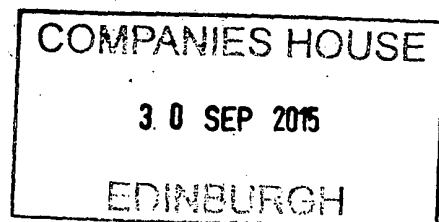
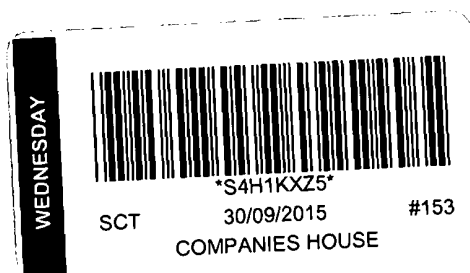


**Company Registration No. SC236479**

**M-I Swaco (UK) Limited**

**Annual report and financial statements**

**For the year ended 31 December 2014**



# **M-I Swaco (UK) Limited**

## **Annual report and financial statements For the year ended 31 December 2014**

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# **M-I Swaco (UK) Limited**

## **Officers and professional advisers**

### **Directors**

I Jack  
R A Kidd

### **Company secretary**

P Droy Moore

### **Registered office**

Peregrine House  
Peregrine Road  
Westhill Business Park  
Westhill  
Aberdeenshire  
Scotland  
AB32 6JL

### **Solicitors**

Pinsent Masons LLP  
13 Queens Road  
Aberdeen  
AB15 4YL

### **Independent auditor**

Deloitte LLP  
Chartered Accountants and Statutory  
Auditor  
Aberdeen  
United Kingdom

# **M-I Swaco (UK) Limited**

## **Directors' report**

The directors present their Annual Report and the audited financial statements for the year ended 31 December 2014.

The director's report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

### **Principal activity**

The company did not trade in the current or prior year and the result reflected in the profit and loss account represents interest income and foreign exchange revaluation.

### **Directors**

The directors who served during the year and to the date of this report, except as noted otherwise, were as follows:

I Jack

J Andrews (resigned 1 January 2015)

R A Kidd (appointed 19 January 2015)

### **Going concern**

The company's net assets substantially comprise balances due from other group companies. Having considered financial commitments falling due in the twelve months from the date of this report we consider the company has sufficient assets available to satisfy its obligations. Accordingly, we continue to adopt the going concern basis in preparing the financial statements.

### **Independent auditor**

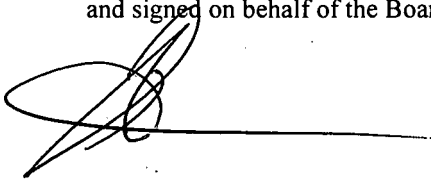
Each person who is a director of the company at the date when this report is approved confirms that:

- so far each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



R Kidd  
Director  
29th September 2015

## **M-I Swaco (UK) Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the result 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 judgments and 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 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.

## **M-I Swaco (UK) Limited**

### **Independent auditor's report to the members of M-I Swaco (UK) Limited**

We have audited the financial statements of M-I Swaco (UK) Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, 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.

#### **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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or inconsistent with, the knowledge required 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.

#### **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 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.

#### **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.

## **M-I Swaco (UK) Limited**

### **Independent auditor's report to the members of M-I Swaco (UK) Limited (continued)**

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the Directors' report.

*L Cowie*

Lyn Cowie CA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Aberdeen, United Kingdom  
29<sup>th</sup> September 2015

## M-I Swaco (UK) Limited

### Profit and loss account

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Operating income/(expense)		1	(3)
<b>Operating profit/(loss)</b>	2	1	(3)
Interest receivable	4	146	155
<b>Profit on ordinary activities before taxation</b>		147	152
Tax on profit on ordinary activities	5	(32)	(30)
<b>Profit for the financial year</b>	9	115	122

All of the results for the current and prior year relate to discontinued activities.

There are no recognised gains and losses other than as included in the above profit and loss account for the current and prior year. Accordingly, no separate statement of total recognised gains and losses is presented.



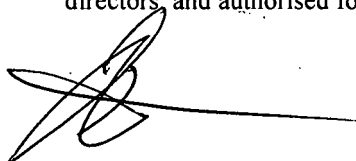
# M-I Swaco (UK) Limited

## Balance sheet

As at 31 December 2014

	Note	2014 £'000	2013 £'000
<b>Current assets</b>			
Debtors due within one year	6	10,575	10,473
		<u>10,575</u>	<u>10,473</u>
<b>Creditors: amounts falling due within one year</b>	7	(111)	(124)
<b>Net current liabilities</b>		<u>(111)</u>	<u>(124)</u>
<b>Total assets less current liabilities</b>		<u>10,464</u>	<u>10,349</u>
<b>Net assets</b>		<u>10,464</u>	<u>10,349</u>
<b>Capital and reserves</b>			
Called-up share capital	8	-	-
Profit and loss account	9	10,464	10,349
<b>Shareholder's funds</b>	10	<u>10,464</u>	<u>10,349</u>

The financial statements of M-I Swaco (UK) Limited, (registered number SC236479), were approved by the board of directors and authorised for issue on 29<sup>th</sup> September 2015 and were signed on the Board's behalf by:



R Kidd  
Director.

# M-I Swaco (UK) Limited

## Notes to the financial statements For the year ended 31 December 2014

### 1. Accounting policies

The principal accounting policies adopted are summarised below. They have all been applied consistently throughout the current and preceding year.

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### Going concern

The company's net assets substantially comprise balances due from other group companies. Having considered financial commitments falling due in the twelve months from the date of this report the directors consider the company has sufficient assets available to satisfy its obligations. Accordingly, the going concern basis continues to be applied in the preparation of the financial statements.

#### Cash flow statement

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" on the grounds that it is a wholly owned subsidiary of a parent company which produces consolidated financial statements which are publicly available.

#### Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The translation differences arising are recorded in the profit and loss account.

#### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

#### Related party transactions

The company has taken the exemption available under FRS 8 "Related Party Disclosures" not to disclose details of transactions with related parties who are wholly owned group undertakings.

### 2. Operating profit/(loss)

	2014 £'000	2013 £'000
Operating profit/(loss) is stated after (charging)/crediting:		
Exchange gain/(loss)	1	(3)

## M-I Swaco (UK) Limited

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

#### 3. Information regarding directors and employees

The directors received no emoluments from the company in the current or prior year. The company had no employees in either year.

Auditor's remuneration of £3,625 (2013: £3,300) has been borne by M-I Drilling Fluids U.K. Limited, a fellow subsidiary undertaking in the current and prior year.

#### 4. Interest receivable

	2014 £'000	2013 £'000
Intercompany interest	146	155

#### 5. Tax on profit on ordinary activities

	2014 £'000	2013 £'000
<b>Current tax</b>		
UK corporation tax	32	35
Prior year adjustment	-	(5)
	32	30

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 21.5% (2013: 23.25%) to the profit before tax is as follows.

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	147	152
Tax on profit on ordinary activities at standard rate of 21.5% (2013: 23.25%)	32	35
Prior year adjustment	-	(5)
	32	30

# M-I Swaco (UK) Limited

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

### 6. Debtors

	2014 £'000	2013 £'000
<b>Amounts falling due within than one year:</b>		
Amounts owed by group undertakings	10,575	10,473
	<u>10,575</u>	<u>10,473</u>

The amount owed by fellow group companies of £10,158,000 (2013: £10,473,000) is subject to formal loan notes which were scheduled to be settled on 30 November 2014. Interest is charged at 3 month LIBOR plus 0.9%. As at the date of approval of these financial statements the company has not called the repayments as required by the loan agreements and it is now expected these balances will be recovered through the course of 2015.

### 7. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	44	44
UK corporation tax	67	80
	<u>111</u>	<u>124</u>

### 8. Called-up share capital

	2014 £	2013 £
<b>Called-up, allotted and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 9. Profit and loss account

	2014 £'000	2013 £'000
At 1 January	10,349	10,227
Profit for the financial year	115	122
	<u>10,464</u>	<u>10,349</u>
At 31 December		

## **M-I Swaco (UK) Limited**

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

#### **10. Reconciliation of movements in shareholders' funds**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Opening shareholder's funds	10,349	10,227
Profit for the financial year	115	122
Closing shareholder's funds	<u>10,464</u>	<u>10,349</u>

#### **11. Ultimate parent undertaking**

The ultimate parent undertaking is Schlumberger Limited, a company incorporated in Curacao and whose share capital is listed on NYSE. The immediate parent of this company is M-I Holdings (UK) Limited, a company incorporated in Scotland.

The smallest and largest group in which the results of the company are consolidated is that headed by Schlumberger Limited. Copies of its group financial statements are available from: Schlumberger Limited, 5599 San Felipe, Houston, Texas 7705 USA.