Operating (income) / expenses

	2022	2021 As restated*
	£'000	£'000
Administrative expenses	2,949	1,863
Foreign exchange gain	(4,629)	(724)
Exceptional Items	-	886
Total net operating (income) / expense	(1,680)	2,025

*The comparatives for 2021 have been restated to separate Net interest income from Administrative expenses in the Operating income/(expenses). For details of the restatement refer to note 19.

Factors affecting net operating expenses.

The company had significant foreign currency exchange gains (2021 gain) in the year due to material weakening of Sterling (GBP) against United States Dollar (USD). Additionally, administrative expenses were higher than the prior year due to costs associated with changing the businesses operating.

The prior year exceptional item totalling £886,000 relates to an accrual booked in relation to a quality incident.

5 Net interest income

	2022	2021 As restated*
	£'000	£'000
Interest receivable from group undertakings	797	89
Interest payable to group undertakings	(576)	(50)
Net interest income	221	39

*The comparatives for 2021 have been restated to separate Net interest income from Administrative expenses in the Operating income/(expenses). For details of the restatement refer to note 19.

6 Profit before taxation

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

	2022	2021
	£'000	£'000
Depreciation of tangible fixed assets (note 10)	291	294
Auditors' remuneration:		
- audit	-	30
Foreign exchange gain	(4,629)	(724)

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

7 Directors' emoluments

Of the three directors in office during the year, one was remunerated by the company (2021: one). The remuneration of the other directors was borne by fellow group undertakings. There was no recharge to Diamould Limited for the directors' costs borne by fellow group undertakings. (Directors Recharges to Diamould 2021: £nil)

Of the directors, one (2021: one) is accruing retirement benefits under a Retirement Savings Plan.

8 Tax on profit

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

	2022	2021
	£'000	£'000
Current tax		
UK corporation tax	426	-
Adjustment in respect of prior periods	65	(14)
Total current tax credit	491	(14)
Deferred tax		
Origination and reversal of timing differences	81	124
Adjustment in respect of prior periods	(163)	2
Effect of changes in tax rates	25	(136)
Total deferred tax credit	(57)	(10)
Total tax credit on profit	434	(24)

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	2022	2021
	£'000	£'000
Profit before taxation	2,263	181
Profit before taxation multiplied by effective standard rate of 19.00% (2021: 19.00%)	430	34
Expenses not deductible for tax purposes	76	94
Income not taxable	-	(7)
Effects of group relief/ other reliefs	-	1
Adjustment from previous periods	(97)	(11)
Tax rate changes	25	(135)
Total tax charge / (credit) on profit	434	(24)

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

9 Intangible assets

	2022	2021
	£'000	£'000
Cost	Patents	Patents
At 1 January and 31 December	13	13
Accumulated amortisation		
At 1 January and 31 December	(13)	(13)
Net book value as at 31 December	-	-

10 Tangible assets

	Leasehold Buildings	Plant and machinery	Fixtures, fittings, tools & equipment	Computer equipment & software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
31 December 2021	1,953	4,006	1,175	35	7,169
Disposals	(15)	-	(15)	-	(30)
At 31 December 2022	1,938	4,006	1,160	35	7,139
Accumulated depreciation					
31 December 2021	(1,715)	(3,068)	(1,110)	(35)	(5,928)
Charge for the year	(99)	(170)	(22)	-	(291)
At 31 December 2022	(1,814)	(3,238)	(1,132)	(35)	(6,219)
Net book value at					
31 December 2021	238	938	65	-	1,241
Net book value at					
31 December 2022	124	768	28	-	920

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

11 Stocks

	2022	2021
	£'000	£'000
Raw materials	811	78
Work in progress	1,525	8,233
Finished goods	10,710	470
	<u>13,046</u>	<u>8,781</u>

There is no material difference between the balance sheet amount of stock and its replacement value. Inventory recognised as an expense in the year was £13,789,456 (2021: £12,845,639).

12 Debtors

	2022	2021
	£'000	£'000
Trade debtors	1,042	713
Allowance for doubtful debts	(124)	(50)
Amounts owed by group undertakings	13,167	11,389
Deferred taxation (note 14)	622	565
Other taxation and social security	162	923
Prepayments and accrued income	37	54
	<u>14,906</u>	<u>13,594</u>

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

13 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	3,806	590
Amounts owed to group undertakings	1,087	1,081
Taxation and social security	994	682
Provisions	-	886
Accruals and deferred income	1,549	1,211
	<u>7,436</u>	<u>4,450</u>

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

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

14 Deferred Taxation

	2022	2021
	£'000	£'000
Asset as at 1 January	565	555
Adjustment in respect of Prior Years	163	(2)
Deferred tax (Charge)/Credit to income statement for the period.	(106)	12
Asset at 31 December	622	565

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

	2022	2021
	£'000	£'000
Accelerated capital allowances	622	565
Balance at 31 December - Asset	622	565

The 2021 UK Budget announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. This increase in the UK's main corporation tax rate was substantively enacted on 24 May 2021, i.e. as at the balance sheet date of 31 December 2021. Therefore, this increase has been reflected in the measurement of the closing deferred tax balances, which have been recognised at 25% (2021: 25%).

15 Called up share capital

	2022	2021
	£'000	£'000
Authorised		
9,998,000 (2021: 9,998,000) ordinary A shares of £1 each	9,998	9,998
2,000 (2021: 2,000) ordinary B shares of £1 each	2	2
Total authorised	10,000	10,000

	2022	2021
	£'000	£'000
Allotted and fully paid		
8,009,184 (2021: 8,009,184) ordinary A shares of £1 each	8,009	8,009
528 (2021: 528) ordinary B shares of £1 each	1	1
Total allotted and fully paid	8,010	8,010

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

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

16 Pension commitments

The Company participates in a defined contribution pension scheme, the costs of which are recognised in the income statement in the year in which they become payable. Pension contributions were £409,000 for 2022 (2021: £443,000). There is no outstanding contribution at the end of the current year and preceding year.

17 Leasing commitments

At 31 December the company had total payable under operating leases as set out below:

	2022 £'000	2021 £'000
Within one year	166	166
Between two to five years	79	245
Over five years	-	-
Total operating commitments	245	411

All leasing commitments relate to land and buildings.

The company had no other financial commitments at 31 December 2022 (2021: £nil).

18 Capital Commitments

As at the 31 December 2022, the company had no capital commitments (2021: Nil).

19 Prior year restatement

Prior to 2022 the Company presented net interest income as part of the operating income/ (expenses). Starting 2022, net interest income is presented in a separate line of Income statement.

As such, prior period balances were restated as follows:

Income Statement

	2021 Reported £'000	Resta - tement £'000	2021 Restated £'000
Operating income / (expenses)	(1,100)	(39)	(1,139)
Net interest income	-	39	39

Notes

	2021 Reported £'000	Resta - tement £'000	2021 Restated £'000
Interest receivable from group undertakings	-	89	89
Interest payable to group undertakings	-	(50)	(50)
Net interest income	-	39	39

Diamould Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

19 Prior year restatement (continued)

Notes	2021		2021
	Reported	Restatement	Restated
	£'000	£'000	£'000
Administrative expenses	1,824	39	1,863
Foreign exchange gain	(724)	-	(724)
Exceptional Items	886	-	886
Total net operating (income) / expense	1,986	39	2,025

This change is not resulting in any impact on Company's net assets or equity balances reported previously.

20 Ultimate parent company

The immediate parent undertaking is Onesubsea Investments UK Ltd, a company incorporated in the United Kingdom.

Schlumberger UK Limited, a company registered in England, is the parent undertaking of the smallest group of undertakings of which Diamould Limited is a member and for which Schlumberger UK Limited group financial statements are drawn up.

Schlumberger Limited, a company incorporated in Curacao is the parent undertaking of the largest group of undertakings of which Diamould Limited is a member and for which Schlumberger Limited group financial statements are drawn up. The directors consider Schlumberger Limited to be the ultimate parent company and controlling party.

Copies of the financial statements of Schlumberger UK Limited can be obtained from Companies House website at www.gov.uk/government/organisations/companies-house and Schlumberger Limited from the Group website at slb.com.