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DIRECTORS' REPORT AND ACCOUNTS

PARKHILL WASTE MANAGEMENT LIMITED

No. 3697084

31 December 2000

Directors

P S Johnson
D E Riddle
M J Ward

Secretary

Exel Secretarial Services Limited

Registered Office

Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN.



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PARKHILL WASTE MANAGEMENT LIMITED

Directors' Report

The Directors submit their report and the accounts for the period ended 31 December 2000.

Principal Activity and Business Review

The Company did not trade during the year and therefore no profit and loss account has been prepared.

The Directors are not aware of any likely future developments for the Company.

Directors and their Interests

The Directors who held office during the year are given below:

P S Johnson
D E Riddle
M J Ward

Messrs P S Johnson and M J Ward are Directors of Cory Environmental Management Limited, the immediate holding company, and their interests are as shown in the report and accounts of that company.

Mr D E Riddle is a Director of Exel plc, the ultimate holding company, and his interests are as shown in the report and accounts of that company.

The Company's Register of Directors Interests, which is open to inspection at the registered office, contains full details of Directors shareholdings and share options.

Except as above no Director had any interest in any shares or debentures in any companies of the Group.

By order of the Board



for and on behalf of Exel Secretarial Services Limited, Company Secretary.

30 October 2001

PARKHILL WASTE MANAGEMENT LIMITED

Statement of Directors' Responsibilities in Respect of the Accounts.**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;
- 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.

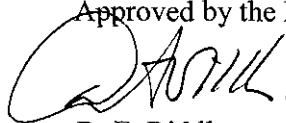
PARKHILL WASTE MANAGEMENT LIMITED

BALANCE SHEET
as at 31 December 2000

	2000 £	1999 £
CURRENT ASSETS		
Amounts owed by parent company	<u>1</u>	<u>1</u>
EQUITY SHAREHOLDERS' FUNDS		
Called up share capital		
Authorised : 10,000 shares of £1 each		
Allotted, issued and fully paid: Ordinary shares of £1 each	<u>1</u>	<u>1</u>

The Company was dormant, within the meaning of Section 250 of the Companies Act 1985, throughout the financial period ended 31 December 2000.

Approved by the Board of Directors on 30 October 2001 and signed on its behalf by



D. E. Riddle
Director

Accounting policies

The accounting policies adopted by the Company are set out below.

- (1) The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.
- (2) The Directors are employees of Cory Environmental Management Limited and receive no emoluments in their capacity as Directors of Parkhill Waste Management Limited.
- (3) There was no movement on shareholders' funds during the period.
- (4) The financial statements of Exel plc for the year ended 31 December 2000 contain a consolidated statement of cash flows. The Company has taken advantage of the exemption granted by FRS 1 whereby it is not required to publish its own statement of cash flows.
- (5) The Company's ultimate parent undertaking is Exel plc, which is registered in England. This is the only group of which the Company is a member for which group financial statements are prepared. Copies of the above group financial statements are available from the Secretary at Ocean House, The Ring, Bracknell, Berkshire RG12 1AN.