

Registered number: 01020153

SITA Southern Limited

Directors' report and financial statements

for the year ended 31 December 2014

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SITA Southern Limited

Company Information

Directors	C Chapron D Palmer-Jones
Company secretary	J Knight
Registered number	01020153
Registered office	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
Independent auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

SITA Southern Limited

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SITA Southern Limited

Strategic report for the year ended 31 December 2014

Business review

The company's key financial and other performance indicators during the year were as follows:

	2014	2013	
	£000	£000	Change
Turnover	1,166	1,381	-16%
Operating profit	432	508	-15%
Profit after tax	1,323	527	+151%
Shareholders funds/(deficit)	213	(1,110)	+119%
Current assets as a % of current liabilities	1,918%	1,140%	

Decrease in turnover is driven by a decrease in gas revenue as electricity output was lower than the prior year.

Movements in environmental provisions are slightly favourable compared to prior year helping to maintain a similar operating profit margin despite the fall in revenue.

Profit after tax has increased from the prior year due to £1,000,000 of dividend revenue received from the company joint venture investment in Lidsey Landfill Limited, the increase to profits was offset in part by £284,000 profit on disposals of tangible fixed assets recognised in 2013.

The profit retained in the year has seen shareholders funds being recognised as at 31 December 2014.

Principal risks and uncertainties

The SITA Group has established a risk committee that evaluates the main risks facing the Group and the measures in place to manage those risks. The principal risks and uncertainties facing the Group are broadly grouped as: operational risks, competitive risks, legislative risks, health and safety risks and financial instrument risks.

Operational risks

The SITA Group's operations involve some major public sector contracts, ranging from periods of 7 to 25 years or more, where default on the contract may result in substantial compensation payments to the client.

Long-term contracts also expose the Group to the risk that the contract's revenue profile over the life of the contract may not be sufficient to compensate the Group for unforeseen cost increases, and hence losses may result. The Group has put in place rigorous tender approvals procedures to ensure all risks are properly considered. The Group's management and review procedures are aimed at ensuring any problems are identified at an early stage and steps are taken to mitigate any losses arising.

The success of the Group's operations is dependent upon the recruitment and retention of good quality staff. The Group's strategy seeks to make the SITA Group the preferred employer in the waste management sector through its employment policies.

Competitive risks

Part of the SITA Group's business involves contracts with local authorities which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria.

The remaining business relies upon short-term contracts and non-contractual business from industrial and commercial customers, which is subject to normal price competition in the open market.

Legislative risks

The waste management business is subject to strict legislation and regulation. These standards are subject to continuous revision. Compliance with new standards can impose additional costs on the Group, and failure to comply could result in heavy penalties. The Group's management systems aim to ensure compliance with all relevant regulations.

SITA Southern Limited

Strategic report (continued) for the year ended 31 December 2014

Health and safety risks

The SITA Group acknowledges that its employees working within the waste management industry face significant potential hazards in their everyday work. The Group makes every effort to ensure that its Health and Safety policies are of the highest standard, are fit for purpose and are strictly adhered to on a daily basis.

Financial instrument risks

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of the Group's performance objectives.

Use of derivatives

On certain major contracts, the SITA Group uses interest rate swaps in respect of the related funding to reduce exposure to interest rate movements.

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Group's major joint venture and associated investments, which the Group does not intend to sell in the short-term, are held at net asset value and are therefore not exposed to price risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Cash flow risk is the risk of exposure to variability of cash flows relating to a recognised asset or liability such as future interest payments on a variable rate debt. The Group produces long-term cash forecasts and monitors cash flows against these on a daily basis to ensure all financial obligations may be met as they fall due. Group funding requirements are periodically agreed with the Suez Group.

This report was approved by the board on

15 JUL 2015

and signed on its behalf.



C Chapron
Director

SITA Southern Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Principal activities

The company's principal activity during the year was the provision of waste treatment and disposal facilities. The company operates as part of the SITA Holdings UK Limited Group ("SITA Group"), the United Kingdom waste management business of Suez Environnement SAS.

Results and dividends

The profit for the year, after taxation, amounted to £1,323,000 (2013 - £ 527,000).

The directors do not recommend the payment of a dividend (2013 - £nil).

Directors

The directors who served during the year were:

C Chapron
D Palmer-Jones

No director who held office on 31 December 2014 had an interest in the company's shares either during the financial year or at 31 December 2014.

Directors' Indemnity

The company has granted indemnity to one or more of its directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Future developments

The directors expect that the company will continue to trade profitably and at similar volumes for the foreseeable future.

Going concern

The company's going concern is intrinsically linked to the performance, risks and going concern of the SITA Group. The SITA group, along with its ultimate parent company Suez Environnement SAS, has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a consequence, the directors believe that the SITA group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having made enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. The company's ultimate UK parent company, Suez Environment UK Limited, has confirmed its intention and ability to provide such financial support as may be necessary to allow the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

SITA Southern Limited

Directors' report for the year ended 31 December 2014

Environmental impact

Our purpose is to protect our environment by putting waste to good use.

A crucial element of this is ensuring that the vision of the circular economy – where the waste cycle can work with the economic cycle to return waste as a secondary resource back into production and consumption – becomes a reality and value is extracted from waste.

In 2014 the SITA Group:

- Recycled and recovered over 3,500,000 tonnes of the material we handled;
- Generated over 930,000 megawatt hours of electricity from our landfill gas and energy-from-waste facilities;
- 77,000 tonnes of compost produced;
- 13% decrease in Greenhouse Gas (GHG) emissions from vehicles on the previous year;
- Electricity produced increased by 29% from non-hazardous waste incineration;
- There has been a 17% decrease of waste disposed in non hazardous waste landfills (includes municipal, I&C, Sludge and other inputs, excludes inert inputs);
- There has been a 13% decrease in fuel used for collection vehicles;
- Waste prepared for Energy Recovery as Solid Recovered Fuels (SRF) produced from wood has increased by 54%;
- Our carbon emissions from Electricity usage remains at zero in CRC terms;
- Successfully gained re-certification of the Carbon Trust Standard.

Matters covered in the Strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report. These matters relate to financial instrument risk.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 judgments and 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.

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.

SITA Southern Limited

**Directors' report
for the year ended 31 December 2014**

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Re-appointment of auditors

The re-appointment of auditors will be considered at the company's AGM.

This report was approved by the board on **15 JUL 2015** and signed on its behalf.



C Chapron
Director

SITA Southern Limited

Independent auditor's report to the shareholder of SITA Southern Limited

We have audited the financial statements of SITA Southern Limited for the year ended 31 December 2014, 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 and express an opinion on 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 is made solely to the company's member as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SITA Southern Limited

Independent auditor's report to the shareholder of SITA Southern Limited

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.



Jonathan Seaman (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House

St Katharine's Way

London

E1W 1DD

Date: 20 July 2015

SITA Southern Limited

**Profit and loss account
for the year ended 31 December 2014**

	Note	2014 £000	2013 £000
Turnover	1,2	1,166	1,381
Cost of sales		<u>(618)</u>	<u>(721)</u>
Gross profit		548	660
Administrative expenses		<u>(116)</u>	<u>(152)</u>
Operating profit	3	432	508
Exceptional items			
Net profit on sale of tangible fixed assets		<u>-</u>	<u>284</u>
Profit on ordinary activities before interest		432	792
Income from shares in group undertakings		1,000	-
Interest receivable and similar income	5	14	13
Interest payable and similar charges	6	<u>(209)</u>	<u>(215)</u>
Profit on ordinary activities before taxation		1,237	590
Tax credit/(charge) on profit on ordinary activities	7	<u>86</u>	<u>(63)</u>
Profit for the financial year	15	<u>1,323</u>	<u>527</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 17 form part of these financial statements.

SITA Southern Limited
Registered number: 01020153

Balance sheet
as at 31 December 2014

	Note	£000	2014 £000	2013 £000
Fixed assets				
Tangible assets	8		1,261	1,395
Investments	9		12	12
			<u>1,273</u>	<u>1,407</u>
Current assets				
Debtors	10	4,086		2,793
Creditors: amounts falling due within one year	11	(213)		(245)
Net current assets			<u>3,873</u>	<u>2,548</u>
Total assets less current liabilities			<u>5,146</u>	<u>3,955</u>
Provisions for liabilities				
Deferred tax	12	-		(55)
Other provisions	13	(4,933)		(5,010)
			<u>(4,933)</u>	<u>(5,065)</u>
Net assets/(liabilities)			<u><u>213</u></u>	<u><u>(1,110)</u></u>
Capital and reserves				
Called up share capital	14		143	143
Profit and loss account	15		70	(1,253)
Shareholders' funds/(deficit) - Equity	16		<u><u>213</u></u>	<u><u>(1,110)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

15 JUL 2015



C Chapron
Director

The notes on pages 10 to 17 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2014**

1. Accounting policies

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

At 31 December 2014, the company had net assets of £213,000 (*2013 net liabilities: £1,110,000*). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as Suez Environment UK Limited has confirmed its intention and ability to provide such financial support as may be necessary to allow the company to continue to operate as a going concern and to meet all of its obligations in full for the next twelve months from the date of approval of these financial statements. Suez Environment UK Limited, the company's ultimate UK parent company has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied. Revenue is measured at fair value of the consideration received including landfill tax where appropriate, and exclusive of trade discounts, rebates, Value Added Tax and other sales taxes or duty.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 50 years, straight line
Freehold property - landfill	- On the basis of airspace used
Landfill engineering	- On the basis of airspace used
Plant & machinery	- 3 - 20 years, straight line
Assets under construction	- Depreciation commences upon completion of asset

**Notes to the financial statements
for the year ended 31 December 2014**

1. Accounting policies (continued)

1.6 Taxation

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

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.7 Provisions for environmental and landfill costs and landfill gas revenues

Provisions for environmental and landfill costs include provisions associated with the closure and post-closure of landfill sites. The company estimates its total future requirements for closure costs and for post-closure monitoring and maintenance of the site after the anticipated closure.

Closure costs:

Provision is made for final capping and site inspection costs. These costs are incurred during the operating life of the site and the company provides for these costs as the permitted airspace is used.

Post closure costs:

Provision is made for inspection, ground water monitoring, leachate management, methane gas control and recovery, and the operation and maintenance costs to be incurred during the period after the site closes.

Post-closure provisions have been shown at net present value. The current cost estimated has been inflated at 2.90% (2013 - 2.90%) and discounted by between 4.53% and 5.76% (2013 - 4.53% and 5.32%). The unwinding of the discount element is shown in the financial statements as a financial item.

Future revenues from the generation of electricity from landfill gas during the post-closure period, where contracts are in place for its sale, are deducted from the provision balances and are discounted in line with the post-closure provision.

The company provides for both closure and post-closure costs as the permitted airspace is used. In accordance with Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets", full provision has been made for the company's minimum unavoidable costs.

2. Turnover

The whole of the turnover is attributable to the principal activity of the company being the provision of waste treatment and disposal facilities.

All turnover arose within the United Kingdom.

SITA Southern Limited

Notes to the financial statements for the year ended 31 December 2014

3. Operating profit

The operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	141	142

For the year ended 31 December 2014 and the prior year, auditor's remuneration was borne by a fellow group company.

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

5. Interest receivable

	2014 £000	2013 £000
Interest receivable from group companies	14	13

6. Interest payable

	2014 £000	2013 £000
Discount on provisions	209	215

7. Taxation

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	59	84
Deferred tax		
Origination and reversal of timing differences	(8)	(21)
Adjustments in respect of prior periods	(137)	-
Total deferred tax (see note 12)	(145)	(21)
Tax on profit on ordinary activities	(86)	63

Notes to the financial statements
for the year ended 31 December 2014

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	1,237	590
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	266	137
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	(66)
Capital allowances for year in excess of depreciation	12	9
Short term timing difference leading to a decrease in taxation	(4)	4
Dividends from UK companies	(215)	-
Current tax charge for the year (see note above)	59	84

Factors that may affect future tax charges

The UK corporation tax rate decreased from 23% to 21% from 1 April 2014. The impact on the current year's tax charge is shown above.

Further reductions to the UK corporation tax rate have been announced that will have an effect on future tax charges. The change in the corporation tax rate to 20% from 1 April 2015 had been enacted at the balance sheet date and the deferred tax balance has been adjusted to reflect this change (note 12).

SITA Southern Limited

**Notes to the financial statements
for the year ended 31 December 2014**

8. Tangible fixed assets

	Land & buildings £000	Plant & machinery £000	Assets under construction £000	Total £000
Cost				
At 1 January 2014	12,542	1,919	16	14,477
Additions	-	-	9	9
Transfers intra group	-	12	(14)	(2)
Transfer between classes	-	3	(3)	-
At 31 December 2014	12,542	1,934	8	14,484
Depreciation				
At 1 January 2014	12,138	944	-	13,082
Charge for the year	-	141	-	141
At 31 December 2014	12,138	1,085	-	13,223
Net book value				
At 31 December 2014	404	849	8	1,261
At 31 December 2013	404	975	16	1,395

The net book value of land and buildings may be analysed as follows:

	2014 £000	2013 £000
Landfill engineering	404	404

9. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
Cost or valuation			
At 1 January 2014 and 31 December 2014	594	12	606
Impairment			
At 1 January 2014 and 31 December 2014	594	-	594
Net book value			
At 31 December 2014	-	12	12
At 31 December 2013	-	12	12

SITA Southern Limited

Notes to the financial statements for the year ended 31 December 2014

9. Fixed asset investments (continued)

Joint venture undertaking

The company owns 50% of the ordinary share capital of Lidsey Landfill Limited. This company operates a landfill site and is registered in England & Wales.

Lidsey landfill Limited	50 %
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Subsidiary undertaking

The company owns 100% of the issued share capital of Sandy Cross Sand Company Limited, a dormant company registered in England & Wales.

10. Debtors falling due within one year

	2014 £000	2013 £000
Amounts owed by group undertakings	3,802	2,529
Corporation Tax	-	-
Prepayments and accrued income	194	264
Deferred tax asset (see note 12)	90	-
	<u>4,086</u>	<u>2,793</u>

11. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Corporation tax	59	84
Accruals and deferred income	154	161
	<u>213</u>	<u>245</u>

12. Deferred taxation

	2014 £000	2013 £000
At beginning of year	(55)	(76)
Released during year (P&L)	145	21
	<u>90</u>	<u>(55)</u>

SITA Southern Limited

**Notes to the financial statements
for the year ended 31 December 2014**

12. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	(91)	(239)
Other timing differences	181	184
	<u>90</u>	<u>(55)</u>

13. Provisions

	Environment al and landfill costs £000
At 1 January 2014	5,010
Release	367
Amounts used	(653)
Unwinding of discount	209
At 31 December 2014	<u>4,933</u>

Environmental and landfill costs

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 1.7. The closure costs will be incurred prior to and during the closure of the company's landfill sites, whilst the post closure provision will be utilised over the 30 years thereafter.

14. Share capital

	2014 £000	2013 £000
Allotted, called up and fully paid		
143,000 ordinary shares of £1 each	<u>143</u>	<u>143</u>

15. Reserves

	Profit and loss account £000
At 1 January 2014	(1,253)
Profit for the financial year	1,323
At 31 December 2014	<u>70</u>

SITA Southern Limited

Notes to the financial statements for the year ended 31 December 2014

16. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' deficit	(1,110)	(1,637)
Profit for the financial year	1,323	527
Closing shareholders' funds/(deficit)	213	(1,110)

17. Contingent liabilities

The company has provided unsecured guarantees to third parties in respect of restoration and performance bonds. At 31 December 2014, guarantees outstanding amounted to £2,479,000 (2013 - £4,611,000).

18. Related party transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public.

19. Ultimate parent undertaking and controlling party

At the year end the ultimate parent undertaking was Suez Environnement SAS, a company incorporated in France.

The largest group of which SITA Southern Limited is a member and for which group financial statements are drawn up is that headed by Suez Environnement SAS, whose consolidated financial statements are available from Tour CB21, 16 Place de L'Iris, 92040 Paris La Defense Cedex, France. The smallest such group is that headed by SITA Holdings UK Limited, a company registered in England & Wales. The consolidated financial statements of the SITA Holdings UK Limited Group may be obtained from SITA House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.

In the opinion of the directors, SITA Holdings UK Limited controls the company as a result of controlling 100% of the issued share capital of SITA Southern Limited. At the year end Suez Environnement SAS was the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited.