

Registration No: 3578923

**TYSELEY FINANCE PLC**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2001**



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Directors	M Gourvennec J Kutner
Secretary	J Kutner
Registered office	Onyx House 401 Mile End Road London E3 4PB
Auditors	RSM Robson Rhodes 186 City Road London EC1V 2NU
Bankers	Barclays Bank Plc P.O. Box 54 54 Lombard Street London EC3V 9EX
Solicitors	Watson, Farley & Williams 15 Appold Street London EC2A 2HB

**Report of the directors for the year ended 31 December 2001**

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The directors present their report together with the audited financial statements for the year ended 31 December 2001.

**Principal activities**

The company is a special purpose vehicle with the power to issue bonds and on-lend the proceeds to Tyseley Waste Disposal Limited, a fellow subsidiary undertaking.

**Business review**

The company successfully issued £88m of 6.675% Guaranteed Secured Bonds due 1999-2018 on the London Stock Exchange on 30 July 1998. The proceeds were on lent to Tyseley Waste Disposal Limited, a fellow subsidiary company on similar interest rates and repayment dates.

**Dividends**

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

**Directors**

The directors of the company, all of whom held office throughout the year were:

M Gourvennec  
J Kutner

The directors have no interest in the shares of the company. The directors' interests in shares of other group companies are disclosed in the directors' report of the company's intermediate parent company, CGEA U.K. Plc.

**Payment of creditors**

Whilst the company does not follow any external code or standard on payment practice, the policy is to fix terms of payment when agreeing the terms of each business transaction, to ensure that the supplier is aware of those terms, and abide by the agreed terms of payment. The company had no trade creditors at 31 December 2001 (2000: £ nil).

**Auditors**

The auditors RSM Robson Rhodes are willing to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

Report of the directors for the year ended 31 December 2001 (continued)

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**Statement of directors responsibilities for the annual report**

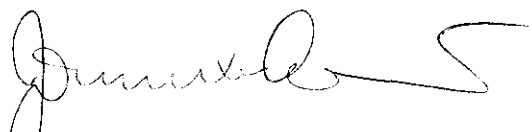
United Kingdom company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed;
- 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with Company Law in the United Kingdom.

By order of the Board



J Kutner  
Secretary

29 JULY 2002

**Independent Auditors' Report to the Shareholders of Tyseley Finance PLC**

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

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with United Kingdom law and applicable Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

**Basis of audit 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. 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 affairs of the company as at 31 December 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes  
Chartered Accountants and Registered Auditors

London, England

29 July 2002

Profit and loss account for the year ended 31 December 2001


		Continuing operations	
	Note	2001 £'000	2000 £'000
Operating income:			
Interest receivable from group undertakings		5,344	5,522
Interest payable on guaranteed secured bonds		(5,344)	(5,522)
Result for the financial year	2	<u>-</u>	<u>-</u>

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

Balance sheet as at 31 December 2001

	Note	2001 £'000	2000 £'000
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	5,636	5,508
Debtors: amounts falling due after more than one year	5	75,556	78,980
		<u>81,192</u>	<u>84,488</u>
Cash at bank and in hand	6	8,720	8,645
		<u>89,912</u>	<u>93,133</u>
Creditors: amounts falling due within one year	7	(14,306)	(14,103)
<b>Net current assets</b>		<u>75,606</u>	<u>79,030</u>
<b>Total assets less current liabilities</b>		<u>75,606</u>	<u>79,030</u>
Creditors: amounts falling due after more than one year	8	(75,556)	(78,980)
<b>Net assets</b>		<u>50</u>	<u>50</u>
<b>Capital and reserves</b>			
Called up share capital	10	50	50
Profit and loss account		-	-
<b>Equity shareholders' funds</b>	11	<u>50</u>	<u>50</u>

The financial statements on pages 4 to 11 were approved by the Board of Directors on 29 July 2002 and were signed on its behalf by:

  
J Kutner  
Director

**1 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom under the historical cost convention, using the following significant accounting policies.

FRS18 'Accounting Policies' has been adopted for the first time in these accounts. It did not cause any changes in policy, as after careful review, the directors are satisfied that the current accounting policies are the most appropriate for the company.

**Bond finance costs and income**

These are recognised using the internal rate of return on the bonds, which equates to interest as the issue costs were not borne by this company. These bonds are included in the financial statements as a liability.

**Financial Assets**

The carrying amount of the loan from a fellow subsidiary that matches the bond is not reduced if market interest rate movements result in fair values falling beneath carrying amount. Such diminutions are temporary as the bond and debtors are expected to be held to maturity.

**Taxation**

The charge for taxation 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.

**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.

**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 Universal S.A. whose financial statements are publicly available.

**2 Result for the financial year**

The operating costs of the company are recoverable from Tyseley Waste Disposal Limited.

**3 Employees**

There were no employees (2000: nil).

**4 Directors' Remuneration**

The Directors did not receive any remuneration in the year (2000: £ nil).



Notes to the financial statements for the year ended 31 December 2001

5 Debtors

	2001 £'000	2000 £'000
Amounts falling due within one year:		
Loans to fellow subsidiary undertaking	3,424	3,206
Interest receivable from fellow subsidiary	2,206	2,296
Due from fellow subsidiary undertakings	6	6
	<u>5,636</u>	<u>5,508</u>

The proceeds of the Bonds have been on-lent on the Issue Date to Tyseley Waste Disposal Limited under a loan agreement (see note 8). The loans to fellow subsidiary undertaking represent the amounts due from Tyseley Waste Disposal Limited and are repayable at six monthly intervals between 1 January 2002 and 1 July 2018. The repayments match the Company's obligations to make payments of interest and principal under the Bonds. As a result there is no net exposure to market price risk.

	2001 £'000	2000 £'000
Amounts falling due after more than one year:		
Loans to fellow subsidiary undertaking	75,556	78,980
	<u>75,556</u>	<u>78,980</u>

6 Cash

	2001 £'000	2000 £'000
Cash at bank and in hand:	5	5
Restricted Funds		
Term Deposits – fixed rate	4,320	4,320
Bond – fixed rate	4,395	4,320
	<u>8,720</u>	<u>8,645</u>

Restricted Funds

The amounts represented by the Term Deposits and the Bond may only be used as set down under the terms of the collateral deed dated July 1998.

**7 Creditors: amounts falling due within one year**

	<b>2001</b>	<b>2000</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Due to fellow subsidiary undertakings	8,676	8,601
Guaranteed secured bonds (see note 8)	3,424	3,206
Interest payable	2,206	2,296
	<u>14,306</u>	<u>14,103</u>

**8 Creditors: amounts falling due after more than one year**

	<b>2001</b>	<b>2000</b>
	<b>£'000</b>	<b>£'000</b>
Guaranteed secured bonds	75,556	78,980

The guaranteed secured bonds ("the bonds") are repayable as follows:

	<b>2001</b>	<b>2000</b>
	<b>£'000</b>	<b>£'000</b>
Due within one year	3,424	3,206
Over one but less than or equal to two years	3,656	3,424
Over two but less than or equal to five years	12,526	11,730
After five years	59,374	63,826
	<u>78,980</u>	<u>82,186</u>

The bonds are listed on the London Stock Exchange and are repayable at six monthly intervals between 30 January 2002 and 30 July 2018. The bonds carry a fixed interest rate of 6.675% and are secured by way of a guarantee from Tyseley Waste Disposal Limited who have granted a fixed and floating charge over all of its present and future assets. The obligations of the Company under the Bonds have security created in favour of The Law Debenture Trust Corporation plc as security trustee, who hold the shares in the company. The Bonds are in bearer form in denominations of £10,000 and £100,000 and raised £88m on issue.

**8 Creditors: amounts falling due after more than one year (continued)**

The Bonds constitute direct, unconditional and secured obligations of the Company which rank pari passu and rateably without any preference or priority among themselves and rank in priority to all unsecured obligations of the Company save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Company may at any time with approval having given not less than 30 nor more than 60 days' notice to the Bondholders:

- redeem the Bonds in whole but not in part at the greater of par and an amount calculated in accordance with a "Spens Formula" as set out in "Terms and Conditions of the Bonds - Redemption and Purchase";
- redeem the bonds at the Redemption Price if, as a result of certain changes in the laws or regulations of the United Kingdom, the Company becomes obliged to pay additional amounts as set out in "Terms and Conditions of the Bonds - Redemption for tax reasons".

In certain circumstances (as specified in the Collateral Deed) following the occurrence of an Authority Event (as defined in the Performance Guarantee), the Company, upon being directed by Financial Security Assurance UK Limited, shall redeem the Bonds in whole but not in part, on giving not less than 30 nor more than 60 days' notice to the Bondholders, at their outstanding principal amount together with interest accrued up to, but excluding the date of redemption.

All costs and expenses in respect of the Bond issue have been borne by Tyseley Waste Disposal Limited.

Notes to the financial statements for the year ended 31 December 2001

**9 Financial assets and liabilities**

The financial assets and liabilities are all denominated in sterling as follows:

	<b>2001</b> <b>£'000</b>	<b>2000</b> <b>£'000</b>
<b>Financial assets</b>		
Floating rate – sterling base rate	5	5
Fixed rate		
Short term deposits – 3.9%	4,320	4,320
Unlisted short term bond to 2002 – 5.01%	4,395	4,320
Term loan to 2018 – 6.675%	78,980	82,186
	<u>87,700</u>	<u>90,831</u>
<b>Financial liabilities</b>		
Fixed rate – bonds to 2018 – 6.675%	78,980	82,186
	<u>78,980</u>	<u>82,186</u>

In the above disclosure short-term non-financial assets and liabilities have been excluded. The fair value of the financial assets and liabilities is as follows:

	<b>2001</b>		<b>2000</b>	
	<b>Book value</b> <b>£'000</b>	<b>Fair value</b> <b>£'000</b>	<b>Book value</b> <b>£'000</b>	<b>Fair value</b> <b>£'000</b>
<b>Financial assets</b>				
Loan to fellow subsidiary				
- short term	3,424	3,218	3,206	2,974
- long term	75,556	71,008	78,980	73,254
cash	8,720	8,720	8,645	8,645
<b>Financial liabilities</b>				
long term borrowings	(78,980)	(74,226)	(82,186)	(76,228)

Fair values have been calculated using market values at the balance sheet dates.

**10 Share capital**

	<b>2001</b> <b>£'000</b>	<b>2000</b> <b>£'000</b>
<b>Authorised, allotted and fully paid</b>		
50,000 ordinary shares of £1 each	50	50
	<u>50</u>	<u>50</u>

# TYSELEY FINANCE PLC

## Notes to the financial statements for the year ended 31 December 2001

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### 11 Reconciliation of movements in equity shareholders' funds

	2001 £'000	2000 £'000
Opening and closing shareholders' funds	50	50

### 12 Ultimate holding and controlling company

The company's ultimate holding company at 31 December 2001 was Vivendi Universal incorporated in France. Copies of the parent's consolidated financial statements may be obtained from The Secretary, 42 avenue de Friedland, 75380 Paris, Cedex 08 France. The immediate holding company is Onyx Esys Montenay Limited (registered in England and Wales).

The directors consider Onyx Aurora Limited (registered in England and Wales) to be the smallest group for which group accounts including Tyseley Finance PLC are drawn up. Copies of the accounts may be obtained from The Registrar of Companies, Crown Way, Cardiff.