

BILLETVALE LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the period ended
31 December 1998

Company number 2407955



BILLETVALE LIMITED

REPORT OF THE DIRECTORS for the period ended 31 December 1998

ACCOUNTS

The directors present their report and the accounts of the company for the period ended 31 December 1998.

ACTIVITIES AND REVIEW OF THE BUSINESS

The company acts as a holding company for a number of non-trading subsidiaries. The company does not trade and no change in this position is anticipated. The directors do not recommend the payment of a dividend.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the period were:-

T J Penfold (resigned 31 July 1998)

R A Searby

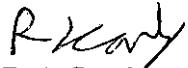
S.I.T.A. Holding UK Limited (appointed 31 July 1998)

None of the directors had any interests in any group companies required to be disclosed under Schedule 7 of the Companies Act 1985.

AUDITORS

A resolution was passed at the Annual General Meeting of the company held on 9 December 1996 that in accordance with section 250 of the Companies Act 1985 the company be exempt from the obligation to appoint auditors.

This report was approved by the Board on 5 May 1999.



R A Searby
Secretary

BILLETVALE LIMITED

BALANCE SHEET as at 31 December 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Investments in subsidiaries	2	<u>12,521,860</u>	<u>12,521,860</u>
CURRENT ASSETS			
Debtors: amounts due from fellow subsidiaries		8,867,156	8,867,156
CREDITORS: Amounts falling due within one year: Amounts due to group companies	3	<u>(21,721,280)</u>	<u>(21,721,280)</u>
Net current (liabilities)		<u>(12,854,124)</u>	<u>(12,854,124)</u>
Total assets less current liabilities		£(<u>332,264</u>)	£(<u>332,264</u>)

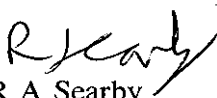
Represented by:

CAPITAL AND RESERVES

Called up share capital	4	10,000,002	10,000,002
Profit and loss account		<u>(10,332,266)</u>	<u>(10,332,266)</u>
Equity shareholders' funds		£(<u>332,264</u>)	£(<u>332,264</u>)

The company has been dormant throughout the financial period.

The accounts on pages 2 to 5 were approved by the Board on 5 May 1999.


R A Searby
Director

BILLETVALE LIMITED

NOTES TO THE ACCOUNTS for the period ended 31 December 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period 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 accounts, the directors are required to:

- * select suitable accounting policies and 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 accounts; and
- * prepare the accounts 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 enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments in subsidiaries are valued at the lower of cost or net asset value. Provisions for diminution in value are charged through the profit and loss account.

No cash flow statement has been prepared as the company is a wholly owned subsidiary of S.I.T.A. Holding UK Limited.

2. FIXED ASSET INVESTMENTS

The investment in subsidiaries consists of:

	Cost £	Provision for diminution in value £	Net book value £
At 1 October 1997 and 31 December 1998	£22,860,959	£10,339,099	£12,521,860

BILLETVALE LIMITED

NOTES TO THE ACCOUNTS for the period ended 31 December 1998 (continued)

2. FIXED ASSET INVESTMENTS (continued)

The company owns the entire share capital of the following companies, all of which are dormant or virtually dormant and are registered in England and Wales except where stated:

Drinkwater and Murray Limited
W W Drinkwater Limited
Holmspring Limited
Maybank Enterprises (Holdings) Limited
Maybank Enterprises Limited
Openpitch Limited
W Tinley & Sons Limited
Medx Limited
Attwoods (Jersey) Holdings Limited (incorporated in Jersey)
E F Phillips & Sons Limited
Dixi Sanitary Services UK Limited *
Drinkwater Sabey (Tilmanstone) Limited *
* - held by subsidiary

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

3. CREDITORS

	1998 £	1997 £
Amount due to parent company	15,937,953	15,937,953
Amounts due to subsidiaries	<u>5,783,327</u>	<u>5,783,327</u>
	<u>£21,721,280</u>	<u>£21,721,280</u>

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NOTES TO THE ACCOUNTS for the period ended 31 December 1998 (continued)

4. CALLED UP SHARE CAPITAL

1998 and 1997
£

Ordinary shares of £1 each:

Authorised

11,000,000

Allotted and fully paid

10,000,002

5. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Suez Lyonnaise des Eaux SA, a company registered in France. Consolidated accounts for this company, which is the largest company in which the results of the company are consolidated, may be obtained from Suez Lyonnaise des Eaux SA, 1, Rue d'Astorg, Paris, France.

S.I.T.A. Holding UK Limited is the parent company of the smallest group of which the company is a member and for which group accounts are drawn up. Copies of these group accounts can be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Cardiff CF4 3UZ.