Registered number: 2046398

Resources Management (UK) Limited

Directors' report and financial statements

for the year ended 31 December 2008

Resources Management (UK) Limited

Company information

Directors	C Chapron D Palmer-Jones
Company secretary	SITA UK Limited
Company number	2046398
Registered office	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
Auditor	Ernst & Young LLP One Bridewell Street Bristol BS1 2AA

Resources Management (UK) Limited

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Resources Management (UK) Limited

Directors' report
for the year ended 31 December 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

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.

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

	2008 £000	2007 £000	Change
Turnover	**7,156**	3,900	*+83%*
Operating profit	**1,002**	965	*+4%*
Profit after tax	**524**	830	*-37%*
Shareholders funds	**1,578**	1,054	*+49%*
Current assets as % of current liabilities	**111%**	120%	

Turover increased by 83% due to the combined impact of additional tonnages secured from within the SITA group and the increase in the rate of landfill tax. Underlying revenue excluding the landfill tax rose by 25%.

An increase in operating costs limited the improvement in operating profit to 4%

Shareholders' funds increased due to the retained earnings for the year.

Results and dividends

The profit for the year, after taxation, amounted to £524,000 *(2007 - £ 830,000)*.

No dividend was paid for the year ended 31 December 2008 *(2007 - £132,000)*.

Directors

The directors who served during the year were:

C Chapron
P-A Hjort (resigned 30 September 2008)
D Palmer-Jones (appointed 1 October 2008)

No director who held office on 31 December 2008 had an interest in the company's shares either during the financial year or at 31 December 2008.

Environmental matters

Waste management in the UK is in transition. As a society we accept that our current rate of consumption of natural resources is unsustainable and that we need to be more efficient, while making the most of our resource base of raw materials and energy.

At SITA, our vision is to get to a point where the majority of waste materials will have been reused, recycled or recovered for their energy content. We want to reach a stage where there is no longer any 'waste', because we recognise the intrinsic value of the materials we handle as a secondary resource.

For this, we have re-engineered our group to generate more value from our customers waste, enabling them to reduce their environmental impact through our recycling and energy recovery activities.

The change is challenging, but we have already achieved a great deal. In 2008, we recycled almost 30 per cent of the 10.6 million tonnes of materials handled and we generated more than one million megawatt-hours of electricity - enough to power nearly 220,000 homes for a year.

2008 saw important achievements in the four priority areas that we have defined as contributing to our sustainability:
People: we improved our health and safety performance for the third successive year.
Professional: we enhanced our service and gained planning approval for a number of new facilities.
Profit: we invested £70 million in our business and forged new strategic partnerships.
Protection: we achieved high standards of compliance and a significant cut in our overall carbon emission.

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.

Directors' report
for the year ended 31 December 2008
Principal risks and uncertainties (continued)

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.

Resources Management (UK) Limited

Directors' report
for the year ended 31 December 2008

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). 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 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 proper accounting records that 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 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.

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

This report was approved by the board on 2 8 OCT 2009 and signed on its behalf.

C Chapron
Director

Independent auditor's 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 2008, which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 21. 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 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.

Respective responsibilities of directors and auditor

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 directors' remuneration and other transactions 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 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 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.

Resources Management (UK) Limited

Independent auditor's 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 2008 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

Date: 28 OCT 2009

Resources Management (UK) Limited

Profit and loss account
for the year ended 31 December 2008

	Note	2008 £000	*2007 £000*
Turnover	2	**7,156**	*3,900*
Cost of sales		**(5,936)**	*(2,409)*
Gross profit		**1,220**	*1,491*
Administrative expenses		**(218)**	*(526)*
Operating profit	3	**1,002**	*965*
Interest receivable		**-**	*42*
Interest payable	6	**(66)**	*(18)*
Profit on ordinary activities before taxation		**936**	*989*
Tax on profit on ordinary activities	7	**(412)**	*(159)*
Profit for the financial year	16	**524**	*830*

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

Resources Management (UK) Limited

Balance sheet
as at 31 December 2008

	Note	£000	2008 £000	*£000*	*2007 £000*
Fixed assets					
Tangible fixed assets	8		2,529		*1,769*
Current assets					
Stocks	9	2		*80*	
Debtors	10	394		*1,208*	
Cash at bank		1,646		*1,458*	
		2,042		*2,746*	
Creditors: amounts falling due within one year	11	(1,835)		*(2,300)*	
Net current assets			207		*446*
Total assets less current liabilities			2,736		*2,215*
Creditors: amounts falling due after more than one year	12		(57)		*(89)*
Provisions for liabilities					
Other provisions	14		(1,101)		*(1,072)*
Net assets			1,578		*1,054*
Capital and Reserves					
Called up share capital	15		1		*1*
Profit and loss account	16		1,577		*1,053*
Shareholders' funds	17		1,578		*1,054*

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

2 8 OCT 2009

C Chapron
Director

The notes on pages 9 to 17 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 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.

1.8 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. Operating profit

The operating profit is stated after charging:

	2008 £000	*2007* *£000*
Depreciation of tangible fixed assets:		
- owned by the company	368	*97*
- held under finance leases	28	*28*
Auditors' remuneration	-	*5*

For the year ended 31 December 2008, auditors' remuneration was borne by a fellow group company.

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2008 £000	*2007* *£000*
Wages and salaries	312	*353*
Social security costs	34	*38*
Other pension costs	7	*41*
	353	*432*

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

	2008 No.	*2007* *No.*
Operations	10	*10*
Administration and management	2	*2*
	12	*12*

5. Directors' remuneration

	2008 £000	*2007* *£000*
Emoluments	-	*130*
Company pension contributions to money purchase pension schemes	-	*29*

During the year retirement benefits were accruing to no directors *(2007 - 2)* in respect of money purchase pension schemes.

6. Interest payable

	2008 £000	*2007 £000*
On bank loans and overdrafts	7	*1*
Discount on provisions	31	-
On finance leases and hire purchase contracts	-	*11*
On loans from group undertakings	28	*6*
	66	*18*

7. Taxation

	2008 £000	*2007 £000*
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	427	*484*
Adjustments in respect of prior periods	(278)	-
Total current tax	149	*484*
Deferred tax		
Origination and reversal of timing differences	(99)	*(325)*
Adjustments in respect of prior periods	362	-
Total deferred tax (see note 13)	263	*(325)*
Tax on profit on ordinary activities	412	*159*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2007 - higher than)* the standard rate of corporation tax in the UK (28.5%). The differences are explained below:

	2008 £000	*2007 £000*
Profit on ordinary activities before tax	936	*989*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% *(2007 - 30%)*	267	*297*
Effects of:		
Expenses not deductible for tax purposes	59	*(69)*
Capital allowances for year in excess of depreciation	16	*36*
Other timing differences	85	*220*
Adjustments to tax charge in respect of prior periods	(278)	-
Current tax charge for the year (see note above)	149	*484*

7. Taxation (continued)

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

8. 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 2008	1,270	383	547	71	13	2,284
Additions	219	784	139	-	7	1,149
Transfers between group companies	-	-	-	-	7	7
Transfer between classes	(195)	195	-	-	-	-
At 31 December 2008	1,294	1,362	686	71	27	3,440
Depreciation						
At 1 January 2008	233	1	215	58	8	515
Charge for the year	220	127	43	2	4	396
At 31 December 2008	453	128	258	60	12	911
Net book value						
At 31 December 2008	841	1,234	428	11	15	2,529
At 31 December 2007	*1,037*	*382*	*332*	*13*	*5*	*1,769*

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

	2008 £000	*2007 £000*
Plant and machinery	197	*225*

9. Stocks

	2008 £000	*2007 £000*
Raw materials	2	*80*

Resources Management (UK) Limited

Notes to the financial statements
for the year ended 31 December 2008

10. Debtors

	2008	*2007*
	£000	*£000*
Trade debtors	9	*22*
Other debtors	91	-
Prepayments and accrued income	232	*861*
Deferred tax asset (see note 13)	62	*325*
	394	*1,208*

11. Creditors:
Amounts falling due within one year

	2008	*2007*
	£000	*£000*
Bank loans and overdrafts	112	*112*
Net obligations under finance leases and hire purchase contracts	30	*44*
Trade creditors	65	*118*
Amounts owed to group undertakings	650	*621*
Corporation tax	601	*484*
Social security and other taxes	229	*652*
Other creditors	14	*3*
Accruals and deferred income	134	*266*
	1,835	*2,300*

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

	2008	*2007*
	£000	*£000*
Net obligations under finance leases and hire purchase contracts	57	*89*

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

	2008	*2007*
	£000	*£000*
Between one and five years	57	*89*

13. Deferred tax asset

	2008	*2007*
	£000	*£000*
At 1 January 2008	325	-
Recognised during the year	(263)	*325*
At 31 December 2008	62	*325*

13. Deferred tax asset (continued)

The deferred tax asset is made up as follows:

	2008 £000	*2007 £000*
Accelerated capital allowances	62	*325*

14. Provisions

	Environmental and landfill costs £000
At 1 January 2008	1,072
Additions	222
Amounts used	(193)
At 31 December 2008	1,101

Environmental and landfill costs

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 1.8.

15. Share capital

	2008 £000	*2007 £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*

16. Reserves

	Profit and loss account £000
At 1 January 2008	1,053
Profit for the year	524
At 31 December 2008	1,577

17. Reconciliation of movement in shareholders' funds

	2008 £000	*2007 £000*
Opening shareholders' funds	**1,054**	*356*
Profit for the year	**524**	*830*
Dividends (Note 18)	-	*(132)*
Closing shareholders' funds	**1,578**	*1,054*

18. Dividends

	2008 £000	*2007 £000*
Dividends paid on equity capital	-	*132*

19. Capital commitments

At 31 December 2008 the Company had capital commitments as follows:

	2008 £000	*2007 £000*
Contracted for but not provided in these financial statements	**10**	-

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 GDF 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 GDF 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 previous 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.