

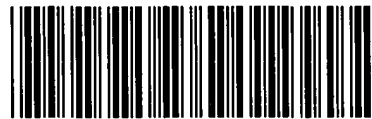
Registered No:
SC226359

OneSubsea Operations Limited

Annual Report and Financial Statements

31 December 2020

FRIDAY



AAEP090H

A15

08/10/2021

#65

COMPANIES HOUSE

OneSubsea Operations Limited

Registered No: SC226359

Company information

Directors

SW McCloud

G E Varn (appointed on 20 January 2021)

Secretaries

Abogado Nominees Limited

Independent Auditors

PricewaterhouseCoopers LLP

The Portland Building

25 High Street

Crawley, Gatwick, RH10 1BG

Registered Office

Badentoy Avenue

Portlethen

Aberdeenshire

AB12 4YB

Cameron Flow Control Services (UK) Limited

Registered No: 8379586

Strategic report

Review of the business

The Company's principal activity during the year was to supply engineering products and services to the oil and gas industry. All activity during the year relates to the company's Libya branch.

Turnover from operations during the year was \$ 1,586,000; a 91% decrease from the equivalent comparative year turnover for the 12 months to 31 December 2019 of \$ 17,819,000. The reduction in turnover during the year is due to the slowdown of a large project begun in previous years and its finalisation in 2020.

Gross loss for the year ended 31 December 2020 was \$ 3,627,000 (2019 gross profit : \$6,311,000), representing a decrease of 157% compared to the previous year.

During 2020, the company recovered old balances, that generated a reversal in doubtful debt provision posted during 2019. In previous year, this provision has been recharged to its direct parent, OneSubsea UK Limited, through cost of sales. So in 2020 the company adjusted OneSubsea UK Limited recharges with a reverse rebilling consisting of this provision reversal.

The net assets of the company at 31 December 2020 were \$ 38,825,000 (31 December 2019: \$ 38,777,000).

The key financial indicators during the year were as follows:

| | 2020 | 2019 | Change/equivalent comparative change % |
|---------------------|---------|--------|---|
| | \$000 | \$000 | % |
| Turnover | 1,586 | 17,819 | -91% |
| Gross (Loss)/Profit | (3,627) | 6,311 | -157% |
| Shareholders' funds | 38,825 | 38,777 | 0% |

Covid-19 impact

The effects of Covid-19 have continued into 2021. While the full impact of the Covid-19 outbreak remains unknown, the Schlumberger Limited group and the Company's management is closely monitoring the effects of the pandemic on commodity demands and on the Schlumberger Limited group's customers, as well as on the Schlumberger Limited group's operations and employees.

The extent to which the Schlumberger Limited group's operating and financial results are affected by Covid-19 will depend on various factors and consequences beyond the Schlumberger Limited group's control, such as the duration and scope of the pandemic; additional actions by businesses and governments in response to the pandemic; and the speed and effectiveness of responses to combat the virus. Covid-19, and the volatile economic conditions stemming from the pandemic, could also aggravate the other risk factors that we identify in the Directors' Report.

From a macro perspective, the rise in oil prices, the ongoing Covid-19 vaccine rollout, and multinational economic stimulus actions drive optimism for a meaningful oil demand recovery throughout 2021 and beyond.

OneSubsea Operations Limited

Registered No: SC226359

Strategic report (continued)

Principal risks and uncertainties

Given the singular contract and country specific nature of the Company's current activities, the key risks and uncertainties relate to its dependence on the OneSubsea Group which is the provider of not only commercial guidance and support, but also in the provision of equipment, services and operational support.

As such, the principal risks and uncertainties of the Company, and their impact on the Company's future prospects, are integrated with the principal risks of the OneSubsea segment and significant commercial and operating risks are not managed separately. Accordingly, the principal risks and uncertainties of the OneSubsea segment, which include those of the Company, are discussed in the Directors' report disclosed in the financial statements of OneSubsea UK Limited (400176), which does not form part of this report.

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 include the following:

Credit risk

The Company's principal financial assets are cash and cash equivalents and trade and other receivables. The Company's credit risk is primarily attributable to cash and cash equivalents. The amounts presented in the balance sheet under trade and other debtors are net of allowances for doubtful receivables. In order to mitigate the credit risk, the Company performs creditworthiness checks before accepting new clients. Regarding ongoing customers relationships, the Company, through its collection department, performs regular checks to review customers ability to repay their debts. In addition, they have regular discussions with the customers to ensure collection. An allowance for impairment is made where there is an identifiable event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. Credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies.

Capital risk

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Foreign exchange risk

The company is also exposed to the risk of foreign currency gains and losses, primarily with respect to turnover in currencies other than USD.

OneSubsea Operations Limited

Registered No: SC226359

In order to mitigate this risk, the Treasury function of the ultimate parent company Schlumberger Limited, managed centrally, enters into various financial instruments such as foreign currency hedging

Strategic report (continued)

Section 172 of the Companies Act 2006

Director's Statement on performance of their statutory duties

The Director is required to act in a manner which complies with their duties as set out in the UK Companies Act 2006.

The Director has a duty to promote the success of the Company for the benefit of the stakeholders as a whole and have regard to the interests of stakeholders in their decision making. The Director, acting responsibly and in good faith, considers what is most likely to promote the success of the Company for its stakeholders in the long term.

The Director was briefed on these duties when appointed and provided with training and professional advice from the Company Secretary and Corporate Entity Management team, or from external independent advisors if necessary.

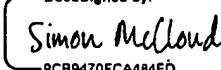
The values of the Director and the stewardship of the Company are aligned with those of the Schlumberger Group, details of which can be viewed at www.slb.com/globalstewardship

The following table summarises examples of the stakeholder groups and actions management has taken to develop engagement:

| Stakeholder | Engagement | Engagement actions |
|-------------|--|---|
| Community | Commitment to invest in local communities. | Continue to implement social risks management process. |
| Customers | Remain customer centric | Constantly align with our customers' ensuring their needs are our priority. |

The Director considers that they have acted in accordance with their duties under Section 172 in the decisions taken during the year ended 31 December 2020.

On behalf of the board,

DocuSigned by:

9CB8470FCA484FD...
SW McCloud
Director

4 October 2021

OneSubsea Operations Limited

Registered No: SC226359

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

SW McCloud

Giselle Evette Varn (appointed on January 2021)

Results and dividends

The profit for the year, after taxation, amounted to US\$ 48,000 (year ended 31 December 2019: profit US\$ 165,000). The Company declared no dividends during the year (2019:US \$nil). No final dividend is recommended for the year.

The net assets of the company at 31 December 2020 were US\$ 38,825,000 (31 December 2019: US\$ 38,777,000).

Future developments

The company depends on the OneSubsea Group which is the provider of commercial guidance and support, in the provision of equipment, services and operational support. Future revenue is likely to remain at a lower level unless further projects are won in the region.

Financial Risk Management

The company's principal financial risks are set out in the Strategic Report on page 3.

Qualifying third-party indemnity provisions

During the year and up to the date of this report, the Company maintained 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. The qualifying third-party indemnity is purchased by Schlumberger Limited.

Foreign Branches

All trading activity in the year relates to the Libya branch of OneSubsea Operations Limited (year ended 31 December 2019: same).

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2.

The Schlumberger group has strong financial resources and the company is continuing in its role within the wider Schlumberger group. Therefore, the directors believe that the company is well placed to manage its business risks successfully. In making the assessment, the directors have taken into account the current forecasts and its net assets position. The directors are therefore satisfied that the Company is able to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements.

The Company made a profit after tax in the year of \$ 48,000 and has net current assets of \$ 38,824,000

OneSubsea Operations Limited

Registered No: SC226359

Directors' Report (continued)

As a result, the Company has adopted the going concern basis of accounting in preparing the annual financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the reports and the 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, 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 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 also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Disclosure of information to the auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken such steps as he should have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

OneSubsea Operations Limited

Registered No: SC226359

Directors' Report (continued)

Independent Auditors

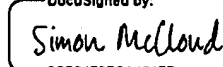
During 2021, a member firm of the PwC Network in the Middle East was involved in the provision of tax-related services in the Middle East relating to the year ended 31 December 2020 for the Libyan branch of OneSubsea Operations Limited. Our auditors, PricewaterhouseCoopers LLP ("PwC UK"), reported that

the services involved administrative services in respect of the annual corporate tax return submission, liaison with the Tax Department for the registration of invoices and contracts and compilation of data leading to the provision of management information for the Libyan branch of OneSubsea Operations Limited. These services, which were not provided by PwC UK, did not involve any management decision-making. PwC UK subsequently identified these services as a breach of paragraph 5.42 of the FRC Ethical Standard (December 2019) as the indirect UK parent company has been determined to be an other entity of public interest.

PwC UK and management have subsequently provided additional guidance to their respective teams regarding the restrictions of the FRC Ethical Standard 2019, and the Directors are satisfied that this has not compromised the auditors' professional judgement, independence, objectivity, or the audit report.

PricewaterhouseCoopers LLP are deemed to be appointed as new auditors in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

On behalf of the board

DocuSigned by:

8CB9470FCA484FD
SW McCloud
Director

4 October 2021

Independent auditors' report to the members of OneSubsea Operations Limited

Report on the audit of the financial statements

Opinion

In our opinion, OneSubsea Operations Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2020; the Income statement, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

During the period, we identified that a member firm of the PwC Network in the Middle East provided tax-related services for the financial year ended 31 December 2020, on behalf of the Libyan branch of OneSubsea Operations Limited. These services were prohibited under paragraph 5.42 of the FRC Ethical Standard (December 2019) because an indirect UK parent company, Schlumberger Oilfield UK PLC has been determined to be an other entity of public interest. The impermissible tax-related services included the submission of the annual corporate tax return, liaison with the Tax Department for the registration of invoices and contracts and compiling data provided by OneSubsea Operations Limited leading to the provision of management information for the year ending 31 December 2020 for the Libyan branch of OneSubsea Operations Limited. The services were completed for a total fee of \$23,475 and all such services have ceased. These services are not considered to impact on the objectivity of us as the auditor, as we did not rely upon the work performed by the member firm as part of our audit, nor were any individuals of the member firm involved in our audit.

We confirm that, based on our assessment of this breach, the nature and scope of the service and the subsequent actions taken, the provision of these services has not affected our professional judgement and the audit report, and therefore we remained independent for the purposes of the audit.

Other than the matter referred to above, to the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company or Group.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to The Health and Safety Act 1974, data protection requirements in the jurisdictions in which the Company operates and holds data (including The General Data Protection Regulation (GDPR)), the Petroleum Act 1998, tax legislation, employment laws and failure to comply with environmental regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates. . Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Performing audit procedures to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Incorporating elements of unpredictability into the audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or

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

We have no exceptions to report arising from this responsibility.



Simon Bailey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Crawley
5 October 2021

OneSubsea Operations Limited

Registered No: SC226359

Income statement

for the year ended 31 December 2020

| | | Year ended 31 December 2020 | Year ended 31 December 2019 |
|--|------|--------------------------------|--------------------------------|
| | Note | \$000 | \$000 |
| Turnover | 3 | 1,586 | 17,819 |
| Cost of sales | | (5,213) | (11,508) |
| Gross (loss)/profit | | (3,627) | 6,311 |
| Administrative credit/(expenses) | | 3,696 | (5,728) |
| Interest receivable and similar income | | - | 3 |
| Interest payable and similar expenses | | (21) | (51) |
| Profit before taxation | 4 | 48 | 535 |
| Tax on profit | 5 | - | (370) |
| Profit for the financial year | | 48 | 165 |

All activities relate to continuing operations (year ended 31 December 2019: same).
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.

OneSubsea Operations Limited

Registered No: SC226359

Statement of changes in equity
for the year ended 31 December 2020

| | Called up share capital \$000 | Profit and loss account \$000 | Total equity \$000 |
|----------------------------|--|--|-----------------------|
| At 1 January 2019 | - | 38,612 | 38,612 |
| | | | |
| Profit for the year | - | 165 | 165 |
| At 31 December 2019 | - | 38,777 | 38,777 |
| | | | |
| Profit for the year | - | 48 | 48 |
| At 31 December 2020 | - | 38,825 | 38,825 |

OneSubsea Operations Limited

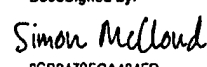
Registered No: SC226359

Statement of financial position

as at 31 December 2020

| | | 31 December 2020 \$000 | 31 December 2019 \$000 |
|---|-------------|---------------------------|------------------------------|
| | Note | | |
| Current assets | | | |
| Debtors – amounts falling due within one year | 6 | 39,695 | 51,090 |
| Cash at bank and in hand | | 3,046 | 3,424 |
| | | <hr/> | <hr/> |
| | | 42,741 | 54,514 |
| Creditors - amounts falling due within one year | 7 | (3,916) | (15,737) |
| | | <hr/> | <hr/> |
| Net current assets and net assets | | 38,825 | 38,777 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 8 | - | - |
| Profit and loss account | 9 | 38,825 | 38,777 |
| | | <hr/> | <hr/> |
| Total shareholders' funds | | 38,825 | 38,777 |
| | | <hr/> | <hr/> |

The financial statements on pages 11 to 20 were approved for issue by the board of directors on 4 October 2021 and signed on its behalf by:

DocuSigned by:

 9CB9470FCA484FD

SW McCloud
 Director

4 October 2021

OneSubsea Operations Limited

Registered No: SC226359

Notes to the financial statements for the year ended 31 December 2020

1. Accounting policies

General Information

Onesubsea Operations Limited is a private company limited by shares incorporated in United Kingdom. The Registered Office is Badentoy Avenue, Portlethen, Aberdeenshire AB12 4YB.

Statement of compliance

The Company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standards 102, "The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006 as it applies to the financial statements of the Company for the year ended 31 December 2020. FRS102 has been consistently applied across the current and prior accounting periods.

Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The financial statements are prepared in United States Dollars which is the functional currency of the company and are presented to the nearest US \$'000.

The financial statements have been prepared on a going concern basis.

Exemption for qualified entities under FRS 102

In its adoption of FRS 102, the Company as a qualifying entity has taken advantage of certain disclosure exemptions permitted, subject to certain conditions, which have being complied with, being the notification of, and no objection to the use of these exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows of Schlumberger Limited, includes the Company's cash flow. (FRS 102 paragraph 1.12(b));
- ii) from the financial instrument disclosures, required under FRS 102 as the information is provided in the consolidated financial statements of Schlumberger Limited (paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29);
- iii) from the related party transactions disclosures, required under FRS 102 as the information is provided in the consolidated financial statements of Schlumberger Limited (paragraph 33.1A);
- iv) from the key management personnel disclosures required under FRS 102 as the information is provided in the consolidated financial statements of Schlumberger Limited (paragraph 33.7A);

OneSubsea Operations Limited

Registered No: SC226359

Notes to the financial statements (continued) for the year ended 31 December 2020

1. Accounting policies (continued)

Exemption for qualified entities under FRS 102 (continued)

The financial statements of Schlumberger Limited are available to the public and are available from the address shown in note 11.

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2.

The Schlumberger group has strong financial resources and the company is continuing in its role within the wider Schlumberger group. Therefore, the directors believe that the company is well placed to manage its business risks successfully. In making the assessment, the directors have taken into account the current forecasts and its net assets position. The directors are therefore satisfied that the Company is able to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of approval of these financial statements.

The Company made a profit after tax in the year of \$ 48,000 and has net current assets of \$ 38,824,000

As a result, the directors has adopted the going concern basis of accounting in preparing the annual financial statements.

Taxation

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

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies, and the financial statements of overseas branches, are translated into US Dollars at the rate of exchange ruling at the financial statements date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

Basic financial instruments

The entity is applying section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments. These are initially accounted for at their transaction price except for financing transactions which are measured at the present value of the future payments discounted using a market rate of interest.

Subsequently, basic financial instruments are measured as follows:

- i. Debt instruments (receivables and payables) are measured using the effective interest method. For debt instruments expected to be settled within one year, they are measured at the undiscounted amount of cash expected to be received or paid.
- ii. Commitments to make or receive a loan shall be measured at cost less impairment.

OneSubsea Operations Limited

Registered No: SC226359

Notes to the financial statements (continued)
for the year ended 31 December 2020

2. Critical accounting judgements and estimation uncertainty

The company makes estimates and assumptions concerning the future in preparing financial information. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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. 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:

Debtors impairment

The Company makes an estimate of recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the debtors, the ageing profile of debtors and historical experience.

Recoverability of intercompany debtors

When assessing recoverability and potential impairment, management considers factors including the financial results and balance sheet position of the group undertakings. In addition, the Treasury function of the ultimate parent company Schlumberger Limited is managed centrally with regular reviews of financing and cash flow requirements across the group.

Revenue recognition

The Company generates revenue through long-term construction contracts. Some degree of estimation is required in assessing the revenue and profit to be recognised on these contracts in any particular period. Where a reliable estimate can be made, the estimates are kept accurate through regular (at least quarterly) reviews. More detail is provided in our revenue recognition policy.

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 bear 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 probably 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.

There are no specific critical judgements in applying the entity's accounting policies.

OneSubsea Operations Limited

Registered No: SC226359

Notes to the financial statements (continued)

for the year ended 31 December 2020

3. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

An analysis of turnover by geographical market is given below:

| | <i>Year ended</i> <i>31 December 2020</i> | <i>Year ended</i> <i>31 December 2019</i> |
|--------|--|--|
| | <i>\$000</i> | <i>\$000</i> |
| Africa | 1,586 | 17,819 |
| | <u>1,586</u> | <u>17,819</u> |

An analysis of turnover by sales type is given below:

| | <i>Year ended</i> <i>31 December 2020</i> | <i>Year ended</i> <i>31 December 2019</i> |
|-----------------------|--|--|
| | <i>\$000</i> | <i>\$000</i> |
| Construction contract | 1,586 | 2,841 |
| Rendering of services | - | 14,978 |
| | <u>1,586</u> | <u>17,819</u> |

4. Profit before taxation

This is stated after charging /(crediting):

| | <i>Year ended</i> <i>31 December 2020</i> | <i>Year ended</i> <i>31 December 2019</i> |
|---|--|--|
| | <i>\$000</i> | <i>\$000</i> |
| Auditors' remuneration - audit services | 20 | 13 |
| Auditors' remuneration - non audit service fees | 23 | 39 |
| Others - non audit services | - | 1 |
| Foreign exchange gains | (733) | (167) |
| Debtor provision (release)/charge | (3,798) | 5,772 |
| | <u>(3,798)</u> | <u>5,772</u> |

The directors of the company were also directors of various fellow group companies during the year ended 31 December 2020 and year ended 31 December 2019. Their remuneration is paid by those fellow group companies. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the fellow group undertakings.

There are no employees in the company (2019: no employees); costs in relation to services are recharged from other areas of the group.

OneSubsea Operations Limited

Registered No: SC226359

Notes to the financial statements (continued)

for the year ended 31 December 2020

5. Tax on profit

Tax on profit

The tax charge is made up as follows:

| | <i>Year ended</i> <i>31 December 2020</i> | <i>Year ended</i> <i>31 December 2019</i> |
|---|--|--|
| | <i>\$000</i> | <i>\$000</i> |
| Current tax: | | |
| Adjustment in respect of previous years | - | (543) |
| Foreign tax suffered | - | 913 |
| Total current tax | - | 370 |
| Total tax per income statement | - | 370 |

The charge for the year can be reconciled to the profit per the income statement as follows:

| | <i>Year ended</i> <i>31 December 2020</i> | <i>Year ended</i> <i>31 December 2019</i> |
|---|--|--|
| | <i>\$000</i> | <i>\$000</i> |
| Profit before taxation | 48 | 535 |
| Tax on profit at standard UK tax rate of 19% (2019:19%) | 9 | 102 |
| Effects of: | | |
| Expenses not deductible | 14 | - |
| Income not taxable | - | (174) |
| Effects of group relief | (23) | 72 |
| Effects of overseas tax | - | 913 |
| Adjustment in respect of previous years | - | (543) |
| Total tax charge for the year | - | 370 |

Overseas tax represents Libyan branch tax based on its results.

Factors that will affect future tax charges

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This new law was substantively enacted on 24 May 2021. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

OneSubsea Operations Limited

Registered No: SC226359

Notes to the financial statements (continued)

for the year ended 31 December 2020

6. Debtors – amounts falling due within one year

| | 31 December 2020 \$000 | 31 December 2019 \$000 |
|--|---------------------------|---------------------------|
| Trade debtors | 7,671 | 12,113 |
| Amounts owed by group undertakings | 599 | 5 |
| Amounts owed by parent undertakings | 26,179 | 25,359 |
| Amounts recoverable on long term contracts | 5,246 | 13,150 |
| Other debtors | - | 463 |
| | <u>39,695</u> | <u>51,090</u> |

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7. Creditors – amounts falling due within one year

| | 31 December 2020 \$000 | 31 December 2019 \$000 |
|------------------------------------|---------------------------|---------------------------|
| Trade creditors | 6 | - |
| Amounts owed to group undertakings | 3,424 | 14,478 |
| Corporation tax payable | 457 | 1,177 |
| Accruals and deferred income | 29 | 82 |
| | <u>3,916</u> | <u>15,737</u> |

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Called up share capital

| | Authorised | | Allotted, called up and fully paid | |
|-----------------------------------|-------------------------------|-------------------------------|---------------------------------------|--------------------------|
| | 31 December 2020 Number | 31 December 2019 Number | 31 December 2020 £ | 31 December 2019 £ |
| "A" Ordinary shares of £0.10 each | 457 | 457 | 67 | 67 |
| Ordinary shares of £0.10 each | 1,180 | 1,180 | 173 | 173 |
| | <u>1,637</u> | <u>1,637</u> | <u>240</u> | <u>240</u> |

Share's reclassification

The directors of the Company reclassified all of its "A" ordinary shares of £0.10 each in the capital of the Company as ordinary shares of £0.10 each, to rank pari passu with the existing ordinary shares of £0.10 each.

OneSubsea Operations Limited

Registered No: SC226359

Notes to the financial statements (continued)
for the year ended 31 December 2020

9. Profit and loss account

Profit and loss account

Cumulative profit and loss net of distributions to owners.

10. Parent undertaking and ultimate parent company

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

Schlumberger Limited, a company incorporated in Curacao, a country within the Kingdom of the Netherlands, is the parent undertaking of the smallest and largest group of undertakings of which the company is a member and for which group financial statements are prepared. The directors consider Schlumberger Limited to be the ultimate parent company and controlling party.

Copies of the financial statements of Schlumberger Limited can be obtained from 17th Floor, 5599 San Felipe, Houston, Texas, 77056, USA or on the Group's website at www.slb.com.