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**EVER 1007 LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2002**

**Registered Number: 3495150**



## EVER 1007 LIMITED

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### Company Information

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<b>Directors</b>	MR Gordon IA Sexton
<b>Secretary</b>	J Knight
<b>Company Number</b>	3495150
<b>Registered Office</b>	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
<b>Auditors</b>	Ernst & Young LLP 1 More London Place London SE1 2AF

**EVER 1007 LIMITED**

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002**

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The directors present their report and the financial statements and auditors' report for the year ended 31 December 2002.

**Principal activities**

The company retains ownership of two landfill sites which are not currently being developed.

**Business review**

As part of the focussing of the SITA Group on its core business, the company's aggregate extraction business was sold in 2001. As a consequence, this company has not traded during 2002.

**Results and dividends**

The loss for the year after taxation, amounted to £9,000 (2001 - profit of £248,000) .

The directors do not recommend the payment of a dividend (2001 - £nil).

**Directors**

The directors who served during the year (except as noted) were as follows :

IF Goodfellow	(resigned 31 May 2003)
IA Sexton	
MR Gordon	(appointed 31 May 2003)

No director who held office on 31 December 2002 had an interest in the company's shares either during the financial year or at 31 December 2002.

The interests of the directors who held office on 31 December 2002 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, SITA North East Limited for the year ended 31 December 2002.

**Post balance sheet events**

During 2003 the company disposed of its land for more than the carrying value.

**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.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

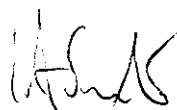
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**Auditors**

On 7 July 2003 Deloitte & Touche resigned as auditors and Ernst & Young LLP were appointed to fill the casual vacancy arising.

A resolution to re-appoint Ernst & Young LLP as auditors was put to the members by written resolution on 2 October 2003.

This report was approved by the board on 27 October 2003 and signed on its behalf by:



IA Sexton  
Director

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVER 1007 LIMITED

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We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss account, Balance Sheet, Note of Historical Cost Profits and Losses and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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.

**Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 audit opinion**

We conducted our audit in accordance with United Kingdom 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 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 the company's affairs at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditors  
London

27 October 2003

**EVER 1007 LIMITED**

**PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2002

	Note	2002 £ '000	2001 £ '000
<b>TURNOVER</b>	2	-	1,165
Cost of sales		-	(1,186)
<b>GROSS LOSS</b>		-	(21)
Administrative expenses		-	(635)
<b>OPERATING PROFIT</b>		-	(656)
Profit on disposal of tangible fixed assets		-	1,076
		-	420
Amounts written off investments		-	(131)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	-	289
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	5	(9)	(41)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR</b>		(9)	248
<b>PROFIT AND LOSS ACCOUNT BROUGHT FORWARD</b>		1,931	1,274
Transferred from Revaluation Reserve		-	409
<b>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</b>		1,922	1,931

There were no recognised gains and losses for 2002 or 2001 other than those included in the profit and loss account.

The notes on pages 7 to 13 form an integral part of these financial statements.

EVER 1007 LIMITED

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NOTE OF HISTORICAL COST PROFITS AND LOSSES  
For the year ended 31 December 2002

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	2002 £ '000	2001 £ '000
Reported profit on ordinary activities before taxation	-	289
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
<b>Historical cost profit on ordinary activities before taxation</b>	<u>-</u>	<u>698</u>
<b>Historical cost (loss)/profit for the year retained after taxation and dividends</b>	<u>(9)</u>	<u>657</u>

The notes on pages 7 to 13 form an integral part of these financial statements.



EVER 1007 LIMITED

**BALANCE SHEET**  
As at 31 December 2002

	Note	2002 £ '000	2001 £ '000
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	147	147
Investments	7	19	19
		<u>166</u>	<u>166</u>
<b>CURRENT ASSETS</b>			
Debtors	8	2,425	2,594
Cash at bank and in hand		20	20
		<u>2,445</u>	<u>2,614</u>
<b>CREDITORS:</b> amounts falling due within one year	9	(549)	(709)
		<u>1,896</u>	<u>1,905</u>
<b>NET CURRENT ASSETS</b>			
		<u>2,062</u>	<u>2,071</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	10	10
Revaluation reserve		130	130
Profit and loss account		1,922	1,931
		<u>2,062</u>	<u>2,071</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
	11	<u>2,062</u>	<u>2,071</u>

The financial statements were approved by the board on 27 October 2003 and signed on its behalf by:



IA Sexton  
Director

The notes on pages 7 to 13 form an integral part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2002**

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**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 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 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.

In preparing the financial statements for the current year, the company has adopted FRS 18 'Accounting Policies'. Adoption of this FRS has had no effect on the results for the year or required any restatement of prior year comparatives.

In preparing the financial statements for the current year, the group has adopted FRs 19 'Deferred Tax'. The adoption of FRS 19 has resulted in a change in accounting policy for deferred tax. Deferred tax is recognised on a full provision basis in accordance with the accounting policy described below. Previously, deferred tax was provided for on a partial basis, whereby provision was made on all timing differences to the extent that they were expected to reverse in the future without replacement. Adoption of this FRS has had no effect on the results for the year or required any restatement of prior year comparatives.

**1.2 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 - landfill airspace	On the basis of airspace used and minerals extracted
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Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

**1.3 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.

**1.4 Investments**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2002

**1.5 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 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 exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- 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 the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted 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.

**2. TURNOVER**

The turnover in the prior year was attributable to the principal activity of the company being that of aggregate extraction.

All turnover arose within the United Kingdom.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging:

	2002 £ '000	2001 £ '000
Amortisation of goodwill	-	586
Depreciation of tangible fixed assets		
- owned by the company	-	106
Operating lease rentals		
- hire of plant & machinery	-	1
	<u>          </u>	<u>          </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.

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NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2002

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4. STAFF COSTS

Staff costs were as follows:

	2002 £ '000	2001 £ '000
Wages and salaries	-	158
Social security costs	-	14
Other pension costs	-	3
	<hr/>	<hr/>
	-	175
	<hr/>	<hr/>

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

	2002 No	2001 No
Operations	-	10
	<hr/>	<hr/>
	-	10
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2002

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**5. TAXATION****(a) Tax on profit on ordinary activities**

The tax charge is made up as follows:

	2002 £ '000	2001 £ '000
<b>Current tax</b>		
UK corporation tax	-	41
Tax underprovided in previous years	9	-
	<u>9</u>	<u>41</u>
Tax on profit on ordinary activities	<u>9</u>	<u>41</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are reconciled below:

	2002 £'000	2001 £'000
Profit on ordinary activities before tax	-	289
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001 - 30%)	-	87
Expenses not deductible for tax purposes (including goodwill amortisation)	-	237
Accelerated capital allowances	-	1
Tax underprovided in previous years	9	-
Write down of investments	-	39
Gains on sale of property rolled into qualifying replacement assets in the group	-	(323)
	<u>9</u>	<u>41</u>
Total current tax	<u>9</u>	<u>41</u>

**(c) Factors that may affect future tax charges**

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £39,000 (2001 - £39,000). At present, it is not envisaged that any such tax will become payable in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2002

6. TANGIBLE FIXED ASSETS

		Freehold property - landfill £ '000
<b>Cost or Valuation</b>		
At 1 January 2002		173
At 31 December 2002		<u>173</u>
<b>Depreciation</b>		
At 1 January 2002		26
At 31 December 2002		<u>26</u>
<b>Net Book Value</b>		
At 31 December 2002		<u>147</u>
<i>At 31 December 2001</i>		<u>147</u>
On the historical cost basis, 'Freehold property - landfill' would have been included as follows:		
	<b>2002</b>	<b>2001</b>
	<b>£ '000</b>	<b>£ '000</b>
Cost	22	22
Cumulative depreciation	(4)	(4)
Net book amount	<u>18</u>	<u>18</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 December 2002

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £ '000
<b>Cost</b>	
At 1 January 2002	150
At 31 December 2002	<u>150</u>
<b>Provisions</b>	
At 1 January 2002	(131)
At 31 December 2002	<u>(131)</u>
<b>Net book value</b>	
At 31 December 2002	<u>19</u>
At 31 December 2001	<u>19</u>
<b>Group undertakings</b>	<b>Principal activity</b>
SITA Testing Limited	Non-trading
SITA Testing Limited is registered in England and Wales.	
	<b>% Holding</b>
	24 %

8. DEBTORS

	2002 £ '000	2001 £ '000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	2,425	2,594
	<u>2,425</u>	<u>2,594</u>

9. CREDITORS:

<b>Amounts falling due within one year</b>		
	2002 £ '000	2001 £ '000
Amounts owed to group undertakings	412	578
Corporation tax	137	129
Accruals and deferred income	-	2
	<u>549</u>	<u>709</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2002

**10. CALLED UP SHARE CAPITAL**

	2002 £ '000	2001 £ '000
Authorised, allotted, called up and fully paid		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2002 £ '000	2001 £ '000
(Loss)/Profit for the year	(9)	248
Opening shareholders' funds	<u>2,071</u>	<u>1,823</u>
Closing shareholders' funds	<u>2,062</u>	<u>2,071</u>

**12. 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.

**13. 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.

**14. 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 SITA Holdings UK Limited may be obtained from SITA House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES.