

Registered No: SC226359

D.E.S. Operations Limited

Report and Financial Statements

31 December 2011

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D.E.S.Operations Limited

Registered No: SC226359

Directors

W C Lemmer
Ms C L Roberts

Secretaries

Abogado Nominees Limited
Ms C L Roberts

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Registered Office

Badentoy Avenue
Portlethen
Aberdeenshire
AB12 4YB

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011.

Results and principal activity

The profit for the year, after taxation, amounted to £17,114,000 (2010 – £381,000). No dividends were paid or proposed during the year (2010: £nil).

The principal activity of the company in 2010 was that of equipment suppliers. On 1 January 2011 the trade, assets and liabilities of the company were transferred to Cameron Limited, a fellow group company at fair market value. The company has not traded during the year ended 31 December 2011 with the profit for the year arising on the gain on the transfer of trade, assets and liabilities.

Directors

The present directors of the company, who have also served as directors throughout the year, are shown on page 1.

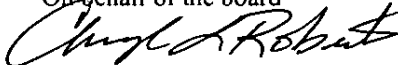
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Campbell Dallas LLP resigned as auditors during the year and Ernst and Young LLP were appointed.

On behalf of the board



C L Roberts
Director

28 September 2012

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the 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 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

The directors are responsible for keeping proper accounting records which 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 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.

Independent auditors' report

to the members of D.E.S. Operations Limited

We have audited the financial statements of D.E.S. Operations Limited for the year ended 31 December 2011 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance Sheet, and the related notes 1 to 16. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 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.

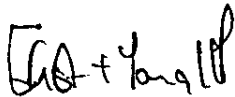
Independent auditors' report

to the members of D.E.S. Operations 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.



A J Denton (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

 September 2012

Profit and loss account

for the year ended 31 December 2011

	<i>Notes</i>	<i>2011 £000</i>	<i>2010 £000</i>
Turnover	2	-	10,447
Cost of sales		-	7,292
		<hr/>	<hr/>
Gross profit		-	3,155
Administrative expenses		-	2,768
		<hr/>	<hr/>
Operating profit	3	-	387
Gain on sale of operations	4	17,121	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		17,121	387
Tax on profit on ordinary activities	6	(7)	6
		<hr/>	<hr/>
Retained profit for the year		17,114	381
		<hr/>	<hr/>

All operations relate to discontinued activities.

Statement of total recognised gains and losses

for the year ended 31 December 2011

There are no recognised gains or losses other than the profit of £17,114,000 attributable to the shareholders of the company for the year ended 31 December 2011 (2010 – profit of £381,000).

Balance sheet

at 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Tangible assets	7	-	26
Current assets			
Debtors	8	19,011	7,876
Cash at bank and in hand		-	497
		19,011	8,373
Creditors: amounts falling due within one year	9	-	6,495
Net current assets		19,011	1,878
Total assets less current liabilities		19,011	1,904
Provisions for liabilities	10	-	7
Net assets		19,011	1,897
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	19,011	1,897
Shareholders' funds		19,011	1,897

The financial statements were approved for issue by the board and signed on its behalf by:



C L Roberts – Director

28 September 2012

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement

The company has taken advantage of the exemption conferred under Financial Reporting Standard 1 (revised) from presenting its own cash flow statement as it is a wholly owned subsidiary undertaking of Cameron International Corporation.

Turnover

Turnover consists of the sales value, excluding value added tax, of work in the year to supply goods and services to third parties for equipment supplies. It includes the relevant proportion of contract value for performance up to the year end.

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 33% on cost

Fixtures and fittings - 25% on cost

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. Turnover

Turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2011	2010
	£000	£000
United Kingdom	-	1,687
Other European countries	-	77
North and South America	-	2,737
Africa	-	5,946
	<hr/>	<hr/>
	-	10,447
	<hr/>	<hr/>

Notes to the financial statements

at 31 December 2011

3. Operating profit

This is stated after charging:

	2011 £000	2010 £000
Auditors' remuneration - audit services	-	7
- other services	-	12
Depreciation of tangible fixed assets	-	20
Operating lease rentals - land and buildings	-	106
- plant and machinery	-	12
- other	-	4
Exchange rate loss	-	45
Research and development	-	288

Auditors remuneration for 2010 was payable to Campbell Dallas LLP, and for the current year audit fees payable to the current auditors, Ernst & Young LLP, are borne by the immediate parent undertaking.

4. Gain on sale of operations

On 1 January 2011, the trade, assets and liabilities of DES Operations Limited were transferred to Cameron Limited, a fellow group company, for £19,011,000, being the market value agreed between the parties. This transaction resulted in a gain on sale of operations of £17,114,000.

5. Staff costs

	2011 £000	2010 £000
Wages and salaries	-	1,483
Social security costs	-	163
Other pension costs	-	102
	-	1,748
Directors' remuneration	-	-

The directors of the company are also directors of other group undertakings. £1,000 (2010 - £nil) of the directors' remuneration was paid by other companies. Neither director was a member of defined contribution pension schemes.

The average monthly number of employees during the year was made up as follows:

	2011 No.	2010 No.
Operations	-	3
Engineering	-	17
Administration	-	4
Managerial	-	2
	-	26

Notes to the financial statements

at 31 December 2011

6. Taxation

(a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows:

	2011 £000	2010 £000
<i>Current tax</i>		
UK Corporation tax on profits for the period	-	99
Offset by group relief	-	(99)
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	3	6
Adjustment in respect of previous periods	(10)	-
Tax on profit/(loss) on ordinary activities	(7)	6

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower (2010 – lower) than the standard rate of corporation tax of 26.49% (2010 – 28%). The differences are reconciled below:

	2011 £000	2010 £000
Profit/(loss) on ordinary activities before taxation	17,121	387
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 26.49% (2010 – 28%)	4,535	108
Income not taxable for tax purposes	(4,535)	(2)
Difference between depreciation and capital allowances	-	(7)
Group relief	-	(99)
Current tax (credit)/charge	-	-

c) Factors that will affect future tax charges

Finance Act 2011, which was substantively enacted in July 2011, included provisions to reduce the rate of corporation tax to 26% with effect from 1 April 2011 and 25% with effect from 1 April 2012. Accordingly, any deferred tax balances have been revalued to the lower rate of 25% in these accounts.

Subsequent to the balance sheet date, further legislation has been enacted which has reduced the corporation tax rate to 24% with effect from 1 April 2012 and 23% from 1 April 2013. It has also been announced that the main rate of corporation tax rate will further reduce to 22% by 1 April 2014. As these further reductions in UK corporate tax rates have not been substantively enacted at the balance sheet date, they are considered non-adjusting events and no adjustments have been made. The impact of these future reductions will be taken into account at subsequent reporting dates, once the change has been substantively enacted.

Notes to the financial statements

at 31 December 2011

7. Tangible fixed assets

	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Total £000</i>
Cost:			
At 1 January 2011	73	33	106
Disposal of operations	(73)	(33)	(106)
At 31 December 2011	-	-	-
Depreciation:			
At 1 January 2011	57	23	80
Disposal of operations	(57)	(23)	(80)
At 31 December 2011	-	-	-
Net book value:			
At 31 December 2011	-	-	-
At 31 December 2010	16	10	26

8. Debtors

	<i>2011 £000</i>	<i>2010 £000</i>
<i>Amounts due within one year</i>		
Trade debtors	-	1,442
Amounts recoverable on contracts	-	6,031
Other debtors	-	106
VAT	-	202
Prepayments and accrued income	-	25
Amounts due from group undertakings	19,011	70
	<u>19,011</u>	<u>7,876</u>

9. Creditors: amounts falling due within one year

	<i>2011 £000</i>	<i>2010 £000</i>
Trade creditors	-	355
Amounts due to group undertakings	-	4,853
Corporation tax payable	-	-
Social security and other taxes	-	46
Accruals and deferred income	-	1,241
	<u>-</u>	<u>6,495</u>

Notes to the financial statements

at 31 December 2011

10. Provisions for liabilities

<i>Deferred taxation:</i>	<i>£000</i>
At 1 January 2011	7
Transfer on sale of operations	(7)
At 31 December 2011	-

11. Called up share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
"A" Ordinary shares of £0.10 each	457	457	46	46
Ordinary shares of £0.10 each	1,180	1,180	118	118
			164	164

12. Statement of movements on reserves and reconciliation of movements in shareholders' funds

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders funds £000</i>
At 1 January 2010	-	1,516	1,516
Profit for the year	-	381	381
At 31 December 2010	-	1,897	1,897
Profit for the year	-	17,114	17,114
At 31 December 2011	-	19,011	19,011

13. Other financial commitments

The company has annual commitments under non-cancellable operating leases as follows:

	<i>2011</i>		<i>2010</i>	
	<i>Land and buildings £000</i>	<i>Other £000</i>	<i>Land and buildings £000</i>	<i>Other £000</i>
Operating leases which expire:				
between two and five years	-	-	-	2
after more than five years	-	-	-	-
	-	-	-	2

Notes to the financial statements

at 31 December 2011

14. Retirement benefit obligations

In the prior year the company operated a defined contribution pension scheme on behalf of the directors and some employees. The annual commitment under the scheme was £102,000. As a result of the sale of operations on 1 January 2011, the company no longer operates a defined contribution pension scheme.

15. Related party transactions

By virtue of the company being a wholly owned subsidiary included in the financial statements of a larger group, whose financial statements are publicly available, the company is exempt under Financial Reporting Standard 8 from disclosing transactions or balances with entities which are part of the group that qualify as related parties.

16. Parent undertaking and ultimate parent company

The company's immediate parent undertaking is Cameron Limited, a company registered in England.

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