

[REDACTED]

REPORT AND ACCOUNTS

MEDICAL WASTE (HOLDINGS) LIMITED

31 DECEMBER 1996

[REDACTED]



MEDICAL WASTE (HOLDINGS) LIMITED

Registered No. 2808927

DIRECTORS

W D Blyde

M G Robinson

SECRETARY

W D Blyde

AUDITORS

Ernst & Young

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

REGISTERED OFFICE

84 Eccleston Square

London SW1V 1PX

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1996.

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.

DIRECTORS' REPORT CONT.

AUDITORS

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

By order of the Board

W D Ely

Secretary

3 April 1997

AUDITORS' REPORT

REPORT OF THE AUDITORS

to the members of Basic Energy (Holdings) Limited

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention on the basis of the accounting policies set out on page 7.

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 1996 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

03 APR 1997

MEDICAL WASTE (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1996

	Notes	1996 £	1995 £
Profit/loss on ordinary activities before taxation		-	-
LOSS FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>

There are no recognised gains or losses for the year. There were no recognised gains or losses in the previous year.

MEDICAL WASTE (HOLDINGS) LIMITED

BALANCE SHEET
at 31 December 1996

	Notes	1996	1995
		£	£
FIXED ASSETS			
Investments	2	2	4
CURRENT ASSETS			
Debtors	3	1,000,000	1,000,000
Creditors: Amounts falling due within one year	4	(2)	(4)
		<hr/>	<hr/>
Net Current Assets		999,998	999,996
		<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES		1,000,000	1,000,000
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	5	1,000,000	1,000,000
		<hr/>	<hr/>
Shareholders' Funds - Equity		1,000,000	1,000,000
		<hr/>	<hr/>

M. Brunson 3. 4. 97 Director

NOTES TO THE ACCOUNTS
at 31 December 1996

1. ACCOUNTING POLICIES

Accounting convention

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

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. INVESTMENTS

	£
Cost:	
31 December 1995	4
Transfer to Blue Circle Incineration Limited	<u>(2)</u>
Net book value:	
31 December 1996	2
	=====

During the year the investment held in Medical Energy (Worcestershire) Limited was transferred to Blue Circle Incineration Limited at cost.

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 remaining investment are as follows:

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

The investment is held directly by the company.

NOTES TO THE ACCOUNTS
at 31 December 1996

3. DEBTORS

1996
£

Amount due from group undertakings 1,000,000

4. CREDITORS : Amounts falling due within one year

1996
£

Amounts due to ultimate parent undertaking 2

5. SHARE CAPITAL

	<i>Authorised</i>	<i>Allotted, called up and fully paid</i>		
	1996 £	1995 £	1996 £	1995 £
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.