

Network of Excellence in Training Limited

(Registered Number: 4389071)

Directors' report and financial statements

Year Ended 31 December 2011

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Network of Excellence in Training Limited

Directors' Report for the Year Ended 31 December 2011

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 2011

Principal activity

The Company's principal activities are 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.

Review of the business

The Company continued to operate according to its principal activity. Revenues for 2011 were £2,184,909 (2010: £893,506).

Results and dividends

The results of the Company are shown on page 6. The results show a profit on ordinary activities after taxation during the financial year of £983,480 (2010: £347,103).

The directors proposed and paid a dividend amounting to £750,000 per ordinary share totalling £750,000 for 2011 (2010: £0). 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

The directors believe the Company is in a good position to take advantage of future opportunities as they arise.

Directors

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

P Droy
M Beattie (resigned on 01 March 2012)
S Smoker
R Martin (resigned on 13 August 2012)
D Marsh (appointed on 13 August 2012)

Network of Excellence in Training Limited

Directors' Report for the Year Ended 31 December 2011 (continued)

Payments to suppliers

The Company agrees terms and conditions for its business transactions with suppliers, both third party and affiliated companies. Payment is made on these terms providing the supplier meets its obligations. The Company had 11 days purchases outstanding as at 31 December 2011 (2010: 3 days) based on the average daily amount invoiced by suppliers during the year.

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.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with 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,
- 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Network of Excellence in Training Limited

Directors' Report for the Year Ended 31 December 2011 (continued)

Qualifying third-party indemnity provisions

The Company maintains liability insurance for its directors and officers. The Company also provides an indemnity for its directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Independent auditors

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



On behalf of the board

P Droy
Director
27 September 2012

Network of Excellence in Training Limited

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 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out in the Directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

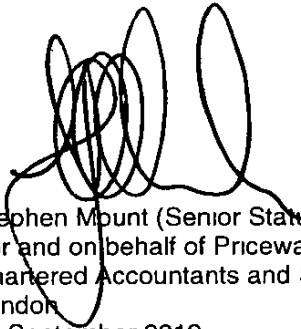
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion,

Network of Excellence in Training Limited

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Stephen Mount (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 September 2012

Network of Excellence in Training Limited

Profit and Loss Account for the Year Ended 31 December 2011

		2011	2010
	<i>Note</i>	£	£
Turnover	2	2,184,909	893,506
Cost of sales		(815,442)	(407,857)
Gross profit		1,369,467	485,649
Administrative expenses		(45,707)	(10,172)
Operating profit		1,323,760	475,477
Interest receivable and similar income	4	15,411	6,939
Profit on ordinary activities before taxation	5	1,339,171	482,416
Tax on profit on ordinary activities	7	(355,691)	(135,313)
Profit for the financial year	11	983,480	347,103

All results for the year ended 31 December 2011 and the prior year 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 material difference between profit on ordinary activities before taxation or retained profit for the years above and their historic cost equivalents

The notes on pages 8 to 12 form part of these financial statements

Network of Excellence in Training Limited

Balance Sheet as at 31 December 2011

	<i>Note</i>	2011 £	2010 £
Current assets			
Debtors	8	1,517,194	1,351,648
Total current assets		1,517,194	1,351,648
Creditors amounts falling due within one year	9	(466,877)	(534,811)
Net current assets		1,050,317	816,837
Net assets		1,050,317	816,837
Capital and reserves			
Called-up share capital	10	1	1
Profit and loss account	11	1,050,316	816,836
Total shareholder's funds	12	1,050,317	816,837

The notes on pages 8 to 12 form part of these financial statements

These financial statements were approved by the Board of Directors on 27 September 2012, and were signed on its behalf by



S Smoker
Director
Network of Excellence in Training Limited

Registered Number 4389071

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2011

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 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover and revenue recognition

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

Revenue is recognised on training course fees once a course has taken place, no right of return is available and collectability is reasonably assured. Any course pass through costs that are recharged do not form part of revenue.

Foreign Currencies

Profit and loss account transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

Taxation

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

Financial instruments

The Company has adopted Financial Reporting Standard (FRS) 26 "Financial Instruments Recognition and Measurement" and FRS 29 "Financial Instruments Disclosures" effective 1 January 2008 and has taken advantage of the exemption contained in FRS 29. 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.

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

Cash flow statement and related party disclosures

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 from preparing a cash flow statement under the terms of FRS 1 (revised 1996) "Cash Flow Statements". The Company is also exempt under the terms of FRS 8 "Related Party Disclosures" from disclosing related party transactions with entities that are part of the Schlumberger Limited group or investees of the Schlumberger Limited group.

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

2 Turnover

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

	2011	2010
	£	£
United Kingdom	153,223	645,859
Rest of Europe	1,607,484	244,488
Africa/Asia/Australasia/Americas	424,202	3,159
Total turnover	2,184,909	893,506

The Company has taken advantage of the exemption in SSAP 25 "Segmental reporting" to disclose only the requirements set out in the Companies Act 2006

3 Staff numbers and costs

The Company did not directly employ any staff during the year (2010 0)

Of the four directors in office during the year, none were remunerated for or on behalf of the Company (2010 none)

4 Interest receivable and similar income

	2011	2010
	£	£
Other interest receivable	15,411	6,939
Total interest receivable	15,411	6,939

5 Profit on ordinary activities before taxation

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

	2011	2010
	£	£
Auditors' remuneration		
- Audit fees	5,444	5,464
Foreign exchange loss (Profit)	38,101	(9,801)

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

6 Dividends

Dividends of £750,000 per ordinary share totalling £750,000 were paid on 12 September 2011 (2010 £0 from distributable reserves recorded in the company's profit and loss account as of 31 December 2011). The directors determined the sufficiency of the reserves based on interim financial information available at the date of payment.

7 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax		
UK corporation tax on profits of the current year	355,691	135,313
Total current tax (note 8(b))	355,691	135,313

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 26.49% (2010 28.00%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before taxation	1,339,171	482,416
Profit on ordinary activities before tax multiplied by the effective standard rate in the UK 26.49% (2010 28.00%)	354,789	135,076
Effects of permanent difference	902	237
Total tax charge on profit on ordinary activities	355,691	135,313

8 Debtors

	2011 £	2010 £
Trade debtors	5,035	536,350
Amounts due from Schlumberger plc group companies	1,246,145	496,967
Amounts due from other Schlumberger companies	260,816	280,606
Other debtors	5,198	37,725
Total Debtors	1,517,194	1,351,648

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

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

9 Creditors – Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	24,049	3,925
Amounts due to Schlumberger plc group companies	10,908	10,836
Amounts due to other Schlumberger companies	-	40,696
Taxation and social security	355,691	137,498
Accruals and deferred income	76,229	341,856
Total creditors	466,877	534,811

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

10 Called-up share capital

Authorised ordinary shares of £1 each:	£	Number
Balance at 1 January and 31 December 2011	500,000	500,000
Allotted and fully paid ordinary shares of £1 each.	£	Number
Balance at 1 January and 31 December 2011	1	1

11 Profit and loss account

	2011	2010
	£	£
At 1 January	816,836	469,733
Profit for the year	983,480	347,103
Dividends proposed and paid during the year (note 6)	(750,000)	-
At 31 December	1,050,316	816,836

Network of Excellence in Training Limited

Notes to the Financial Statements for the Year Ended 31 December 2011 (continued)

12 Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Opening shareholder's funds	816,837	469,734
Profit for the year	983,480	347,103
Dividends proposed and paid during the year (note 6)	(750,000)	-
Closing shareholder's funds	1,050,317	816,837

13 Post balance sheet events

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

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

14 Ultimate Parent Company

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

Schlumberger plc (incorporated in England and Wales) is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 December 2011.

Schlumberger Limited, a company incorporated in Curacao a country within the Kingdom of the Netherlands, is the ultimate parent company of the largest group of undertakings for which group financial statements are prepared, including these financial statements.

Copies of the financial statements of Schlumberger plc can be obtained from Victory House, Manor Royal, Crawley RH10 9LU and Schlumberger Limited from 5599 San Felipe, Houston, Texas 77056, U S A.