

Schlumberger UK Holdings Limited

(Registered Number: 01686572)

**Directors' report and financial statements
Year ended 31 December 2009**

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Schlumberger UK Holdings Limited

Directors' report for the year ended 31 December 2009

The directors present their annual report together with the audited financial statements of Schlumberger UK Holdings Limited (the "Company"), for the year ended 31 December 2009

Principal activity

The principal activity of the Company is to act as an intermediate holding company. The Company does not trade and is expected to continue in this form in the foreseeable future.

Review of the business

The Company continued to operate according to its principal activity.

Results and dividends

The Company made a profit for the financial year of £925,000 (2008: £nil). The directors do not recommend the payment of a dividend (2008: £nil).

Key performance indicators

Given the nature and status of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Schlumberger plc group and are not managed separately. Accordingly, the principal risks and uncertainties of the Schlumberger plc group, which include those of the Company, are discussed in the Directors' report disclosed in the consolidated financial statements of Schlumberger plc (the immediate parent company) which does not form part of this report.

Directors

The following persons held office as directors of the Company during the year ended 31 December 2009 and/or up to the date of this report:

A Goldby (resigned 31 December 2009)

N Ray (resigned 1 May 2009)

S Smoker

R Martin

P Droy (appointed 1 May 2009)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Schlumberger UK Holdings Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are a director at the date of approval of this report confirm that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



S Smoker

Director

5 August 2010

Independent auditors' report to the members of Schlumberger UK Holdings Limited

We have audited the financial statements of Schlumberger UK Holdings Limited (the "Company") for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out in the Directors' report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

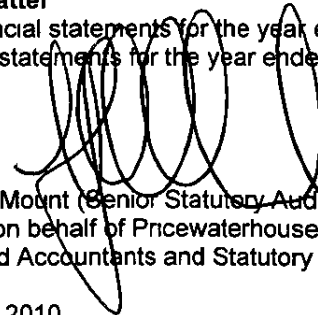
Matters on which we are required to report by exception

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

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

Other matter

The financial statements for the year ended 31 December 2008, forming the corresponding figures of the financial statements for the year ended 31 December 2009, are unaudited.



Stephen Mount (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 August 2010

Schlumberger UK Holdings Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000 (unaudited)
Net operating expenses		-	-
Operating profit		-	-
Net gain on liquidation of subsidiaries	5	925	-
Profit on ordinary activities before taxation	2	925	-
Taxation on profit on ordinary activities	4	-	-
Profit for the financial year	9	925	-

The Company has no recognised gains or losses other than those shown above, therefore no separate statement of total recognised gains and losses has been presented

All results for the year ended 31 December 2009 are derived entirely from continuing operations

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 6 to 11 form part of these financial statements

Schlumberger UK Holdings Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000 (unaudited)
Fixed assets			
Investments	5	62,300	64,969
Current assets			
Debtors amounts falling due within one year	6	85,712	95,350
Creditors amounts falling due within one year	7	(62,108)	(75,340)
Net current assets		23,604	20,010
Net assets		85,904	84,979
Capital and reserves			
Called-up share capital	8	84,641	84,641
Share premium	9	338	338
Profit and loss account	9	925	-
Equity shareholder's funds	9	85,904	84,979

The notes on pages 6 to 11 form part of these financial statements

These financial statements were approved by the Board of Directors on 5 August 2010 and were signed on its behalf by



R Martin
Director
Schlumberger UK Holdings Limited

Registered Number 01686572

Schlumberger UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently in the current and preceding years, are set out below.

The financial statements for the year ended 31 December 2008, forming the corresponding figures of the financial statements for the year ended 31 December 2009, are unaudited, as the Company had claimed an exemption in this respect in accordance with the requirements of the Companies Act 1985.

Group financial statements

The Company is exempt from preparing and delivering group financial statements under section 401 of the Companies Act 2006, as the Company is a wholly owned subsidiary of Schlumberger plc and is included in the publically available consolidated financial statements of Schlumberger plc.

Impairment review

The carrying values of assets 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 assets is charged to the profit and loss account.

Any impairment is determined by comparing the carrying value of the asset with its recoverable amount; the recoverable amount is the higher of net realisable value or value in use. Value in use is calculated using the present value of future cash flows discounted at an appropriate rate.

Related party disclosures

The Company has taken advantage of the exemption from related party disclosures available under Financial Reporting Standard No. 8 Related party disclosures, on the grounds that it is a wholly owned subsidiary of Schlumberger plc and is included in the publically available consolidated financial statements of Schlumberger plc.

Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement available under Financial Reporting Standard No. 1 (Revised 1996) Cash Flow Statements, on the grounds that it is a wholly owned subsidiary of Schlumberger plc and is included in the publically available consolidated financial statements of Schlumberger plc.

Accounting standards

The Company has taken advantage of the exemption contained in Financial Reporting Standard No. 29 Financial Instruments Disclosures. Accordingly, the Company has not presented any disclosures required by that standard as full FRS 29 disclosures are available in the consolidated financial statements of Schlumberger plc for the year ended 31 December 2009.

Segment reporting

The Company's activities consist of one class of business - acting as an intermediate holding company.

Schlumberger UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

1 Accounting policies (continued)

Investments

Investments are stated at cost less provision for any impairment

Taxation including deferred taxation

Corporation tax payable is provided on taxable profits at the current rate

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between taxable profits and results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Deferred tax assets are only recognisable when it is regarded as more likely than not that there will be suitable taxable profits to recover them against in the future

2 Profit on ordinary activities before taxation

The Company did not employ any staff during the year and hence no staff costs were incurred (2008 - unaudited £nil)

Auditors' remuneration (audit fees) of £3,450 (2008 - unaudited £nil) was borne by the shareholder

3 Directors' emoluments

None of the directors received any emoluments during the year for services as a director of the Company (2008 - unaudited £nil)

4 Taxation

The taxation charge based on the profit for the year may be analysed as follows

	2009 £'000	2008 £'000 (unaudited)
Corporation tax	-	-

The corporation tax for the year differs from the effective standard rate of corporation tax in the UK of 28% (2008 - unaudited 28.5%). The differences are explained below

Schlumberger UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

4 Taxation (continued)

	2009 £'000	2008 £'000 (unaudited)
Profit on ordinary activities before taxation	925	-
Tax charge on profit before tax at the effective standard rate of 28% (2008 - unaudited 28.5%)	(259)	-
Gain on liquidation of subsidiaries sheltered by associated company capital losses	259	-
Tax charge for the year	-	-

5 Investments

	2009 £'000	2008 £'000 (unaudited)
At 1 January	64,969	64,969
Liquidation of subsidiaries	(2,669)	-
At 31 December	62,300	64,969

During the year, the subsidiary companies listed below were placed into members' voluntary liquidation and liquidators were duly appointed. Thereafter, during the year, the assets of these companies were distributed by the liquidators resulting in a net gain of £925,000 being recorded by the Company.

Subsidiary companies - shares held by the Company

Sangamo Weston Limited, Dowell Schlumberger Statistics Limited, Schlumberger Dowell Limited, Geoquest Holdings Limited, Data Marine Systems (Caspian) Limited, Camco Limited, York Sensors Limited and Sensor Dynamics Limited

Subsidiary company - shares held by a subsidiary

Geoquest Reservoir Technologies Limited

In the opinion of the directors, the value of the Company's investments at 31 December 2009 is not less than the amount at which they are stated in the balance sheet.

Schlumberger UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Investments (continued)

At 31 December 2009, the Company owned the entire ordinary share capital of the following companies

<u>Company</u>	<u>Country of incorporation and operation</u>	<u>Activity / Status</u>
Baker Jardine & Associates Limited	U K	Dormant
Baker Jardine Mexico Inc (as a subsidiary of Schlumberger Evaluation and Production Services (UK) Limited)		
Corlax Trading Limited	U K	Dormant
Data Marine Systems Limited (as a subsidiary of Schlumberger SIS Limited)	U K	Non-trading
Lasalle Engineering (Holdings) Limited	U K	Dormant
Lasalle Engineering Limited (as a subsidiary of Lasalle Engineering (Holdings) Limited)	U K	Dormant
Opnet International Limited	U K	Dormant
Phoenix Petroleum Services Limited	U K	Dormant
Reda Industries Limited (the Company also holds 100% of the preference shares issued by Reda Industries Limited)	U K	Dormant
Schlumberger Evaluation and Production Services (UK) Limited	U K	Non-trading
Schlumberger SIS Limited	U K	Non-trading
Schlumberger Technologies Limited	U K	Dormant
Schlumberger WCP Limited	U K	Non-trading
Seismograph Service Limited	U K	Dormant
Seismograph Service (England) Limited (as a subsidiary of Seismograph Service Limited)	U K	Dormant
Seismograph Service (UK) Limited (as a subsidiary of Seismograph Service Limited)	U K	Dormant
Sensa International Limited	U K	Dormant
Western UK Limited	U K	Dormant

6 Debtors

	2009 £'000	2008 £'000 (unaudited)
Amounts falling due within one year		
Amounts owed by Schlumberger plc group companies	85,712	95,350

Balances owed by Schlumberger plc group companies are unsecured, interest free and payable on demand

Schlumberger UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Creditors

	2009 £'000	2008 £'000 (unaudited)
Amounts falling due within one year		
Amounts owed to Schlumberger plc group companies	62,108	75,340

Balances owed to Schlumberger plc group companies are unsecured, interest free and payable on demand

8 Called-up share capital

	2009 £'000	2008 £'000 (unaudited)
Authorised		
100,000,000 ordinary shares of £1 each	100,000	100,000
Called-up, allotted, issued and fully paid		
84,640,928 ordinary shares of £1 each	84,641	84,641

9 Reconciliation of movements in reserves and shareholder's funds

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 1 January 2008 and 1 January 2009 - unaudited	84,641	338	-	84,979
Profit for the financial year	-	-	925	925
Balance at 31 December 2009	84,641	338	925	85,904

10 Ultimate parent company

Schlumberger plc, a company registered in England, is the immediate parent company (and immediate controlling party) and is the parent undertaking of the smallest group of undertakings of which Schlumberger UK Holdings 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 (and ultimate controlling party) and is the parent undertaking of the largest group of undertakings of which Schlumberger UK Holdings Limited is a member and for which group accounts are drawn up

Copies of the financial statements of Schlumberger plc can be obtained from Victory House, Churchill Court, Manor Royal, Crawley, West Sussex, RH10 9LU, U K and Schlumberger Limited from 5599 San Felipe, Houston, Texas 77056, USA

Schlumberger UK Holdings Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Post balance sheet date events

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement and were enacted in the Finance Act 2010. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The Finance Act 2010 includes legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per year to 24% by 1 April 2014. These reductions are expected to be introduced in future Finance Bills for each annual reduction.

The changes had not been substantively enacted at the balance sheet date and do not have any effect on these financial statements. Therefore, they are not included in these financial statements.