
BILLETVALE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2002**



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BILLETVALE LIMITED

COMPANY INFORMATION

DIRECTORS	IA Sexton M Gordon
SECRETARY	J Knight
COMPANY NUMBER	2407955
REGISTERED OFFICE	SITA House Grenfell Road Maidenhead Berkshire SL6 1ES
AUDITORS	Ernst & Young LLP 1 More London Place London SE1 2AF

BILLETVALE LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' report	3
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 11

BILLETVALE LIMITED

DIRECTORS' REPORT **For the year ended 31 December 2002**

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

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company did not trade during the year or prior year, and is not expected to do so in the foreseeable future. A loss of £5,943,000 in the year (2001 - £nil) resulted from the write-down of the value of the company's investments in subsidiary undertakings to the net asset value of the subsidiaries.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £5,943,000 (2001 - nil) .

DIRECTORS

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

IF Goodfellow (resigned 31 May 2003)

IA Sexton

M 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 UK holding company, SITA Holdings UK Limited, for the year ended 31 December 2002.

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 the system of internal controls, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BILLETVALE LIMITED

DIRECTORS' REPORT
For the year ended 31 December 2002

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 was put to the members by written resolution on 2 October 2003.

This report was approved by the board on 29 October 2003 and signed on its behalf by:



IA Sexton
Director

BILLETVALE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BILLETVALE LIMITED

We have audited the company's financial statements for the year ended 31 December 2002 which comprise the Profit and Loss account, Balance Sheet and the related notes 1 to 12. 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 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 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 for the above year 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. However, the evidence available to us was limited, because the accounting records supporting the individual investment values could not be located.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

BILLETVALE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BILLETVALE LIMITED

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of the loss for the year then ended and, except for any adjustments to the financial statements that might have been found to be necessary had we been able to obtain sufficient evidence concerning the investment values referred to above, have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to the investment values referred to above:

- a. we have not obtained all the information and explanations that we considered necessary for the purpose of the audit;
and
- b. we were unable to determine whether proper accounting records have been kept

Ernst & Young LLP

Ernst & Young LLP

Registered Auditor

London

29 October 2003

BILLETVALE LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2002

	Note	2002 £000	2001 £000
Amounts written off investments		(5,943)	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(5,943)	-
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	2	-	-
RETAINED LOSS FOR THE YEAR	9	(5,943)	-

There has been no trade during the year.

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

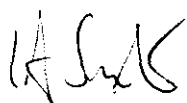
The notes on pages 7 to 11 form an integral part of these financial statements.

BILLETVALE LIMITED

BALANCE SHEET
As at 31 December 2002

	Note	£000	2002 £000	£000	2001 £000
FIXED ASSETS					
Investments	4		6,579		12,522
CURRENT ASSETS					
Debtors	5	8,867		8,867	
CREDITORS: amounts falling due within one year	6	(21,721)		(21,721)	
NET CURRENT LIABILITIES			(12,854)		(12,854)
TOTAL ASSETS LESS CURRENT LIABILITIES			(6,275)		(332)
CAPITAL AND RESERVES					
Called up share capital	7		10,000		10,000
Profit and loss account	8		(16,275)		(10,332)
SHAREHOLDERS' FUNDS - All Equity	9		(6,275)		(332)

The financial statements were approved by the board on 29 October 2003 and signed on its behalf.



IA Sexton
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

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

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all 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 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.

At 31 December 2002 the company has net current liabilities of £12,854,000 (2001- £12,854,000). The directors are of the opinion that the going concern basis continues to be the appropriate basis for the preparation of the financial statements as its intermediate parent undertaking has confirmed its intention and ability to provide such financial support as may be necessary to enable the company to continue to operate as a going concern and to meet all of its obligations in full for at least twelve months from the approval date of these financial statements. The company's intermediate parent undertaking has also confirmed that the company will not be required to pay amounts due to other group undertakings unless the company has sufficient funds to pay other creditors in full.

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 company has adopted FRS 19 'Deferred Tax'. The adoption of FRS 19 has not resulted in a change in accounting policy for deferred tax.

1.2 Cash flow

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of a parent undertaking which has produced a group cash flow statement.

1.3 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 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.

BILLETVALE LIMITED

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

2. LOSS ON ORDINARY ACTIVITIES

During the current year, no director received any emoluments in respect of their services as director of the company (2001 - *£nil*).

The auditors' remuneration for the current year has been borne by the company's UK holding company, SITA Holdings UK Limited.

3 TAXATION**(a) Tax on profit on ordinary activities**

The tax charge is made up as follows:

	2002	2001
UK Corporation Tax	-	-

(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
Loss on ordinary activities before tax	(5,943)	-
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001 - 30%)	(1,783)	-
Expenses not deductible for tax purposes	1,783	-
Total current tax	-	-

BILLETVALE LIMITED

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

4 FIXED ASSET INVESTMENTS

	Shares in group under- takings £
Cost	
At 1 January 2002 and 31 December 2002	22,861
Provisions	
At 1 January 2002	10,339
Charge for the year	5,943
At 31 December 2002	16,282
Net book value	
At 31 December 2002	6,579
At 31 December 2001	12,522
Subsidiary undertakings	Principal activity
Dixi Sanitation Services UK Limited *	Dormant
Drinkwater and Murray Limited	Dormant
Drinkwater Sabey (Tilmanstone) Limited *	Dormant
EF Phillips & Sons Limited	Dormant
Holmspring Limited	Dormant
Maybank Enterprises Limited	Dormant
Maybank Enterprises (Holdings) Limited	Dormant
Openpitch Limited	Dormant
WW Drinkwater Limited	Dormant
	% Holding
	100%
	100%
	100%
	100%
	100%
	100%
	100%
	50%
	100%

Provision has been made to write the net book value of investments in subsidiaries down to the lower of cost and net asset

All subsidiaries are registered in England and Wales.

* held by subsidiary undertaking.

5. DEBTORS

	2002 £000	2001 £000
Due within one year		
Amounts owed by group undertakings	8,867	8,867

BILLETVALE LIMITED

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

6. CREDITORS:

Amounts falling due within one year

	2002	2001
	£000	£000
Amounts owed to group undertakings	21,721	21,721

7. SHARE CAPITAL

	2002	2001
	£000	£000
Authorised		
11,000,000 Ordinary shares of £1 each	11,000	11,000
Allotted, called up and fully paid		
10,000,002 Ordinary shares of £1 each	10,000	10,000

8. RESERVES

Profit and loss account	£000
At 1 January 2002	(10,332)
Loss retained for the year	(5,943)
At 31 December 2002	(16,275)

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002	2001
	£000	£000
Loss for the year	(5,943)	-
Opening shareholders' deficit	(332)	(332)
Closing shareholders' deficit	(6,275)	(332)

10. RELATED PARTY TRANSACTIONS

In accordance with the exemption under Financial Reporting Standard No. 8 the company does not disclose transactions with companies which are at least 90% controlled within the group because copies for the group financial statements are publicly available.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

11. CONTROLLING PARTY

In the opinion of the directors, SITA Holdings UK Limited, the intermediate holding company, controls Billetvale Limited as a result of controlling 100% of the issued share capital. Suez SA is the ultimate controlling party, being the ultimate controlling party of SITA Holdings UK Limited.

12. PARENT COMPANY

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

The largest group of which Billetvale 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.