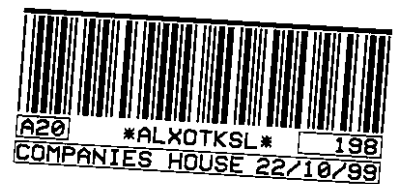


# E F PHILLIPS & SONS LIMITED

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

Company number 366927



E F PHILLIPS & SONS 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 does not trade.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the period were:-

T J Penfold (resigned 31 July 1998)  
M L Woodward  
R A Searby

None of the directors had any interest in the share capital of any group company at any time during the period.

AUDITORS

A resolution was passed at an extraordinary general meeting of the company held on 20 January 1992 that in accordance with section 252 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

E F PHILLIPS & SONS LIMITED

BALANCE SHEET as at 31 December 1998

	Notes	1998 £	1997 £
<b>CURRENT ASSETS</b>			
Debtor: amount owed by fellow subsidiary company		2,719,311	2,719,311
CREDITORS: Amounts falling due within one year: amount owed to parent company		( 503,166)	( 503,166)
		<hr/>	<hr/>
Net assets		£ 2,216,145	£ 2,216,145
		<hr/>	<hr/>
Represented by:			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2	240,000	240,000
Profit and loss account		1,976,145	1,976,145
		<hr/>	<hr/>
Equity shareholders' funds		£ 2,216,145	£ 2,216,145
		<hr/>	<hr/>

During the financial year the company has been dormant within the meaning of section 252 of the Companies Act 1985, there having been no significant accounting transactions of the company required to be entered in its accounting records.

The financial statements on pages 2 and 3 were approved by the Board on 5 May 1999.

R A Searby  
Director

*R Searby*

## E F PHILLIPS & SONS LIMITED

NOTES TO THE ACCOUNTS  
for the period ended 31 December 1998

### 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 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 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 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.

#### 2. CALLED UP SHARE CAPITAL

	1998 and 1997 £
Authorised, allotted & fully paid:	
3.5% cumulative redeemable preference shares of £1 each	160,000
Ordinary shares of £1 each	40,000
Deferred ordinary shares of £1 each	40,000
	£ 240,000

#### 3. 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.