

SANDS AND GRAVELS (STANDLAKE) LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the period ended
31 December 1998

Company number 327155



SANDS AND GRAVELS (STANDLAKE) LIMITED

REPORT OF THE DIRECTORS for the period ended 31 December 1998

ACCOUNTS

The directors present their report and the accounts of the company for the period 1 October 1997 to 31 December 1998.

ACTIVITIES AND REVIEW OF THE BUSINESS, RESULTS & DIVIDENDS

The principal activity of the company was the extraction of sand and gravel. The company's trade was transferred to its parent company in 1993 and subsequently most of the remaining assets were also transferred to its parent company. The company retains ownership of a forestry investment in Wales. In April 1998 BFI Acquisitions Limited, the company's former ultimate UK parent company, was acquired by SITA SA, a company incorporated in France and operating, through subsidiaries, in the business of waste management in the UK and elsewhere. No dividend is proposed.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the period were:-

T J Penfold (resigned 31 July 1998)

R A Searby

S.I.T.A. Holding UK Limited (appointed 31 July 1998)

On 19 May 1999 S.I.T.A. Holding UK Limited resigned as director and Messrs I F Goodfellow & S J Thorne were appointed as additional directors.

None of the directors had any interests in any group companies required to be disclosed under Schedule 7 of the Companies Act 1985.

AUDITORS

A resolution proposing Arthur Andersen be re-appointed as auditors will be put to the Annual General Meeting.

This report was approved by the Board on 15 September 1999.



R A Searby
Director

**AUDITORS' REPORT TO THE MEMBERS OF
SANDS AND GRAVELS (STANDLAKE) LIMITED**

We have audited the accounts on pages 3 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen
Chartered Accountants and Registered Auditors

15 September 1999

Victoria Square
Victoria Street
St Albans
Herts
AL1 3TF

SANDS AND GRAVELS (STANDLAKE) LIMITED

BALANCE SHEET as at 31 December 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Investments	2	<u>45,000</u>	<u>45,000</u>
		<u>45,000</u>	<u>45,000</u>
CURRENT ASSETS			
Debtors	3	584,286	584,286
CREDITORS: Amounts falling due within one year	4	(<u>108,766</u>)	(<u>108,766</u>)
Net current assets		<u>475,520</u>	<u>475,520</u>
Total assets less current liabilities		£ <u>520,520</u>	£ <u>520,520</u>
CAPITAL AND RESERVES			
Called up share capital	5	23,250	23,250
Profit and loss account		<u>497,270</u>	<u>497,270</u>
Equity shareholders' funds		£ <u>520,520</u>	£ <u>520,520</u>

The accounts on pages 3 to 5 were approved by the Board on 15 September 1999.



R A Searby
Director

SANDS AND GRAVELS (STANDLAKE) LIMITED

NOTES TO THE ACCOUNTS for the period ended 31 December 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- * select suitable accounting policies and apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

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

No cash flow statement has been prepared as the company is a wholly owned subsidiary of S.I.T.A. Holding UK Limited.

2. FIXED ASSET INVESTMENTS

Cost:

At 1 October 1997 and 31 December 1998	£ <u>66,588</u>
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Provision for diminution in value:

At 1 October 1997 and 31 December 1998	£ <u>21,588</u>
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Net book value:

At 30 September 1997 and 31 December 1998	£ <u>45,000</u>
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The value of the investment was written down in 1995 to estimated market value.

SANDS AND GRAVELS (STANDLAKE) LIMITED

NOTES TO THE ACCOUNTS for the period ended 31 December 1998 (continued)

3. DEBTORS

	1998 £	1997 £
Amounts due from group companies	<u>584,286</u>	<u>584,286</u>
	£ <u>584,286</u>	£ <u>584,286</u>

4. CREDITORS: Amounts falling due within one year

Amounts owed to parent companies and fellow subsidiaries	103,246	103,246
Other creditors	2,151	2,151
Accruals and deferred income	<u>3,369</u>	<u>3,369</u>
	£ <u>108,766</u>	£ <u>108,766</u>

5. CALLED UP SHARE CAPITAL

The company's authorised share capital at 31 December 1998 and 30 September 1997 comprised 40,000 Ordinary shares of £1 each, of which 23,250 were allotted and fully paid.

6. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Suez Lyonnaise des Eaux SA, a company registered in France. Consolidated accounts for this company, which is the largest company in which the results of the company are consolidated, may be obtained from Suez Lyonnaise des Eaux SA, 1, Rue d'Astorg, Paris, France.

S.I.T.A. Holding UK Limited is the parent company of the smallest group of which the company is a member and for which group accounts are drawn up. Copies of these group accounts can be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Cardiff CF4 3UZ.