

Registration No: 1249401

ONYX CLINICAL LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1998



ONYX CLINICAL LIMITED

Annual report and financial statements for the year ended 31 December 1998

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Directors	E Dupont- Madinier JM Kutner
Secretary	JM Kutner
Registered office	Onyx House 401 Mile End Road London E3 4PB
Auditors	Robson Rhodes 186 City Road London EC1V 2NU

ONYX CLINICAL LIMITED

Report of the directors for the year ended 31 December 1998

The directors present their report together with the audited financial statements for the year ended 31 December 1998.

Principal activities, trading review and future developments

With effect from 1 January 1998 the operations of the clinical waste incineration at Wrexham were transferred to *Onyx Clinical Limited* from *Trinco Limited*, a fellow group undertaking.

The company commenced trading on this date at Wrexham and at Four Ashes. The assets of the incinerator at Four Ashes had been transferred to Onyx Clinical Limited on 31 December 1997. The company's sales derive entirely from another group undertaking Onyx U.K. Limited.

Directors

The directors who held office during the year under review were:

E Dupont-Madinier
JM Kutner

None of the directors has any interest in the shares of the company, or the shares of any other company within the Onyx Environmental Group.

Auditors

During the year Coopers & Lybrand resigned as auditors and Robson Rhodes were appointed in their place. Robson Rhodes have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

ONYX CLINICAL LIMITED

Report of the directors for the year ended 31 December 1998 (continued)

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 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;

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the Board



JM Kutner
Secretary
2 August 1999.

ONYX CLINICAL LIMITED

Report of the Auditors for the year ended 31 December 1998

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
ONYX CLINICAL LIMITED**

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and
Registered Auditor
London
2 August 1999

ONYX CLINICAL LIMITED**Profit and loss account for the year ended 31 December 1998**

	Note	1998 £'000	1997 £'000
Turnover – continuing operations	1	1,968	-
Operating costs		(3,438)	-
Operating costs – exceptional item	5	(8,388)	-
Gross (loss)/result		<u>(9,858)</u>	<u>-</u>
Other operating income		30	-
Administration expenses		(216)	-
Operating (loss)/result – continuing operations	2	<u>(10,044)</u>	<u>-</u>
Interest payable and similar charges	3	(504)	-
(Loss)/result on ordinary activities before taxation		<u>(10,548)</u>	<u>-</u>
Tax on (loss)/result on ordinary activities	6	1,310	-
Retained loss for the financial year	13	<u><u>(9,238)</u></u>	<u><u>-</u></u>

The company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result on ordinary activities before taxation and the retained result for the year above, and their historical cost equivalents.

The notes on pages 6 to 11 form part of these accounts.

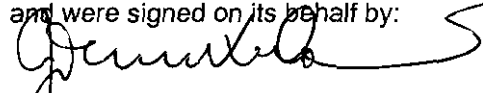
ONYX CLINICAL LIMITED

Annual report and financial statements for the year ended 31 December 1998

Balance Sheet 31.12.98

	Note	1998 £'000	1997 £'000
Fixed assets			
Tangible assets	7	8,418	3,238
Current assets			
Debtors	8	3,829	235
Creditors: amounts falling due within one year	9	(15,492)	-
Net current (liabilities)/assets		<u>(11,663)</u>	<u>235</u>
Total assets less current liabilities		<u>(3,245)</u>	<u>3,473</u>
Provision for liabilities and charges	10	(1,020)	-
Net (liabilities)/assets		<u>(4,265)</u>	<u>3,473</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	13	(5,766)	234
Revaluation reserve	13	1,500	3,238
Equity shareholders' funds	14	<u>(4,265)</u>	<u>3,473</u>

The financial statements on pages 4 to 11 were approved by the Board of Directors on 2 August 1999 and were signed on its behalf by:


J.M. Kutner
Director

ONYX CLINICAL LIMITED

Annual report and financial statements for the year ended 31 December 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom under the historical cost convention.

Turnover

The company's turnover is derived entirely from another group undertaking Onyx U.K. Limited.

Other operating income

Other operating income comprises service charges receivable from group undertakings and other income.

Fixed assets

Freehold land is not depreciated. Freehold buildings are depreciated by equal instalments over 50 years. Leasehold land and buildings are depreciated over the life of the lease.

Other fixed assets are depreciated by equal instalments over the following periods, plant and equipment: between 3 and 20 years, motor vehicles: between 3 and 5 years. The charge commences with the asset being brought into use.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Hire of plant and equipment

This comprises the cost of hiring for long term use in the business of the company. Short term hire recharged to customers is not included.

Cash flow statement

Under Financial Reporting Statement 1 (revised) the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of Vivendi S.A. whose financial statements are publicly available.

Related party transactions

The company has taken advantage of the exemption available under paragraph 3(c) of Financial Reporting Standard 8, not to disclose intra-group transactions.

ONYX CLINICAL LIMITED**Annual report and financial statements for the year ended 31 December 1998****2 Operating (loss)/result**

	1998	1997
	£'000	£'000
Operating (loss)/result is stated after charging:		
Auditors' remuneration	3	-
Hire of plant and machinery	6	-
Depreciation of tangible assets	8,700	-
Site remediation costs	589	-
Reorganisation costs	310	-
	<u> </u>	<u> </u>

3 Interest payable and similar charges

	1998	1997
	£'000	£'000
On borrowing due for repayment within five years:		
Loans from group company	504	-
	<u> </u>	<u> </u>

4 Employees

	1998	1997
	No.	No.
The average weekly number of employees, including directors, during the year was:		
Operatives	41	-
	<u> </u>	<u> </u>

	1998	1997
	£'000	£'000
Employee costs including the above, consist of:		
Wages and salaries	724	-
Social security costs	62	-
Pension costs	11	-
	<u> 797 </u>	<u> </u>

The directors received no emoluments during the year in respect of their services as directors of the company (1997: £ nil).

5 Exceptional item

After a review of the company's fixed assets, the directors have provided for accelerated depreciation on those assets where there has been a permanent diminution in value.

ONYX CLINICAL LIMITED

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6 Tax on (loss)/result on ordinary activities

	1998 £'000	1997 £'000
United Kingdom		
Corporation tax at 31% (1997- 31%)		
Current year	(1,380)	-
Corporation tax on exceptional item	(640)	-
Deferred tax	710	-
	<u>(1,310)</u>	<u>-</u>

7 Tangible fixed assets

	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
At 1 January 1998	-	3,238	3,238
Additions at cost	1,000	2,840	3,840
Transfer from group undertakings	600	7,940	8,540
Revaluation of land	1,500	-	1,500
	<u>3,100</u>	<u>14,018</u>	<u>17,118</u>
Depreciation			
At 1 January 1998	-	-	-
Charge for year	-	8,700	8,700
	<u>-</u>	<u>8,700</u>	<u>8,700</u>
Net book value			
At 31 December 1998	<u>3,100</u>	<u>5,318</u>	<u>8,418</u>
At 31 December 1997	<u>-</u>	<u>3,238</u>	<u>3,238</u>

On 1 January 1998, the fixed assets of the clinical waste incinerators at Wrexham and Four Ashes were transferred to the company from other group undertakings.

The land and buildings were revalued by the directors on that date, and the resulting surplus of £1,500,000 was credited to the revaluation reserve.

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8 Debtors

	1998	1997
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	11	-
Amounts due from group undertakings	1,005	-
Other debtors	758	-
Prepayments and accrued income	35	-
Corporation tax	2,020	-
	<u>3,829</u>	<u>-</u>

9 Creditors: amounts falling due within one year

	1998	1997
	£'000	£'000
Bank overdraft	91	-
Trade creditors	128	-
Amounts owed to group undertakings	11,413	-
Other creditors	3,076	-
Accruals and deferred income	784	-
	<u>15,492</u>	<u>-</u>

10 Provision for liabilities and charges

	Deferred taxation £'000	Restructuring £'000	Total £'000
At 1 January 1998	-	-	-
Provided in the year	710	310	1,020
At 31 December 1998	<u>710</u>	<u>310</u>	<u>1,020</u>

Deferred tax provided in the accounts and the potential liability, including amounts for which provision has been made, are as follows:

	1998		1997	
	Amount provided £'000	Full potential liability £'000	Amount provided £'000	Full potential liability £'000
Accelerated capital allowances and other timing differences	710	710	-	-

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11 Share capital

	1998		1997	
	No.000	£'000	No.000	£'000
1,000 ordinary shares of £1 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Allotted and fully paid

	1998		1997	
	No.000	£'000	No.000	£'000
1,000 ordinary shares of £1 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12 Financial support

The company's immediate parent company, CGEA U.K. PLC, has indicated that it is its intention to continue to provide sufficient finance for the company to continue trading in the foreseeable future.

13 Reserves

	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 1998	3,238	234
Loss for the financial year	-	(9,238)
Realisation of revaluation reserve	(3,238)	3,238
Revaluation of land and buildings	1,500	-
At 31 December 1998	<u>1,500</u>	<u>(5,766)</u>

14 Reconciliation of movements in shareholders' funds

	£'000 1998	£'000 1997
Loss for the financial year	(9,238)	-
Increase in revaluation reserve	1,500	-
Opening shareholders' funds	3,473	3,473
Closing shareholders' funds	<u>(4,265)</u>	<u>3,473</u>

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15 Pensions

The ultimate parent undertaking operates a pension scheme covering the majority of group employees. The ultimate parent undertaking charges each of its trading subsidiaries to cover the funding of the scheme. The charge is included in the employment costs disclosed in these financial statements. The scheme is funded by payments to trustee administrated funds. The scheme is administered externally and is of the defined benefit type.

The pension charges in respect of the scheme are calculated by independent qualified actuaries in the intervening years. The valuation at 1 April 1998 confirmed that the scheme was adequately funded to meet its current and anticipated future pension liabilities. The most important assumptions were:

Assumed long-term rate of:

Investment returns	10.0%
Salary increases	7.5%
Dividend increases	5.0%

At the date of the actuarial valuation referred to above, the market value of the assets of the scheme was £29,6 million.

This was sufficient to cover 111% of the actual value of liabilities.

The next actuarial valuation will be as at 1 April 2001.

16 Ultimate parent and controlling company

The ultimate parent and controlling company is Vivendi S.A. (incorporated in France). Copies of the parent's consolidated financial statements may be obtained from the Secretary, 52 Avenue de Friedland, 75380 Paris Cedex 08. The company's ultimate UK holding company is Vivendi UK Limited (registered in England and Wales).