SCHLUMBERGER INDUSTRIES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

Year Ended 31 December 2000

Registered number: 534821

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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2000

The directors have pleasure in submitting their annual report together with the accounts of the Company for the year ended 31 December 2000.

REVIEW OF THE BUSINESS

Revenue from continuing operations totalled £91.8 million in 2000 as against £75.6 million the previous year. The operating loss in 2000 was £4.4 million (1999 £29.5 million).

Smart card activity continues to grow strongly. In the past three years revenues of the Cards division have more than doubled annually and in November 2000, the division opened its personalisation bureau enabling it to fulfil all the needs of smart card providers including design, printing, embedding chips, personalisation and distribution. Lloyds TSB and the Royal Bank of Scotland are leading customers for this chip-based smart card service. Apart from banking, Cards is also seeing growth in the loyalty card and mobile telephone sectors.

The Resource Management Services (RMS) division benefited from a turn-round in demand by the utility industry and organisational cost reductions. Revenues from ongoing businesses rose from £50 million in 1999 to £56 million in 2000. The upturn in the utility industry demand was reflected in a 58 per cent increase in the volume of domestic gas meters manufactured in 2000 as against the previous year. Following a strategic review by the ultimate parent company, it has been determined that the majority of RMS will be sold. Accordingly, the Directors have reviewed the goodwill held for this business by the Company and made a charge for impairment of £20 million to reduce the balance to the expected realisable value.

In June 2000 the Company completed the disposal of its loss-making gas consumer services subsidiary Maclean & Nuttall Limited.

The E-City division's parking solutions business was successful in 2000, increasing its market share of UK on-street parking control equipment from 32 per cent to almost 51 per cent. Durham City Council and Hull City Council were among authorities adopting E-City solutions. Significantly, nearly one third of the pay-and-display units now being installed are solar powered. In 2000, E-City launched two new business streams. The first – a comprehensive bureau service for on-street parking – not only relieves local authorities of the need to monitor and service ticket machines but also provides statistical information on parking patterns. Manchester City Council and the London Borough of Wandsworth were among the first authorities to adopt this service. E-City has also introduced its parking solutions to off-street car parks. Following major contracts awarded in 1999, E-City last year went live with its ticketing system for Croydon Tramlink and continued with the replacement of ticketing machines for Docklands Light Railway.

The Company's Telweb division, which commenced activities in January 2000, is seeing strong growth with its third generation of touch-screen terminals, providing the public with telephony, e-mail services, web-based applications and multimedia facilities. Following contracts won in 2000 with Eircom and NWP Communications, units are being installed in high traffic areas such as Heathrow Airport, London Underground, and Ireland's rail, air and bus terminals. Rapid growth is expected to continue throughout 2001 and 2002.

The Company established its Schlumberger Network Solutions division at the end of 1999. In its first full year the division, which moved to new premises in the Docklands during the year, has been concentrating - with increasing success - on two sectors: network solutions and information security using smart card technology.

In October 2000 the Company acquired Data Marine Systems Limited (DMS), a leading provider of telecommunication services to the oil and gas sector, as well as the marine industry.

REVIEW OF THE BUSINESS (continued)

PRINCIPLE ACTIVITIES

The company's principal activities during the year were the provision of logging, testing, drilling, drilling fluid, cementing, pumping, stimulation, software, data management interpretation and information technology services to the oil industry. In addition the company provides support services for the UK continental shelf operations of associated companies.

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 (1999: zero).

DIRECTORS

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

A Goldby	
M Younger	
A Plumpton	
M Mannering	
J Coghlan	
M Saunders	Appointed 6 March 2001
D O'Leary	Resigned 2 January 2001
B Stoole	Resigned 29 June 2000

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 (1999 : zero). Charitable donations amounting to £1,449 (1999: £175) were made during the year.

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 26 days purchases outstanding as at 31 December 2000 based on the average daily amount invoiced by suppliers during the year. (1999: 14 days).

EURO POLICY

On January 1, 1999, the euro became the official single currency of the European Economic and Monetary Union. The conversion rates of all eleven member states were fixed irrevocably on that date. The UK is not one of those eleven states but Schlumberger Industries Limited still recognises that the euro will affect it's business and continues to monitor the situation.

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

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

By order of the Board

Neil Ray

N Ray
Secretary

27 July 2001

AUDITORS' REPORT TO THE MEMBERS OF
SCHLUMBERGER INDUSTRIES LIMITED

We have audited the financial statements on pages 6 to 19.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' 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 Directors' 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 polices 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

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

27 July 2001

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £'000	1999 * restated £'000
Turnover	2	91,773	75,623
Cost of sales		(65,323)	(59,321)
GROSS PROFIT		26,450	16,302
Other operating expenses	4	(30,868)	(45,817)
Operating Loss	4	(4,418)	(29,515)
Profit on disposal of fixed assets		249	159
Loss on disposal of operations	21	-	(542)
Impairment loss on disposal of fixed assets	9	(20,000)	-
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(24,169)	(29,898)
Interest receivable	5a	58	1,308
Interest payable	5b	(3,476)	(2,351)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(27,587)	(30,941)
TAX CREDIT ON ORDINARY ACTIVITIES	8	5,088	2,163
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE YEAR	19	(22,499)	(28,778)

The notes on pages 8 to 19 form part of these accounts.

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

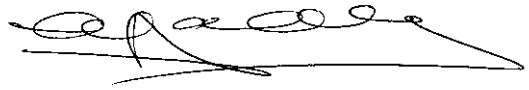
All results are derived entirely from continuing operations.

* See Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period.

BALANCE SHEET AS AT 31 DECEMBER 2000

	Note	2000 £'000	1999 * restated £'000
FIXED ASSETS			
Intangible assets	9	6,363	28,305
Tangible assets	10	23,838	22,515
Investments	11	55,851	606
		86,052	51,426
CURRENT ASSETS			
Stocks	12	9,902	8,228
Debtors	13	35,978	33,046
Cash and short term investments		10,184	2,000
		56,064	43,274
CREDITORS: Amounts falling due within one year	14	(30,576)	(21,636)
NET CURRENT ASSETS		25,488	21,638
TOTAL ASSETS LESS CURRENT LIABILITIES		111,540	73,064
CREDITORS: Amounts falling due after more than one year	15	(105,000)	(44,025)
NET ASSETS		6,540	29,039
CAPITAL AND RESERVES			
Called up share capital	17	27,718	27,718
Share premium account	18	36	36
Other reserves	19	4,604	4,604
Profit and loss account - (deficit)	19	(25,818)	(3,319)
Equity Shareholders' Funds	20	6,540	29,039

Approved by the directors on 27 July 2001



A Goldby
Director

The notes on pages 8 to 19 form part of these accounts.

* See Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period.

NOTES TO THE ACCOUNTS AT 31 DECEMBER 2000

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.

Restatement of prior period

In November 1999, the Accounting Standards Boad (ASB) published Financial Reporting Standard 17, 'Retirement Benefits'.

The immediate parent undertaking, Schlumberger public limited company (Schlumberger plc), has adopted FRS 17 for the year ended 31 December 2000.

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

The Schlumberger plc group scheme is run in a basis that does not enable individual companies within the group to identify their share of the underlying net assets and liabilities. As permitted by FRS 17, the Company will account for the scheme as a defined contribution scheme.

As a result, comparative figures for the year ended 31 December 1999 have been adjusted as follows:

	Opening Shareholders' Funds £'000	Loss for financial year £'000	Closing Shareholders' Funds £'000	Other Pension Costs £'000	Creditors £'000
As previously reported	28,470	(30,028)	28,046	2,116	22,629
Effect of change in accounting policy	(257)	1,250	993	(1,250)	(993)
As restated	28,213	(28,778)	29,039	866	21,636

The effect of the prior period adjustment on the results of the current year is not quantifiable as due to the change in accounting policy a SSAP 24 valuation will not be undertaken by Schlumberger plc.

3) Turnover

Turnover represents the sales value of goods and services supplied to external customers and affiliated companies, 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.

All other leases are classified as operating leases. Rentals payable under operating leases are accounted for on the straight line basis over the periods of the leases and are included in 'expenses'.

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.

1. ACCOUNTING POLICIES (continued)

7) 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.

Investments in subsidiary undertakings are valued at cost, less any provisions for impairment.

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 2000, relates to the acquisitions of the gas metering division and the business of Schlumberger Cards Limited.

The goodwill is being amortised through the profit and loss account over 25 years for the gas division but 20 years for Schlumberger Cards. For those intangible fixed assets being amortised over 25 years, the carrying values are reviewed annually for impairment.

9) Impairment review

The carrying values of tangible fixed assets and goodwill are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets and goodwill below depreciated historical cost is charged to the profit and loss account.

10) 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.

11) Pensions

The charge against profits is the amount of defined contributions payable to the pension scheme in respect of the accounting period. See Accounting Policies note 1.2).

12) 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.

13) 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.

2. SEGMENTAL REPORTING

All turnover originated in the United Kingdom .

Turnover by destination was as follows:

	2000 £'000	1999 £'000
United Kingdom	58,343	52,788
Rest of Europe	17,869	16,379
Americas	4,423	3,526
Africa/Asia/Australia	11,138	2,930
	91,773	75,623

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

	2000 £'000	1999 £'000
Turnover		
Continuing Operations	91,773	75,623
(Loss) on ordinary activities before taxation		
Continuing Operations	(24,169)	(29,356)
Discontinued Operations	-	(542)
Net interest	(3,418)	(1,043)
	(27,587)	(30,941)

3. STAFF NUMBERS AND COSTS

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

	2000	1999
Direct labour	488	398
Indirect production	151	156
Selling, marketing and distribution	123	127
Research and development	119	104
Administration	87	135
	968	920

The aggregate payroll costs were as follows:

	2000 £'000	1999 * restated £'000
Wages and salaries	21,915	19,641
Social security costs	1,906	1,725
Other pension costs	1,320	866
	25,141	22,232

* See Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period.

4. ANALYSIS OF OPERATING LOSS

	2000 Total	1999 * restated Total
	£'000	£'000
Turnover	91,773	75,623
Cost of sales	(65,323)	(59,321)
Gross profit	26,450	16,302
Other operating expenses		
Research and development	(4,091)	(4,279)
Write down of investment (Maclean & Nuttall)	(4,788)	(10,807)
Write down of investment (Schlumberger Technologies Ltd)	-	(1,500)
Write down of investment (Schlumberger Cards Ltd)	-	(2,500)
Provision against intercompany debt (Maclean & Nuttall)	-	(7,068)
Other administrative expenses	(16,028)	(11,722)
Total adminstrative expenses	(24,907)	(37,876)
Selling, marketing and distribution costs	(5,961)	(7,941)
	(30,868)	(45,817)
OPERATING LOSS	(4,418)	(29,515)

All 2000 activity relates to continuing operations.

* See Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period.

5(a). INTEREST RECEIVABLE

	2000 £'000	1999 £'000
Interest on bank balances and short term investments	28	17
Other Interest	30	242
Interest on Loan Notes	-	1,049
	58	1,308

5(b). INTEREST PAYABLE

	2000 £'000	1999 £'000
Interest on bank overdrafts and loans repayable within 5 years	3,476	2,351

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss before taxation is stated after charging the following items:		2000 £'000	1999 £'000
Depreciation		4,098	4,771
Amortisation of Goodwill		1,942	1,944
Impairment of Goodwill		20,000	-
Auditors' remuneration	- audit	62	59
	- non-audit	-	20
Operating lease rentals:			
- plant and machinery		-	-
- other assets		625	160
Loss on foreign exchange		228	391

7. DIRECTORS' EMOLUMENTS

The total emoluments of the directors, excluding pension contributions, amounted to £148,311 (1999: £213,148). The emoulments of the highest paid director, excluding pension contributions, amounted to £106,067 (1999: £98,488)

Of the 7 directors in office during 2000, 6 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 £11,104 (1999: £7,611). The pension contributions of the highest paid director amounted to £6,993 (1999: £3,385)

8. TAXATION

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

	2000 £'000	1999 £'000
Current year		
United Kingdom corporation tax at 30% (1999: 30%)	(3,066)	(1,162)
Deferred tax (Note 16)	869	(206)
	(2,197)	(1,368)
Prior years		
United Kingdom corporation tax	(2,891)	(795)
	(5,088)	(2,163)

9. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Patents £'000	Total £'000
Cost			
Balance at 1 January 2000 and 31 December 2000	48,014	902	48,916
Amortisation			
Balance at 1 January 2000	19,709	902	20,611
Charge for the year *	21,942	-	21,942
Balance at 31 December 2000	41,651	902	42,553
Net book amount at 31 December 2000	6,363	-	6,363
Net book amount at 31 December 1999	28,305	-	28,305

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 Limited (£2,189,121) on 1 February 1997.

* The charge for the year includes a £20,000,000 impairment on goodwill arising from the acquisition of the gas metering division of Thorn EMI.

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 2000	20,182	32,010	18,878	71,070
Additions	876	3,059	1,679	5,614
Disposals	-	(1,470)	(1,147)	(2,617)
Transfers in	-	74	2	76
Transfers out	-	(74)	(2)	(76)
Reclassification	-	470	(470)	-
Balance at 31 December 2000	21,058	34,069	18,940	74,067
Depreciation				
Balance at 1 January 2000	6,275	27,210	15,070	48,555
Charge for the year	700	1,889	1,509	4,098
Disposals	-	(1,348)	(1,076)	(2,424)
Transfers in	-	31	-	31
Transfers out	-	(31)	-	(31)
Reclassification	(20)	308	(288)	-
Balance at 31 December 2000	6,955	28,059	15,215	50,229
Net book amount at 31 December 2000	14,103	6,010	3,725	23,838
Net book amount at 31 December 1999	13,907	4,800	3,808	22,515

Included in the net book amount at 31 December 2000 are assets totalling £24,021 (1999: £62,751) held under finance leases.

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 2000	1,243	16,200	2,739	20,182
Additions	-	88	788	876
Balance at 31 December 2000	1,243	16,288	3,527	21,058
Depreciation				
Balance at 1 January 2000	-	5,978	297	6,275
Charge for the year	-	552	148	700
Reclassification	-	(20)	-	(20)
Balance at 31 December 2000	-	6,510	445	6,955
Net book amount at 31 December 2000	1,243	9,778	3,082	14,103
Net book amount at 31 December 1999	1,243	10,222	2,442	13,907

11. INVESTMENTS

	£'000
Balance at 1 January 2000	606
Increase of investment in Maclean & Nuttall Limited	4,788
Acquisition of Energy Auditing Agency Limited	1,643
Acquisition of Data Marine Systems Limited	53,602
Write down of investment in Maclean & Nuttall Limited	(4,788)
Balance at 31 December 2000	55,851

In June 2000, the Company disposed of Maclean & Nuttall Limited for £1. The investment was fully written down. During the year, the Company acquired Data Marine Systems Limited in Aberdeen and Energy Auditing Agency Limited in Milton Keynes. In the opinion of the directors the value of the Company's investments in its subsidiaries is not less than the amount at which they are stated in the balance sheet.

On 31 December 2000, the Company owned all of the share capital of the following:

	Country of incorporation	Nature of business
Langtone Limited	England	Dormant
Sangamo Weston Limited	England	Dormant
Schlumberger Technologies Limited	England	Dormant
Schlumberger Cards Limited	England	Dormant
Data Marine Systems Limited	England	Telecom and Network Systems Provider
Energy Auditing Agency Limited	England	Utility Management

The financial statements of the above subsidiaries have not been consolidated as explained in Note 1.2) Basis of accounts.

12. STOCKS AND WORK IN PROGRESS

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

	2000	1999
	£'000	£'000
Raw materials	4,291	3,913
Work in progress	1,885	1,386
Finished goods	3,726	2,929
	9,902	8,228

13. DEBTORS - amounts due within one year

	2000	1999
	£'000	£'000
Trade debtors	14,593	13,467
Amounts owed by parent	70	969
Amounts owed by subsidiaries and fellow subsidiary undertakings	5,275	5,517
Amounts owed by other Schlumberger companies	9,817	6,197
Deferred taxation (Note 16)	1,793	2,662
Taxation and social security	1,179	1,676
Other debtors	2,072	1,178
Prepayments and accrued income	1,179	1,380
	35,978	33,046

Included within deferred taxation above is an asset of £817,960 which relates to amounts falling due in more than one year.

14. CREDITORS - amounts falling due within one year

	2000	1999 * restated
	£'000	£'000
Bank overdraft	1,186	722
Trade creditors	4,586	6,352
Amounts owed to parent undertaking	5,546	3,340
Amounts owed to subsidiaries and fellow subsidiary undertakings	379	418
Amounts owed to other Schlumberger companies	9,380	4,354
Obligations under finance leases (Note 23)	25	34
Other creditors	1,804	1,464
Accruals and deferred income	7,670	4,952
	30,576	21,636

* See Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period.

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

	2000 £'000	1999 £'000
Unsecured bank loans, part of a 5 year credit facility from May 2000	83,000	44,000
Loan Notes at LIBOR less 0.05%	22,000	-
Obligations under finance leases and hire purchase contracts	-	25
	105,000	44,025

This facility is a £200 million revolving credit, swingline and uncomitted facility with a syndicate of financial institutions, arranged by the parent undertaking. Interest is payable at LIBOR plus a margin of between 0.275% and 0.4125%.

£22 million loan notes were issued in October 2000 to finance the acquisition of Data Marine Systems Limited. This balance comprises a £12 million guaranteed unencumbered loan note and a £10 million guaranteed encumbered loan note, with call options for early repayment in October 2001 and March 2002 respectively. Both are repayable in October 2003 if not called for repayment before this date.

16. DEFERRED TAXATION

	Deferred taxation £'000
Balance at 1 January 2000	2,662
Amount charged to the profit and loss account (Note 8)	(869)
Balance at 31 December 2000	1,793

At 31 December 2000 deferred taxation balances are represented by the following timing differences:

	2000		1999	
	Recognised Asset	Total potential asset	Recognised Asset	Total potential asset
	£'000	£'000	£'000	£'000
Accelerated capital allowances	1,092	1,840	2,165	4,499
Short term timing differences	701	701	497	497
	1,793	2,541	2,662	4,996

17. CALLED UP SHARE CAPITAL

	2000 £'000	1999 £'000
Authorised ordinary shares of 50p each (Number of shares 100,000,000)	50,000	50,000
Allotted and fully paid ordinary shares of 50p each at 31 December (Number of shares 55,436,508)	27,718	27,718

18. SHARE PREMIUM

	2000 £'000	1999 £'000
Balance at 31 December 2000	36	36

19. RESERVES

	Profit and loss account £'000	Other Reserves £'000
At 1 January 2000 as previously reported	(4,312)	4,604
Prior period adjustment*	993	-
As restated	(3,319)	4,604
Loss retained for the financial year	(22,499)	-
At 31 December 2000	(25,818)	4,604

* See Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £'000	1999 *restated £'000
Opening shareholders' funds as previously reported	28,046	28,470
Prior period adjustment*	993	(257)
As restated	29,039	28,213
Loss for the financial year	(22,499)	(28,778)
Net proceeds of issue of shares	-	25,000
Gift of dormant subsidiaries from Schlumberger plc	-	4,604
Net (reduction) / addition to shareholders' funds	(22,499)	826
Closing shareholders' funds	6,540	29,039

* See Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period.

21. DISPOSAL OF OPERATIONS

	2000 £'000	1999 £'000
Exchange loss on redemption of remaining loan notes relating to the sale of RPS business, disposed of in 1998.	-	(542)
	-	(542)

In June 2000, the Company disposed of its investment in Maclean & Nuttall Limited, held at nil value, for £1 consideration.

22. 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 contributions are determined by a qualified actuary on the basis of valuations using the projected unit method.

Particulars of the Group pension scheme are contained in the financial statements of Schlumberger plc.

The pension charge for the Company for the year was £1,319,568 (1999: £866,294), see Note 1.2) to the Financial Statements, Accounting policies - Restatement of Prior Period).

23. LEASING COMMITMENTS

	Land and buildings £'000	Other leases £'000	2000 Total £'000	1999 Total £'000
Operating leases				
Amounts payable in the next year	470	253	723	402
Representing commitments expiring:				
Within one year	-	15	15	107
Between two and five years	-	238	238	163
In more than five years	470	-	470	132
	470	253	723	402
Finance leases				
Amounts payable in the next five years			25	62
Representing commitments expiring:				
Within one year			25	37
Between one and five years			-	25
			25	62

24. CAPITAL COMMITMENTS

Capital expenditure contracted for, at 31 December 2000, for which no provisions have been made in these accounts, was as follows:

	2000 £'000	1999 £'000
Contracted	55	178

25. CONTINGENT LIABILITIES

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

	2000 £'000	1999 £'000
Bank and VAT / duty deferment guarantees.	264	264
Performance Bonds	376	630
	640	894

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 8th Floor, South Quay Plaza 2, 183 Marsh Wall, London, E14 9SH and Schlumberger Limited from 153 East 53rd Street, New York, NY 10022-4624, U.S.A.