
EVER 1007 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2001

Registered Number: 3495150



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EVER 1007 LIMITED

Company Information

Directors	IF Goodfellow IA Sexton
Secretary	EJG Cooper
Company Number	3495150
Registered Office	The Pickeridge Stoke Common Road Fulmer Buckinghamshire SL3 6HA
Auditors	Arthur Andersen 180 Strand London WC2R 1BL

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2001.

Principal activities

The company's principal activity during the period was that of aggregate extraction.

The participating interest undertakings held by the company are listed in note 10 to the Financial Statements. Consolidated Financial accounts are not presented as the company takes advantage of the exemption afforded by Section 228 of the Companies Act 1985.

Business review

As part of the focussing of the SITA Group on its core business, the company's aggregate extraction business was sold on 2 July 2001. The company retains ownership of two landfill sites which are not currently being developed.

Results and dividends

The profit for the year after taxation, amounted to £248,000 (2000 - loss of £887,000).

The directors do not recommend the payment of a dividend (2000 - £nil) and the profit for the year after taxation will be added to reserves.

Directors

The directors who served during the year were as follows :

IF Goodfellow	
RA Searby	(resigned 2 March 2001)
IA Sexton	(appointed 2 March 2001)
SJ Thorne	(resigned 30 June 2001)

No director who held office on 31 December 2001 had an interest in the company's shares either during the financial year or at 31 December 2001.

The interests of the directors who held office on 31 December 2001 in the shares of the ultimate parent company, Suez SA are reported in the Directors' Report and Financial Statements of the company's intermediate holding company, Northumbrian Environmental Management Limited for the year ended 31 December 2001.

Fixed assets

In the opinion of the directors there is no material difference between the book and current open market value of interests in land and buildings.

Statement of directors' responsibilities

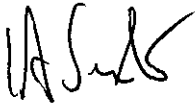
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

This report was approved by the board on 26 July 2002 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'IA Sexton', with a stylized flourish at the end.

IA Sexton
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EVER 1007 LIMITED

We have audited the financial statements of Ever 1007 Limited for the year ended 31 December 2001 which comprise the Profit and Loss account, Balance Sheet and the related notes numbered 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

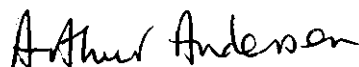
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the 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 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 the company's affairs at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors
180 Strand
London
WC2R 1BL

26 July 2002

EVER 1007 LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2001

	Note	2001 £ '000	2000 £ '000
TURNOVER	1,2	1,165	2,352
Cost of sales		(1,186)	(2,247)
GROSS (LOSS)/PROFIT		(21)	105
Administrative expenses	7	(635)	(888)
OPERATING LOSS		(656)	(783)
Profit on disposal of tangible fixed assets		1,076	-
		420	(783)
Amounts written off investments		(131)	-
Interest payable	5	-	(2)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	289	(785)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	6	(41)	(102)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR		248	(887)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		1,274	2,137
Transferred from Revaluation Reserve	15	409	24
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		1,931	1,274

All amounts relate to discontinued operations.

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 7 to 14 form an integral part of these financial statements.

EVER 1007 LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES
For the year ended 31 December 2001

	2001 £ '000	2000 £ '000
Reported profit/(loss) on ordinary activities before taxation	289	(785)
Realisation of property revaluation gains of previous periods	399	-
Difference between an historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	10	24
Historical cost profit/(loss) on ordinary activities before taxation	698	(761)
Historical cost profit/(loss) for the year retained after taxation and dividends	657	(863)

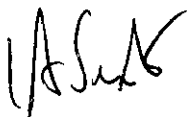
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EVER 1007 LIMITED

BALANCE SHEET
As at 31 December 2001

	Note	2001 £ '000	2000 £ '000
FIXED ASSETS			
Goodwill	8	-	586
Tangible fixed assets	9	147	1,461
Investments	10	19	150
		<u>166</u>	<u>2,197</u>
CURRENT ASSETS			
Debtors	11	2,594	655
Cash at bank and in hand		20	19
		<u>2,614</u>	<u>674</u>
CREDITORS: amounts falling due within one year	12	(709)	(1,048)
NET CURRENT ASSETS/(LIABILITIES)		1,905	(374)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,071	1,823
CAPITAL AND RESERVES			
Called up share capital	14	10	10
Revaluation reserve	15	130	539
Profit and loss account		1,931	1,274
EQUITY SHAREHOLDERS' FUNDS	16	2,071	1,823

The financial statements were approved by the board on 26 July 2002 and signed on its behalf by:



IA Sexton

Director

The notes on pages 7 to 14 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

1. ACCOUNTING POLICIES

The principal accounting policies which are summarised below have been applied consistently throughout the current and preceding year.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain freehold property and include the results of the company's operations which are described in the Directors' Report, all of which are continuing.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group. The company is also, on this basis, exempt from the requirement of FRS 1 (Revised) to present a cash flow statement.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of trade discounts, Value Added Tax and other sales related taxes.

1.3 Goodwill

Goodwill arising on acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its estimated useful life of 13 years. Provision is made for any impairment.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over their expected useful lives on the following basis:

Freehold property - mineral and landfill	On the basis of airspace used and minerals extracted
Freehold property - other	7 - 60 years, straight-line basis
Landfill and quarry engineering	On the basis of airspace used and minerals extracted
Plant & machinery	3 - 15 years, straight-line basis
Vehicles	3 - 15 years, straight-line basis
Fixtures & fittings	3 - 15 years, straight-line basis

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

1.5 Revaluation of properties

The company has taken advantage of the transitional provisions of FRS 15 "Tangible fixed assets" and retained the book amounts of certain freehold properties which were revalued prior to implementation of that standard. The properties were last revalued at 22 December 1998 and the valuations have not subsequently been updated.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

1.6 Investments

Fixed asset investments are shown at cost less any provision for impairment.

1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account on a straight-line basis.

1.8 Taxation

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

Deferred taxation is provided using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

1.9 Pensions

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company being that of aggregate extraction.

All turnover arose within the United Kingdom.

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging:

	2001 £ '000	2000 £ '000
Amortisation of goodwill	586	936
Depreciation of tangible fixed assets		
- owned by the company	106	223
Operating lease rentals		
- hire of plant & machinery	1	2
	<u>1</u>	<u>2</u>

Directors' remuneration for the year and prior year was charged through the profit and loss account of the UK parent company, SITA Holdings UK Limited.

The audit fees for the year and prior year were borne by SITA Holdings UK Limited.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

4. STAFF COSTS

Staff costs were as follows:

	2001	<i>2000</i>
	£ '000	<i>£ '000</i>
Wages and salaries	158	<i>362</i>
Social security costs	14	<i>35</i>
Other pension costs	3	<i>9</i>
	<u>175</u>	<u><i>406</i></u>

The average monthly number of employees, including directors, during the year was as follows:

	2001	<i>2000</i>
	No	<i>No</i>
Administration and management	-	<i>1</i>
Operations	10	<i>24</i>
	<u>10</u>	<u><i>25</i></u>

5. INTEREST PAYABLE

	2001	<i>2000</i>
	£ '000	<i>£ '000</i>
Other loans	-	<i>2</i>
	<u>-</u>	<u><i>2</i></u>

6. TAXATION

	2001	<i>2000</i>
	£ '000	<i>£ '000</i>
Current year taxation		
UK Corporation Tax	41	<i>102</i>
	<u>41</u>	<u><i>102</i></u>

7. AMORTISATION OF GOODWILL

Included within administrative expenses is the amortisation of goodwill. In the current year the amortisation charge of £586,000 includes exceptional amortisation of £450,000 which was charged as a result of the sale of the quarry business. Amortisation of goodwill in the prior year of £936,000 included an exceptional charge of £801,000 resulting from a review of the carrying value following the sale of the business.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

8. GOODWILL

	£ '000
Cost	
At 1 January 2001	1,765
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At 31 December 2001	1,765
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Amortisation	
At 1 January 2001	1,179
Charge for year (note 7)	136
Exceptional amortisation	450
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At 31 December 2001	1,765
	<hr/>
Net Book Value	
At 31 December 2001	-
	<hr/>
<i>At 31 December 2000</i>	586
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

9. TANGIBLE FIXED ASSETS

Cost or Valuation	Freehold property - mineral and landfill £ '000	Freehold property - other £ '000	Landfill & quarry engineering £ '000	Plant & machinery £ '000	Vehicles £ '000	Fixtures & fittings £ '000	Total £ '000
At 1 January 2001	1,395	31	51	655	26	10	2,168
Disposals	(1,207)	(31)	(51)	(655)	(26)	(10)	(1,980)
Transfers to group companies	(15)	-	-	-	-	-	(15)
At 31 December 2001	<u>173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173</u>
Depreciation							
At 1 January 2001	244	9	13	419	16	6	707
Charge for the year	24	2	-	75	4	1	106
Disposals	(231)	(11)	(13)	(494)	(20)	(7)	(776)
Transfers to group companies	(11)	-	-	-	-	-	(11)
At 31 December 2001	<u>26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26</u>
Net Book Value							
At 31 December 2001	<u>147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147</u>
At 31 December 2000	<u>1,151</u>	<u>22</u>	<u>38</u>	<u>236</u>	<u>10</u>	<u>4</u>	<u>1,461</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

9. TANGIBLE FIXED ASSETS (continued)

On the historical cost basis, 'Freehold property - mineral and landfill' would have been included as follows:

	2001 £ '000	2000 £ '000
Cost	22	782
Cumulative depreciation	(4)	(170)
Net book amount	<u>18</u>	<u>612</u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £ '000
Cost	
At 1 January 2001	150
At 31 December 2001	<u>150</u>
Provisions	
At 1 January 2001	-
Impairment during year	(131)
At 31 December 2001	<u>(131)</u>
Net book value	
At 31 December 2001	<u>19</u>
At 31 December 2000	<u>150</u>

Group undertakings	Principal activity	% Holding
SITA Testing Services Limited (formerly Ryton Testing Services Limited)	Provision of testing services to the construction and allied industries	24 %
SITA Testing Services Limited is registered in England and Wales.		

11. DEBTORS

	2001 £ '000	2000 £ '000
Amounts falling due within one year		
Trade debtors	-	396
Amounts owed by group undertakings	2,594	152
Prepayments and accrued income	-	107
	<u>2,594</u>	<u>655</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

12. CREDITORS:

Amounts falling due within one year

	2001 £ '000	2000 £ '000
Amounts owed to group undertakings	578	818
Corporation tax	129	102
Other taxation and social security	-	67
Accruals and deferred income	2	61
	<u>709</u>	<u>1,048</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES*Deferred taxation*

Deferred taxation provided and deferred taxation not provided are as follows:

	Deferred tax liability provided		Full potential liability	
	2001 £ '000	2000 £ '000	2001 £ '000	2000 £ '000
Accelerated capital allowances	-	-	-	1
Other timing differences	-	-	-	3
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>

14. CALLED UP SHARE CAPITAL

	2001 £ '000	2000 £ '000
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

15. RESERVES

	£ '000
Revaluation Reserve	
At 1 January 2001	539
Transfer to Profit and Loss account	(10)
Release on sale of properties	(399)
	<u>130</u>
At 31 December 2001	

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2001

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £ '000	2000 £ '000
Profit/(loss) for the year	248	(887)
Opening shareholders' funds	1,823	2,710
Closing shareholders' funds	2,071	1,823

17. PENSION COMMITMENTS

The company also operates a defined contribution scheme for which the pension cost charge for the year amounted to £3,000 (2000 - £9,000). At the year end contributions of £Nil (2000 - £1,000) were outstanding.

18. RELATED PARTIES

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. CONTROLLING PARTY

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 Ever 1007 Limited. Suez SA is the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited.

20. PARENT COMPANY

The ultimate parent undertaking is Suez SA, a company incorporated in France.

The largest group of which Ever 1007 Limited is a member and for which group financial statements are drawn up is that headed by Suez SA, whose consolidated financial statements are available from 1 Rue d'Astorg, Paris, France. The smallest such group is that headed by SITA Holdings UK Limited, a company registered in England and Wales. The consolidated financial statements of the SITA Holdings UK Limited Group may be obtained from The Pickeridge, Stoke Common Road, Fulmer, Buckinghamshire, SL3 6HA.