

C. No. 2808927

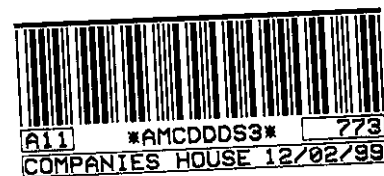
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REPORT AND ACCOUNTS

MEDICAL WASTE (HOLDINGS) LIMITED

31 December 1997

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**MEDICAL WASTE (HOLDINGS) LIMITED**

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**Registered No. 2808927**

**DIRECTORS**

|              |                               |
|--------------|-------------------------------|
| W D Blyde    |                               |
| M G Robinson | (resigned 30 September 1997)  |
| R Wadlow     | (appointed 30 September 1997) |

**SECRETARY**

W D Blyde

**AUDITORS**

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

**REGISTERED OFFICE**

84 Eccleston Square  
London SW1V 1PX

## **MEDICAL WASTE (HOLDINGS) LIMITED**

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### **DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 1997.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The Company's principal activity during the year was the holding of interests in companies providing incineration services in the clinical waste market.

### **DIRECTORS AND THEIR INTERESTS**

The directors during the year were those listed on page 1.

The directors have an interest in the ordinary shares of Blue Circle Industries PLC, the ultimate parent undertaking, under one or more of the following schemes: the Blue Circle Industries Employees' Share Scheme, the Blue Circle Industries Savings - Related Share Option Scheme and the Blue Circle Industries Executive Share Option Scheme.

Save as aforesaid, no director held any interest in the shares of the Company, or in the shares or debentures of any group undertaking, during the year.

### **DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS**

Company Law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEDICAL WASTE (HOLDINGS) LIMITED

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DIRECTORS' REPORT (cont/...)

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board

W D Blyth

15 January 1999

Secretary

**MEDICAL WASTE (HOLDINGS) LIMITED**

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**AUDITORS' REPORT**

**REPORT OF THE AUDITORS  
TO THE MEMBERS OF BASIC ENERGY (HOLDINGS) LIMITED**

We have audited the accounts on pages 5 to 7 which have been prepared under the historical cost convention on the basis of the accounting policies set out on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2, the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 1997 and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
Ernst & Young  
Registered Auditor  
London

10/1/98

MEDICAL WASTE (HOLDINGS) LIMITED

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**BALANCE SHEET**  
at 31 December 1997

|  | Notes | 1997<br>£   | 1996<br>£   |
|--|-------|-------------|-------------|
| <b>FIXED ASSETS</b>                            |       |             |             |
| Investments                                    | 2     | 2           | 2           |
|  |       | <hr/>       | <hr/>       |
| <b>CURRENT ASSETS</b>                          |       |             |             |
| Debtors  | 3     | 1,000,000   | 1,000,000   |
| Creditors: Amounts falling due within one year | 4     | (2)         | (2)         |
|  |       | <hr/>       | <hr/>       |
| Net Current Assets                             |       | 999,998     | 999,998     |
|  |       | <hr/>       | <hr/>       |
| <b>TOTAL ASSETS LESS LIABILITIES</b>           |       | 1,000,000   | 1,000,000   |
|  |       | <hr/> <hr/> | <hr/> <hr/> |
| <b>CAPITAL AND RESERVES</b>                    |       |             |             |
| Called up share capital                        | 5     | 1,000,000   | 1,000,000   |
|  |       | <hr/>       | <hr/>       |
| Shareholders' Funds - Equity                   |       | 1,000,000   | 1,000,000   |
|  |       | <hr/> <hr/> | <hr/> <hr/> |

*W D Fyfe*

Director

*15 January 1999*

## MEDICAL WASTE (HOLDINGS) LIMITED

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### NOTES TO THE ACCOUNTS at 31 December 1997

#### 1. ACCOUNTING POLICIES

##### *Accounting convention*

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

##### *Profit and Loss Account*

The Company has not traded during the year and has made neither profit nor loss. No profit and loss account has therefore been prepared.

##### *Group Accounts*

The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare group accounts as it is itself a subsidiary of a company registered in England and Wales.

The accounts present information in respect of the Company as an individual entity and not of its group.

#### 2. INVESTMENT

|                                   |   |
|-----------------------------------|---|
|                                   | £ |
| Cost:                             |   |
| At 1 January and 31 December 1997 | 2 |
|                                   | — |
| Net book value:                   |   |
| at 1 January and 31 December 1997 | 2 |
|                                   | — |

In the opinion of the directors, the value of investments is not less than the amount at which they are included in the balance sheet.

Details of the investment are as follows:

| <i>Name of Company</i>             | <i>Country of<br/>registration<br/>and operation</i> | <i>Holding</i>     | <i>Proportion<br/>held</i> | <i>Nature of<br/>business</i>     |
|------------------------------------|--|--------------------|----------------------------|-----------------------------------|
| Medical Waste<br>International Ltd | England &<br>Wales                                   | Ordinary<br>shares | 100%                       | Incineration of<br>clinical waste |

The investment is held directly by the Company.

## MEDICAL WASTE (HOLDINGS) LIMITED

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### 3. DEBTORS

|                                    | 1997<br>£ | 1996<br>£ |
|------------------------------------|-----------|-----------|
| Amount due from group undertakings | 1,000,000 | 1,000,000 |

### 4. CREDITORS:

Amounts falling due within one year

|  | 1997<br>£ | 1996<br>£ |
|--|-----------|-----------|
| Amounts due to ultimate parent undertaking | 2         | 2         |

### 5. SHARE CAPITAL

|                            | <i>Authorised</i> | <i>Allotted, called up<br/>an fully paid</i> |           |           |
|----------------------------|-------------------|--|-----------|-----------|
|                            | 1997<br>£         | 1996<br>£                                    | 1997<br>£ | 1996<br>£ |
| Ordinary shares of £1 each | 1,000,000         | 1,000,000                                    | 1,000,000 | 1,000,000 |

### 6. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Blue Circle Industries PLC, a Company registered in England and Wales.

The parent undertaking of the group of undertakings for which group accounts are prepared and of which the Company is a member is Blue Circle Industries PLC. Copies of the accounts of Blue Circle Industries PLC can be obtained from 84 Eccleston Square, London SW1V 1PX.