

Network of Excellence in Training Limited

(Registered Number: 4389071)

**Directors' report and financial
statements**

Year Ended 31 December 2008

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Network of Excellence in Training Limited

Directors' Report for the Year Ended 31 December 2008

The directors present their annual report together with the audited financial statements of Network of Excellence in Training Limited (the "Company"), for the year ended 31 December 2008.

Principal activity

The Company's principal activity is the provision of education, training and training services to the international oil and gas industry. Topics include geology and geosciences, petroleum engineering, production engineering, well engineering and wellsite operations as well as enabling technologies in the field of economics and risk analysis, environmental science, business and IT skills.

The Company is incorporated in England and Wales and is limited by shares.

Review of the business

The Company continued to operate according to its principal activity.

Results and dividends

The results of the Company are shown on page 4. The results show a profit on ordinary activities after taxation during the financial year of £594,950 (2007: £30,513 loss).

The directors do not recommend payment of a dividend (2007: £nil). Amounts transferred from reserves and the financial positions of the Company are shown in the annexed financial statements.

Key performance indicators ("KPIs")

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

Principle risks and uncertainties

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

Future outlook

There are no significant future developments planned.

Directors

The following were directors of the Company during the year and at the date of this report:

A Goldby

P Droy (appointed 1 May 2009)

N Ray (resigned 1 May 2009)

M Beattie

S Smoker (appointed 9 October 2008)

R Martin (appointed 9 October 2008)

Payments to suppliers

The Company agrees terms and conditions for its business transactions with suppliers, both third party and affiliated companies. Payment is made on these terms providing the supplier meets its obligations. The Company had 3 days purchases outstanding as at 31 December 2008 (2007: nil days) based on the average daily amount invoiced by suppliers during the year.

Network of Excellence in Training Limited

Directors' Report for the Year Ended 31 December 2008 (continued)

Disclosure of information to auditors

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

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Statement of director's responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors

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



S Smoker
Director
6 August 2009

Independent Auditors' Report to the Members of Network of Excellence in Training Limited

We have audited the financial statements of Network of Excellence in Training Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

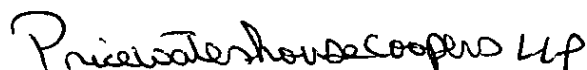
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

6th August 2009

Network of Excellence in Training Limited

Profit and Loss Account for the Year Ended 31 December 2008

		2008	2007
	Note	£	£
Turnover	2	1,681,087	240,568
Cost of sales		(995,944)	(192,913)
Gross profit		685,143	47,655
Administrative expenses		(19,393)	(35,938)
Operating profit		665,750	11,717
Interest payable		(29,172)	(36,750)
Profit/(loss) on ordinary activities before taxation	4	636,578	(25,033)
Tax charge on profit/(loss) on ordinary activities	5	(41,628)	(5,480)
Profit/(loss) on ordinary activities after taxation and retained profit/(loss) for the year	10	594,950	(30,513)

All results for the year ended 31 December 2008 are derived entirely from continuing operations.

The Company has no recognised gains or losses other than those shown above; therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between loss on ordinary activities before taxation or retained profit/(loss) for the year and their historic cost equivalents.

The notes on pages 6 to 10 form part of these financial statements.

Network of Excellence in Training Limited

Balance Sheet as at 31 December 2008

	Note	2008 £	2007 £
Current assets			
Debtors	6	762,080	128,905
Creditors: amounts falling due within one year	7	(713,778)	(675,553)
Net current assets/(liabilities)		48,302	(546,648)
Net assets/(liabilities)		48,302	(546,648)
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	48,301	(546,649)
Equity Shareholder's Funds	11	48,302	(546,648)

The notes on pages 6 to 10 form part of these financial statements.

These financial statements were approved by the Board of Directors on 6 August 2009, and were signed on its behalf by:



S Smoker
Director

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2008

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

a) Turnover and revenue recognition

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

Revenue is recognised on training course fees once a course has taken place, no right of return is available and collectability is reasonably assured.

b) Foreign Currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the transaction date. 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.

c) 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 only recognised when it is regarded as more likely than not that there will be suitable taxable profits to recover them against in the future.

d) Related party disclosures

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Schlumberger plc, whose accounts are publicly available.

e) Cash flow statement

The company is a wholly owned subsidiary company of a group headed by Schlumberger plc, and is included in the consolidated accounts of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2008 (continued)

f) Financial instruments

The Company has adopted FRS26 and FRS29 effective 1 January 2008 and has taken advantage of the exemption contained in FRS 29 "Financial Instruments: Disclosures". Accordingly the Company has not presented any disclosures required by that standard, as full FRS 29 disclosures are available in the financial statements of Schlumberger plc for the year ended 31 December 2008.

The carrying amount of financial assets and liabilities approximate their fair values in the financial statements.

2 Turnover

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

	2008	2007
	£	£
United Kingdom	347,536	9,860
Rest of Europe	1,333,551	230,708
Total	1,681,087	240,568

The Company has taken advantage of the exemption in SSAP 25 "Segmental reporting" to disclose only the requirements set out in the Companies Act 1985.

3 Staff numbers and costs

The Company did not directly employ any staff during the year (2007: nil).

Of the three directors in office during the year, none were remunerated for or on behalf of the Company (2007: none).

4 Profit/(loss) on ordinary activities before taxation

Profit/(loss) before taxation is stated after charging/(crediting) the following items:

	2008	2007
	£	£
Auditors' remuneration:		
- Audit fees	6,032	4,995
Profit on foreign exchange	(100,853)	(3,714)

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2008 (continued)

5 Taxation

The taxation charge based on the profit/(loss) for the year as adjusted for taxation purposes may be analysed as follows:

	2008 £	2007 £
Current tax		
Current year corporation tax	52,056	-
Prior year charge/(credit) - adjustment	(10,428)	2,563
Deferred tax		
Current year	-	2,917
Total tax charge/(credit) on profit/(loss) on ordinary activities	41,628	5,480

The tax assessed for the period differs from the effective standard rate of corporation tax in the UK of 28.5%. The differences are explained below:

	2008 £	2007 £
Profit / (loss) on ordinary activities before tax	636,578	(25,033)
Profit/ (loss) on ordinary activities multiplied by the effective standard rate of 28.5% (2007: 30%)	181,424	(7,510)
Expenses not deductible for tax purposes	-	11,024
Utilisation of brought forward tax losses	(129,368)	(597)
Short term timing differences (see note 8)	-	(2,917)
Current tax charge for the year	52,056	-

6 Debtors

	2008 £	2007 £
Trade debtors	5,175	61,000
Other debtors	20,983	16,343
Amounts due from other Schlumberger companies	735,922	51,562
	762,080	128,905

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2008 (continued)

7 Creditors – Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	8,701	-
Corporation Tax Creditor	41,628	-
Amounts due to Schlumberger plc group companies	3,844	537,981
Amounts due to other Schlumberger companies	444,713	63,436
Accruals and deferred income	214,892	74,136
	713,778	675,553

8 Deferred taxation asset

	2008	2007
	£	£
Balance as at 1 January	-	2,917
Profit and loss account charge for current year	-	(2,917)
Balance at 31 December	-	-

The recognition of a deferred tax asset is dependant upon future taxable profits arising in certain subsidiaries of the Schlumberger plc group.

The Company has tax losses carried forward of £nil (2007: £451,933) upon which no deferred tax asset resulted.

9 Called up share capital

Authorised ordinary shares of £1 each:	£	Number
Balance at 1 January and 31 December 2008	500,000	500,000
Allotted and fully paid ordinary shares of £1 each:	£	Number
Balance at 1 January and 31 December 2008	1	1

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2008 (continued)

10 Reserves

	Profit and loss account	
	2008	2007
	£	£
Deficit as at 1 January	(546,649)	(516,136)
Profit/(Loss) for the year	594,950	(30,513)
At 31 December 2008	48,301	(546,649)

11 Reconciliation of movements in shareholder's funds

	2008	2007
	£	£
Opening shareholder's funds	(546,648)	(516,135)
Profit/(Loss) for the year	594,950	(30,513)
Closing shareholder's funds	48,302	(546,648)

12 Ultimate Parent Company

Schlumberger plc, a company registered in England, is the parent undertaking of the smallest group of undertakings of which Network of Excellence in Training Limited is a member and for which group financial statements are drawn up. Schlumberger Oilfield UK plc, a company registered in the United Kingdom, is the immediate parent undertaking.

Schlumberger Limited, a company incorporated in the Netherlands Antilles, is the ultimate parent company for which group financial statements are prepared.

Copies of the financial statements of Schlumberger plc can be obtained from 8th Floor, South Quay Plaza II, 183 Marsh Wall, London, E14 9SH and Schlumberger Limited from 5599 San Felipe, Houston, Texas 77056, U.S.A.