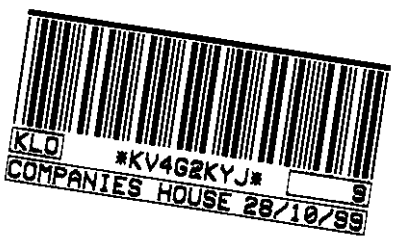
SCHLUMBERGER INDUSTRIES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31st December 1998

Registered number: 534821



SCHLUMBERGER INDUSTRIES LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1998

The directors have pleasure in submitting their annual report together with the accounts of the Company for the year ended 31 December 1998.

REVIEW OF THE BUSINESS

The principal activity of the company is the manufacture and servicing of meters and systems for measuring and management of electricity, gas and water consumption, automatic meter reading and billing systems.

Revenue from continuing operations in the year of £99 million was 6.6% down on 1997 revenue (£106 million). Persistant low demand for meters by utility companies kept the activity of the Resource Management Services operations down, with a fall in revenue of 7% on 1997. Revenue fell by £9 million on 1997 revenue as a result of the sale in September of the Retail Petroleum Systems (RPS) division of Schlumberger Industries Limited to the Tokheim Corporation. Redundancy and re-organisation costs amounted to £2.1 million. A further £1 million was charged to resolve the Year 2000 date change metering compliance issues, see statement below.

BUSINESS DISPOSED

The business and trade of the RPS Division of Schlumberger Industries Limited was disposed of on the 30th September 1998 (see note 25)

RESULT AND DIVIDENDS

The loss on the year's trading, amounts transferred to reserves and the financial position of the Company are shown in the annexed accounts. The Directors do not propose a dividend (1997: zero).

DIRECTORS

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

A Goldby	
B Stoole	
N Brown	Resigned 1 May 1998
H Mursell	Appointed 1 May 1998, resigned 25th May 1999
I Coombes	Resigned 1 July 1998
M Mannering	Appointed 1 July 1998, resigned 1 October 1999
J Coghlan	Appointed 1 July 1999
D O'Leary	Appointed 1 October 1999
M Younger	Appointed 1 July 1998

No director had an interest in the shares of the Company or any other group company such as requires notification to the Company under Section 324 of the Companies Act 1985.

POLITICAL CONTRIBUTIONS AND CHARITABLE DONATIONS

No political contributions were made during the year (1997: zero). Charitable donations amounting to £2,348 (1997: £8,244) were made during the year.

SCHLUMBERGER INDUSTRIES LIMITED

POLICY FOR EMPLOYMENT OF DISABLED PERSONS

It is the Company's policy to give full and fair consideration to suitable applications for employment from disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the Company who become disabled to continue in their employment or to be trained for other positions in the Company.

RESEARCH AND DEVELOPMENT

The research and development activities of the company continue to be aimed at developing new products and processes.

PAYMENT TO SUPPLIERS

The Company agrees terms and conditions for its business transactions with suppliers. Payment is made on these terms providing the supplier meets its obligations. The Company had 20 days purchases outstanding as at 31 December 1998 based on the average daily amount invoiced by suppliers during the year.

EURO POLICY

A Euro Readiness Programme has been established throughout Schlumberger to ensure all business segments meet the euro compliance requirements. To this effect, a Euro Steering Committee has been established and , to maintain focus on the Schlumberger euro implementation program, project teams have been set up throughout the Company. Euro implementation plans cover both phases of the euro implementation. Initially these plans will ensure that, progressively through 1999, all business units of Schlumberger will be able to transact in the euro. Thereafter, the plans will ensure that during the transitional period all corporate, financial, commercial, employment and other documentation that refer to the participating currencies are converted to the euro in accordance with the regulatory requirements.

YEAR 2000

The company has conducted a review of it's critical business systems and the affected systems have been replaced, updated or are due to be replaced in sufficient time for year 2000 compliance. The total cost of compliance, consisting predominantly of external invoices, is expected to be £1,090,000. The Directors believe there will be no significant exposure arising from year 2000 compliance of the Company's critical financial systems. To mitigate against the risk of third party systems failure to comply with year 2000, we have an evaluation process designed to monitor the year 2000 compliance status of key suppliers amd customers.

EMPLOYEE PARTICIPATION

Employees are systematically provided with information on matters of concern to them as employees. Employees are further encouraged to be involved in the Company's performance by being eligible to purchase stock of the ultimate parent company, Schlumberger Limited, at a discounted rate through an annual savings scheme.

DIRECTORS RESPONSIBILITIES

Under the Companies Act 1985, the directors are required to prepare accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year and of the profit or loss for the financial year. The directors are also responsible for ensuring that adequate accounting records are maintained.

Suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts and applicable accounting standards have been followed.

The directors are required to prepare the accounts on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible to the Company for taking reasonable steps to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

AUDITORS

A resolution to reappoint the retiring auditors, PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By order of the Board

N Ray

N Ray
Secretary

22 October 1999

SCHLUMBERGER INDUSTRIES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF
SCHLUMBERGER INDUSTRIES LIMITED

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The Directors' are responsible for preparing the Annual Report, including as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Director's report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding Director's remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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

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

Opinion
In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31st December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
1 Embankment Place
London
WC2N 6NN

22 October 1999

SCHLUMBERGER INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 £'000	1997 £'000
TURNOVER			
Continuing Operations		75,445	73,490
Discontinued Operations		23,381	32,969
	2	98,826	106,459
Cost of sales		(80,637)	(91,597)
GROSS PROFIT		18,189	14,862
Other operating expenses		(36,169)	(26,592)
OPERATING LOSS			
Continuing Operations		(12,192)	(9,528)
Discontinued Operations		(5,788)	(2,202)
	4	(17,980)	(11,730)
Profit on disposal of fixed assets		45	45
Profit on Disposal of Discontinued Operations		4,127	-
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(13,808)	(11,685)
Interest receivable	5a	675	212
Interest payable	5b	(4,073)	(4,323)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(17,206)	(15,796)
TAX ON LOSS ON ORDINARY ACTIVITIES	8	547	5,155
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE YEAR	19	(16,659)	(10,641)

The notes on pages 7 to 20 form part of these accounts.

The Company has recognised no gains or losses other than those shown in the above profit and loss account.

SCHLUMBERGER INDUSTRIES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1998

	Note	1998 £'000	1997 £'000
FIXED ASSETS			
Intangible assets	9	30,249	38,373
Tangible assets	10	24,453	32,261
Investments	11	10,809	1
		65,511	70,635
CURRENT ASSETS			
Stocks	12	7,735	15,109
Debtors	13	46,682	72,838
Cash and short term investments		8,232	6,072
		62,649	94,019
CREDITORS: Amounts falling due within one year	14	(42,638)	(74,444)
NET CURRENT ASSETS		20,011	19,575
TOTAL ASSETS LESS CURRENT LIABILITIES		85,522	90,210
CREDITORS: Amounts falling due after more than one year	15	(57,052)	(45,081)
NET ASSETS		28,470	45,129
CAPITAL AND RESERVES			
Called up share capital	17	2,718	2,718
Share premium account	18	36	36
Profit and loss account	19	25,716	42,375
Equity Shareholder's Funds	20	28,470	45,129

The notes on pages 7 to 20 form part of these accounts.

Approved by the directors on 22 October 1999

A Goldby
Director

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998

1. ACCOUNTING POLICIES

1) Accounting policies

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

2) Basis of accounts

The Company is exempt from preparing and delivering group accounts under section 228 of the Companies Act 1985. The financial information is presented about the company as an individual undertaking and not about its group.

3) Turnover

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

4) Research and development

Research and development expenditure is written off in the year in which it is incurred.

5) Leases

Finance and operating leases

Where the Company is a lessee under finance leases (including hire purchase contracts), the leased assets are capitalised and included in tangible fixed assets and the corresponding liability to the lessor is included in creditors. Finance charges payable are recognised over the periods of the leases, based on the interest rates implicit in the leases. Assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership, other than legal title, are classified as finance leases.

All other leases are classified as operating leases and, where the Company is the lessor, are included in tangible fixed assets. Rentals payable and receivable under operating leases are accounted for on the straight line basis over the periods of the leases and are included in 'expenses' and 'operating income' respectively.

Property leases

The rents payable under the property leases are spread on a straight-line basis over the lease term or, if shorter than the full lease term, over the period to the first review date.

6) Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes direct materials, labour and manufacturing overheads incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less further costs to completion and selling costs.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

ACCOUNTING POLICIES (continued)

7) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.
Depreciation is provided on a straight line basis over the expected useful lives of each category of tangible fixed assets at the following rates:

Freehold buildings	10-50 years
Leasehold buildings	50 years or the life of the lease if shorter
Plant and machinery	3-5 years
Fixtures, fittings, tools and equipment	2-10 years

Freehold land is not depreciated.

8) Intangible fixed assets

Goodwill, representing the excess of the purchase consideration over the fair value of the net separable assets acquired, is capitalised and amortised over an appropriate period. The goodwill, which remains as an asset in the balance sheet at 31 December 1998, relates to the acquisitions of the gas metering division of Thorn EMI (Flow Measurement and Metflex), BM Gas Systems and the business of Schlumberger Cards Ltd, transferred from fellow subsidaries, and is being amortised through the profit and loss account over 20 - 25 years. In addition, the carrying values are reviewed annually for permanent diminution in value.

9) Deferred taxation

Deferred taxation is provided according to the liability method on all timing differences, including those relating to pensions, to the extent that there is a reasonable probability that a liability will crystallise in the foreseeable future.

10) Pensions

Contributions to pension schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company in accordance with Statement of Standard Accounting Practice 24.

11) Foreign currencies

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation on the transaction date. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates in operation at the balance sheet date. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

12) Related Party Disclosures

Transactions with other companies within the Group are not disclosed as the Company has taken advantage of the exemption available under Financial Reporting Standard 8 (FRS 8) "Related Party Disclosures" paragraph 3(c).

13) Cash flow statement

The Group has taken advantage of the exemptions available to wholly owned UK subsidiaries under Financial Reporting Standard No. 1 (Revised 1996) "Cash Flow Statements" and accordingly has not prepared a cash flow statement.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

2. SEGMENTAL REPORTING

All turnover originated in the United Kingdom .

Turnover by destination was as follows:

	1998	1997
	£'000	£'000
United Kingdom	69,191	52,689
Rest of Europe	18,881	43,817
Americas	5,468	3,568
Africa/Asia/Australia	5,286	6,385
	98,826	106,459

In the opinion of the directors there is only one class of business.

	1998	1997
	£'000	£'000
Turnover		
Continuing Operations	75,445	73,490
Discontinued Operations	23,381	32,969
	98,826	106,459
(Loss) on ordinary activities before taxation		
Continuing Operations	(12,848)	(15,791)
Discontinued Operations	(1,869)	(5)
	(14,717)	(15,796)

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the year was as follows:

	1998	1997
Direct labour	644	649
Indirect production	210	201
Selling, marketing and distribution	122	100
Research and development	139	149
Administration	118	105
	1,233	1,204

The aggregate payroll costs were as follows:

	1998	1997
	£'000	£'000
Wages and salaries	20,916	22,817
Social security costs	1,927	1,962
Other pension costs	999	1,314
	23,842	26,093

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

4. ANALYSIS OF OPERATING LOSS

	Continuing Operations	Discontinued Operations	1998 Total	1997 Total
			£'000	£'000
Turnover	75,445	23,381	98,826	106,459
Cost of sales	(60,728)	(19,909)	(80,637)	(91,597)
Gross profit	14,717	3,472	18,189	14,862
Other operating expenses				
Research and development	(4,682)	(961)	(5,643)	(6,829)
Administrative expenses	(11,837)	(2,140)	(13,977)	(11,124)
Selling, marketing and distribution costs	(7,900)	(265)	(8,165)	(8,639)
Write down of investment (Maclean & Nuttall)	(2,490)	-	(2,490)	
Impairment of Goodwill (RPS Division)	-	(5,894)	(5,894)	-
OPERATING LOSS	(12,192)	(5,788)	(17,980)	(11,730)

5(a). INTEREST RECEIVABLE

	1998	1997
	£'000	£'000
Interest on bank balances and short term investments	20	212
Interest on Loan Notes	655	-
	675	212

5(b). INTEREST PAYABLE

	1998	1997
	£'000	£'000
Interest on bank overdrafts and loans repayable within 5 years	4,073	4,323

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

		1998	1997
		£'000	£'000
Depreciation		5,091	5,554
Amortisation of Goodwill		2,230	2,219
Impairment of Goodwill		5,894	-
Write down of investment in Maclean & Nuttall		2,490	-
Auditors' remuneration	- audit	70	69
	- non-audit	5	2
Operating lease rentals:			
- plant and machinery		-	43
- other assets		303	508
Loss/(gain) on foreign exchange		6	36

7. DIRECTORS' EMOLUMENTS

The total emoluments of the directors, excluding pension contributions, amounted to £83,615 (1997: £92,380).

The directors are members of the UK Pension scheme, which includes a defined benefit and a defined contribution scheme

The total pension contributions of the directors amounted to £4,124 (1997: £10,878)

8. TAXATION

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

	1998	1997
	£'000	£'000
Current year		
United Kingdom corporation tax at 31% (1997: 31.5%)	-	(2,796)
Deferred tax	-	(2,359)
	-	(5,155)
Prior years		
United Kingdom corporation tax	(547)	-
Deferred tax	-	-
	(547)	(5,155)

9. INTANGIBLE FIXED ASSETS

	Goodwill	Patents	Total
	£'000	£'000	£'000
Cost			
Balance at 1 January 1998	56,682	902	57,584
Disposal of Business	(8,668)	-	(8,668)
Balance at 31 December 1998	48,014	902	48,916
Amortisation			
Balance at 1 January 1998	18,309	902	19,211
Impairment of Goodwill (RPS Division)	5,894		5,894
Charge for the year	2,230	-	2,230
Disposal of Business	(8,668)	-	(8,668)
Balance at 31 December 1998	17,765	902	18,667
Net book amount at 31 December 1998	30,249	-	30,249
Net book amount at 31 December 1997	38,373	-	38,373

Goodwill arose from the acquisition of the gas metering division of Thorn EMI (£45,685,000) on 7 June 1989 and the assets of B M Gas Systems (£140,000) on 12 February 1993, and the transfer of trade from Schlumberger Cards Ltd (£2,189,121) on 1st February 1997.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

10. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Fixtures fittings tools and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
Balance at 1 January 1998	23,344	37,010	20,481	80,835
Additions	778	1,699	2,194	4,671
Disposals	(4,690)	(6,355)	(2,570)	(13,615)
Balance at 31 December 1998	19,432	32,354	20,105	71,891
Depreciation				
Balance at 1 January 1998	5,317	27,716	15,541	48,574
Charge for the year	772	2,480	1,839	5,091
Disposals	(499)	(3,977)	(1,751)	(6,227)
Balance at 31 December 1998	5,590	26,219	15,629	47,438
Net book amount at 31 December 1998	13,842	6,135	4,476	24,453
Net book amount at 31 December 1997	18,027	9,294	4,940	32,261

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

10. TANGIBLE FIXED ASSETS (continued)

Land and buildings may be further analysed as follows:

	Freehold land	Freehold buildings	Leasehold (short)	Total
	£'000	£'000	£'000	£'000
Cost				
Balance at 1 January 1998	1,343	19,959	2,042	23,344
Additions	-	174	604	778
Disposals	(100)	(4,590)	-	(4,690)
Balance at 31 December 1998	1,243	15,543	2,646	19,432
Depreciation				
Balance at 1 January 1998	-	5,317	-	5,317
Charge for the year	-	626	146	772
Disposals	-	(499)	-	(499)
Balance at 31 December 1998	-	5,444	146	5,590
Net book amount at 31 December 1998	1,243	10,099	2,500	13,842
Net book amount at 31 December 1997	1,343	14,642	2,042	18,027

11. INVESTMENTS

	£'000
Balance at 1 January 1998	1
Maclean & Nuttall purchased from Schlumberger plc	13,298
Write down of investment in Maclean & Nuttall Ltd	(2,490)
Balance at 31 December 1998	10,809

The Company owns 100% of the ordinary share capital of its subsidiary undertakings. Langtone Limited is dormant.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

12. STOCKS AND WORK IN PROGRESS

Stocks and work in progress at the end of the year may be analysed as follows:

	1998	1997
	£'000	£'000
Raw materials	2,641	9,073
Work in progress	2,449	2,392
Finished goods	2,645	3,644
	7,735	15,109

13. DEBTORS - amounts due within one year

	1998	1997
	£'000	£'000
Trade debtors	8,932	12,046
Notes receivable for sale of discontinued Operation	21,171	-
Amounts owed by parent and fellow subsidiary undertakings	405	35,368
Amounts owed by subsidiary undertakings	6,815	19,693
Deferred taxation (Note 16)	2,456	2,456
Taxation and social security	4,181	1,187
Other debtors	1,158	1,167
Prepayments and accrued income	1,564	921
	46,682	72,838

Included within deferred taxation above is an asset of £1,975,000 which relates to amounts falling due in more than one year.

14. CREDITORS - amounts falling due within one year

	1998	1997
	£'000	£'000
Bank overdraft	7,160	9,757
Trade creditors	4,309	9,742
Amounts owed to parent and fellow subsidiary undertakings	24,582	48,144
Short term portion of long term debt and accrued interest	-	1,404
Other creditors	745	(6)
Accruals and deferred income	5,842	5,403
	42,638	74,444

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

15. CREDITORS - amounts falling due after more than one year

	1998	1997
	£'000	£'000
Unsecured bank loans, part of a 5 year loan facility from May 1997	57,000	45,000
Obligations under finance leases and hire purchase contracts	52	81
	57,052	45,081

The £57 million unsecured bank loans at 31 December 1998 include £30 million of discounted bills and are under a 5 year syndicated loan facility to Schlumberger plc and its subsidiaries of £150 million.

16. DEFERRED TAXATION

	Deferred taxation
	£'000
Balance at 1 January 1998	(2,456)
Transfer between current and deferred	-
Amount charged to the profit and loss account (Note 8)	-
Balance at 31 December 1998	(2,456)

At 31 December 1998 deferred taxation balances are represented by the following timing differences:

	1998		1997	
	Asset	Total potential asset	Asset	Total potential asset
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(1,922)	(3,963)	(2,351)	(3,135)
Short term timing differences	(534)	(534)	(105)	(105)
	(2,456)	(4,497)	(2,456)	(3,240)

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

17. CALLED UP SHARE CAPITAL

	1998 £'000	1997 £'000
Authorised ordinary shares of 50p each (Number of shares 6,000,000)	3,000	3,000
Allotted and fully paid ordinary shares of 50p each at 31 December (Number of shares 5,436,000)	2,718	2,718

18. SHARE PREMIUM

	1998 £'000	1997 £'000
Balance at 31 December	36	36

19. RESERVES

	Profit and loss account £'000
The movements during the year were as follows.	
At 1 January 1998	42,375
Loss retained for the financial year	(16,659)
At 31 December 1998	25,716

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £'000	1997 £'000
Loss for the financial year being net reduction to shareholders' funds	(16,659)	(10,641)
Opening shareholders' funds	45,129	55,770
Closing shareholders' funds	28,470	45,129

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

21. PENSION COSTS

The Company participates in a group pension scheme which provides defined benefits based on final pensionable pay and benefits derived from defined contributions. The assets of the scheme are held in separate trustee administered funds. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of biennial valuations. Particulars of the most recent actuarial valuation of the scheme at 1st April 1997 are contained in the accounts of Schlumberger plc.

The pension charge for the Company for the year was £974,000 (1997: £1,271,000). At 31 December an asset of £258,000 (1997: £803,000 is included in the balance sheet, this being the excess of the amount funded over the accumulated pension cost.

22. LEASING COMMITMENTS

			1998	1997
	Land and buildings	Other leases	Total	Total
	£'000	£'000	£'000	£'000
Operating leases				
Amounts payable in the next year	408	-	408	593
Representing commitments expiring:				
Within one year	-	-	-	136
Between two and five years	-	-	-	457
In more than five years	408	-	408	-
	408	-	408	593

23. CAPITAL COMMITMENTS

Capital expenditure contracted for, at 31 December 1998, for which no provisions have been made in these accounts, was as follows:

	1998	1997
	£'000	£'000
Contracted	341	433

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1998 (continued)

24. CONTINGENT LIABILITIES

Contingent liabilities not provided for in these accounts are as follows:

	1998	1997
	£'000	£'000
Bank and VAT / duty deferment guarantees.	310	773

25. DISPOSAL OF SUBSIDIARY UNDERTAKINGS

Net assets sold on the disposal of RPS division of Schlumberger Industries Limited.

		Book/Fair Value
		£'000
Tangible fixed assets		7,288
Stocks		6,543
Debtors		12,309
Bank Overdrafts		-
Creditors		(6,223)
		19,917
	$'000	£'000
Satisfied by:		
- Cash	5,500	3,226
- US$ Denominated Notes		
Sold 3rd February 1999	31,000	18,290
Sold 12th March 1999	4,000	2,360
Sold 31st March 1999	2,000	1,180
- Loss on sale of notes	(1,715)	(1,012)
		24,044
Profit on Disposal of undertaking		4,127

The notes are converted at the exchange rate prevailing at the date of sale of the business (30th September)

26. ULTIMATE PARENT COMPANY

Schlumberger plc, a company registered in England, is the parent undertaking of the smallest group of undertakings of which Schlumberger Industries Limited is a member and for which group accounts are drawn up.

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

Copies of the accounts of Schlumberger plc can be obtained from 1 Kingsway, London WC2B 6XH and Schlumberger Limited from 277 Park Avenue, New York, NY 10172-0266, U.S.A.