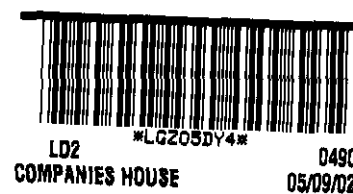


SECURE OFFICE SHREDDING LIMITED

Report and Financial Statements

31 December 2000

**Deloitte & Touche
London**



REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS

Page

Officers and professional advisers

1

Directors' report

2

Statement of directors' responsibilities

3

Independent auditors' report

4

Profit and loss account

5

Balance sheet

6

Notes to the accounts

7

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T G Mills	(appointed 14 August 2000, resigned 7 February 2002)
S T Mills	(appointed 14 August 2000, resigned 1 October 2001)
P J Scarborough	(appointed 14 August 2000, resigned 23 January 2002)
D A Sherwin	(appointed 14 August 2000, resigned 31 January 2002)
P J Blundell	(resigned 14 August 2000)
I Goodfellow	(appointed 1 October 2001)
I Sexton	(appointed 1 October 2001)

SECRETARY

L Cooper	(appointed 1 October 2001)
J M Lewis	(appointed 14 August 2000, resigned 1 October 2001)
E Grant	(appointed 22 March 2000, resigned 14 August 2000)
P J Roelich	(resigned 22 March 2000)

REGISTERED OFFICE

The Pickering
Stock Common Road
Fulmer
Buckinghamshire
SL3 6HA

BANKERS

Lloyds TSB Bank plc
P O Box 96
6/7 Park Road
Leeds
LS1 1NX

SOLICITORS

Allen & Overy
One New Change
London
EC4M 9QQ

AUDITORS

Deloitte & Touche
Chartered Accountants
London

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 1 May 2000 to 31 December 2000.

RESULTS AND DIVIDEND

The profit for the period after taxation amounted to £5,742 (year ended 30 April 2000: £36,414).

The directors do not recommend payment of a dividend for the period (30 April 2000 :£nil).

REVIEW OF THE BUSINESS

The company's principal activities during the period were those of security shredding and paper recycling. The directors are disappointed with the results for the period but expect an improvement in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period and since the period end were as follows:

T G Mills	(appointed 14 August 2000, resigned 7 February 2002)
S T Mills	(appointed 14 August 2000, resigned 1 October 2001)
P J Scarborough	(appointed 14 August 2000, resigned 23 January 2002)
D A Sherwin	(appointed 14 August 2000, resigned 31 January 2002)
P J Blundell	(resigned 14 August 2000)
I Goodfellow	(appointed 1 October 2001)
I Sexton	(appointed 1 October 2001)

None of the directors have any beneficial interests in the shares of the company or any other group company.

Approved by the Board of Directors
and signed on behalf of the Board



I Sexton

Director

5 September 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; 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 control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SECURE OFFICE SHREDDING LIMITED**

We have audited the financial statements of Secure office Shredding Limited for the period from 1 May 2000 to 31 December 2000 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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.

Basis of opinion

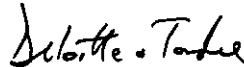
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 amounts shown in the financial statements had been destroyed in a fire. In the circumstances, we were unable to carry out the audit procedures necessary to obtain adequate assurance regarding the amounts shown in the financial statements. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Disclaimer of opinion on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the statement of the company's affairs as at 31 December 2000 and of its loss for the period from 1 May 2000 to 31 December 2000 and whether the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect of the limitation on our work, we have not obtained all the information and explanations that we considered necessary for the purposes of our audit. In our opinion, proper accounting records have not been kept.


Deloitte & Touche

Chartered Accountants and Registered Auditors
London
5 September 2002

PROFIT AND LOSS ACCOUNT**Period from 1 May 2000 to 31 December 2000**

	Note	Period from 1 May 2000 to 31 December 2000 £	Year ended 30 April 2000 £
TURNOVER	2	118,568	163,566
Cost of sales		(27,400)	(140,114)
GROSS PROFIT		91,168	23,452
Administrative expenses		(84,128)	(57,827)
OPERATING PROFIT/(LOSS)	3	7,040	(34,375)
Bank interest payable		(1,298)	(2,039)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		5,742	(36,414)
Tax on profit/(loss) on ordinary activities	4	-	-
RETAINED PROFIT/(LOSS) FOR THE YEAR	10	5,742	(36,414)
Retained losses brought forward	10	(126,230)	(89,816)
Retained losses carried forward	10	(120,488)	(126,230)

All amounts relate to continuing activities.

There were no recognised gains and losses other than those stated above.

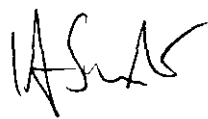
BALANCE SHEET

As at 31 December 2000

	Note	31 December 2000		30 April 2000	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		39,944		62,726
CURRENT ASSETS					
Debtors	6	43,569		45,410	
Cash in hand		-		250	
		<u>43,569</u>		<u>45,660</u>	
CREDITORS: amounts falling due within one year	7	<u>(59,983)</u>		<u>(133,616)</u>	
NET CURRENT LIABILITIES			<u>(16,414)</u>		<u>(87,956)</u>
TOTAL ASSETS LESS CURRENT ASSETS/(LIABILITIES)			23,530		(25,230)
CREDITORS: amounts falling due after more than one year	8		<u>(43,018)</u>		<u>-</u>
NET LIABILITIES			<u>(19,488)</u>		<u>(25,230)</u>
CAPITAL AND RESERVES					
Called up share capital	9		101,000		101,000
Profit and loss account	10		<u>(120,488)</u>		<u>(126,230)</u>
SHAREHOLDERS' FUNDS (INCLUDING NON-EQUITY)	10		<u>(19,488)</u>		<u>(25,230)</u>

These financial statements were approved by the Board of Directors on 5 September 2002.

Signed on behalf of the Board of Directors



I A Sexton

Director

NOTES TO THE ACCOUNTS**1 May 2000 to 31 December 2000****1. ACCOUNTING POLICIES****Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company has taken advantage of the exemption not to produce a cash flow statement under FRS1 on the grounds that such a statement is included in the consolidated financial statements.

The financial statements have also been prepared on a going concern basis notwithstanding the net liabilities at the balance sheet date, as SITA UK Holding Limited has indicated that it will provide support to the company.

Depreciation

Fixed assets are depreciated over their useful lives by methods considered appropriate to each asset category and at the following rates.

Short leasehold improvements	20% straight line
Plant and machinery	15%-25% straight line
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	25% reducing balance

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

Turnover represents the value of goods and services provided, net of value added tax. All turnover is derived from the continuing operations of the company.

3. OPERATING PROFIT/(LOSS)

	Period from 1 May 2000 to 31 December 2000 £	Year ended 30 April 2000 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	22,782	33,237
Operating lease rentals – plant and machinery	5,885	8,982
	<u>28,667</u>	<u>42,219</u>

4. TAX CREDIT ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

No corporation tax charge arises on the results for the current period or preceding year.

NOTES TO THE ACCOUNTS
1 May 2000 to 31 December 2000

5. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 May 2000	25,461	183,699	2,022	23,800	234,982
Disposals	(25,461)	(104,822)	(2,022)	(12,805)	(145,110)
At 31 December 2000	-	78,877	-	10,995	89,872
Depreciation					
At 1 May 2000	23,631	136,738	1,074	10,813	172,256
Charge for the period	1,830	15,948	948	4,056	22,782
Eliminated on disposals	(25,461)	(104,822)	(2,022)	(12,805)	(145,110)
At 31 December 2000	-	47,864	-	2,064	49,928
Net book value					
At 31 December 2000	-	31,013	-	8,931	39,944
At 30 April 2000	1,830	46,961	948	12,987	62,726

6. DEBTORS

	31 December 2000 £	30 April 2000 £
Trade debtors	40,225	40,068
Prepayment and accrued income	3,344	5,342
	<u>43,569</u>	<u>45,410</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2000 £	30 April 2000 £
Bank loans and overdrafts	14,787	13,988
Amounts due to group undertakings	-	-
Trade creditors	24,694	11,727
Other taxes and social security	375	6,617
Accruals and deferred income	20,127	101,284
	<u>59,983</u>	<u>133,616</u>

NOTES TO THE ACCOUNTS
1 May 2000 to 31 December 2000

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 2000 £	30 April 2000 £
Other creditors	43,018	-

9. CALLED UP SHARE CAPITAL

	31 December 2000 £	30 April 2000 £
Authorised, allotted, called up and fully paid		
1,000 ordinary shares of £ 1 each	1,000	1,000
100,000 preference shares of £ 1 each	100,000	100,000
	<u>101,000</u>	<u>101,000</u>

The holders of the redeemable preference shares are not entitled to dividends and possess no voting rights. On a winding up they shall be entitled to repayment at par, ahead of the ordinary shareholders.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 May 2000	101,000	(126,230)	(25,230)
Retained profit for the period	-	5,742	5,742
At 31 December 2000	<u>101,000</u>	<u>(120,488)</u>	<u>(19,488)</u>
Shareholders' funds are attributable to:			
Equity shareholders' funds			(119,488)
Non-equity shareholders' funds			100,000
			<u>(19,488)</u>

11. CONTINGENT LIABILITIES

The company has given a composite guarantee supported by a mortgage debenture in respect of the bank overdraft and loans of other group companies. At 31 December 2000, the aggregate bank overdraft and loans covered by the guarantee amounted to £22,111,383 (1999: £nil).

NOTES TO THE ACCOUNTS

1 May 2000 to 31 December 2000

12. ULTIMATE PARENT COMPANY

At the year end SITA South East Limited (formerly A & J Bull Limited) owned a 100% interest in the share capital.

The directors regard Suez Lyonnaise des Eaux, as the ultimate parent company and the ultimate controlling party. Suez Lyonnaise des Eaux is registered in France.

Suez Lyonnaise des Eaux is the parent of the largest group and Tractebel s.a., registered in Belgium, is the parent of the smallest group for which group accounts are prepared of which the company is a member.

Copies of the group's consolidated financial statements of Tractebel s.a. may be obtained from Place du Trone 1, 1000 Brussels, Belgium.

Copies of group accounts drawn up by Suez Lyonnaise des Eaux can be obtained from 1 Rue d'Astorg, 78008, Paris, France.

13. 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 of the group financial statements are publicly available.