Registered number: 2046398

Resources Management (UK) Limited

Director's report and financial statements

for the year ended 31 December 2007

Resources Management (UK) Limited

Company information

Directors	P-A Hjort (resigned 30 September 2008) C Chapron JA Starmer (resigned 5 November 2007) R Stubbs (resigned 5 November 2007)
Company secretary	SITA UK Limited
Company number	2046398
Registered office	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
Auditors	Ernst & Young LLP One Bridewell Street Bristol BS1 2AA

Resources Management (UK) Limited

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Director's report
for the year ended 31 December 2007

The director presents his report and the financial statements for the year ended 31 December 2007.

Principal activities

The company's principal activity during the year was the provision of waste management services including the operation of a landfill site.

Business review

On 5 November 2007 the company was acquired by SITA 2007 Limited (now known as SITA UK Group Holdings Limited), part of the Suez SA Group. The company now operates as part of the Suez Environment waste management operations in the UK.

Results and dividends

The profit for the year, after taxation, amounted to £830,000 *(2006 - £ 204,000)*.

A dividend of £132,000 was paid during the year *(2006 - £158,400)*.

Director

The directors who served during the year were:

P-A Hjort (appointed 5 November 2007 & resigned 30 September 2008)
C Chapron (appointed 5 November 2007)
JA Starmer (resigned 5 November 2007)
R Stubbs (resigned 5 November 2007)

No director who held office on 31 December 2007 had an interest in the company's shares either during the financial year or at 31 December 2007.

Director's report
for the year ended 31 December 2007
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 approval 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.

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.

Statement of director's responsibilities

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Annual reports may differ from legislation in other jurisdictions.

Provision of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Re-appointment of auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Resources Management (UK) Limited

Director's report
for the year ended 31 December 2007
This report was approved by the board on 28 January 2009 and signed on its behalf.

C Chapron
Director

Independent auditors' report to the shareholders of Resources Management (UK) Limited

We have audited the financial statements of Resources Management (UK) Limited for the year ended 31 December 2007, which comprise the Profit and loss account, the Balance sheet and the related notes. These financial statements have been prepared under 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 director and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 director's remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the director 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.

Resources Management (UK) Limited

Independent auditors' report to the shareholders of Resources Management (UK) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst + Young LLP

Ernst & Young LLP
Registered auditor
Bristol

29 January 2009

Resources Management (UK) Limited

Profit and loss account
for the year ended 31 December 2007

	Note	2007 £000	*2006* *£000*
Turnover	1	**3,900**	*2,792*
Cost of sales		**(2,409)**	*(2,179)*
Gross profit		**1,491**	*613*
Administrative expenses		**(526)**	*(578)*
Other operating income	3	**-**	*216*
Operating profit	4	**965**	*251*
Interest receivable		**42**	*39*
Interest payable	7	**(18)**	*(4)*
Profit on ordinary activities before taxation		**989**	*286*
Tax on profit on ordinary activities	8	**(159)**	*(82)*
Profit for the financial year	17	**830**	*204*

All amounts relate to continuing operations.

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account.

The notes on pages 9 to 16 form part of these financial statements.

Resources Management (UK) Limited

Balance sheet
as at 31 December 2007

	Note	£000	2007 £000	*£000*	*2006 £000*
Fixed assets					
Tangible fixed assets	9		**1,769**		*1,471*
Current assets					
Stocks	10	**80**		*-*	
Debtors	11	**1,208**		*657*	
Cash at bank		**1,458**		*16*	
		2,746		*673*	
Creditors: amounts falling due within one year	12	**(2,300)**		*(1,322)*	
Net current assets/(liabilities)			**446**		*(649)*
Total assets less current liabilities			**2,215**		*822*
Creditors: amounts falling due after more than one year	13		**(89)**		*(131)*
Provisions for liabilities					
Other provisions	15		**(1,072)**		*(335)*
Net assets			**1,054**		*356*
Capital and Reserves					
Called up share capital	16		**1**		*1*
Profit and loss account	17		**1,053**		*355*
Shareholders' funds	18		**1,054**		*356*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 January 2009.

C Chapron
Director

The notes on pages 9 to 16 form part of these financial statements.

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.

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, exclusive of Value Added Tax and trade discounts.

1.4 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	-	15 years, straight line
Plant & machinery	-	4 - 15 years, straight line
Motor vehicles	-	4 years, straight line
Fixtures & fittings	-	4 - 5 years, straight line

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1. Accounting policies (continued)

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 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 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 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 arrangement 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 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.

1.8 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. The provisions include final capping of the site, site inspection, ground water monitoring, leachate management, methane gas control and recovery, and the operation and maintenance costs to be confirmed during the period after the site closes. Certain of these costs, principally caping costs, are incurred during the operating life of the site. The company provides for closure and post-closure costs as the permitted airspace is used, however 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.

Post-closure provisions have been shown at net present value. The current cost estimated has been inflated at 2.00% and discounted by between 5.47% and 5.70% (2004 - 5.47% and 5.70%).

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

2. Turnover

The whole of the turnover is attributable to the one principal activity of the company being the provision of waste management services.

All turnover arose within the United Kingdom.

3. Other operating income

	2007	*2006*
	£000	*£000*
Other operating income	-	*216*

4. Operating profit

The operating profit is stated after charging:

	2007	*2006*
	£000	*£000*
Depreciation of tangible fixed assets:		
- owned by the company	97	*178*
- held under finance leases	28	*15*
Auditors' remuneration	5	*4*

5. Staff costs

Staff costs, including director's remuneration, were as follows:

	2007	*2006*
	£000	*£000*
Wages and salaries	353	*313*
Social security costs	38	*34*
Other pension costs	41	*46*
	432	*393*

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

	2007	*2006*
	No.	*No.*
Operations	10	*10*
Administration and management	2	*2*
	12	*12*

6. Director's remuneration

	2007	*2006*
	£000	*£000*
Emoluments	130	*103*
Company pension contributions to money purchase pension schemes	29	*32*

During the year retirement benefits were accruing to 2 directors *(2006 - 2)* in respect of money purchase pension schemes.

7. Interest payable

	2007 £000	*2006 £000*
On bank loans and overdrafts	1	*1*
On finance leases and hire purchase contracts	11	*3*
On loans from group undertakings	6	-
	18	*4*

8. Taxation

	2007 £000	*2006 £000*
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	484	*82*
Deferred tax (see note 14)		
Origination and reversal of timing differences	(325)	-
Tax on profit on ordinary activities	159	*82*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2006 - lower than)* the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2007 £000	*2006 £000*
Profit on ordinary activities before tax	989	*286*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% *(2006 - 30%)*	297	*86*
Effects of:		
Expenses not deductible for tax purposes	(69)	-
Capital allowances for year in excess of depreciation	36	*(4)*
Other timing differences	220	-
Current tax charge for the year (see note above)	484	*82*

Factors that may affect future tax charges

During the year, changes in tax laws and rates were enacted which will have an effect on the deferred tax asset of the company. The change in the corporation tax rate from 30% to 28% with effect from 1 April 2008 has been enacted and the impact of this is a reduction in the deferred tax asset of £23,000

9. Tangible fixed assets

	Land and buildings £000	Landfill engineering £000	Plant and machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost or valuation						
At 1 January 2007	1,248	-	547	55	11	1,861
Additions	22	383	-	16	2	423
At 31 December 2007	1,270	383	547	71	13	2,284
Depreciation						
At 1 January 2007	147	-	181	55	7	390
Charge for the year	86	1	34	3	1	125
At 31 December 2007	233	1	215	58	8	515
Net book value						
At 31 December 2007	1,037	382	332	13	5	1,769
At 31 December 2006	*1,101*	*-*	*366*	*-*	*4*	*1,471*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2007 £000	*2006 £000*
Plant and machinery	225	*253*

10. Stocks

	2007 £000	*2006 £000*
Raw materials	80	*-*

11. Debtors

	2007 £000	*2006 £000*
Due after more than one year		
Other debtors	-	*75*
Due within one year		
Trade debtors	22	*558*
Prepayments and accrued income	861	*24*
Deferred tax asset (see note 14)	325	*-*
	1,208	*657*

12. Creditors:
Amounts falling due within one year

	2007 £000	*2006* *£000*
Bank loans and overdrafts	112	*-*
Net obligations under finance leases and hire purchase contracts	44	*51*
Trade creditors	118	*385*
Amounts owed to group undertakings	621	*-*
Corporation tax	484	*81*
Social security and other taxes	652	*664*
Other creditors	3	*36*
Accruals and deferred income	266	*105*
	2,300	*1,322*

13. Creditors:
Amounts falling due after more than one year

	2007 £000	*2006* *£000*
Net obligations under finance leases and hire purchase contracts	89	*131*

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2007 £000	*2006* *£000*
Between one and five years	89	*131*

14. Deferred taxation

	2007 £000	*2006* *£000*
At 1 January 2007	-	-
Recognised during the year	325	-
At 31 December 2007	325	-

The deferred taxation balance is made up as follows:

	2007 £000	*2006* *£000*
Accelerated capital allowances	325	-

15. Provisions

	Environmental and landfill costs £000
At 1 January 2007	335
Additions	737
At 31 December 2007	1,072

Environmental and landfill costs

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 7.

16. Share capital

	2007 £000	*2006 £000*
Authorised		
1,000 ordinary shares of £1 each	1	*1*
Allotted, called up and fully paid		
660 ordinary shares of £1 each	1	*1*

17. Reserves

	Profit and loss account £000
At 1 January 2007	355
Profit for the year	830
Dividends: Equity capital	(132)
At 31 December 2007	1,053

18. Reconciliation of movement in shareholders' funds

	2007 £000	*2006 £000*
Opening shareholders' funds	356	*309*
Profit for the year	830	*204*
Dividends (Note 19)	(132)	*(158)*
Shares issued during the year	-	*1*
Closing shareholders' funds	1,054	*356*

19. Dividends

	2007 £000	*2006 £000*
Dividends paid on equity capital	132	*158*

20. 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.

21. Ultimate parent undertaking and controlling party

On 18 October 2007 the company's entire share capital was purchased by SITA 2007 Limited (now known as SITA UK Group Holdings Limited).

On 18 October 2007, the company's ultimate parent undertaking became Suez SA, a company incorporated in France.

At the year end, the largest group of which Resources Management (UK) 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 16 Rue de la Ville l'Eveque, Paris, France. The smallest such group is that headed by Suez Environnement Company, whose group financial statements are available from 1 Rue d'Astorg, Paris, France.

In the opinion of the directors, SITA UK Group Holdings Limited controls the company as a result of controlling 100% of the issued share capital of Resources Management (UK) Limited. At the year end Suez SA was the ultimate controlling party, being the ultimate controlling party of SITA UK Group Holdings Limited.

On 22 July 2008 the company's ultimate parent undertaking, Suez SA, merged with Gaz de France. Prior to the merger, Suez transferred its shareholding in SITA Holdings UK Limited's parent undertaking, Suez Environment UK Limited, held by its subsidiary Suez Environnement, to a new entity, Suez Environnement Company ("the Company") and distributed 65% of the Company's capital to Suez shareholders. After this distribution the merged GDF SUEZ held a 35.41% interest in the Company. On 22 July 2008 Suez Environnement Company shares were listed for trading on the Euronext Paris and Euronext Brussels stock exchanges.